

HOUSE OF COMMONS

Tuesday, 11th May, 1965

*The House met at half-past
Two o'clock*

PRAYERS

[Mr. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BRITISH RAILWAYS BILL

*[Queen's Consent, on behalf of the
Crown, signified]*

Bill read the Third time and passed.

HUDDERSFIELD CORPORATION BILL MERSEY TUNNEL (LIVERPOOL/WALLASEY) BILL

PORT OF LONDON BILL [*Lords*]

*As amended, considered ; to be read the
Third time.*

CRUDE OIL TERMINALS (HUMBER) BILL [*Lords*]

GREATER LONDON COUNCIL (MONEY) BILL

GULF OIL REFINING BILL [*Lords*]

POOLE CORPORATION BILL [*Lords*]

Read a Second time and committed.

MANCHESTER CORPORATION BILL

*Adjourned debate on Question [29th
April], That it be an Instruction to the
Committee on the Bill to leave out Clause
48 of the Bill, further adjourned till
Tuesday next.*

ORAL ANSWERS TO QUESTIONS

HOUSING

Mortgage Interest Rates

1. **Mr. Hunt** asked the Minister of Housing and Local Government when he expects to be able to announce the Government's proposals for lower mortgage rates.

18. **Mr. Grant** asked the Minister of Housing and Local Government what steps he is taking to make mortgages

more readily available for house purchases ; what steps he is taking to obtain a reduction in mortgage rates ; and whether he will make a statement.

30 and 31. **Mr. Boyd-Carpenter** asked the Minister of Housing and Local Government (1) whether he is aware of the shortage of funds available for advances for house purchasing ; if he will give the figures for mortgages granted for the latest period for which these are available ; how these compare with those for a similar period a year previously ; and what action he proposes to take ;

(2) whether, in view of the difficulties now facing people seeking to buy a house, he will now make a further statement as to his policy on mortgage interest rates and on assistance to house purchasers generally.

43. **Mr. Gower** asked the Minister of Housing and Local Government when he plans to implement the Government's policy to provide low mortgage interest rates.

The Minister of Housing and Local Government (Mr. Richard Crossman): As I stated in the course of the home loans debate on 29th April, the Government's plans for specially favourable interest rates relate both to the private and to the public sector of housing, and will be designed to bring benefit to the council house tenant as well as to the house purchaser. I hope to have proposals ready for discussion both with the building societies and with the local authorities in the near future.

As for the shortage of funds available for advances, I told the House a fortnight ago that building society loans in the first quarter of this year were actually higher than for the corresponding period last year. I am in touch with the Building Societies Association and I understand that net savings were higher in April than in March, and that societies made substantial advances during the month. The Association will be announcing the final figures for the month within a few days.

Mr. Hunt: That Answer is not good enough. Is the right hon. Gentleman aware that during the election campaign his Parliamentary Secretary, the hon.

Member for Bermondsey (Mr. Mellish), came to my constituency and said on the subject of mortgage rates that, whatever the Labour Party offered, it would never be as high as $6\frac{1}{2}$ per cent.; it was the party's policy that it should be $3\frac{1}{2}$ per cent., a more honest and honourable figure? Can the right hon. Gentleman suggest what I am to tell young people in my constituency and in other parts of the country who consider—

Mr. Speaker: Order. Perhaps the Minister had better answer as far as we have got.

Mr. Crossman: I could make suggestions on the latter part of the supplementary question, but they might be out of order. On the other part of the question, the speech of my hon. Friend the Parliamentary Secretary, I should have to look up exactly what he said. But I am sure that what he said was what we all said, which is that we are determined to introduce specially favourable rates for owner-occupiers and also for councils. I repeat that we are going to do it. I warn the Opposition that the more they build up on this the more they will find that when the proposals are made—and they will be made and announced this summer—they will be to the satisfaction of the people who put us into power and who expect us, as we shall do, to carry out this pledge.

Mr. Boyd-Carpenter: Is the right hon. Gentleman aware that builders are now cutting back their building programme because of the shortage of funds for house purchase? Has he seen the statement the Chairman of Wimpey's made yesterday that that company had been forced to do just that? Is he aware that this time of year is the most favourable time of year for building? What action is he taking to prevent a fall in the building programme this year?

Mr. Crossman: Yes, I can give the right hon. Gentleman some information on that subject. We have had a good many different statements by different builders. My right hon. Friend the Minister of Public Building and Works has had a very careful estimate of the actual situation in the building industry, which I think was announced today. The best calculation we make now is that the builders who had been talking in January of 280,000 starts are now talking in terms

of about 250,000 starts, which is the same as last year. The other thing I would add is that the number of starts does not determine the number of completions and it may well be—I have no reason whatever at present to doubt it—that the completions will be extremely satisfactory, at least to this side of the House, when they are announced at the end of the year.

Mr. Boyd-Carpenter: Does that answer mean that the right hon. Gentleman intends to take no step to secure improved output from the building industry this summer?

Mr. Crossman: I repeat what I said in the home loans debate. There is no evidence to justify the belief that special financial aid is required to be pumped into the building societies. This is the only concrete thing which we have been asked to do—to put it in there. We do not think that it is necessary now. We are preparing our plans for assisting the building societies and shall announce them in the summer.

Mr. Grant: Has the Minister's attention been drawn to the writer in the *Daily Mail* who said that he had to apply to four brokers, three building societies and three insurance companies, all without success, and ultimately had to get his mortgage at 18 per cent. over five years, through a finance house? Does he think that this is exaggerated? When he talks about owner-occupiers being helped, does that include those who have already been forced to buy houses at a high mortgage rate?

Mr. Crossman: I would fully sympathise with what appears clear from the hon. Gentleman's supplementary question—the determination he and I share to prevent ordinary people being forced to buy a house by a shortage, presumably, of houses to rent. This is why we are determined to increase the number of houses to let. [MEMBERS: "Answer."] I am answering the question asked by the hon. Gentleman, which was whether I approve of people being forced to buy a house when they might prefer to rent a house. The answer is that I do not. The other half of the question was whether I believed that the story the hon. Gentleman quoted which appeared in the *Daily Mail* was true. Of course I believe that it is true. I do not see why somebody should invent it. Of course it is

true that there is a difficulty now, a constriction in getting mortgages from building societies. I also noticed—in fact I cut this out of the paper—this statement made yesterday by the President of the Halifax Building Society:

“We are continuing to offer new mortgages at the rate of £3 million a week”.

That is the other side of the picture.

Mr. Gower : Does not the right hon. Gentleman recall that the last ten years saw a magnificent growth of home ownership in this country? Is it not a fact that what has happened since the last election and the way in which this trend has been halted has made a mockery of all that the Labour Party said at the last election?

Mr. Crossman : What the hon. Gentleman says simply does not correspond with the facts. The record for house building, measured by standards of completions or of starts, was achieved in the first three months of this year. What we are discussing is whether in April there has been a setback. We find that in terms of building societies there has been a considerable improvement in the situation. For instance, the liquidity ratio of the building societies—[*Interruption.*—]—I ask hon. Members who ask me questions to wait for me to answer them. The liquidity ratio of the building societies, which is one of the tests which we must take most carefully, has, I gather, somewhat improved last month, so we can hope that movement out of the societies has been slowed down. Of course I do not think that the situation is wholly satisfactory—[HON. MEMBERS: “Oh.”]—but the sensational remarks made by hon. Members opposite bear no relation to the actual facts of building now or of building society advances.

National House Builders' Registration Council

5 and 6. **Mr. Ioan L. Evans** asked the Minister of Housing and Local Government (1) if he will make a statement on his discussions with the National House Builders' Registration Council with regard to improvements in the standards imposed for houses built and in the remedies provided for purchasers ;

(2) what steps are to be taken to strengthen the work of the National Housebuilders' Registration Council.

Mr. Crossman : I hope to make a statement before long.

Mr. Evans : Will my right hon. Friend when he makes the statement bear in mind the study of the Consumers' Association on the question of jerrybuilding? Will he also consider approaching the Building Societies Association to ensure that any new contracts for houses contain safeguards for consumers?

Mr. Crossman : Yes, I accept both the points my hon. Friend makes. I should in fairness point out that the criticisms made by Consumers' Association were made before the latest specification was laid down by the N.H.B.R.C. We have been talking with the building societies and our talks with the other concerns are nearly completed. I do not think it should be long before we are able to make a statement on this very important subject.

Sir D. Walker-Smith : In addition to having in mind the Report of the Consumers' Association, will the right hon. Gentleman have regard to the more recent debate in the House and the observations there made from both sides?

Mr. Crossman : I am glad that the right hon. and learned Gentleman has given me the opportunity of saying that I found the debate extremely interesting. I thought that my hon. Friend's reply was as full as one could possibly make it, but we must await the completion of the rest of the talks. I can add that the building societies, I am glad to say, have now started talks with the N.H.B.R.C. about the very issue of the warranty to which my hon. Friend has referred.

Mr. Stainton : Does the right hon. Gentleman acknowledge the undertaking given by the Parliamentary Secretary when I withdrew a Private Member's Bill dealing with jerrybuilding? The undertaking was to the effect that on condition that I withdrew the Bill I would be called into consultation by the Minister.

Mr. Crossman : Yes, Sir. I have taken that fully into account and I will certainly do that.

Surveyors' Reports

7. **Mr. Park** asked the Minister of Housing and Local Government if he will introduce legislation to ensure that when

prospective house purchasers pay a fee to a building society for a surveyor's report on the property the contents of the report should be made available to them.

The Joint Parliamentary Secretary to the Ministry of Housing and Local Government (Mr. Robert Mellish): My right hon. Friend does not consider this to be an appropriate matter for legislation but he is in touch with the Building Societies Association on the suggestion.

Mr. Park: I thank my hon. Friend for that reply. Should not people who wish to purchase houses have a full right of access to surveyors' reports? Would it not be perfectly possible for the building societies themselves freely to give this access if it was so wished?

Mr. Mellish: I understand that many building societies already arrange to pass on to the purchaser any relevant information included in their valuer's report—and hon. Members should remember that this is a valuer's report.

Mr. Grant: Is the hon. Gentleman aware that there is a danger in this in that building societies' surveys are designed solely to cover the security and that if purchasers relied on this method they might very well be misled about the value of their property as a whole?

Mr. Mellish: I quite agree. The requirements of the purchaser and of the building society are not necessarily the same. The idea that this is somehow a special surveyor's report is not correct. It is really a valuer's report.

Improvement Grants (Electrical Wiring Installations)

8. **Mr. Norwood** asked the Minister of Housing and Local Government what reasons led him to decide that the regulations for standard improvement grants should not be extended to cover the renewal of defective or old electrical wiring installations; and why renewals of this kind are eligible for discretionary grants.

Mr. Mellish: Both standard and discretionary grants are intended to provide amenities lacking in older houses, not to help with maintenance, which is a normal responsibility of ownership. Discretionary grants are more extensive in scope, but they are paid for the renewal of wiring only where it is disturbed by improvement work or in conversions.

Mr. Norwood: Would not my hon. Friend agree that the same situation could arise in cases where the standard grant is paid? Bearing in mind the substantial danger that there is in old wiring, could not my hon. Friend reconsider his decision at some future date?

Mr. Mellish: We have not discounted any idea of giving aid here, but it must be put on record that only a year ago when the previous Government brought in amending legislation to deal with improvement grants, they did not think it necessary to deal with electrical wiring. Frankly, from our inquiries, we do not think it necessary either at this moment of time.

Mr. Graham Page: Will the hon. Gentleman recognise that there was an Amendment to that from what was then the Government side and that the then Opposition did not support it?

Mr. Mellish: All I know is that when the party opposite was in power it could have done exactly what it wanted with the majority it then had.

Mr. Fell: Is the hon. Gentleman aware that when we were the Government we could not be expected to be perfect in all things? Surely, after all their talk of the Socialist El Dorado, the present Government are capable of thinking particularly of the safety aspect that is involved in the Question. It is very important.

Mr. Mellish: We have not much to beat compared with what the Tories did as the last Government.

Tenanted Houses (Repairs)

9 and 10. **Mr. Harold Walker** asked the Minister of Housing and Local Government (1) if he will introduce legislation to enable tenants of private landlords to obtain certificates of disrepair more quickly and more easily;

(2) what measures he proposes to introduce to assist tenants of private landlords to get repair work carried out.

The Joint Parliamentary Secretary to the Ministry of Housing and Local Government (Mr. James MacColl): My right hon. Friend decided against overhauling the legislation relating to existing controlled tenancies at this stage in order to get on the

Statute Book as soon as possible the Rent Bill with its new scheme of rent regulation. The certificate of disrepair procedure will lapse as controlled tenancies are brought into this scheme. Under the Bill the fair rent will reflect the state of repair of the property and, where a landlord lets his property get into disrepair, the tenant will be able to seek a reduction in the rent. My right hon. Friend is considering what further action will be needed.

Mr. Walker : Is my hon. Friend aware that this is one of the most serious social problems in housing in our older towns and cities? Is he aware that as a result of the 1957 Act it often takes as long as eight months or more to obtain a certificate and that consequently the numbers of certificates issued since 1957 are only a fraction of those offered before, with a resultant decline in the standard of housing in those towns?

Mr. MacColl : I can accept what my hon. Friend says about the state of repair of many of these old houses, but the point is that the reduction of rents is purely a financial sanction to prevent exploitation. It does not get the work done. My right hon. Friend is concerned to find a more positive way of getting the work done.

The Earl of Dalkeith : Would the hon. Gentleman agree that a partial solution of the problem would be to bring the standard improvement grants up to date to take account of the fall in the value of money since these grants were initiated, a fall which is proceeding at a rapidly increasing pace under the present Government?

Mr. MacColl : As I spent many happy hours last summer in Standing Committee on a housing Bill which was designed to bring improvement grants up to date, I think that it was a little unreasonable to ask us to consider again bringing them up to date so soon after the last Government. One would have hoped that in this matter at least they had not made a complete mess of things.

Mr. Frank Allaun : Would my hon. Friend consider restoring the procedure under the 1954 Act whereby a tenant could deduct part of his rent immediately a certificate of disrepair is granted?

While it would be grossly out of order to suggest it at the moment, may I ask whether it could be done while the Rent Bill is going through Committee?

Mr. MacColl : My hon. Friend well knows that the Rent Bill is in the early stages of consideration in Committee and no doubt this matter will come under careful perusal. I still think, as my right hon. Friend hinted on Second Reading, that amendment of the Housing and Public Health Acts is probably a more direct and positive way of achieving what we all want.

Local Authorities (Housing Lists and Resources)

14. **Mrs. Renée Short** asked the Minister of Housing and Local Government if he will initiate discussions with local authorities to encourage them to pool their housing lists and resources.

Mr. Crossman : I shall take every opportunity to encourage local authorities to co-operate in meeting housing needs. Housing procedures vary greatly between one area and another, and it would not be possible to apply exactly the same criteria of need in all areas as would be implied in pooling.

Mrs. Short : Does my right hon. Friend agree that, if we are to make a major break-through with industrialised building and improve on the number of dwellings built by these methods last year, it is necessary for large orders to be given so that large runs of housing built by industrialised methods can be given to builders, and it is only by pooling local authorities' resources, sites and lists and by organising the work on a large scale in regional development that we can really produce the kind of economic situation we need?

Mr. Crossman : The question of consortia of local authorities for the construction of houses is rather different from the question of the allocation of houses by housing authorities. The first is, I think, 100 per cent. good. In the second I see the difficulties which I referred to in my original Answer.

Mr. Merlyn Rees : Will my right hon. Friend agree, nevertheless, that one of the most important functions which could be undertaken by the new regional

planning boards would be co-ordinating the use of resources within a region, as my hon. Friend the Member for Wolverhampton, North-East (Mrs. Renée Short) has suggested?

Mr. Crossman : Yes, but I still remind my hon. Friends that the allocation of council houses, like the renting of council houses, is a matter for the councils themselves, and I am very anxious not to trespass on their right to run their own affairs.

Mr. Stainton : Reverting to the content of the original Question, has the Minister's Department conducted a survey of pooling or liaison arrangements, or, if not, is such a survey proposed?

Mr. Crossman : As the hon. Gentleman knows very well, we have been concerned with the question of the pooling of the general lists in Greater London, a subject in which my hon. Friend the Joint Parliamentary Secretary has taken a direct interest. This is an area where we are trying to work on co-ordinated lists. It is a great deal more difficult to do this outside London, but I am certainly looking at it because every effort to try to get a more rational distribution of houses is, of course, right.

Compulsory Purchase Orders

17. **Mr. Grant** asked the Minister of Housing and Local Government if he will give the number of compulsory purchase orders on private dwellings made in the years 1960, 1961, 1962, 1963 and 1964.

Mr. Mellish : With permission I will circulate in the OFFICIAL REPORT a table for those years of the number of orders confirmed by the Minister of Housing and Local Government which were concerned primarily with the acquisition of houses for slum clearance or to prevent homelessness. Orders made for purposes not primarily concerned with the acquisition of houses may incidentally include some private houses, but the records are not in a form which would enable me to give the details.

Mr. Grant : I accept the need for compulsory purchase in the complex affairs of society, but is the hon. Gentleman entirely satisfied with the law relating to compensation? Is he aware that many

of my constituents, particularly the older people who cannot get mortgages, do not feel that the strict test of market value is adequate compensation?

Mr. Mellish : With respect, that is quite different from the Question which the hon. Gentleman has put down. If he cares to put down a Question about compensation, I shall try to answer it.

Following is the table :

Year	Orders confirmed	Houses included
1960	...	752
1961	...	758
1962	...	710
1963	...	782
1964	...	802
		30,800
		29,731
		28,546
		36,597
		35,377

LOCAL GOVERNMENT

Rates

2 and 3. **Mr. Peter Mills** asked the Minister of Housing and Local Government (1) if he will introduce legislation to give ratepayers the right to pay rates by monthly or, at most, quarterly instalments;

(2) what steps he will now take to overcome the hardships to ratepayers due to the payment of substantial rates by small income households, and from the increase in rates as a result of revaluation.

13. **Mr. Hamling** asked the Minister of Housing and Local Government when he will make an announcement on his proposals for rating reform.

27. **Mr. Ridsdale** asked the Minister of Housing and Local Government when Her Majesty's Government's review of local government finance will be completed.

41. **Sir J. Eden** asked the Minister of Housing and Local Government when he expects to announce his proposals for the relief of hardship caused to certain categories of ratepayer by the annual increase in the total rate burden.

Mr. Crossman : I have nothing to add to my statement in the debate of Wednesday, 5th May.

Mr. Mills : Will the Minister bear in mind that this is by far the most practicable and best way of easing the rate burden on many people? Would he take

steps to see that this facility is available to every ratepayer?

Mr. Crossman : I made a statement on this in the debate on rates last week and I pointed out that this is available to every council. The only issue is whether we should compel the laggard councils to follow the example of the good councils. This is something I shall certainly bear in mind.

Mr. Hamling : Is my right hon. Friend aware that we are being inundated with complaints from ratepayers about the inadequacy of the previous Administration's legislation regarding the relief of hardship to ratepayers?

Mr. Crossman : Yes, I am aware of the deep political sagacity of the ratepayers who make these distinctions. These wise ratepayers are aware that the rates they are paying now are levied on a system developed under 13 years of Tory Government which we have not yet had time radically to reform, as we shall do. I am glad that in my hon. Friend's constituency that degree of sagacity is there, and I hope that it will be registered next Thursday.

Mr. Ridsdale : As the right hon. Gentleman said in the debate to which he has referred that he had all the facts he wanted, when can we expect action? Will he cease to behave like a tortoise?

Mr. Crossman : Hon. Members must contain themselves for a few more months in patience. The reform of the rating system, as was pointed out in the debate by several hon. Members opposite, cannot be undertaken straight away. We shall have our proposals ready in a few months and in due course we shall pass the legislation required to reform the rating system.

Valuation Appeals, Newcastle-upon-Tyne

4. **Mr. Rhodes** asked the Minister of Housing and Local Government what proposals he has for improving the procedure of the Valuation Panel in Newcastle-upon-Tyne when appeals for reduction in the rateable assessments of house properties are received and heard.

Mr. MacColl : The broad outline of the procedure to be followed by valuation courts is laid down in the Local Government Act, 1948, and the Regulations made under it. Subject to that, the procedure is for the court to determine.

Mr. Rhodes : Is my hon. Friend aware that many Newcastle ratepayers have complained that they do not get a fair crack of the whip in the present appeal procedure and that public confidence in the city in this procedure is lacking? Would he agree that, if the points in the memorandum which I have submitted to him were put into effect, confidence would be restored, especially as this morning the Chairman of the Newcastle Valuation Panel has stated that he agrees with all my proposals, except one?

Mr. MacColl : I think that the points which my hon. Friend sent to me mainly affected the valuation rather than the administration of the valuation courts. If this is so, they are points for my right hon. Friend the Chancellor of the Exchequer, and I have sent him a copy of the memorandum for his consideration.

Rights of Way, Derbyshire (Definitive Maps)

11. **Mr. Crawley** asked the Minister of Housing and Local Government how many definitive maps of rights of way have been produced by the Derbyshire County Council as required under the National Parks and Access to the Countryside Act, 1949; for what areas; and when the remaining maps will be completed.

Mr. Crossman : Two definitive maps have been produced, for the Swadlincote and Repton districts. I cannot say when the remaining maps will be completed, but I have been in communication with Derbyshire County Council who are, I know, anxious to get on as quickly as possible. I have also sent a reminder to other county councils.

Mr. Crawley : In view of the fact that this Act has been on the Statute Book for 15 years and an enormous amount still remains to be done, may I ask whether the right hon. Gentleman will keep up his pressure on the county council?

Mr. Crossman : Yes, Sir, I will. In the case of Derbyshire I find that there

were special reasons. The number of footpaths in Derbyshire is almost a record for a county. I satisfied myself that the council is treating this as a matter of urgency, but I made a special request to it that it should regard footpaths in the Peak National Park area as a matter of top priority, as I have done to all other county councils which have parts of national parks in their areas. The right thing is to complete these footpaths and we can deal with the others afterwards.

Mr. Webster : If Swadlincote is to be preserved for the nation, can the collected speeches of the Minister on mortgage rates be also preserved for the public?

Mr. Speaker : Order. A definitive map does not plot mortgage rates.

Caravan Sites

15. **Mrs. Renée Short** asked the Minister of Housing and Local Government if he will introduce amending legislation to give protection to families living on permanent caravan sites.

Mr. MacColl : My right hon. Friend is considering this problem and possible remedies. But there is not likely to be early legislation.

Mrs. Short : Does my hon. Friend realise that many hundreds of families in this country live in caravans because of the housing shortage and they appear to be the only section of the community denied the protection of the Rent Bill which is now going through Committee? Is he aware that these people have to pay large rents and large pull-on fees, and that site owners can lay down any kind of condition which they themselves wish, the local authorities having no control over them? Will my hon. Friend treat this matter with considerable urgency and see whether he can introduce amending legislation as soon as possible?

Mr. MacColl : I agree that what my hon. Friend says is correct, and I think that there is a great deal of abuse in the renting of caravans. The difficulty is that they are not rentings of caravans which could come within the Rent Bill. It is a different problem which has to be looked at in the light of other legislation.

Mr. Costain : In considering this matter, will the Parliamentary Secretary bear in mind that caravan sites are often let for short periods at seaside resorts during the holiday season, and will he see that nothing is done to stop this practice being continued?

Mrs. Short : On a point of order, Mr. Speaker. My Question refers to permanent caravan sites.

Mr. Speaker : The sites may be permanent even if they are by the sea. I do not know.

Mr. Murray : Is my hon. Friend aware that many caravan site dwellers suffer oppressive terms from site owners, and could he introduce legislation such as the Protection from Eviction Act to protect people living in these circumstances?

Mr. MacColl : I should be glad to receive any suggestion from any hon. Members about the exact way to do this. One of our difficulties, as is shown this afternoon, is that we are undertaking a good deal of legislative work and there are limits even to what my right hon. Friend can persuade his colleagues to give us in the way of Parliamentary time.

Sir D. Walker-Smith : Does the hon. Gentleman appreciate that the existing law on caravan sites is already extremely complicated and has given rise to a great deal of litigation and difficulty of construction in the courts? Will he agree, therefore, that amending legislation would impose a considerable burden on the Parliamentary draftsmen which they could reasonably be expected to meet only if they were excused some other labours of a more controversial nature, perhaps, on the Steel Bill?

Mr. MacColl : I do not quarrel with the right hon. and learned Gentleman on the subject of the bad drafting of the last caravan sites Act which, apparently, led to the Chertsey decision, which many people much regret. As regards the strain on the draftsmen, any Government who are a progressive, driving and vigorous Government have difficulty in getting all their work done quickly.

London and South-East (Population Movement)

19. **Mrs. Joyce Butler** asked the Minister of Housing and Local Government if he will appoint a committee to examine all possible measures for encouraging population movement away from London and the South-East, and to recommend accordingly within the next 12 months.

Mr. Crossman : No, Sir. This is being considered in the Government's review of the South-East Study. I do not think a further committee is called for at this stage.

Mrs. Butler : Is not this rather disappointing because, clearly, there will be considerably more than 3½ million additional people in the region in the next 17 years unless special inducements are given to go elsewhere, such as special grants to people living in the region if they will move out on retirement? Is not my right hon. Friend really doing only half his planning job if he accepts the trend instead of trying to master and divert it?

Mr. Crossman : Far from accepting the trend, as was slightly implied in the South-East Study, this Government have decided not to. This is why the South-East Study is being reviewed all over again by the Department of Economic Affairs, and why we do not want to make decisions until we have carried out the review expressly to take into account considerations of the kind mentioned by my hon. Friend.

Mr. David Steel : Will the Minister look again at the suggestion made by his hon. Friend? Could he consider, if not a committee within his own Ministry, consultation with his colleagues to see whether this matter could be looked at in a national light and not simply in the light of the South-East Study?

Mr. Crossman : The hon. Gentleman may not be aware that the South-East Study was, in fact, an inter-departmental study—it was not something I can take credit for—and we are doing precisely what he suggests. We need to have a national study of the problem of stopping the trend to London. In order to do that, one must have an estimate of the situation, and one must then make one's

major decisions. I have made a number of decisions for new towns in the North which are interim attempts to halt the drift, but our major decisions on halting it must await the reassessment of the South-East Study.

Mr. Hector Hughes : Does my right hon. Friend realise that this question is important for the whole of this island, because it is linked with the drift south from the north and north-east of Scotland, which is being denuded of population and of craftsmen in particular? If my right hon. Friend gives proper attention to this, the drift might be made the other way, to the advantage of the whole nation.

Mr. Crossman : I am aware that the drift does not start at the Border.

Mr. Deedes : Can the right hon. Gentleman say when the review is likely to be completed, because a great deal is hanging on it?

Mr. Crossman : I hope by the end of the summer.

Building Developments (Damage to Private Roads)

20. **Mr. Loveys** asked the Minister of Housing and Local Government whether he will seek to make it obligatory for developers who use private roads leading to building sites to make good any damage caused to the roads.

Mr. MacColl : No, Sir. I have nothing to add to my reply to the hon. Member on 2nd February.

Mr. Loveys : Would not the hon. Gentleman agree that, while it might be wise that many of these roads should be adopted by the local authorities—which is what he replied to a previous Question from me—the authorities will not take them over until they are brought up to a certain standard? Does not this create difficulty?

Mr. MacColl : This is an intricate problem. Many responsible developers make *ex gratia* payments for any damage they do. This precedent might well be copied both by private developers and, in some cases, by public authorities.

Mr. Loveys : Is the hon. Gentleman aware that *ex gratia* payments are not a

really satisfactory answer to this very difficult problem?

Mr. MacColl : It is probably a quicker way to get results than trying to define precise terms in which a compulsory grant would be given.

Regular Service Men (Housing)

21. **Mr. Loveys** asked the Minister of Housing and Local Government whether he will seek powers to ensure that Regular Service men seeking council houses shall be exempt from the residential qualifications which are often required by local authorities before names are accepted on a housing list.

Mr. Mellish : My right hon. Friend will shortly be sending to local authorities a circular giving them his views on their obligations towards the housing needs of Service men, and he would prefer to see what response is made to this before considering the need for legislation.

Mr. Loveys : I thank the hon. Gentleman for that helpful reply. Will the recommendation state that strict residential qualifications cause hardship, anomalies and unfairness in the allocation of houses?

Mr. Mellish : Yes. I think that the hon. Gentleman is on a very important point here. Many local authorities give no credence at all to the difficulties of a man coming out of the Armed Forces. It is time that they did so and we shall do all we can to induce them to recognise that these men deserve better.

Mr. Boyd-Carpenter : Will the circular point out that residential and other qualifications, whatever their merits in other directions, are quite inapplicable in relation to service in the Armed Forces?

Mr. Mellish : Yes. I would add that this is not the first time the local authorities have been asked to give this matter consideration. If we do not get results from this final appeal, we shall consider what is to be done.

Mr. English : Is my hon. Friend aware that this problem involves people other than Service men? It also applies to people employed abroad who wish to return home, and to others who cannot have residential qualifications.

Mr. Mellish : But where a man has given 20 years' service or more to the Forces of the Crown it is said that, when he comes out, he should be told that he cannot be put on the housing list because he has no residential qualifications.

Water (Metering)

22. **Mr. John Hall** asked the Minister of Housing and Local Government if it is his intention to introduce legislation to require all water provided for private and industrial purposes to be metered.

Mr. MacColl : No, Sir.

Mr. Hall : Is the hon. Gentleman aware that there are two very good reasons why this legislation should be introduced? First, there is the unfairness between those who pay for unmetered and metered water. The person who gets metered water pays far more. Secondly, there is likely to be an increasingly grave shortage of water in this country and we must do all we can to conserve this natural resource.

Mr. MacColl : It is usual for water undertakers to maintain a balance between the charges on metered payers and people paying on rates. The difficulty, which appeared from the report of the sub-committee on the subject, is that, in many cases, the cost of metering is out of proportion for the small consumer.

Clean Air Act

23. **Dr. Summerskill** asked the Minister of Housing and Local Government what financial assistance he is giving local authorities to expedite the implementation of the Clean Air Act; and whether the implementation of the Act is being slowed down by the short supply of smokeless fuels.

Mr. Mellish : My right hon. Friend pays grant to local authorities at the rate of four-sevenths of their expenditure on fireplace conversions in private houses in smoke control areas and two-fifths of their expenditure on conversions in their own houses. He has no evidence that progress is being slowed down by shortage of smokeless fuels.

Dr. Summerskill : Will my hon. Friend bear in mind that, in my constituency of

Halifax, the target date for clean air is as distant as 1977? Does not he agree that this delay, which is common to many towns in the industrial North, might be reduced if more financial assistance were given to local authorities?

Mr. Mellish : If there is any way in which we can help my hon. Friend's constituency we will do so. About 216,000 premises have been covered by smoke control orders in the last six months as against 175,000 in the previous six months, so there has been an improvement.

Mr. Wilkins : Will my hon. Friend treat this as a matter of urgency? Is not he aware that there now seems to be a substantial amount of evidence appearing to prove that air pollution is far more responsible for lung cancer than smoking?

Mr. Mellish : We are certainly agreed that clean air is a matter of urgency. As I said, if any hon. Members find difficulties in their localities we shall be pleased to discuss the matter and see what we can do.

Manchester (Overspill Development)

24. **Mr. Shepherd** asked the Minister of Housing and Local Government if he is aware that concern caused by Manchester overspill development arises from unsatisfactory layout and design; and whether he will use his good offices to ensure that, consistent with cost factors, only the most acceptable form of development is pursued.

Mr. MacColl : My right hon. Friend is as concerned as the hon. Member that overspill developments for Manchester should be designed to the highest standards; and so is the city council.

Mr. Shepherd : Will the hon. Gentleman take a close personal interest in this matter, since the best interests of overspill areas and Manchester will be served by maintaining the highest possible level of design?

Mr. MacColl : As I think the hon. Gentleman knows, Manchester City Council is consulting the county council, particularly about Wilmslow, on getting good schemes prepared.

SUFFRAGAN BISHOPS (APPOINTMENT)

Q1. Mr. Cordle asked the Prime Minister if he will introduce legislation so that the power to appoint suffragan bishops shall rest with the Prime Minister of the day.

The Prime Minister (Mr. Harold Wilson) : No, Sir. Under existing legislation the power to appoint suffragan bishops rests with Her Majesty the Queen.

Mr. Cordle : Is the Prime Minister aware that there is a feeling, shared by many, that the Evangelical representation is disproportionately low and should be dealt with? Is there likely to be legislation following the Howick Commission's recommendation? Will the right hon. Gentleman set in motion legislation to correct the unfairness?

The Prime Minister : The present practice and law require the diocesan bishop to make a petition to the Queen. I cannot comment on what the hon. Gentleman has said about the theological views of the bishops. As he knows, the Church Assembly is still considering the Report of the Archbishops' Commission on Crown Appointments, and I think that we should wait to see what views it reaches on this matter before considering it any further.

Mr. Peter Mills : Is the Prime Minister aware that there is a very real problem here because, to put it bluntly, many Evangelicals feel that they are not getting a fair crack of the whip in this?

The Prime Minister : If it is a question of appointment of suffragan bishops, to which the Question on the Order Paper refers, that is entirely a matter for recommendation to be made by diocesan bishops, but I have said that the whole matter is under consideration by the Church Assembly and perhaps we should wait to see what the Assembly says.

FOREIGN SECRETARY (SPEECH)

Q2. Mr. Ridley asked the Prime Minister if the public speech of the Foreign Secretary at Brussels on 11th February with regard to defence represents the policy of Her Majesty's Government.

The Prime Minister : Yes, Sir.

Mr. Ridley : Is the Prime Minister aware that the Foreign Secretary talked of the need for equality of control of nuclear weapons among non-nuclear Powers who would participate in the proposed Atlantic Nuclear Force? Does not the Prime Minister agree that to give Germany a finger on the safety catch alone will not meet her just requirements for defence? Does equality of control mean that the right hon. Gentleman intends to give Germany a greater say in this matter?

The Prime Minister : This has been fully explained. If, however, the hon. Gentleman would like a more up-to-date statement, I should be happy to send him a copy of the speech I made at the opening of the N.A.T.O. Conference today.

I should be surprised if any hon. Member on either side felt it necessary to go beyond what has been proposed. If I understand the hon. Gentleman correctly, he thinks that Germany has a just right to more control or more power of initiating nuclear explosions. I am sure that the whole House would be against that. So, I am sure, would Germany.

Mr. Soames : It is now six months since the Prime Minister put forward his proposition for an Atlantic Nuclear Force. Since then both he and his colleagues have made a number of speeches on it, including the right hon. Gentleman's speech today. When does he intend to begin substantive discussions on the proposal? Does he intend to move forward?

The Prime Minister : I am sorry that the right hon. Gentleman is disappointed with the progress. I have made it clear that I do not think that we shall get a final conclusion this side of the German elections. That is a realistic view. Discussions have taken place bilaterally between us and other countries and discussions are going on now in working groups. We have not, in fact, been very long over this. We reached agreement within the Government in a month. The last Government never reached agreement on the mixed-manned force after two years.

Sir Alec Douglas-Home : Can the Prime Minister give us a little elucidation of this proposal and of the speech made

by the Foreign Secretary? Are we to take it, for instance, that, in an Atlantic Nuclear Force, a non-nuclear Power would be able to veto the use of American nuclear weapons?

The Prime Minister : It has been made clear all along that, while there would be a common sharing of control in respect to the N.A.T.O. nuclear weapons in the A.N.F., of course no other Power has the power to nullify or veto the use of American nuclear weapons not operating under N.A.T.O. control. That has never been proposed. Our proposals provide for consultation about the use of N.A.T.O. nuclear weapons in any part of the world which, up to now, we have not had.

Sir Alec Douglas-Home : What does this phrase "equal control" mean? Are the Germans to be able to veto the use of American nuclear weapons? They cannot do so, of course, under the N.A.T.O. Alliance. Will they be able to do so in the Atlantic Nuclear Force and, if not, what is the difference between this and the existing arrangements?

The Prime Minister : I made this clear, and I thought that it was made very clear in our debates last December. We shall have to agree with the Atlantic Nuclear Force on the arrangements for the use of the veto, but our proposal is that any nation would have a finger on the safety catch and the right of veto in the matter of firing the A.N.F. vehicle.

Mr. Grimond : Is the right hon. Gentleman aware that those of us who share his desire that there should be no spread of nuclear weapons are rather concerned about the situation beyond the N.A.T.O. area and where we appear to be maintaining our own independent nuclear weapons? What proposals does he have for dealing with the situation outside the N.A.T.O. area?

The Prime Minister : It is nice to find the right hon. Gentleman agreeing with us about something. We have made it plain that we take the first priority in dealing with the urgent problems of the Atlantic Alliance, because of the situation which had been reached because of the proposals for the M.L.F. In regard to the situation in the Indian Ocean and in Asia; we have said—and discussions on this are ready to proceed—that we

would like to have discussions about providing common safeguards from nuclear Powers to non-nuclear Powers in that area to provide in that area also a deterrent to the spread of nuclear weapons and to provide a guarantee that other countries in that area will not become nuclear.

Sir T. Beamish : Does the right hon. Gentleman recollect when in opposition describing mixed manning as a tired device which would have no part in Labour Party policy? Would he mind telling the House why he has now so radically changed his views that this particular tired device is one of the central themes of his policy?

The Prime Minister : As a matter of fact, I referred in the same quotation to what the naval aide, Herr von Hassel, himself a former submarine commander, had said—"Mixed-manned submarine? Thanks, I'd rather swim". We are still opposed to the mixed manning of Polaris or other A.N.F. submarines, or to the mixed-manned surface fleet which the right hon. Gentleman the Leader of the Opposition was so keen to sell to the rest of the Cabinet last year. We are still opposed to the mixed manning of these ships.

TRADE UNIONS (RESOLUTIONS ON VIETNAM)

Q3. Mr. Webster asked the Prime Minister how many trade unions have sent him resolutions on the subject of Vietnam; and what has been his response.

The Prime Minister : I have received about 170 resolutions on Vietnam from trade unions, and in reply I have referred to my statements in this House.

Mr. Webster : Does the Prime Minister recollect among that large number of resolutions one highly critical of Government policy from the Transport and General Workers' Union? Is it not time that the Minister of Technology decided whether his loyalty is with the Government or with the trade union?

The Prime Minister : The Minister of Technology has a full-time job doing a lot of the things which ought to have been done years ago. The hon. Member who is getting anxious about trade union resolu-

tions, many of them from trade union branches, should recognise that this is a democratic country and that people are entitled to make their pronouncements. They do so under democratic control. The difference is that we now have a Government which receives representations in public from democratically controlled organisations while our predecessors were given secret instructions from the people who provided their funds.

Mr. Maudling : Can the Prime Minister tell the House how many trade unions have indicated their satisfaction with his reply?

The Prime Minister : Most of these resolutions were expressing dissatisfaction with the action of the bombing in North Vietnam. I do not have a statistical tabulation, but the vast majority were extremely concerned about what is going on in North Vietnam. I hope that so is the right hon. Gentleman. I did hope that the right hon. Gentleman would answer the point which I had just made about the secret instructions to the Conservative Party when in office.

Mr. Shinwell : Can my right hon. Friend say how many resolutions from trade unions in the last 10 years have been sent to previous Tory Governments expressing dissatisfaction with their policy?

The Prime Minister : No, Sir.

Mr. Speaker : We are governed by the subject matter of the resolutions mentioned in the Question.

Mr. Maudling : Will the Prime Minister now answer my question? Will he tell the House how many of the trade unions which approached him indicated satisfaction with his reply? Is the answer none?

The Prime Minister : No, Sir. I do not have a statistical tabulation, as I said, but I will certainly make one if the right hon. Gentleman will put down a Question. Most of them wrote a letter and got a reply referring to the statement which I made in the House and saying that I had no further comment. If the right hon. Gentleman wants to know on how many occasions they replied welcoming or not welcoming my reply, I shall be glad to make inquiries, if he thinks that to do so would be worth the time of the House.

**GOVERNMENT DEPARTMENTS
AND NATIONALISED INDUSTRIES
(MANAGEMENT CONSULTANTS'
REPORTS)**

Q4. Mr. Lubbock asked the Prime Minister whether he will take steps to ensure that, when management consultants are asked by Ministers to advise on the workings of Government Departments or nationalised industries, their reports are invariably published.

The Prime Minister : No, Sir. Each case must be considered on its merits.

Mr. Lubbock : Does the Prime Minister recall that during the period of office of the last Government very strong criticisms were made from the Labour benches of the failure to publish the Corbett Report on B.O.A.C.? Does he also recall that the main reason given by the present Minister of Aviation for refusing to publish this report not long after he took office was that it contained information which might be of value to competitors? How does this criterion apply to the Government's refusal to publish the McKinsey Report on the Post Office? Is it fear of competition?

The Prime Minister : We have to consider each case on its merits. Normally, I would have a strong predilection in favour of making these reports available wherever they are of public interest, wherever they can reassure the public that everything possible is being done to get the maximum efficiency, whether there is competition, or whether there is monopoly. We do not find the same willingness to consider on their merits the reports of consultants about private monopolies.

Mr. Lubbock : In view of what he has just said, will the Prime Minister reconsider the statement of the Chief Secretary in the debate of the postal services on 30th March when he said that it was not the intention of the Government, as at present advised, to publish the McKinsey Report?

The Prime Minister : I have made it clear that we shall look at the Report when it is ready to see whether it would be appropriate to publish it.

Mr. Woodburn : Is my right hon. Friend aware that the House itself has a

Committee on Nationalised Industries and does not need to depend on outside or inside reports?

The Prime Minister : Everyone will agree that for some years the Select Committee on Nationalised Industries has done an extremely valuable job, and a very thorough and probing job by all its members, on particular nationalised industries. It is for that Committee also to put questions about the efficiency and about the work of consultancy services.

**ROYAL COMMISSION ON TRADE
UNIONS AND EMPLOYERS'
ASSOCIATIONS**

Q5. Mr. Lubbock asked the Prime Minister why no person with recent experience of negotiations at factory level has been appointed to the Royal Commission on Trade Unions and Employers' Associations.

The Prime Minister : I am satisfied that the experience of the members of the Commission will enable them to examine all the problems within their terms of reference with knowledge and understanding, and it is important that a body of this kind should not be too large.

Mr. Lubbock : Has the Prime Minister thought about how long it is since any of the persons appointed to the Royal Commission had practical experience of negotiations? Is he aware that one of the important problems in this matter today is the relationship between national and local bargaining? Would it not have been advisable to appoint to the Royal Commission persons with experience of both, in particular a shop steward and a works manager?

The Prime Minister : Many members of the Royal Commission have recent experience of wage bargaining—I agree not on an individual basis in a factory, but many of them at one time or another will have been brought into the problems arising from the transfer of wage negotiations from factory level to regional or national level.

Mr. Godber : Will the right hon. Gentleman consider the opposite point of view, namely, that with Royal Commissions it is normal to appoint people who are wholly apart? Would it not

have been better to do so in this case, so that the chief protagonists would have been free to put their case before wholly independent persons?

The Prime Minister: Obviously this matter was considered. What the right hon. Gentleman says is quite usual. In this case, it was felt that we were more likely to get a constructive report and one which would be not only of academic interest, but of practical interest and carried out, if it was done in this way. I agree that there are arguments both ways about it.

DOMINICAN REPUBLIC (SECURITY COUNCIL MEETING)

Mr. Philip Noel-Baker (*by Private Notice*) asked the Secretary of State for Foreign Affairs whether he will instruct the British delegate to make clear in the Security Council, before a vote is taken on the question of Santo Domingo, that in Latin America as elsewhere the use of armed force is subject to the obligations of the Charter and that international security is the primary responsibility of the United Nations.

The Secretary of State for Foreign Affairs (Mr. Michael Stewart): Support for the principles referred to by my right hon. Friend was implicit in my noble Friend's statement to the Security Council on 4th May. My noble Friend will again make this clear before the debate concludes.

I propose, with permission, to circulate in the OFFICIAL REPORT a statement on the situation in the Dominican Republic

Mr. Noel-Baker: While thanking my right hon. Friend warmly for that reply, may I ask whether he is aware that the episode in Santo Domingo has caused consternation amongst those who care most about co-operation with the United States, that the despatch of American troops at the invitation of a Fascist military junta appeared to be a contravention of Articles 15 and 17 of the Charter of the Organisation of American States as well as of the Charter of the United Nations, and that in the present dangerous international situation any by-passing of the United Nations would

create a disastrous precedent for other Governments in other continents?

Mr. Stewart: As to the action of the United States in sending forces necessary for the protection of its own nationals—[An HON. MEMBER: "Rubbish."]—its own nationals, British nationals and others, I have already expressed my view on that to the House.

With regard to subsequent events, the matter is now being dealt with through the Organisation of American States, but subject, as I made clear in my original reply, to the overriding authority of the United Nations.

Mr. Maudling: May we take it from that reply that the Foreign Secretary agrees that there can be circumstances such as he has described concerning the protection of nationals where action may be needed of a character which is more swift than the United Nations can possibly provide?

Mr. Stewart: I think that it has long been recognised that where swift action is necessary to save lives, a nation is entitled to take it. The right hon. Member will, however, notice that I said, "with regard to subsequent events". That is a matter that is now being dealt with through the Organisation of American States. It would be wise to await its actions and report on that matter when it comes again to the Security Council.

Mr. A. Henderson: Does not what has taken place in Santo Domingo, as well as in South Vietnam, only lend greater urgency to the need for creating a United Nations peace-keeping force which would obviate the necessity for sending in national forces?

Mr. Stewart: I am sure that that is true. One of the things lacking in the world today is an effective organisation to deal with situations of this kind which can act genuinely under the authority of the United Nations. It was with that in view that I made my announcement some months ago in the House about our proposed contribution to a United Nations peace-keeping force.

In the lack of a force of that kind, there is often a genuine difficulty in seeing what action is both wise and according to law. In the present situation, I believe that the result which we have

now, that the Organisation of American States is subject to its duty to report to the Council, is for the present the wisest way of dealing with the problem.

Sir F. Bennett : Will the Foreign Secretary accept that none of us on this side would be so rude as to call out "Rubbish", as one of his hon. Friends did a short time ago? Secondly, would the right hon. Gentleman care to confirm or otherwise that from beginning to end Her Majesty's Government have not expressed one word of disapproval to the United States, through diplomatic channels or otherwise, of their action in this matter?

Mr. Stewart : As to the first part of his question, the hon. Member's memory is rather short. I remember quite a number of remarks addressed to me and to my right hon. and hon. Friends by hon. Members opposite.

With regard to the remainder, I expressed my view of the American action so far as it was concerned with the protection of their and other nationals. Since then, the matter has been dealt with through the Security Council and the Organisation of American States, and it would be foolish to do or say anything that might prejudice their so handling the matter that we can have a re-creation in the Dominican Republic of the conditions for democratic government.

Mr. Mendelson : Is my right hon. Friend not aware that after the original statement by the United States Administration that troops had been sent in to protect various groups of nationals the President and the State Department have agreed that the vast bulk of 30,000 marines have been sent in to combat alleged Communist infiltration? In view of the fact that all the Latin American States have disagreed with this assessment, and the grave danger of one Government laying down what is Communist infiltration and what is not, and thereby endangering the free, liberal development of countries everywhere under Presidents like Juan Bosch, who is a recognised liberal democratic leader, will not my right hon. Friend dissociate his Government, both in N.A.T.O. and in the Security Council, from such American action?

Mr. Stewart : The proper course for us to take in the Security Council was that which will, I think, be taken by the great majority of its members—to support the efforts of the Organisation of American States. On the question of the building up of American forces, I have said, with regard to subsequent events, that I have not pronounced an opinion upon that and that the matter should now be left to the—

Mr. Hirst : On a point of order. May I ask you, Mr. Speaker, to request the right hon. Gentleman to address the Chair, so that we may all hear him much better?

Mr. Speaker : I think that it is true, and experience shows, that if one addresses the Chair the amplifiers work. They do not work if one talks away from them.

Mr. Stewart : With regard to the subsequent events, as I have said, I have not expressed a judgment and I think that the matter now should be dealt with as it is being dealt with, jointly by the Organisation of American States and the Security Council.

Mr. Michael Foot : Can my right hon. Friend say when the American troops will be withdrawn from Santo Domingo? Is not that a matter of acute British interest, since we are eager to sustain the Charter of the United Nations? Is it not also a fact that the original American action was in defiance not merely of the Charter of the United Nations, but also of the Treaty of the Organisation of American States?

Mr. Stewart : It is now the intention of the Organisation of American States to establish, so long as may be necessary, a force under its auspices. As that is done, the American troops would correspondingly be withdrawn, except in so far as they formed a part of the O.A.S. contingent.

On the other matters, I do not think that it is necessary for me to add to what I have already said.

Mr. Fell : Would the Foreign Secretary agree that in this case and at this time, had the matter been left to the United Nations, British and other nationals would have been at risk? [An

HON. MEMBER: "Nonsense."] Nonsense? Would it not, be somewhat appropriate for this House to express its appreciation to the Americans for saving British lives in this incident?

Mr. Stewart: I think that at one time there was a situation where there was great risk, and where, in the present situation of world organisation, there was no international body which could have acted speedily enough. The hon. Gentleman may remember that I expressed gratitude for that action.

The question has been raised of subsequent action, and whether force could be used to determine what the form of Government should be in Dominica. That is a matter which I am sure is for the O.A.S., subject to the authority of the United Nations.

Mr. Lubbock: Whatever ultimate decision may be made by the O.A.S., can the right hon. Gentleman confirm that neither under the United Nations Charter nor under the Treaty of the O.A.S., has it any power retrospectively to sanction the illegal use of force?

Mr. Stewart: One would have to read the Charter very carefully for this. It has power to take measures to secure peaceful settlements, and this, I think, is a matter of considerable complication on which the United Nations itself ought to form a judgment when it has the report from the O.A.S.

Several Hon. Members rose.—

Mr. Speaker: Order. We cannot debate the matter now.

Following is the statement:

In December, 1962, free elections in the Dominican Republic resulted in victory for Mr. Juan Bosch, who as President, received sympathy and support from many quarters, including the United States Government. He was overthrown in September, 1963, by a military *coup*; it was alleged at the time that his

Government had been infiltrated by Communists, and of this there was, indeed, some evidence.

The civilian triumvirate which succeeded him was, in turn, overthrown on 24th April last by another military *coup*, engineered by elements of the Dominican armed forces with the declared object of restoring Mr. Bosch and the constitution of 1963. The revolt having met with determined and effective resistance from other elements of the Dominican armed forces, the rebels distributed large numbers of automatic weapons to civilian sympathisers.

At this point, a small force of United States marines landed to evacuate those of their own and other nationals who wished to leave. The House had already been informed of the assistance generously given by the United States authorities in the evacuation of British subjects.

Events then took a different turn. Reports from our own sources leave us in no doubt that, in the second phase of the revolt, the leadership was provided at least in part by persons who had received high-grade instruction in the technique of armed revolt. Had it not been for the skilled intervention of these relatively few activists, it is questionable whether the originators of the revolt would have been able to pursue the struggle.

In these circumstances, the United States troops who had landed to protect American and other nationals remained and were reinforced; and the Organisation of American States sent a mission which, after consultation with both the combatant groups, recommended the despatch to the Dominican Republic of an inter-American peace force. That recommendation was accepted by the O.A.S. Council on 6th May, and the United States Government have made it clear that they will withdraw such troops as are not required by the Organisation.

The immediate task of the O.A.S. is to create the conditions in which the functioning of democratic institutions in the Dominican Republic can be resumed. A speedy and successful conclusion to their efforts will be the general wish of the House.

BUSINESS OF THE HOUSE (SUPPLY)

Ordered,

That this day Business other than the Business of Supply may be taken before Ten o'clock.—[*Mr. Bowden.*]

ORDERS OF THE DAY

SUPPLY

[17TH ALLOTTED DAY]

Considered in Committee.

[Dr. HORACE KING in the Chair]

CIVIL ESTIMATES, 1965-66

CLASS I

VOTE 4. DEPARTMENT OF ECONOMIC AFFAIRS

Motion made, and Question proposed,

That a sum, not exceeding £769,000, be granted to Her Majesty, to complete the sum necessary to defray the charge which will come in course of payment during the year ending on the 31st day of March, 1966, for the salaries and expenses of the Department of Her Majesty's First Secretary of State and Secretary of State for Economic Affairs, and of the National Economic Development Council and for certain grants in aid. [*£399,000 has been voted on account.*]

RISING PRICES

3.43 p.m.

Mr. J. B. Godber (Grantham): I beg to move, That item Class I, Vote 4, be reduced by £1,000.

The purpose of our debate is to discuss the question of prices, and the first point that I take is from a leaflet headed, "The Truth about Prices", issued by the Labour Party in February of this year. I think that it is very important to get at the truth about prices, because I suggest that the leaflet is far from it. It starts by referring to Tory spokesmen having attacked Labour for trying to bring down prices. This Tory is attacking Labour for talking a great deal about bringing prices down, and putting them up at the same time. That is the charge against the Government, and that is the charge which we shall seek to substantiate today.

Paragraph 8 of the first White Paper, issued by the Government on 26th October last, said:

"An attack must be made on the problem of increasing prices. Not only do they inflict hardship on those least able to bear it, but continually rising prices undermine our competitive power."

That is what was said then, and that is a statement with which I would not quarrel. It shows that keeping prices down was at the forefront of the Govern-

ment's intentions when they assumed power. [HON. MEMBERS: "Hear hear."] I am glad to hear hon. Gentlemen opposite agree with that, because at least one right hon. Gentleman on the Front Bench opposite has not always held that view.

In an article which he published in March, 1963, the President of the Board of Trade said:

"We suffer from something of an obsession about rising prices in this country, yet prices have risen over twice as fast in France as here over the past five years."

Just to bring him up-to-date, it is only fair to inform him that, since his party has been in power, so far from prices rising twice as fast in France, they have risen over twice as fast in this country as in France. The position has been reversed, and I think that this brings out clearly the seriousness of the charge which we are making against the Government today.

The First Secretary's Department developed the problem of prices a little further in Progress Report No. 2, published in February of this year, in which it said:

"Stabilising the price level is one of the most urgent and important problems confronting the Government. It is central to the successful carrying forward of balanced growth; but it is a problem to which there is no easy answer. No Western country since the war has yet succeeded for long in combining stable prices with a high level of growth and employment."

I do not remember right hon. Gentleman opposite reminding the country last October that no Western country had succeeded in doing that. Then it was only the "wicked" Tory Government in this country who were at fault. Hon. Gentlemen opposite have suddenly realised that the problem is not quite so simple as they thought. I acknowledge that this admission of the universality of the problem shows at least some advance on the part of hon. Gentlemen opposite.

The United Nations Monthly Bulletin of Statistics shows that over recent years the United Kingdom has consistently been almost at the bottom of the league table of price rises. During the election campaign we heard a lot about league tables, but we did not hear about this one from hon. Gentlemen opposite, and, as I reminded the President of the Board of Trade, it is only since the election that

the position has been reversed and that our prices have risen more rapidly than those on the Continent of Europe. The party opposite is not so interested in these league tables now, but I suggest that housewives ought to be interested in them, because these are the ones which really affect their shopping baskets.

The post-war record of price rises in this country has been quite clear. During the six years when right hon. Gentlemen were in power before, prices rose on average by $6\frac{1}{2}$ per cent. a year. During the first six years when we were in office they went up on average by $4\frac{1}{2}$ per cent. a year, and during the last six years they went up on average by $2\frac{1}{2}$ per cent. a year. Those are the actual facts, and that is the background to our debate today. But on those last figures it is important to remember the other side of the coin, because over those 12 years when we were in power, when it is true that overall prices rose by 50 per cent., earnings rose by 110 per cent.

That is the clear indication of what happened during that period, and one simple illustration of what was happening at that time is that savings went up from £100 million a year in 1951, to nearly £2,000 million a year last year. That, again, is a clear indication of what was happening during that time. Of course, what the effect on savings has been in recent months we can only speculate, but I imagine that a lot of would-be house owners are speculating hard at the moment, when it has so affected the amount of money available to building societies for home loans.

The Labour Party's election manifesto said:

"The success of the national plan will turn . . . on the success of new and more relevant policies to check the persistent rise in prices." We are entitled to ask what these "new and more relevant policies" are, and what they have produced so far. I suggest that they have produced a rise of 2 points in the Index of Retail Prices in the first six months of this new Government, and this is before the effect of the April Budget is included. This has added well over another point. The large increases in the price of cigarettes and drink have had a direct effect and numerous other things will have an indirect effect, which will work its way through the economy and ultimately affect the housewife's budget.

Before the April Budget we already had the 15 per cent. surcharge. It is true that it has now been reduced to 10 per cent., but it is still a significant item. We have had 6d. on petrol, higher interest rates and higher mortgage rates. In view of what has happened about mortgage rates I am sure that the Chancellor of the Exchequer would very much like to eat the words of criticism of building societies which he made in the House. The direct effect on prices of these two Budgets has meant that the ordinary consumer is paying more for drink and smokes; he is paying more to license his car and to drive it and he is paying more for a wide range of imported goods. After next Monday, if anyone wants to write to the right hon. Gentleman to complain about the state of affairs his stamp will cost him another $33\frac{1}{3}$ per cent.

But the direct effects are only a small part of the story. This fact is not yet sufficiently recognised. It is the indirect effects which should be alarming people at present. At the turn of the year the Press was full of stories of widespread price rises, but a tremendous number of these increases have yet to work their way through the economy. The price rises which have taken place, particularly those in early January, have been commented on a great deal in the Press. I want to quote from only one newspaper article, although I could quote from many.

On 5th January a *Financial Times* article had the headline: "3,200 Grocery Items in the Flood of Price Rises". It referred to the increase in rail fares and freight charges and said that it was not very remarkable in itself, but that

"the significant feature is that it comes as just one part of a widespread upward movement in prices of an unusual size. Most people date the first signs of this to some six or seven weeks ago—

this was at the beginning of January—

"but in the last two weeks it has turned into something of a flood. The sector where the increases are most widespread is groceries. Unofficial estimates suggest that 3,200 separate grocery items have been marked up in price in the present wave."

It singled out furniture and said:

"bedroom suites have been hit the hardest, largely because of the large amount of imported wood used."

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That is the effect of the surcharge directly felt.

It went on to say:

“There are a number of reasons for this spate of increases,”

and gave some seasonal reasons before saying:

“More important, undoubtedly, is the import surcharge. One of the reasons behind the biscuit increase is that packaging is a large element in costs and a substantial proportion of the raw materials for the packaging industry are imported. . . . But most important of all are the expected factors: increased fuel costs, greater delivery charges . . . higher National Insurance contributions.”

Those were all expected charges when the article was written; they are now actual charges and increases. That is the comment to make in respect of that one massive list of increases. Every housewife knows clearly just what the impact of these increases has been. They have applied right across the board, from groceries, confectionery, polishes, detergents, clothes, shoes, furniture, fabrics, drugs, dressings, and other pharmaceuticals, cosmetics, pet food and coal, to such things as house-building materials and houses themselves.

We have had all these increases in the last few months, and they might have been greater in their total impact but for the previous Conservative drive to increase competition. The effects of the Resale Prices Act, introduced by my right hon. Friends, are now becoming apparent. Drinks, petrol, light fittings and sewing machines are some of the commodities whose prices have recently been cut as a result of increased competition. I would remind the Committee that the Conservative Government received singularly little help from hon. Members opposite when that Bill went through the House. The Conservative Party at least saw it through and put it on the Statute Book, despite the lack of support of hon. Members opposite, who are now only too glad to take credit for the results which are coming forward. The real position is that the effective action to reduce prices came from the Conservative Party, and so far there has been nothing but talk from hon. Members opposite.

I have referred to houses. No doubt my right hon. Friend the Member for Leeds, North-East (Sir K. Joseph), who

is winding up the debate for the Opposition, will have something to say about that question. One of the interesting factors in this situation has been the quite staggering effect of the initial charges which the Government put on, and which added immediately to house-building costs. The house builders' organisations issued statements as long ago as last November showing the impact of this, and it is clear from discussions that I have had with small builders in my constituency that the cost of even a small house has increased by £100 directly as a result of various measures introduced by the Government and various factors which have operated in the months since they assumed power.

These have included a substantial element due to the import surcharge, and the cost of a whole range of items has risen as a result of policies which the Government have introduced. One further aspect of the matter is that this fact is quite academic to many people who would like to have a house of their own, because at the moment they cannot get the necessary finance. It is one further evil effect of the Government's policies.

Then, what about the many firms which are producing machinery or other commodities for use within industry itself? Their price increases do not immediately hit the housewife, and probably do not immediately hit the headlines. But any such price increases are bound to work their way down through the economy, and in the coming months we shall see the effect of movements which have already started. There will be a cost escalation effect out of all proportion to what has so far been realised.

Many firms which make and assemble large machines have to import a number of components which are not readily available in this country. The surcharge can hit them very heavily. It is true that when a finished machine is exported, drawback is payable, but when such a machine is used in this country there is a direct price inflation effect. I have various figures in relation to this factor, with which I do not propose to bore the House. The point is that the harmful inflationary effect of the Government's policies is working its way through the economy, and will continue to do so for a long time to come. That is the worrying aspect of the problem.

We have seen the impact of the Government's policies already, in some degree, where they have hit directly, but their indirect effect, which will take the form of an escalation in prices, will be very harmful.

It is relevant to point out that while these increases have been taking place as the result of the Government's policies, prices of raw materials and commodities generally have not shown an overall rise in the past few months. Some commodities have certainly risen in price, and in a few cases they have risen quite sharply, but the general trend is not upwards. I have particulars of a whole range of prices covering materials in the United Kingdom over the last few months and they show that although there have been some rises, on balance the position is steady or probably falling. It is not evident—

Mr. Merlyn Rees (Leeds, South): Is there any evidence that raw materials imported from abroad increased in price six months before the election and that this was a delayed increase, which has been held up for any reason?

Mr. Godber: One could argue that, by choosing certain raw materials, but there is a wide range of materials and, on balance, there has not been a general range of price increases, such as, for instance, the party opposite, on many occasions, alleged had occurred in 1950-51. That argument is not valid on this occasion. Anybody who studies prices can see that that is clearly so.

Against this background, the right hon. Gentleman the First Secretary set up his National Board for Prices and Incomes. I want to make it clear that I have always favoured an incomes policy, and I agree that a prices policy must go with it. Had the T.U.C. been willing to co-operate when the employers' side made an offer on prices at a meeting of the National Economic Development Council in December, 1963, we should have been a lot further along this road.

I deliberately raise this matter because when my right hon. Friend the Member for Barnet (Mr. Maudling) mentioned it a little time ago he was challenged by an hon. Member opposite about its accuracy. I was at that meeting and so, I think, was the Minister of Technology. He will recall, as I do, that this offer

was made and that it was not taken up. He may advance reasons as to why it was not taken up, but it was clearly made and withdrawn later only after it had been rejected out of hand by the T.U.C.

The First Secretary has referred three industries to the Board. Naturally, we shall have to await the outcome of the Board's consideration. All the industries concerned have intimated their readiness to co-operate fully in these investigations. However, I gather that the way in which the reference was handled—and I address this particularly to the First Secretary—has created a great deal of perturbation among some of the people concerned. I want to deal with this, because it calls for an explanation from the right hon. Gentleman.

I understand the facts to be these. The leaders of these industries were told in the strictest secrecy, just before the weekend of Sunday, 2nd May, that the appropriate Ministers wished to see them early the following week. They were told that this had some relation to the Prices Board, but that they must not say anything about it to anyone, least of all to their own members, until they had seen the Ministers affected. They were, therefore, annoyed—and I would say justifiably annoyed—when on Sunday, 2nd May, many newspapers carried full stories showing such a degree of similarity as to indicate that there must have been some leak.

The headline in the *Observer* was:

“Brown's first three for price review—Soap, flour, haulage”.

The *Sunday Times* referred to the

“First price test: bread and flour”.

Reference to flour is made in both newspapers. If anybody were guessing about this, it is scarcely likely that there would be a reference about flour, because the only change in price has been a move downwards. There was also a big article in the *Sunday Telegraph*. It is clear that there must have been some indication given to the Press at this time.

I say to the First Secretary that this is not good enough. We have had far too much of this in the House in recent months. We have had government by leak and government by informed tales given to various people. We had one farcical situation in which a Minister had to shout to make himself

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heard at the Dispatch Box to keep abreast of the tape machine running outside. It is up to the right hon. Gentleman to say something about this when he replies. Certainly, this caused widespread dismay among the people concerned. It is significant that the Ministers in question were very quick to apologise for anything which happened, while disclaiming responsibility for it. I say to the right hon. Gentleman that this seems in character with a lot of what has gone before, and that we shall want to know something more about it.

I do not intend to go into detail concerning the three industries in question because, obviously, the Board will let us have its views on the matter. I do not say that this is *sub judice*, but I think that it would be inappropriate to go into detail. *The Times* carried an interesting article on this matter on 15th May, when it discussed the relevant points.

I wish to make a general point about one of the industries concerned in the light of what I said a few moments ago about commodity prices not going up in general. It is clear that in the case of one industry there has been a very substantial rise in the cost of raw materials over the last 12 months. It is only fair that I should say that in view of what I said about the general pattern of commodity prices.

It must be clear that there is a very high degree of competition in all these three industries. It is also clear that one of them has suffered from being particularly singled out by the Chancellor of the Exchequer in both his Budgets. I refer to the road haulage industry. I suspect very strongly that that was not wholly for fiscal reasons, but due to the element of prejudice which exists among Members opposite about free enterprise road haulage compared with nationalised rail transport. I am all for nationalised rail transport proving itself on fair terms against free road haulage, but when the dice are always loaded in this way it does not strike us as a particularly fair way of approaching the issue between private and public enterprise.

We must remember that the road haulage industry includes a nationalised undertaking, namely, British Road Services. To that extent, a nationalised

undertaking will come under the surveillance of the Board. I take it that is the case, although it has not been made clear, and I ask the First Secretary to confirm that B.R.S. will come under the Board's surveillance in exactly the same way as private road hauliers. If not, it will be a monstrous situation.

One absurdity arises from what the right hon. Gentleman has done concerning road haulage, and I want to put this point specifically to him. It arises from small parcel deliveries. As the right hon. Gentleman may be aware, the Post Office is increasing very severely its rates next Monday. This applies to parcels as well as to letters. Road hauliers have been asked by the right hon. Gentleman to defer their own pending increase in rates. In view of the savage nature of the Post Office's increases in parcels rates, some haulage operators in the parcels service are genuinely afraid that there will be such a flood of new business on 17th May that they will be inundated.

Surely this is a ridiculous situation, and it is due entirely to the way in which the Government have operated and to their actions. This is one of the fruits of Government intervention in industry. I put it to the right hon. Gentleman that a number of firms are genuinely anxious about what will happen.

I referred in passing to the nationalised industries, but I wish to consider their prices a little more closely. In the leaflet from which I quoted at the opening of my remarks, "The Truth about Prices", there is a section which reads as follows:

"Incomes, including pensions, are being eaten away by rising prices simply because some manufacturers can't—or won't—absorb at least part of extra costs in increased production and higher efficiency. Other firms, including the nationalised industries, deserve full credit for the way they are trying to keep prices steady."

This is the line which the right hon. Gentleman has particularly been following.

The right hon. Gentleman said in the House on 8th April:

"All the nationalised industries suffer from the fact that private enterprise puts its charges up to them. What the nationalised industries have done is to absorb a very large part of the costs pushed on to them. I hope that

as a result of the new body we shall establish this as the general practice.”—[OFFICIAL REPORT, 8th April, 1965; Vol. 710, c. 642.]

I suggest that by this story about what the nationalised industries are doing as opposed to private industry the right hon. Gentleman is doing his best to propagate a myth. I want to try to bring him back to reality. I call in aid the hon. Member for West Ham, North (Mr. Arthur Lewis), who has helped me very materially. I am sorry that he is not here.

Sir Keith Joseph (Leeds, North-East): Yes, he is.

Mr. Godber: I beg his pardon.

Last summer, with unusual forethought, the hon. Gentleman was kind enough to ask one or two very interesting Questions when I was Minister of Labour. I recalled those Questions. I have looked them up and they are worth calling to the attention of the House. The hon. Member asked first, what were the increases in the Index of Retail Prices in the services group and the nationalised industries, since October 1951; and what was the increase for manufactured goods during the same period and for the remainder of the index list respectively.

The answer I was able to give was that the increases in the nationalised sector during the period October, 1951, to May, 1961, represented 95 per cent. The increase in the service industries was 60 per cent. The increase in the other category to which he referred, namely, clothing and footwear, household durable goods and miscellaneous goods groups, taken together, was about 18 per cent. and the rest of the groups was about 59 per cent. The whole lot averaged about 50 per cent. over the period, including this very big figure of 95 per cent. for the nationalised industries.

In his second Question, the hon. Gentleman asked for a table of figures giving the percentage rise or fall in the Index of Retail Prices since October, 1951, and to what extent these percentage increases or decreases had been affected by fluctuations in prices in industries in public ownership and private ownership respectively.

In the reply which I gave him I said that over the full period the industries in public ownership had contributed 14

per cent. of the total rise in the cost-of-living index and the other industries 86 per cent., but—and there is a very big “but”—the position was that under the weighting of the retail price index 8 per cent. is what is provided by the nationalised industries, and 92 per cent. by the private sector. So, 8 per cent. of the weighting had provided 14 per cent. of the increased prices. In other words, their effect had almost double the effect of any other part of the retail price index. Here is a clear indication of what happened in that period up to the election on the prices in the nationalised sector as opposed to the private sector.

Since then the latest information we have was given in a Written Answer by the Chief Secretary to the Treasury which appeared in the OFFICIAL REPORT, in which he gave the increases in the nationalised industries since last October. The hon. Gentleman referred to the increases in railway fares of up to 5 per cent. and increases in electricity in the Midland Board of 11 per cent. to 14 per cent. and in the East Midlands Board of between 8.9 per cent. and 10.3 per cent. He referred to gas increases of 6 per cent. and there is a range of increases for coal, as well. All these since October of last year.

Mr. Julian Ridsdale (Harwich): Does not my right hon. Friend think that these increases are very bad in view of the fact that during the last 10 years we have invested £6000 million in the public industries, which is more than five times our present gold reserves?

Mr. Godber: I am grateful to my hon. Friend for that intervention, which brings out the serious nature of the situation and the fact that in spite of all the help we gave to the nationalised industries they have not returned a dividend in comparison with what has been done by private industry. I am bringing this out because of what the right hon. Gentleman has said about these industries.

I received a letter only yesterday from a consumer of electricity in the area of the Southern Electricity Board. He enclosed a note on the tariff increases by the Board. The writer refers particularly to the general domestic tariff where the arrangement had been, apparently, for primary units, that is units charged at

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the high rate, to be based on the number of rooms in a house. Previously, it was based on 10 units per room, which meant that a house with three rooms, or a three-room flat, would have 30 units at the high rate and then go on to the low rate. For a 10-room house it would be 100 units. This was a direct help to poorer people and old-age pensioners—people living in small dwellings. It has now been completely changed. In the new tariff all households will have a uniform assessment of 56 primary units, whether the house is large or small. The cost of the primary units has gone up, making the impact even greater.

The small household is being penalised and the large household is being let off. Is that what Ministers opposite really want and expect? Is that the sort of thing they have been talking about, in their desire to help those in particular need? This has been done by a nationalised industry when, only last week, the right hon. Gentleman in reply to a Question put from this side of the House asking about referring price increases in the public sector to the National Board for Prices and Incomes, said:

“The answer is ‘No’. On judgment, I decided not. If private enterprise had to go through the hoops which public enterprise has to do, there might not have been the same need for this machinery. We are now requiring private enterprise to tell us the kind of thing that public enterprise is already asked to tell us.”—[OFFICIAL REPORT, 4th May, 1965; Vol. 711, c. 1116.]

Was public enterprise asked to tell the right hon. Gentleman and his colleagues about this? Were the Government consulted? If so, were they happy that the old folk in small dwellings should have been placed at a disadvantage?

The Minister of State, Department of Economic Affairs (Mr. Austin Albu): Can the right hon. Gentleman tell me whether or not this tariff change was considered by the consultative committee?

Mr. Godber: All I have is the actual tariff change. I was expecting information from the Government. It is for them to tell me whether it was considered and the extent to which it was considered. The point is that the tariff has been increased. The First Secretary

spoke about the hoops which public enterprise has to go through. Yet this increase has been made and I believe that it is not in line with the wishes of many hon. Members. This is an indication that either Ministers opposite know what is being done and are allowing this sort of thing to happen, or they do not know and what was said by the right hon. Gentleman about hoops has no application at all. I ask him to deal with that point. I shall be interested to hear what the right hon. Gentleman can tell us which will be of comfort to those people who undoubtedly have been hard hit by this measure.

So much for the prices side. I turn now to the incomes side. The right hon. Gentleman told us on 7th April about his policy that

“it is a practical policy, it is an agreed policy and it is a fair policy.”—[OFFICIAL REPORT, 7th April, 1965; Vol. 710, c. 533.]

Those were the words used by the right hon. Gentleman. They were not exactly echoed by Mr. Woodcock, a few days later, when he said

“This is not a plan. It is not even a policy. Let us not make any false claims. These words are much too grandiloquent.”

It is not I who tell the right hon. Gentleman that he is too grandiloquent. The word was used by Mr. Woodcock and it shows a different approach to this matter. Nevertheless, it is true that the T.U.C. endorsed his policy by a large majority with one notable exception—the Transport and General Workers’ Union.

I am glad that the Minister of Technology is present. I feel that I must raise this issue which is very important. The rejection by the Transport and General Workers’ Union was a blow to that policy. It must also have been a personal blow to the right hon. Gentleman the First Secretary, as I think he has made clear. I regret that the union has not gone along with the policy. I believe that we should try to co-operate and progress, and I have always made that clear, but I have to ask—and I think that the Committee is entitled to know—what now is the attitude of the Minister of Technology in relation to this matter.

We are entitled to know where the right hon. Gentleman stands over this—and if he wishes to interrupt I shall be only too happy to allow him to do so. If he does not then we must make our

own assumptions. I should have thought that he had a duty to make his position clear—[An HON. MEMBER: "Nonsense."] A right hon. Gentleman says, "Nonsense." I should have thought that Cabinet solidarity mattered. I should have thought that it was important to make quite clear and evident that the Cabinet speaks with one voice on this matter. Otherwise, where do we stand?

Are we to take it that the right hon. Gentleman's attitude is the one which he has quoted about the vote of his union, that the union has always been realistic about its whole approach to the whole question of wages policy and that for the union to vote this way is following an established pattern? If that is not giving his blessing to it, what is?

I think, having said that, that he is also responsible for his own election address, which was issued not very long ago. It seemed to me, although he does not state it precisely, to be indicating that he was in favour of this policy which his right hon. Friend is developing. He said:

"The blunt truth is that unless we modernise Britain and take advantage of the latest scientific discoveries we will not get steady expansion or a sound economy and we will not be able to carry out our plans. Now the Government has taken some big steps. Work has started on a fair and just incomes policy."

I take that to mean that the right hon. Gentleman was supporting his right hon. Friend, but I do not see it as tying in with the other quotation which I have just given. I suggest to him that it is up to him to tell the committee and the country where he stands on this matter.

The Minister of Technology (Mr. Frank Cousins): I shall be delighted, if the right hon. Gentleman will now give me the opportunity, having posed the three comments which he wants to make. Not only do I support the idea of an incomes policy, but I happened to coin the phrase "the planned growth of incomes" at the Labour Party conference and I got an endorsement for that with an overwhelming majority at that conference which endorsed the idea of a planned approach to purchasing power and improved standards of living.

I would remind the right hon. Member that when Mr. Woodcock, whom he also quoted, and I came to him, two years ago, and talked about his personal attitude, as Minister of Labour, to the

whole question of the trade union movement, it was made clear that we thought that the reactions at the Ministry were undermining the belief of the trade union movement in Government intentions *in toto*.

The right hon. Gentleman has said that the Minister of Technology attended the N.E.D.C. I certainly did, in another capacity, and I listened to what was an attempt to impose wage restraint. [An HON. MEMBER: "Absurd."] It is not absurd. It is a statement of fact. There was a deliberate attempt to reintroduce the policies which had been put forward by other Ministers.

Mr. R. J. Maxwell-Hyslop (Tiverton): On a point of order. Will the right hon. Gentleman take his chance of catching your eye later in the debate, Dr. King, or is he to continue to make a long statement in the middle of an intervention? Surely he can take his chance with other hon. Members in the course of the debate.

The Chairman: I am sympathetic to the point of order raised by the hon. Gentleman, but the right hon. Gentleman then invited the Minister to make quite clear his policy. I like interventions to be short, but I am a little lenient at the moment because of the broad nature of the question.

Mr. Cousins: I take notice and will be as brief as I can. We do not trust the Conservatives.

Mr. Godber: I am grateful to the right hon. Gentleman for the brevity of his last intervention. I am not clear as to which capacity he was speaking in when he said that. But, I take note of what he said. He is entitled to his own views as to who trusts whom, but in regard to his answer to my original question which referred to where he stood, I must admit that I am still by no means clear. He has said that he coined the phrase about a planned growth of wages. It is a wonderful phrase, and I give him credit for it. I must admit that I thought that it was the Prime Minister's, it is such a peculiar phrase. It can mean anything at all. It is in such phrases that the Prime Minister is so skilled.

That does not answer the point which I put to the right hon. Gentleman. I quoted to him what I understood he said

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on this union vote and I still do not understand how it is that he can take the position of supporting his right hon. Friend, on the one hand, and yet supporting the union, on the other. I suggest that the difficulty is probably not of his own making. The difficulty is one of the Prime Minister's making. He is the one responsible for it. We have reminded the Prime Minister in the first place that this is exactly the sort of thing which could bring divided loyalties.

If someone who is still the titular head of a union is in the Government, and the union's policy becomes opposed to that of the Government, it can cause the gravest strains. The Prime Minister rejected this view, and we have this very anomalous and unsatisfactory position. The right hon. Gentleman thinks that he has cleared the point up. He may have done so in his own mind, but, in reply to his last intervention, I would say that it is sometimes difficult to trust the comments of right hon. Gentlemen opposite.

So we have to leave it there, without any further elucidation. As to the other part of his intervention which dealt with the meeting of the N.E.D.C., how he can interpret it in the way he has, I do not know. There was a clear proposition put forward by the employers' side, as he knows perfectly well, and to try to twist it and interpret it in the way he has is something which I fail to understand. I must leave this aspect, but we are still wondering precisely what the relationship is between right hon. Gentlemen opposite. Assuming that the policy is to go ahead, I come to another relevant aspect, the one in which wage demands are handled. None has yet been referred to the Board, though there has been no absence of candidates, if the right hon. Gentleman's own norm means anything at all. Will the Government refer claims or will they refer awards? This is a point which I put to the right hon. Gentleman in a Question in the House and got a very evasive and unsatisfactory Answer. I put it to him again. Will he refer claims, or will he refer awards? It is obviously better to refer claims and to do so early in the process, before either side has begun to lose patience.

There is one thing on which I think the Minister of Technology will agree, and that is that one of the greatest prob-

lems in industrial relations is that if things are left to drag on, and tempers get raised, we get the worst of both worlds. We need to act in good time over any problem of industrial relations. I have shown how absurd it is to exclude the nationalised industries on prices. I suggest that it would be even more so to exclude them on incomes.

This question becomes particularly relevant when one looks at wage and salary agreements since November last. I shall give examples of one or two in the nationalised sector. On 14th December, a 9 per cent. rise was given to railwaymen; on 23rd December, a 9.6 to 13 per cent. rise to 77,000 G.P.O. engineers; on 14th January, a 9 per cent. rise to 80,000 railway engineers; on 13th March, a 15 per cent. rise to 6,000 G.P.O. supervisory engineers; on 17th April, the postmen's award of 20 per cent. over two years; and on 30th April, a 10 per cent. rise for 70,000 gas workers. All these, in the nationalised industries, were far above the norm.

The Minister may say that all these are special cases under paragraph 15 of his White Paper, but they should, nevertheless, be looked at. If they are not looked at, other workers in other industries feel that their whole degree of comparability in wages is being destroyed. This problem of comparability is one of the real problems in wages structure.

Any hon. Member who has had anything to do with wage negotiations knows that this is at the heart of the problem. If one sector gets a rise the others immediately look at their comparative positions in terms of actual total incomes. This is a very real difficulty and it seems to be one of the aspects of the policy which the right hon. Gentleman has been seeking to institute, although he must get going on it. It is no good turning a blind eye to the decisions reached in the nationalised industries.

It should be remembered that his own colleagues in the Government are scarcely helping him. The Postmaster-General said on 25th March:

"The extent of this increase has been decided in the light of the Joint Statement of Intent on Productivity Prices and Incomes." Note the words "decided in the light of". It is a very peculiar light in which he

has seen it if, in fact, the norm means anything at all.

Then the Secretary of State for Education and Science proclaimed to the teachers that they would always be a special case. This special pleading is all very well, provided—[*Interruption.*] The right hon. Gentleman the First Secretary of State will have a chance to tell us all about these statements. I am merely pointing out that such statements do a great deal of harm to what he is seeking to produce. The Government must realise that if they go on in this way they will provoke other groups of workers—and so the process of comparability goes on.

The greatest need we have if we are to have high and rising earnings coupled with stable prices is an all-out attack on restrictive practices in industry. The First Secretary and the Minister of Labour have both on occasions said heartening things about this. One heartening action which I fully accept is the decision about liner trains. It was sensible. However, the fact remains that the only effective move to keep prices down so far has been the Resale Prices Act, which was instituted by the former Government with little support from hon. Gentlemen opposite. If we, against opposition from many of our supporters, tackled that part of the problem, we are entitled to ask the present Government to tackle the other side of it. Here, one must recognise the reason for resistance to the abandonment of restrictive practices.

No man wants to work himself out of a job and for this reason we believe that the Government made a bad mistake in their priorities in not introducing a measure of wage-related unemployment benefits. I advanced this argument fully on Second Reading of the Redundancy Bill and I will not repeat it now, except to say that such a measure would help employers generally to tackle the problem of over-manning. The Fawley experiment achieved great publicity, and rightly so, and other firms are endeavouring to do the same. However, far more must be done and this will be the only way to ensure high earnings and stable prices.

As I said, the Government have their priorities wrong. They have themselves given a savage upward twist to prices

and have turned a blind eye to inflationary wage awards while proclaiming adherence to a norm which does not exist in reality. While they are starting inquiries into prices, they have so far referred nothing in the wages sphere to their own machinery. Meanwhile, the public must face the Bill. Savings are drying up and confidence is being lost. It is a sorry story, brought about by mismanagement, muddle and lack of unity within the Government themselves. We condemn the Government and the country will increasingly condemn them as the effects of the present heavy fresh dose of inflation permeates the economy.

I say one final word to the legions, the rather depleted legions, behind the First Secretary. Many hon. Members opposite must be unhappy that the promises made on prices, made so freely last autumn, have been so falsified in the event. Let me give them a crumb of comfort, taken, perhaps appropriately, from Gibbon's "Decline and Fall." Writing of conditions of warfare at one stage of the Roman Empire, he said:

"A defeat, by disabling the chief from the performance of his engagements, dissolved the allegiance of his followers; and left them to consult their own safety by a timely desertion of an unsuccessful cause".

I suggest to hon. Gentlemen opposite that by deserting into our Lobby tonight they will save their own consciences and earn the gratitude of the nation.

4.35 p.m.

The First Secretary of State and Secretary of State for Economic Affairs (Mr. George Brown): I thought it ungracious of the right hon. Gentleman the Member for Grantham (Mr. Godber) to be so unfriendly to hon. Members who had stayed throughout his long speech. Instead of taunting them he should have thanked them.

As far as I could gather, his major complaint—indeed, his only complaint—which he developed throughout his speech, was that we had not succeeded in doing in seven months all the things which his party failed to do in 13 years. I suppose a reasonable complaint, but if one gets it into perspective it rather suggests that the right hon. Gentleman, if he wants us to move at this fast rate, should give us more help than he has been doing.

[MR. BROWN.]

The other thing about his speech which interested me was his extraordinary attempt to find something odd in there having been different remarks made by right hon. Members of the same Front Bench. I wondered whether the spirit of his right hon. Friend the Member for Wolverhampton, South-West (Mr. Powell) was hovering over him. Since the right hon. Member for Grantham assured us, with his hand on his heart, that he was in favour of an incomes policy, and said that he had been trying—trying, mark you, but failing—to get one for years, he therefore thinks that I am right in trying to get such a policy now. The trouble is, according to the right hon. Gentleman, I am not proceeding fast enough.

That being so, I suggest that he has a look at what the right hon. Member for Wolverhampton, South-West has been saying during the last few weeks. He might care to look at some of the remarks that have been made by other right hon. Members of the Front Bench opposite during recent weeks. If there is anything in the argument about there being differences of emphasis or blunt differences of speech on the part of right hon. Members of Front Benches, it does not lie in the mouths of hon. Gentlemen on the Opposition Front Bench to make charges of that sort against the Government Front Bench.

Mr. Godber: I was talking about Cabinets, not Front Benches.

Mr. Brown: I assure the right hon. Gentleman that the point I am making does apply. Considering some of the things that have been said by right hon. Members of the Opposition Front Bench in recent weeks, that sort of charge, coming from the right hon. Member for Grantham, is most odd considering that the Front Bench opposite is totally divided on this subject.

I will try in my speech to deal with most of the points the right hon. Gentleman raised and any I miss will be dealt with by my right hon. Friend at the end of the debate. The first thing to get clear is that rising prices are not a new phenomenon. They have faced every Government since the war with a most intractable problem to which, let us be clear, no solution has yet been found.

Let us look briefly at the facts. Since 1956, a period of nearly 10 years, the Index of Retail Prices has risen, on average, by nearly 3 per cent. a year. This is not a new development. This virtually continuous rise in prices has continued right across the field of consumer spending. The fastest increase has been in housing, including rent and rates. I am, of course, speaking about the whole period. The next most rapid increase has been in fuel and light and in the growing area of consumer services. Food prices have tended to rise less rapidly, though they are important because they constitute much the largest sector of ordinary consumer spending; about one-third of the total.

I mention this background to show that it does not lie in the mouths of hon. Gentlemen opposite to complain of the fact of rising prices. While the right hon. Member for Grantham spent nearly an hour saying what had happened, it has been happening for a long time, and certainly throughout his party's tenure of office. The only times that the Tories even got it temporarily under control were in those years when they were applying the restrictive policies which led to unemployment and unused and under-used resources. I make it absolutely plain that we on this side have no intention whatever of going back to that time in dealing with the problem.

What did they do? We had Mr. Macmillan and his wages and prices plateau, but the plateau sloped upwards and the only idea that the Government had to level it off was exhortation. Maybe that was just as well, because if there had been a policy there was no machinery to carry it out.

Then the right hon. Gentleman the Member for Monmouth (Mr. Thorneycroft) appointed the "three wise men", the Council for Productivity, Prices and Incomes. The right hon. Gentleman had forgotten that and what a fiasco it was. I wonder whether anyone remembers anything about the "three wise men". After that, we had the right hon. Gentleman the Member for Wirral (Mr. Selwyn Lloyd) and his pay pause, in which he dealt roughly with the lower-paid, and, on the whole, more worthy, public servants and left the rest of the field alone. He got rid of the "three wise men"

and set up the National Incomes Commission, whose contribution to the problem was just about as useful as that of the "three wise men".

The trouble with all these efforts was that they dealt only with incomes. I would like to make it plain, because it is one of the great differences between us, that there had been no attempt to bring prices into the exercise and therefore the Trades Union Congress and the trades unions generally, were not willing to take them seriously.

The right hon. Gentleman does not need to ask what happened at the N.E.D.C. meeting to which he referred. He knows what happened. It was because the whole range of policies the Government were then following was so clearly socially unjust and unfair, and because there was no attempt to deal either with prices or profits or any other form of personal incomes except wages, that the trade unions were not prepared to take seriously what they said they were trying to do.

Then the right hon. Gentleman the Member for Barnet (Mr. Maudling) came along and tried to interest the N.E.D.C. in the idea of an incomes policy, but with very little success. The F.B.I. examined one or two possible approaches for linking prices to private incomes, but decided that these were not workable and the right hon. Member then decided to call it a day. If Members opposite criticise our productivity, prices and incomes policy there is only one explanation. It came up all the way through the right hon. Gentleman's speech, as it oozes from every other speech made on the Opposition Front Bench. The explanation is simply "sour grapes". It is simply that they tried and failed and what they cannot forgive us for is that we are looking as though we might succeed.

When we took office we recognised from the start the need for a determined attack on this problem of rising prices. We said as much in the White Paper quoted and I outlined the Government's approach in the speech I made on 4th November, to which he has already referred. Let no one imagine that in talking about prices and incomes this is either the core of the subject, or the only way to attack it. I agree wholeheartedly that in the last analysis the

answer to bringing about stability of prices and raising the real personal standards of earnings rests on productivity. It rests on getting rid of restrictive practices wherever they exist on both sides. [Interruption.] What the right hon. Gentleman is trying to say did not come across. Part of the trouble is that hon. Members opposite are not understood to be saying this, with certain notable exceptions. It is on management as well as on trade unions that the spotlight has to fall. In the end getting rid of restrictive practices is a management function. It is a management responsibility. We respond and we can get our people into a mood for responding only when the manager is willing to stop permitting it to happen. I agree on behalf of the Government, and, in so far as I can speak for it, the trade union movement, that this is the real answer to the issue.

Incidentally, when the right hon. Gentleman had a little dubious fun with my right hon. Friend I could not help thinking that I am also an officer of the Transport and General Workers' Union. I am here on the very same terms as my right hon. Friend and have been here on those terms ever since I came. This sudden discovery that there are trade union officials on leave of absence from their unions, in the case of my right hon. Friend, says very little for what hon. Members opposite have been doing all these past years.

The fact that I am an official on leave of absence from that union does not inhibit me from taking my share of collective responsibility for policy, so it is a bit foolish to suggest this is something special, as though it had never happened before. It has been happening for very many years. Even during the time of the National Government there were trade union officials on leave of absence from their unions here and being supported by hon. Gentlemen over there.

We are trying to deal with this business of rising productivity in a wide variety of ways. It is a longish job and it is the acme of folly to think that it can all be whisked away in six months. We are trying to deal with it through the "Little Neddies", through the labour market policies, through the whole range of the economic measures that we have introduced and by introducing a Bill to make

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redundancy payments available to people who have to move.

There is no time here to go into this aspect in every detail and I can only repeat that the productivity aspect is one to which we have to devote ourselves. It is one we have got to get in the forefront of our policies and it is the one that will ultimately decide whether we succeed.

When we came to power we faced, very shortly afterwards, a great flood of price increases. I must say that for a great defender of private enterprise, like the right hon. Gentleman, I thought that the freedom and the gay abandon with which he convicted private enterprise of flooding in all the increases was rather notable.

Mr. Godber : They were the result of the right hon. Gentleman's policies.

Mr. Brown : The right hon. Gentleman has told us that these were things that had begun at the beginning of January and were supposed to be due to events which took place six or seven weeks before, which takes us up to within three weeks of our getting into office. If he really suggests that by 1st January everything was being caused by the things that we did it is silly. [HON. MEMBERS: "Surcharge."]

The Chairman : Order. I asked right hon. Members on the Government Front Bench yesterday, or the day before, if they wished, to intervene in the conventional manner rather than interrupt when seated. I address the same reproof to the Opposition Front Bench.

Mr. Brown : A continual repetition of "Surcharge" is absurd. The amount of packaging paper, on which the 15 per cent. surcharge was levied in November, that goes into a packet of biscuits does not explain the increases which the right hon. Gentleman himself found to be so improper and so heavy.

In any case, faced with this, and having no powers to do anything about it at that stage, we had to decide what to do: whether to be like the right hon. Gentleman, and just let it run its course, or to try to intervene. Without possessing, and not wanting to possess, the powers to control prices, we thought it right to intervene by bringing to the attention of the

trades, industries, manufacturers, retailers and distributors concerned the serious consequences and the importance to the national economy of their making every effort to halt this flood and to absorb increases in costs with greater efficiency.

We invited them to discuss with us the increases announced. Immediately, of course, hon. and right hon. Gentlemen opposite dashed in and advised them not to co-operate with us. I am happy to say that the manufacturers, the distributors and the trade interests did not listen to that advice. The traders concerned co-operated with us and discussed with us what had happened.

I know that when out of office all the cynics and clever people know all the answers and can poke fun at the idea of discussing increases with the traders concerned, but if one does not want to take powers of compulsion discussion is what one must have. It is time some hon. Members opposite made up their minds whether they believe in a free society and consultation and discussion or in a totalitarian society with the right to direct and control.

It is said by some of the right hon. Gentleman's friends that we cannot work against economic forces, and so on. I would be the first to admit that in such an exercise one cannot prove in precise terms what one has achieved, but the fact is that when that flood was seen to be building up a number of very important traders and very important distributors and very important groups of trades publicly declared their intention of stabilising prices, of reducing prices.

Very considerable steps were taken by them—for which I am grateful not just as a Minister and not just as a politician, but in the name of the nation's housewives—which slowed things down and prevented the flood from building up, as it seemed then to be doing. I believe without any doubt that here one can achieve something—that one probably achieves most, at least in the short run—by making everyone just that little more conscious of the importance of restraining and of resisting price increases.

The right hon. Gentleman spoke of the letter he had received; I have received many letters from all over the country from people, clearly not on our side politically, who thought that they were

fighting a lone battle against the general attitude of, "Other people's prices are still going up—why not ours?" Many of them have been encouraged to question and resist price increases, and I think that this is the good result of what we then tried to do.

What is most disturbing in this connection is not merely the assumption, "If costs go up, my prices must go up" instead of the attitude "Costs have gone up; let me see what I can do to avoid passing them on". There is another tendency within that, which is even more worrying. It is the tendency so often to pass on the increases with just that little more added, perhaps, as the right hon. Gentleman said in a rather illuminating passage, because they expect more increases to happen in the future, and say, "As we are putting up the price now, we might as well put it up for the increase that is to come in the future." It is not only that. It is the question of rounding up to the next whole number, and of adding one's normal margin to the cost of the increase. That is one reason why price increases continue, and why they are so big.

We have to resist that. Some pretty fantastic consequences have been attributed, for example, to the increase in fuel tax. I have referred to what the right hon. Gentleman said about the increase on packaging paper, but if one were to believe the excuses given for putting up prices on the ground of the increase in fuel tax, one would think that the country was full of vans, running all over, each carrying one sack of potatoes, or one parcel of laundry, or one packet of biscuits. If one works out how much the fuel tax increase enters into the cost of the one packet, or the one sack or the one parcel, one finds that it is very much smaller than is being stated, and one that would not justify anything like the increases attributed to it.

It is true that if, as the right hon. Gentleman said, we had more competition we could hold prices down that much more easily, but it is not wholly true. But if we did have more competition throughout industry without reference to other factors we would find other problems on our plate. However, let us deal with the situation as it is.

It is not we who are stopping industry from becoming more competitive. The

whole mood of private enterprise has been to remove competition and to insulate itself against it. Anyhow, as the Committee knows, we are strengthening the legislation relating to monopolies and restrictive practices, and we shall do everything we can to improve and increase the possibilities of genuine competition. Nevertheless, when all is said and done, there is no doubt—and this has been accepted by the four national organisations on the management side of industry—there is need for machinery to inquire into cases where price behaviour appears, *prima facie*, to be inconsistent with the national interest. We have been pursuing this policy with vigour. The right hon. Gentleman has rather indicated that he is glad we are doing so, and is encouraging us to go on and hoping that we will succeed, so I do not need to spell out the successive steps we have taken, throughout in closest consultation with both sides of industry.

The right hon. Gentleman chides me for not having gone further in seven months, but from his own experience he must know that if we are to have consultation of the fullest and fairest kind so that we carry people with us it does take time. To have gone through the three successive stages—the declaration of intent, which one had to get over first, then the agreement to the machinery, and then the agreement to the rules and criteria by which that machinery would be guided—and at every stage with the fullest consultation, involving lots of people and lots of associations and lots of groups—to have got all that through in six months is, I think, a pretty good achievement, and it is not much good telling me that I should have done it a lot faster—

Mr. Godber: I accept that it does take time to have such consultations—I do not deny that. But in relation to prices the right hon. Gentleman has said a great deal pending the setting up of machinery but has not been sufficiently forthright to keep the balance in some ways in the wage and salary scales, where things seem to get out of hand in relation to his particular norm. That was my point.

Mr. Brown: I was dealing with the right hon. Gentleman's implication that we should have gone a lot faster on

[MR. BROWN.] salaries, incomes and wages. He should read some of the speeches I have recently made to full conference of executives of unions, to the National Committee of the A.E.U., to the Executive Committee of the National Union of General and Municipal Workers, to all kinds of trade union conferences—even to the Labour Party conference last year. He would not then rebuke me for not having faced up to people on my own side at least as strongly as I have those on the other side. I wish that the right hon. Gentleman and his Friends would do the same about prices.

Some people now say that we have not achieved as much as we should have done in the time. Others have been saying up to now that we have been rushing on too fast. At this stage I am not very clear what the view of the party opposite is. Have we gone too fast, or have we not achieved enough? Are they fully behind us? Does the right hon. Gentleman speak for them, or does his right hon. Friend the Member for Wolverhampton, South-West? And is the right hon. Member for Leeds, North-East (Sir K. Joseph) entitled to arbitrate and give us the particular connecting policy?

One interesting comparison that I commend to hon. Gentlemen opposite who are so much in favour of private enterprise and competition is that of the price criteria we published in our White Paper last month—against which the Prices Board will operate, and against which all other negotiators have been asked to consider their functions—with the criteria, the “guide posts” as they call them, for price behaviour set out in the Economic Report of the President of the United States. It is very significant and interesting to note that even in that high temple of fierce competition they find it desirable to lay down the same kind of code of price behaviour as we are asking to be observed here, and as we have set up our Board to operate.

Sir K. Joseph : I am not quite clear whether the right hon. Gentleman wants more competition or not. He said just now that if we had more competition we might have other problems. In the situation we have today where vacancies far exceed the number of men and women available to fill them and tens of thou-

sands are not even notified because there is no hope of people being available, will he make clear whether he does or does not want more competition?

Mr. Brown : That is exactly the sort of question which cannot be asked and answered in those terms. There are some industries—we were discussing one the other day—where all the technological requirements are towards larger units controlled by groups. If we force them back to fierce competition we shall not get development in the industry. On the other hand, there are industries where genuine competition would be the right thing. The reason why we are to strengthen legislation on restrictive practices and so on is that where competition could be strengthened without bringing in its train other undesirable consequences we want to have it. We cannot make a global decision which applies in one industry and not in every industry.

I turn to the suggestion that recent price increases result in large part from the Government's actions. Here I take the Budget decisions of last year and this. We have had three Budgets. The first was the Budget of April, 1964, presented by the right hon. Member for Barnet. That Budget imposed increased Excise Duty on tobacco, beer, wine and spirits, equivalent in the case of tobacco to 3d. or 4d. on a packet of 20 cigarettes, calculated to add just under one whole point to the Retail Price Index. When considering what has happened to prices we cannot leave out of account impositions made last April which would be having an effect on what was happening in the autumn of last year.

Then there was the Budget introduced by my right hon. Friend in November, which increased duty on motor fuel and added a further 0.2 of a point to the index. Then there were increases in indirect taxation last month which increased the index by 1½ point, largely as a result of the increase in duty on tobacco. We have made clear the reasons for the actions we took then. When right hon. Members opposite are still criticising today what we did in November as though we did not inherit the economic legacy in October, a large amount of gall and a wonderfully selective memory has to be taken into consideration.

Be that as it may, we decided, as a matter of social policy and justice on top of the steps we had to take then to deal with the economic legacy, to increase social service payments to a large number of people and to abolish prescription charges. I do not remember the party opposite dividing the House against us on any of the social benefits, but I remember that they divided against providing the money. What they are doing today is to continue to protest about the wickedness of finding money for social benefits of which presumably they are in favour.

Sir K. Joseph : This is just not true, and the right hon. Members knows it. We did not vote against social benefits or against the substantial rise in weekly contributions which financed them.

Mr. Brown : I am sorry that the right hon. Member says that this is just not true. What I said is absolutely true and what he said has no relation to what we are talking about.

Sir K. Joseph *rose*—

Mr. Brown : The right hon. Member will have his turn later. I said that his party did not vote against the social benefits. No doubt they will do their best in due course to claim a share of the credit for them, but they did vote against the increases in taxation which provided a large part of the money for them. That is what I said. Let the right hon. Member go on saying "no." We can have ready for him tonight the actual vote. We can look up his name in HANSARD, unless he took the precaution of being absent. We can see the absolute party division.

Tobacco and drink have a fairly heavy weighting in the Retail Price Index. They take about 140 points out of 1,000 between them. Let us get this clear. When referring to tax on those items we are not talking about necessities of life. No one has to buy those things in any fixed quantities. The obvious probability is that higher taxation has some effect in depressing consumption. Although they enter the index to that extent, it does not necessarily follow that they enter into people's actual expenditure to the same extent.

The principal object of the April Budget was to ease the pressure of

demand in the economy and to help us to get the balance of payments situation better and more quickly under control. Again we judged it right that part of the extra revenue should come from indirect taxation. I do not deny that these Budget increases increase the cost of living. I have never found it necessary to deny that in the House or in the country. They may, in the case of motor fuel, add to the general costs of trade and industry, so leading to higher prices throughout the economy, but hon. Members must not exaggerate this point. It does not enter into the individual items as much as they think ; indeed, in many cases it is hardly detectable.

Secondly, increases in indirect taxation add directly to the cost of living, but this is inherent in any measures taken with the deliberate intention of reducing the growth of purchasing power. If they did not have that effect they would not carry out the intention which leads to the taking of that step. We recognise that the consequential increase in the cost of living can aggravate wage demands and make more difficult the prices and incomes policy, but that has to be balanced against the other risks to economic stability. On that balance we decided to face the problem and explain why.

The House has debated at length the increase in postal charges, which the right hon. Member for Grantham raised today. The reasons for those increases, as he knows only too well, were reasons to which hon. Members opposite chose to shut their eyes. We did not introduce the White Paper "Financial and Economic Obligations of the Nationalised Industries". The same principles apply with regard to the Post Office. The fixing of financial targets and the requiring of this public service to meet them was their policy. For a long time before we came to power in October they had decided in the case of the Post Office not to recognise what was going on and even to leave the essential forecasts out of the White Paper which they published.

Not only did they shut their own eyes to it but they deprived anyone else from seeing it. This, which required the telecommunications side to subsidise the postal side, which seemed to be the real point which the right hon. Member was making, would not have made economic sense given the different structures of

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the two sides. Hon. and right hon. Members opposite are in no position to argue the contrary because it was their party's policy, their Ministerial policy, to make each of the two sides pay for themselves. Therefore, if they want to say that we were wrong, they have to say that they were wrong all the time they were in power. I do not think that they want to say that, but if they do they cannot make the attack on us which they are seeking to make.

The recent pay award to the postmen has been hailed as making nonsense of our policy, but, as I have explained and repeat, the circumstances of their case warrant our regarding it as an exceptional one of a kind envisaged in last month's White Paper. It is essentially a "catching up" exercise based on the Priestley principle of "fair comparisons" for the Civil Service. If hon. Members opposite want to say that we should end the idea of fair comparisons for the Civil Service and wind up that machinery which they operated, let them say so, but so long as it exists Governments must observe and honour it. I repeat that there is no solution in this whole policy to be found by returning to the essentially unfair policy which was tried before of penalising the lower paid, the weaker groups of public servants, and relying on the fact that they probably have not got the bargaining power nor the meanness or lack of humanitarian spirit, to fight back. The postmen, the teachers, the nurses, the M-rate men in the Government service—they have all been made to carry this burden for far too long. The solution must be found outside of them. Of course they have to be part of it, but the real solution is outside of them, and it has to apply to those who are ahead in the queue before we can expect to apply it to those who are behind in the queue.

It is not merely a question here of incomes and income relativities. It is also here, even in the public service, a question of productivity. As the House knows, my right hon. Friend the Postmaster-General announced recently, not only the steps which have been going on to improve productivity and efficiency in the postal services, but the decision, supported by everyone concerned—the official side and the staff side—to engage a

firm of consultants to advise on management problems and improvements which might be made in the Post Office. This again showed not only our resolve that efficiency should be improved to take care of increases in costs, whatever their cause, but our resolve to do it in the public service as well as to exhort the private sector.

I come now to one other question raised by the right hon. Gentleman, namely, the prices of the products of the nationalised industries. The right hon. Gentleman tried to show that there has been a tremendous rise and that it is out of proportion with what has gone on in private enterprise. I just do not accept that. I do not believe it is true. I think that what I said in the earlier debate the right hon. Gentleman mentioned, that the public service and the nationalised industries have done a magnificent job, absorbing costs imposed upon them by private enterprise industries, is absolutely true and can be proven to be true by reference to any particular case.

One of the points the right hon. Gentleman wanted to know from me was whether these prices were taken into account and considered in the operation of the productivity prices and incomes policy. I remind the right hon. Gentleman of what I said in paragraph 8 of the White Paper:

"These considerations apply equally to prices of goods and of services whether provided by private or public enterprise. The Government regard the nationalised industries as being under the same obligations as private enterprises to contribute to the general objective of price stability, while taking account of their financial and social obligations."

This means that we regard the nationalised industries as being under an obligation in their price behaviour to meet the criteria set out in paragraphs 9 and 10 of the same document. I will not read them all out to the Committee. I trust that right hon and hon. Members have read them or, if they have not done so, will do so. What I will say is that undertakings are expected to make all possible efforts to absorb increased costs by improving their own efficiency. Only after making such efforts will increases in labour, capital, or other, costs be regarded as justifying higher prices.

The paragraph also accepts that an increase in prices may be justified—

here we are talking of the private sector —by the need to earn a sufficient rate of return

“to secure the capital it requires to meet home and overseas demand.”

The nationalised industries are expected to be as efficient as they possibly can in order to absorb these increases in cost to the greatest possible extent. I repeat that I do not think that their record is at all a bad one. The right hon. Gentleman quoted the case of one regional electricity board. Obviously I did not know that he intended to raise it. Therefore, I was not briefed with all the possibilities, but I will have it looked into. If we can bring the right hon. Gentleman an answer on it before the end of the day, we will do so. If not, I will either write to him or answer him a Question on it, as he chooses.

As the right hon. Gentleman raised an electricity case, let me say this. Hon. Members should be aware of the record of the electricity generating industry, for example, in this. It has reduced the capital cost of a kilowatt from above £60 in 1954 to below £40 in 1963. Hon. Members will be aware of the enormous strides in mechanisation and efficiency which have been made by the National Coal Board and which have raised the average output per man shift from under 28 cwts. in 1960 to more than 34 cwts. in 1964 and which, incidentally, have brought experts from all over the world to study the progress being made in our nationalised coal industry. The gas industry, too, has made great technical advances. Its scheme for importing liquid methane by tankers has made transport history and it has developed two entirely new processes for producing gas from light oil. We hear a lot about the Fawley scheme, and no one on this side would want to detract from that at all, but let us hear a little more from hon. Members opposite about the very great advances which are being made at the same time in the public services.

Mr. Ridsdale : Would the First Secretary of State pay tribute to the fact that since 1954 £3,000 million have been invested in the electricity industry? Is he satisfied with the return on this?

Mr. Brown : When the hon. Gentleman made this point before, the figure he gave

was £6,000 million, but perhaps he was talking about a different period of time.

Mr. Ridsdale : I said £6,000 million, referring to all the public industries, but nearly £3,000 million applied to the electricity industry.

Mr. Brown : If financial obligations like that are imposed, one of the things that happens is that prices must be raised to provide the additional return on the additional capital which has been insisted on. I am asked if I am satisfied with the return. One is never satisfied in this field, either in the private or in the public sector. One must keep the pressure up as much as one can. Do not let us talk and act as though a great deal is not already happening in the public services. It is. That suggestion may score a temporary point in the House of Commons, but the morale of the managers, the technical people and the workmen in the industry must be thought of. Unless from time to time we give them a pat on the back for what they are doing as well as urge them to do more, the very morale which is a factor in getting this done will be lowered.

It also means that the nationalised industries must be free to earn a reasonable rate of return on their capital—indeed, they are expected to—after taking into account their various non-economic obligations. As I said just now, the policy includes among the factors to be taken into account, as to private employers, not merely the cost factor we were talking about, but also the need for a sufficient rate of return to enable them to get the capital they require. So, in the case of the nationalised industries, allowance must be made for them to obtain a reasonable return on their capital.

Clearly from the point of view of ensuring that the resources of the country are deployed in the way that contributes most to the strength and growth of the economy, it is vitally essential that the nationalised industries should earn a reasonable return on their capital and should work to secure financial objectives. That is why the previous Government—that is why right hon. Members now sitting on the Front Bench criticising our policy—produced this White Paper in 1961, Cmnd. 1337. It was the whole point of the document. It was under the policies of that White Paper

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that the current objectives for the electricity industry, the gas industry, and so on, were laid down.

Generally speaking, we think that the policy was sound. Generally speaking, we think that the industries should work under this financial obligation. It is certainly not for hon. Members opposite to complain if, despite what these industries are able to do about increasing their efficiency, they have to raise their price structure to get the returns which hon. Members opposite imposed upon them. If right hon. Members opposite have changed their minds on this White Paper, by all means let them say so. It is that policy we are working on. We think that it is right, but we should be very glad to hear if right hon. Members opposite have changed their minds. If they have not changed their minds, the point they make has no validity whatever.

However, the right hon. Gentleman raised a question which has rather more validity. It is whether nationalised industries, despite all the statements I have made, are being let off lightly or are being favoured as against what is expected from private industry.

Let me repeat that the truth is just the very opposite. The nationalised industries are put through a succession of hoops in the matter of prices far more than a very large area of private enterprise ever has to face. May I explain to the Committee what the hoops are so that hon. Members can consider them and perhaps comment on them afterwards? First, the boards of the nationalised industries have to live with a much livelier and much more inquisitive set of shareholders than pretty well any company in private industry. Whereas the average company chairman meets a handful of pretty docile shareholders once a year, the chairman of a nationalised industry has to keep his Minister regularly informed of what is going on in the industry for which he is responsible, and the Minister is answerable to the House of Commons.

It is no secret, certainly from right hon. Gentlemen opposite, that these subjects include major proposals affecting prices and charges. In fact as well as in form, responsibility for fixing charges, with the exceptions which I will mention, lies with the nationalised

boards, but this does not mean that the Minister is not told in advance of what is being proposed and does not have all the opportunities of seeing that the wider national interests and considerations are taken into account. This is hoop No. 1 through which they have to go, and hon. and right hon. Members opposite know very well that they go through it.

The nationalised industries certainly are brought from time to time under scrutiny, either by special independent committees of inquiry or more regularly, by the Select Committee on Nationalised Industries which at the moment is looking into the affairs of the London Transport Board. There is no doubt about the value of these inquiries. The Select Committee in particular has produced excellent reports, and without question all this puts great pressure on the nationalised industries. Private enterprise does not have to face either of these. [HON. MEMBERS: "It faces competition."]

Thirdly, the actions of most of the nationalised boards are subject to continuous review by consultative machinery. Precise arrangements differ in different cases, but with a few exceptions, such as London passenger fares, responsibility lies with the nationalised industries themselves. But in most cases consultative bodies have been set up by statute with the responsibility, among others, of considering and reporting upon proposed increases in charges. It is the general task of these bodies, which include the Domestic Coal Consumers Council, the Industrial Coal Consumers Council, and consultative councils for each area gas board and each area electricity board, to look after the interests of the consumer in their respective fields.

Their remit includes the prices charged for the industry's goods and services as well as matters of day-to-day administration. My right hon. Friends have drawn the attention of the chairmen of the independent consultative bodies to the considerations of national interest relating to prices set out in the White Paper. They have asked them to see that these are taken into account in considering what is done by the industries for which they are the consultative body.

That is the third hoop. Where is the equivalent in private enterprise? [HON.

MEMBERS: "Competition." I dealt earlier with the argument about competition. It is true of some industries and it is not true of quite a number of others. It is not true at all of some powerful and very big industries.

There is a fourth hoop which we have now set on top of all that. We have made it clear that we will, if in a particular case it would be helpful, refer the price decision to the National Board for Prices and Incomes for review. I have made that clear. I meant it and I stand by it. The hundred or so hon. Members opposite who added their names to a Motion by one of their colleagues seemed to act without thinking about this point, just as I think the right hon. Member for Grantham was about to do but suddenly stopped when he asked me a question.

I said that I was going to refer to the National Board for Prices and Incomes the prices of bread, flour, soap and detergents, and road haulage charges. As for the "Sunday leaks", this sounded good in the way the right hon. Gentleman put it, but of the two newspapers which he mentioned one got two out of three right, one got three right out of three, and nearly all the newspapers mentioned drugs, which have not been referred. I can give the right hon. Gentleman my personal assurance that these were subjects which have been speculated about for a pretty long time. Why the right hon. Gentleman should be surprised about flour I do not know, because when one talks about bread one talks about flour. Bread and flour, soap and detergents and road haulage charges and various other things were possible subjects for reference. Journalists cannot always get it wrong and the Government must not be blamed if journalists get it right. I assure the right hon. Gentleman that there was no more to it than that.

Mr. Godber: It is quite clear that when these people in the industries concerned went to see the Ministers concerned, the Ministers apologised that this had happened and clearly they were under the impression that there had been a leak, just as the industrialists were under that impression. If the right hon. Gentleman gives me that assurance I

accept it, and I am sure that the industrialists concerned will accept it.

Mr. Brown: There is at least one Minister here today, and I am sure that he never accepted that there had been a leak anywhere. In the sense of apologising for it, I am sorry that these things happen. It must be embarrassing to anybody who is negotiating and cannot tell his members what is going on and then his members read it in the newspapers. Unhappily, not having had the opportunity which I have had to realise the limitations on the accuracy of newspapers, so many of our friends are apt to believe that what they read in them must be true and official. Not only can I answer for my own Department, but I can answer for others: there was no leak that we can trace at all. There was no informed talk to correspondents, and I am absolutely certain from the fact that the newspapers did not get it all right, and that they got different subjects as well as the right ones, that this was a matter of pretty intelligent guessing where one can hardly go wrong if one chances one's arm.

When I announced this reference to the Board, I announced the road haulage charges reference, and the Road Haulage Association includes British Road Services as a member. That service, as well as private road hauliers, is one of the major current references and is therefore in part a nationalised case. Those who say that we have not referred a nationalised case or ought to refer one should do their homework. We have already referred one. I have little doubt—though it is not for me to say—that the chairman of the Board will be asking British Road Services to help in the inquiry.

I have tried to explain to the Committee and the country—and I hope that the committee will not feel that it has been in a sense of trying to make a party debating speech—the policies which we are pursuing in this extraordinarily difficult field of rising prices. There is no question of the imperative need for price stability, but it is a fact that up to now all attempts to achieve this have at best proved short-lived. In my view the attitude and approach of the right hon. Gentleman for Grantham this afternoon was in very large measure the reason for previous attempts failing and would

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make anything that the party opposite tried to do fail again today.

The real question is which approach to this matter is likely to have a fair chance of succeeding. Is it the approach of right hon. Gentlemen opposite and the expedients which I mentioned and which they tried, or is it a carefully devised policy, worked out in the closest co-operation with trade and industry and applied by the sort of machinery which we now possess in the National Board for Prices and Incomes? The Committee must judge. I have no doubt from my contacts with both sides of industry and in the country that, apart from hon. and right hon. Members opposite, everybody in the country is with us and is devoutly wishing us to succeed.

5.30 p.m.

Mr. Paul Bryan (Howden): When we accuse the Government of breaking their election promises, the standard defence is that there has not been time to carry them out. That, quite naturally, was the line which the First Secretary of State took in the first sentence of his speech. Is it not a bad reply, but, of course, the strength of it will get diluted as time goes on.

Although the Government have been in power for only six months, that is not too short a time to form a pretty intelligent judgment on which of their election promises they are likely to carry out. For instance, we were told before the election and during the election that they would not increase taxation in order to carry out their programme. Since then they have increased taxation by about £500 million, and any intelligent guesser would say that they are most unlikely to reduce taxation by £500 million before they go out of office, especially as they can bask in the comfort of knowing that they are not likely to be in power much longer.

Six months is not a long time to make any marked reduction in prices or to curb them to any great degree, but we can, from what we have seen so far, pass some sort of judgment of future prospects based on their published intentions. Any reasonably well informed citizen who follows television and the Press, if asked what the main Socialist weapon to curb prices, would, I suppose, answer, "The First Secretary's prices and incomes

policy". One hesitates to discuss or to criticise this policy because hon. and right hon. Members opposite are very touchy about it.

Only this afternoon the right hon. Gentleman said that if we talked about it it was a matter of sour grapes. I assure the Government that when I talk about it, discuss it and criticise it this afternoon I shall not be sneering at it. There is no guilty conscience on my part. I am not sniggering at it or ridiculing it in any way. I am not a cynic or even a member of the Wolverhampton school. I believe that any Government in this country must go for an incomes policy.

But this Government's policy for prices and incomes has been so over-boasted that the degree of success it is likely to achieve will be a big delusion. Moreover, if all the energy, all the publicity and all the hard work by some very able and "top" people on both sides of industry had been concentrated on overcoming the obstacles to productivity and to competition—if much greater emphasis had been put on that side of it—we could expect a more promising result.

The right hon. Gentleman said that the great difference between his incomes policy and any that had gone before was that he was the first Minister to bring in the question of prices, and he added that he was the first one to produce machinery which looked as though it would succeed. I wish to consider this, and I shall approach the matter from, as it were, the shop floor level, a level rather lower than the level at which it has been discussed so far in our debate. I have read and studied the various White Papers which the First Secretary has published on the subject. Reading them in Westminster, one finds them well written and sound, though fairly unreal. The farther one goes from London and Westminster, the more unreal they seem, and by the time I get to the West Riding of Yorkshire, where I come from, one can almost hear people saying, "That's nowt to do with us".

The very tone of these White Papers seems such a long way from what really happens in the factories, the mills and the offices where the millions of decisions are made which result in price levels in this country. As the Chancellor of the Duchy of Lancaster knows, I have been

in the textile industry for many years, and I am a director of a clothing factory in the West Riding of Yorkshire. Our prices went up not long ago. They went up for the reasons that so many people's prices went up in most of the clothing industry. They went up because power costs more, because parcel post and rail carriage rates had gone up, because packaging costs, wages and interest rates had gone up, because of the 15 per cent. surcharge, and so on. Each item had gone up. I am not saying that each was a huge increase on its own, but all of them added together made an increase in prices absolutely inevitable.

When this sort of thing happens, I as a director of such a company would not be moved very much if I saw a headline in tomorrow's newspapers "Trouser prices up. Brown acts", because I should know that this did not mean he would do anything.

The Chancellor of the Duchy of Lancaster (Mr. Douglas Houghton): Will the hon. Gentleman kindly tell the Committee whether his profits have gone up?

Mr. Bryan: I shall come to that. My speech will cover it all.

The result of all this might be that my firm received one of the letters which the First Secretary of State sends round from to time. That letter would, no doubt, ask one to absorb these costs. But, to answer the Chancellor of the Duchy, this is exactly what has been taking place in most of the clothing trade. One's turnover has gone up every year over the past five years to quite a good extent. One's profits have gone up very much less. In other words, one is absorbing one's costs. But you do so not because you have had a message from a Minister, but because of competition and for no other reason at all.

In their White Paper, Prices and Incomes Policy, the Government sets out the "Criteria for price behaviour". As I read it, I feel quite virtuous because I find my company has kept the rules. But, again, the reason is competition; there is no other central motive. In fact, the conditions offered by the criteria for price behaviour are rather kinder than the discipline of competition. The Government say that one may raise one's prices if there is a question of raising more

necessary capital. On that sort of basis, I could justify, if we could make it, a higher profit that we make today. It is admitted that profits are the key to capital. This is the only place where I have seen that recognised in a Government publication.

As time goes on, there may be the fear—if fear it be—of being brought before the National Board for Prices and Incomes. I can see the Board being effective on some of the goods which have been talked about earlier on—mass products like flour, cement, and so on—but, for the vast variety of goods which most of industry turns out, I cannot see what effect such a Board could have. If one were brought before it, one would know so much more about the whole subject under review than anyone doing the questioning that matters would not get very far.

Then we come on to the delicate problem, which, no doubt sensibly, is avoided in the White Papers, of what happens if compulsion must be used. It is not mentioned, but we really must talk and think about it now to see whether, in the event, it could be effective. In any industry producing a great variety of goods in quality and type, I do not see how any Government could possibly catch up with the problem. It reminds me of what happened during the war, when the Government tried to fix prices for the Utility scheme. Down came Government inspectors to examine one's prices. The gentlemen who came were temporary civil servants, and the reason they were so was that they had not been able to make a living in the trade themselves.

Not because they are evil, but because, on the whole, manufacturers will, naturally, quote prices for making, and so on, which are on the top side rather than on the bottom side, these official efforts do not get very far. The result under the Utility scheme was that far too big profits were made which had to be taken away afterwards by Excess Profits Tax. If compulsion is in the air or is regarded as a possibility, one must have some idea of how it will operate. I do not see how it can.

The First Secretary may think that what I am talking about applies to a few small firms in a few "one-horse" towns in the West Riding. In fact, it

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applies to the great bulk of industry. I would be interested to know the percentage of industry, to which the Secretary of State refers, where competition is unimportant because of the small number of operators. The line I have been taking would seem to apply to the West Riding in general and very nearly the whole of Lancashire, too.

Competition is still a far more powerful price reducer for industry than directives or exhortations. I do not go along with the right hon. Gentleman when he says that there was a tremendous impact when various companies announced that they would not, at his request, put up their prices for the time being. Great firms like Marks and Spencer's and Sainsbury's will not turn down a Government request flat. They have their public relations to think of. Naturally, they will hold prices for a bit. But the main reason why Marks and Spencer's reduces its prices is that it has the British Home Stores and Littlewood's breathing down its neck. That is what brings prices down. The right hon. Gentleman made quite a good point about America, the home of all competition. He pointed out that even in the United States Government have issued a guiding statement. Nevertheless, one only has to go there on business to know that competition is the real driving force.

The second element in the incomes policy is the question of wages, and this is obviously very important and varies in importance as to whether one is talking about a labour intensive industry or otherwise. The right hon. Gentleman claims that he is getting more co-operation from the unions than any of his predecessors. In theory, he can probably substantiate his claim. But we have to see what the situation is in practice. I wish him luck.

I think that he based his hopes on more co-operation first, on the claim that a Socialist Government would show more of a sense of social justice. We shall see about that. At the moment, that claim appears to rest on the Capital Gains Tax and taxing businessmen's expenses. That sort of thing is pure danegeld and, like danegeld, it will not satisfy for very long.

The second claim is that people understand the policy better because it has been better explained. One has to give the right hon. Gentleman marks for the way it has been explained all over the country. It is understood because it is an easy thing to understand. I am not saying that people are evil when I say that, being human, they understand it in their own favour. That is bound to be so. I do not say that a wages policy is wrong—obviously it is not—but much too much is being expected of it.

The White Paper says, in paragraph 13:

“ . . . less weight than hitherto will have to be given to the factors mentioned in paragraph 12 . . . ”

Those factors are

“ . . . comparisons with levels or trends of incomes in other employments . . . ”

At the moment, I see not the slightest change in wage bargaining in this regard.

In our trade, not long ago, we had negotiations on wages, and quite reasonably and expectedly, and as before, the union representative put forward as his strongest argument a league table of wages, claiming that the clothing workers must keep their place. That is obviously the strongest argument to put to employers, who know that they must not get too far down the table, as otherwise, they will not get labour in competition with other employers.

This is such a strong argument that it will be very hard for a long time to come, or indeed in the foreseeable future, to expect it not to be used. As to the guiding light, or the norm, whatever one calls it—I am not saying that it will be insignificant and will have no effect—it will be a useful starting point for employers, but negotiations do not go on for long before such things are forgotten in the general bargaining. One should not expect too much of it.

The right hon. Gentleman did not speak of wage drift, but it is very important. In the debate on the Budget, he said:

“ . . . the problem of wage drift is ahead, but if we can get stability into the basic bargaining, we are on the way to being able to tackle wage drift for the first time.”—[OFFICIAL REPORT, 7th April, 1965; Vol. 710, c. 534.]

Perhaps we can hear tonight of the Government's views on that. It is a difficult problem; the outward and visible sign of inflation. If it is a sin, I suppose that it is the employer's sin. He will be told that it is not in the national interest for him to overbid for skilled workers for his factory. But there can be honestly differing views on this.

If, for instance, the managing director of I.B.M., in Scotland, making highly-sophisticated products, is short of skilled labour, he may well think that he is making the sort of thing that Britain should be producing and that, therefore, he has the best claim to the skilled labour in the area and the reason to give the highest price. However, neighbouring manufacturers may be able to make much the same arguments themselves.

As a trouser manufacturer I can claim, in this respectable country, that trousers are top priority. The fact that a committee of experts has come out with a finding, after much consideration, as to where the national interest lies will not get us as far as the right hon. Gentleman thinks. In the programme "Gallery", on television, the right hon. Gentleman said:

"If some idiot obstructs and frustrates everyone else then you will have to compel him."

After this has been going on for a while, people might ask, "Who is the idiot?" It may not necessarily be the person talked about in that programme.

The right hon. Gentleman said today that the problem of rising prices had not been conquered in any Western country since the war and that is true. But when one studies their struggles against rising prices one sees that the most effective weapon has been competition. It is a very old-fashioned weapon, but it is in the only one that has worked strongly. But competition cannot work except in favourable conditions.

The first of these conditions is a sound financial situation. If there is roaring inflation, prices go up anyway, and there is no competition anyway. The abolition of resale price maintenance is a step forward. We have discussed that already, and what is worth mentioning is that it has brought with it an appreciation among the people of the value of price cutting. It is not surprising that people care much less now about the claim

that people positively like the simplicity and security of fixed prices. The abolition of resale price maintenance and the Bill on monopolies which is slowly going through the House of Commons will have far more effect on the level of prices than all the White Papers which have been published.

Having said this about competition—and no doubt we shall hear much more about it later in the evening—I believe that the most revealing factor in all these White Papers, declarations of intent and so on, is that there is almost no mention of it. It is right at the bottom of all the factors which are alleged to matter.

There is good reason for that. To get these declarations of intent signed, people had to be kept happy, and competition is a very prickly and uncomfortable plant to have around. Nobody likes competition. Nobody who has to face it likes it. The Government have not yet faced it. We faced the importance of competition last year with the abolition of resale price maintenance, and we got ourselves into a lot of trouble doing so. But we saw it through, and it is now working.

The talking of the new Government has been tremendous—they will go down as the Government with a big mouth, but a faint heart. Before the election we had an awful lot from the Prime Minister about industries with a soft centre; this is a Government which is soft all the way through, a sort of marshmallow Government. When the firing starts, that is the time that they run away. They have a wage policy, but they run away from the postmen. They are in favour of competition, but they run away from the Coal Board. On Thursday night they believed in steel nationalisation, but 300 of them ran away from two little rebels.

5.52 p.m.

Mr. A. Woodburn (Clackmannan and East Stirlingshire): I want to comment on one or two of the remarks of the hon. Member for Howden (Mr. Bryan), but I should like, first, to congratulate my right hon. Friend the First Secretary on tackling prices, one of the most difficult jobs in the economic field. It is easy for any hon. Member to say that the First Secretary is not succeeding. It would be a miracle if he did succeed, especially in six months. I hope that all hon. Members opposite who speak in the debate

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later will at least express the hope that he succeeds. There is still an impression that some are rather glad that he has not succeeded in a short time.

This is something not just for the First Secretary, but for the nation. Unless we succeed in doing something about this matter, we shall be in a disaster. The hon. Member for Howden said that it was too soon to expect results, but that seems to be contrary to the attitude of the Conservative Party, which, until now, has seemed to think that all these problems should have been solved in six months. Of course, the hon. Gentleman was right to say that it is much too soon.

The hon. Gentleman advocated competition, but is not the trouble that we have competition all over the world and that our people are not facing up to it? This is one of the problems facing the steel industry. It is one of the justifications which the Government put forward for proposing to nationalise the steel industry which has not faced up to the necessity to compete. That is because it is living in a sheltered paradise.

Sir William Robson Brown (Esher): Nothing came out of the debate last Thursday to show that the steel industry is one of the industries suffering from a double handicap. One is fixed prices, which were fixed too low, so low that during the last couple of months the Government themselves have had to accept that prices were too low and that profits were unreasonable, so that the price of steel was raised by a minimum figure of £1 5s. a ton. We had better learn some economic lessons from the steel industry. The House of Commons does not understand it. It has always misunderstood it. Hon. Members on both sides ought to study it much more closely than they have.

Mr. Woodburn: I appreciate the difficulties of the steel industry, but it has never been in a position of being able to equip itself in the modern way or able to face world competition.

Sir W. Robson Brown: Because its prices were far too low.

Mr. Woodburn: I would say, going back through my experience of the steel

industry, that it was able to charge £24 a ton for steel axles when they could be bought from Belgium for £16 a ton. More than that, during the period when we had to sell goods to the Argentine in competition with Switzerland and Belgium, it was impossible to do so if British steel was used in the wheels and axles and other components of goods exported to the Argentine. It was only when some firms which wanted to start up outside the combine, such as Jessop's, of Sheffield, provided the material, that we were able to use British steel for an Argentine contract.

Before the First World War, the Australian Government gave this country a complete monopoly in the sale of steel railway material, but the Australian Government were so fleeced by high prices, because the industry took advantage of the monopoly, that for the first time in history they invited competition in railway materials from Switzerland and Belgium.

Sir W. Robson Brown: I am sorry to interrupt again, but which year is the right hon. Gentleman talking about?

Mr. Woodburn: I said that it was before the First World War.

Sir W. Robson Brown: That is a long time ago. We are facing the facts of life now, in 1965, and they are pretty tough.

Mr. Woodburn: Things were much the same between the wars, when Lord Nuffield said that he was forced to go to Belgium and elsewhere to buy steel because of the high prices maintained by the British steel firms.

After the First World War, the British steel industry suffered an almost complete collapse and, obviously, had neither the capital nor anything else to pay for modern developments. I understand that by comparison with other countries British steel units are too small and that many British steel makers cannot find the capital and that there is no possible inducement of future profit which will encourage the spending of hundreds of millions of £s on re-equipping the industry whose capital will not be forthcoming except from the Government.

Without that capital, the industry continue to plough along in its present form. The Government's justification

nationalising the steel industry is that this capital must be put into it because the industry must be re-equipped if it is to be as efficient as the German, Japanese, continental, or American steel industries with whom it has to compete in world markets.

Mr. R. E. Winterbottom (Sheffield, Brightside): Just to get it on the record, would not my right hon. Friend agree that the latest price increases did not affect some steel which we export and which is still being sold abroad cheaper than the cost of production?

Mr. Woodburn: That is a possibility, but that is not an economic way to conduct a business, nor does it provide the capital which is needed in the industry.

It must be recognised that there are all sorts of problems of this kind. Steel ought not to be sold abroad too much in its raw state. It ought to be exported incorporated in engineering products and in shipbuilding plates. However, not long ago the shipbuilders were complaining that their competitiveness was handicapped by the quality and price of the steel plates supplied to them. That is an unsatisfactory way in which to engage in the competition which the hon. Member for Howden advocated. The competition is not in this country, but in the world markets and we are not facing it. Competition is not having the suggested effect upon our industries and it is, therefore, difficult to see what great virtue it has.

There is, however, the problem to which the hon. Member has referred concerning labour. If there is a whole lot of competition for labour, labour is tempted to take advantage of it and raise its price, as happens in the ordinary market with supply and demand. One of the great tributes that should be paid to the trade union movement was that especially after the war, when we were in office, it held back and neither the miners nor any other industry took advantage of their economic position in the sellers market at that time to push up their wages to anything like the extent they could have done.

We are living, however, in an atmosphere when everybody wants more—the doctors, the teachers, for example,

and right down the whole list. They all say that the other fellow is getting more and, therefore, that they themselves should get more. There is no solution to this problem. If they all want more—I suppose that it is money they want—the best way to do it would be to print “£2” or “£3” on the £1 notes for them, although obviously, of course, one does not get more simply by increasing the number of “tickets” that people get at the end of the week. Increases are impossible unless there is greater productivity and production.

My right hon. Friend the First Secretary correctly stressed that there must be an increase in productivity. This necessitates an increase in efficiency. We cannot have efficiency without the best methods and without improving both methods and machinery. This is what is required of the steel industry, which could have done it but has not. It depends entirely upon the Government coming in to help the steel industry both with money and in other ways. I do not see the validity of the argument about steel in this connection.

Sir Andrew McCance was head of Colvilles before it was nationalised. He was head of the company when it was nationalised and also when it was denationalised. Is it suggested that he behaves badly when he works for the nation, but behaves well when working for private enterprise? If we have good men in the steel industry, why should they not work for the nation as their shareholders just as they work for their private shareholders? A great deal of nonsense is talked. If there were any patriotism in the industry, they would work for the nation as earnestly and as sincerely as they work for anybody else.

The problem that we are facing is that of inflation. It is a vain hope that prices will come down, because if they come down the whole economy will slow up. The history of prices is that there must always be a feeling in the community that things will get dearer, otherwise purchasing stops. If people are told that in six months' time everything will be cheaper, all purchasing will stop and there will be deflation. Therefore, progress necessitates a constant slight pressure upwards. The Government's problem is to keep the pressure from

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being more than just a little above the line—not to let it go below the line, but to keep it just above. The figure of 3 per cent. has been mentioned. Whatever the percentage, it should not go above, that. This is essential for development, because without it the whole process is slowed down.

On the other hand, when there is this pressure on resources one is apt to get the wrong kind of competition, of which the hon. Member for Howden spoke, with people running about looking for labour. There is the problem of counteracting this tendency. Purchasing power must be kept within the level of productive resources. Inflation is not an absolute thing at any time. It is relative. If we create credit or purchasing power up to the point that we can get labour and materials to supply the need for which the purchasing power is provided, there will not be real inflation. It may not be universal.

At one stage, we had inflation in the Midlands and the south of England and deflation in Scotland at the same time. We could have afforded to expand the purchasing power in Scotland, but not in England, where deflation was needed. A certain amount of this trend is still continuing. There is over-pressure on both labour and materials in the Midlands and, perhaps, a lesser demand in Cheshire, Scotland, perhaps Cumberland and, to some extent, Northumberland. Here we require a differential regional policy for expansion.

One of the curious things that a former Chancellor of the Exchequer, the then Mr. Heathcoat Amory, did was to decree that the Scottish banks could extend credit, but that the English banks could not. That was ridiculous, because if people could not get an advance from an English bank they needed only to go to a Scottish bank for it. Had Mr. Amory said that all the banks were to extend credit for exports in Scotland but not for England and the South, that would have been a geographical distinction in the extension of credit. This is what is required when dealing with a geographical disequilibrium in regard to employment and pressure on materials.

When, however, we have the pressure which is now taking place, the policy

of my right hon. Friend becomes extremely difficult. I sympathise with him in trying to make a success of it. For example, according to this morning's Press, hire-purchase credits are at a higher level than ever before. Everybody knows that to expand purchasing power quickly the best thing to do is to expand the hire-purchase business. The Conservatives know this. In 1959, they gave a free run to the banks and to everybody else to pump out hire-purchase money. The figure went up to such an extent that, I think, the hire-purchase people lost about £60 million in unpaid debts arising from the boom that won the 1955 election. The boom came all right. Hire purchase is something which whips up purchasing, sales and demand and puts up trading in the way that is happening now.

It may be necessary that that should be slowed down if we are to keep the purchasing power within the range of the productive machine. If the productive machine goes beyond its capacity, we cannot stop employers trying to get labour to produce the goods which people want. It is almost more than human nature could stand that a firm should allow itself to slacken and close down because it must not bribe people to come and work for it. At one time after the outbreak of war, Rolls Royce employed people as scouts searching the country to get toolmen and others to come to its new factory, otherwise it could not have started. The company was prepared to say to them, "Write your own price, turn up and you will be started." That is competition, but of a kind that forces up prices ridiculously.

A great deal has been said about the nationalised industries. I hope that the right hon. Member for Leeds, North-East (Sir K. Joseph), when he winds up the debate for the Opposition, will deal with some of the nonsense which is talked about nationalised industries. The electricity industry has tremendously increased its productivity by improvements in efficiency. Technicians have improved the production of electricity by using less coal and labour and producing more current. Considering the relative value of money, electricity is much cheaper than before the war.

The same is happening with gas. That industry is making amazing technical

progress. When the former Conservative Minister was responsible for it, he boasted of its prowess and progress because of the technical efficiency of the people running the industry. Instead of loafing about drinking cups of tea and living at the nation's expense, the people in the gas and electricity industries are as keen on their job as any director of a company. I think that credit ought to be given to them for what they do.

The Post Office ought to be given credit for what it has done. Until recently, if I wanted to telephone my wife in Edinburgh it cost me 3s. 6d. to do so. Now it costs me 2d. I ask the right hon. Gentleman to give me an example of private enterprise which has reduced prices on that scale. With S.T.D. it is possible to telephone to the other end of the country for 2d. A couple of years ago it cost anything from 3s. 6d. to 4s.

Mr. Russell Johnston (Inverness): The right hon. Gentleman must have a very quiet wife if it costs him only 2d. to speak to her.

Mr. Woodburn: I heard one hon. Member complaining that his daughter had run up a huge telephone bill. I pointed out that he made a mistake. He should have gone to the coin box and put in his 3d. At the end of the allotted time he would have been cut off. There is a remedy for people who run up large bills by making long telephone calls. I am surprised at the comment of the hon. Member for Inverness (Mr. Russell Johnston), because I should have thought that his wife, being a Scot, would be economical, too. When women know that they have to pay for things, they can be very economical.

Another example of increased efficiency is to be found in the Post Office engineering organisation, which has reduced costs in every way. One of the troubles of this country is that nationalised industries have to be mean compared with private enterprise. Directors of private companies can hold banquets and invite Ministers to take part in their hospitality, but if a director of a nationalised industry were to try to do that sort of thing all sorts of Questions would be asked in the House, and numerous restrictions would be placed in him. The country ought to be as generous to public

enterprise as it is to private enterprise. If it was there would be less competition to get into the cushy jobs in private enterprise.

The directors of the steel industry are emperors in their own territory. Nobody questions them. They do not adopt a democratic system. Their shareholders are not interested in the business. They are interested only in getting a reasonable dividend. The trouble with the steel industry is that it does not want to give up its power. The nationalised industries have done an extremely good job of work.

The question that we have to decide is what to do about the present situation. We must get some sort of a balance between purchasing power and the production machine. If we want more wages, and more salaries, and not just bits of paper, we can get them only by improved methods and increased productivity. Nobody wants to work harder. Nobody wants to work longer hours for the same money. The only thing left to do is to improve our methods of production.

An example of such improved production is to be found on the railways. It is, necessarily, a slow and painful process. Once the redevelopment of the railways is carried out, they will be run with fewer people. I noticed the other day that a large number of men will no longer be required because of improvements in operating methods.

The first thing that happened when the railways were nationalised was the closing of an office in Newcastle which did nothing but look after the exchange of tickets. Nearly 1,000 people became redundant overnight. We also got rid of duplication. Instead of having a number of different types of wagons, we had one or two types. We got rid of all kinds of overlapping, which, of course, had the result of reducing the cost of running the railways even during the difficult period immediately following nationalisation.

Much the same thing has happened in the mines. There has been a complete readjustment since 1933. In 1947, we established a programme for the closing down of inefficient mines and the redevelopment of up-to-date ones. This process has gone on continuously, with

[MR. WOODBURN.]

a great deal of heartrending and disturbance of miners' lives, but they have loyally accepted the situation.

We are now witnessing the readjustment of the aircraft industry. All this tends to bring about an increase in production, with the employment of less labour. There is more efficiency and, therefore, we make better use of the country's resources.

We must remember, however, that a large number of people are doing useless work. We talk as though we were poor, but if the people who check the pools, and other people who do completely useless work, were employed on productive jobs we could increase our productivity by a considerable amount. It is difficult to compel people to go into new jobs. The problem is to decide to what extent we can get rid of passengers, the people whom we carry, and get more people into productive work.

My experience in industry leads me to believe that it was regarded as the Cinderella of this country. It had to do all the work, but the profits were expected to go to the people who were not themselves doing anything productive. The agent selling the goods sometimes got more than the man who was producing them. This, of course, is quite common. The middle man seems to come off best.

I remember Dr. Addison. This is an old example, but it is true today. In the difficult days of competition, a farmer bought crates costing 1s. 3d. in which to send his cabbages to market. He did not get enough for his produce to pay for the crates, yet those cabbages were being sold at 6d. each. The profit, of course, was made by someone else. There is a great deal of waste in distribution. Much of the profit goes in distribution costs and is not received by the people who produce the goods. It is true, as the hon. Gentleman said, that this method does not provide the capital for redevelopment, but that capital must be found and we hope that something will be done to balance the situation. In any case, the Government's task is to try to keep production and distribution in balance.

If people take the attitude that the other fellow has received something, and that they must, therefore, receive it too, we shall merely be caught up in a cycle of everybody wanting more and more. It

starts with a 2½ per cent. increase. That is not enough, so the next increase is one of 5 per cent. That, in turn, proves to be insufficient, so the next increase is one of 10 per cent. This is complete madness. It is impossible to go on manufacturing money without manufacturing goods. The present process is senseless, and will get us nowhere. The Government, sooner or later, must bring the two things into some sort of relationship.

The old method of dealing with the problem was to have less employment and to drive people on to the streets and thus create a new kind of competition. Nobody wants that, but the present system of full employment can continue to work only if people are sensible and reasonable. The great majority of people are, but there will always be some who want to whip up a little excitement. The question is whether my right hon. Friend will succeed in persuading employers and those who sell goods to keep down their prices, and whether he will succeed in persuading the workers to keep down their demands. We must succeed in getting employers to accept that profits are not sacrosanct. We must all exercise restraint, or nobody will be encouraged to do so.

My right hon. Friend has made great strides in getting at least verbal consent and a declaration of intent with regard to his policy. We know that the way to hell is paved with good intentions, but I think that my right hon. Friend has persuaded big organisations to abide by his suggestions. These organisations have a lot of influence, and I am sure that the workers, who listen to what they have to say through the medium of television, and so on, have a great deal of good sense as well, and will appreciate that they have a part to play. If they can be set a good example by their employers, and by the leaders of industry, they will exercise restraint, and it may be that we shall be on the way to a new development in industrial relations. When a worker sees a closed office door, he wonders what manipulations are taking place in an effort to diddle him.

It would help if there were a little more frankness and unashamedness. It would help if the employers did not shut their doors because they were ashamed at what went on behind them. I told Lord Nelson of Stafford—as he now is—that if he talked to the workers they

would understand, but that so long as suspicion existed they would not allow the employers to get away with anything at their expense. There must be a new industrial relationship and a spirit of co-operation. No workers would object to their employers making a profit provided they know what is happening and know that they are not going to suffer in the process.

We must have co-operation and good will, and one of the Minister's triumphs at the moment is that he has induced a spirit of good will, which, I hope, will result in a successful conclusion to his endeavours.

6.21 p.m.

Sir Cyril Osborne (Louth): If the First Secretary had been here I would have liked to congratulate him—if that would not have been too much of an embarrassment to him—on the policy that he is pursuing. Ever since the time of Sir Stafford Cripps, who tried this policy, I have been one of its supporters. But an incomes and prices policy cannot be successful unless output-per-man-year—as Sir Stafford Cripps used to put it—is increased. Productivity is the key to success, and speaking across the Floor of the Committee I would like to wish the First Secretary the best of luck in the job that he is trying to do.

When I heard the First Secretary speak I was reminded of the debates that we had in 1948 and 1949, when Sir Stafford Cripps made eloquent pleas for the same purpose. When the right hon. Gentleman has spoke at Question Time I have heard the echo of Sir Stafford Cripps' voice, and I have wondered whether the First Secretary could succeed where Cripps failed and, if so, how?

I hope that the President of the Board of Trade will tell his right hon. Friend that it is wrong to feel that hon. Members on this side of the Committee hope that he fails. We do not. For the good of our country, we hope that he succeeds. If it is not too great an irrelevancy to say this, I would say that if the right hon. Gentleman succeeds in this vital and most difficult problem he will have a better claim to be Prime Minister than anyone else on the benches opposite.

Apart from immigration, which, I feel, will, unhappily, destroy the English way of life one day, inflation is our greatest problem. It is tragic that there are just over a baker's dozen out of 630 Members, to discuss this vital question. If we were discussing Vietnam, the Concord project, or the TSR2, the Chamber would be crowded, but when we are dealing with the one problem which could ruin our whole economic system very little interest is taken.

I regard inflation as a cruel and cowardly way of swindling the thrifty and the best section of our nation of their hard-earned savings. I would remind hon. Members that it was the second great inflation that finally drove the German middle classes to despair, and opened the door for Hitler. The most crucial of all problems is that of prices and incomes. I have always argued that a successful policy in this respect must take the form of a package deal, and must include everybody. It must cover wages, salaries, rents, dividends, capital gains, and every other form of personal income. Nobody ought to be allowed, or ought to try, to contract out. We all accept the basic truth that if we pay ourselves more and more for producing less and less prices must rise.

How are we to keep prices down? In the international world of exports, so long as America and our other great competitors inflate as fast as we do we are not at any disadvantage, but we are cruelly crushing the best of our own people. It is against this that I have spoken so often during the 20 years that I have been in the House.

Having praised the First Secretary's efforts, I am bound to say that I feel that he will fail. I regret to say it. I fear that prices will continue to rise, first, because I do not believe that the First Secretary can obtain the full support of the trade unions, at the shop level. That is his problem. He can obtain the support of the top trade unionists, but his problem is to obtain support at the shop level. Without it he must fail. It is to the people at shop level that I want to address my few remarks, and I want to make three points.

In 1964, wages and salaries accounted for £17,550 million, while rents, dividends and interest absorbed £3,014 million. The amount taken up in wages

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and salaries was roughly six times that which went to other forms of personal income. It is, therefore, reasonable to say that unless those who represent wage earners and salary earners co-operate wholeheartedly the First Secretary's policy can never succeed.

I ask the President of the Board of Trade, first, whether the First Secretary is satisfied that he is getting all the support that he is entitled to expect from his old trade union colleagues. Is the Minister of Technology doing all he can to help his colleague to get this policy accepted in his own union? Why is not the First Secretary's own union doing more to support him? Why was it the only one of the great trade unions to accept the policy with such luke-warmness as to give it pneumonia?

Mr. Woodburn rose—

Sir C. Osborne: I cannot give way. The right hon. Gentleman spoke for a long time. He must allow me to make my speech. I do not want to be put off.

Why is it that the First Secretary cannot obtain the support of his trade union? It is essential to him if his policy is to succeed. I want to give the Committee certain facts which I obtained from the Minister of Labour a month ago, relating to the period of the new Parliament between 1st November and 31st March. In that period 320 wage claims were granted, affecting 5¼ million workers and costing the nation £130 million a year. This was not in respect of any extra production or efficiency. That, by itself, must put up prices, and it is putting them up now.

In that period 21 salary increases were granted, covering about 692,000 workers. The Ministry was unable to tell me how much they would cost, but it must run into many millions of pounds. I was also told that 32 wage claims were in the pipeline, covering 1,365,000 workers, as well as 27 salary claims, covering 1,450,000 workers. Let us face the issue. Every person who puts in a claim says that it is a special case and wants it to be treated specially. No one wishes to be subjected to the 3½ per cent. ideal increase. Unless these wage and salary increases which are accompanied by no extra production, but very often by shorter hours, are resisted, prices must

continue to rise. No exhortation from the First Secretary, however brilliant or emotionally moving, can prevent that.

I should like to give the President of the Board of Trade a quotation made in the House on 10th March, 1947, by Sir Stafford Cripps, which sums up the position. He said:

“... we—

that is, the nation—

“cannot afford increases in wage levels or shorter hours unless they increase productivity . . .”—[OFFICIAL REPORT, 10th March, 1947; Vol. 434, c. 994.]

If, as the result of higher wages or shorter hours, we can achieve greater productivity per man, then both are justified.

The trend so far has been that time after time the union leaders have promised that if wage increases were granted, increased productivity would follow—and it has seldom done so. Someone has to be tough about this with the unions. Unless we are tough with the unions and say, “You cannot have any more increases in wages until extra productivity has been achieved”, it will be impossible to check rising prices.

Mr. Cyril Bence (Dunbartonshire, East): Is the hon. Gentleman suggesting that large manufacturers in mass production units are granting wage increases to their workers and making no effort technologically to absorb those wage increases, but are giving them, and automatically increasing prices?

Sir C. Osborne: I do not think that any intelligent person could really think I was suggesting that, and that is my answer to the hon. Gentleman.

Mr. Bence: That is what the hon. Gentleman said, that they are giving wage increases.

Sir C. Osborne: I gave way to the hon. Member in the belief that there would be an intelligent intervention.

What I am asking the President of the Board of Trade is, will he ask his right hon. Friend the First Secretary to repeat the warnings and the unpalatable advice given 15 years ago by Sir Stafford Cripps? If the right hon. Gentleman wants more quotations I have about 20 magnificent ones which were used by Sir Stafford Cripps. Above all, will the right hon.

Gentleman express to his colleagues in the trade union world that trade union members, no more than any other section of the community, have not somehow a divine right to increased wages every year? That is what is wrong with our economy. Until that idea is destroyed, prices must continue to rise.

Will the Government tell the House of Commons when they expect the 7 per cent. Bank Rate to come down? Nothing in our economy has contributed more to increased prices than the 7 per cent. Bank Rate and all that goes with it. Certainly, it is more costly internally than it is worth to protect the £ overseas. This morning, in its centre page, *The Times* published this alarming report from its political correspondent. It stated

“As they”—

that is, the Government—

“ride out the storm which has burst over steel nationalisation, the Government are quietly assessing the prospects of fulfilling their election promise to introduce favourable rates of interest for owner-occupiers of houses. The latest information is that while Bank Rate has to be kept at 7 per cent. to safeguard the pound, there is no chance that the Government will be able to make a move.”

No move, no reduction in mortgage rates until the Bank Rate comes down. Then there is this almost terrifying sentence:

“An announcement of intention must be delayed until the autumn at the earliest.”

I ask the President of the Board of Trade: is it true? Does this mean that we have to have a 7 per cent. Bank Rate until the autumn? May I remind him that when autumn comes we shall have the autumn pressure on sterling? Or will the Government reduce the Bank Rate from the present figure of 7 per cent. to 6 per cent. so as to put it up to 10 per cent. in October?

I believe that the Chancellor has been shockingly ill-advised over the Bank Rate. He has become the moneylenders' best friend, a kind of Socialist Shylock. How long do the Government expect this crisis to last? The best indication that the crisis is continuing is the high rate of interest plus a credit squeeze. There is considerable confusion in the best informed circles, not only in this country but overseas, about what the Government think.

I put a Question to the Chancellor last Tuesday and I received a Written Answer

in which he said that he hoped to restore the equilibrium by the end of next year. [*Interruption.*] I should be obliged if my hon. Friends would give me a chance. Does it mean that the Bank Rate is to be kept on until the end of next year, which, as the Chancellor said in reply to me yesterday, was a possibility?

On the same day the Finance Ministers of the Six were meeting in Cannes to consider the application of Her Majesty's Government for another loan of £500 million. I hate to see our country going round the world with a begging bowl, trying to get money—

Mr. Bence: The hon. Gentleman's party did it after Suez.

Sir C. Osborne: I do not care who did it. I hate to see a proud and great nation like ours go round the world cadging for money.

A special correspondent of *The Times*, reporting from Cannes, said that the French Finance Minister said that the Chancellor's target would be achieved by early 1966. On the same day the Chancellor told me that it would be the end of 1966. Surely we are entitled to know which is correct.

Last weekend the Paris correspondent of the *Sunday Times* quoted the Chancellor as indicating that the deficit would be completely eliminated by the middle of 1966. This is such an important problem and point that the Committee is entitled to know what are the Government's intentions. What do they hope to achieve by the end of next year, by the middle or by the beginning? Furthermore, it was also stated in *The Times* that the Chancellor had given to the overseas Finance Ministers a schedule of his programme—times and amounts by which we should recover. If the right hon. Gentleman has given that information to the Finance Ministers we in this country ought to have it—we ought to have it in the House.

The Times quoted the French Foreign Minister as saying that if the present measures being taken by the Chancellor are not successful, other and sterner measures would be taken. The House of Commons is the place where we should be told about that. We should not have to read it in the papers, or as written by

[SIR C. OSBORNE.]
the Paris correspondent of *The Times*. We are entitled to be told. I ask: may we have these full details on this issue?

There are two other aspects on the issue of the 7 per cent. Bank Rate. We cannot have lower prices until we get the Bank Rate down. This is a money-lenders' paradise which the Socialist Government have created.

I should like to turn to two other aspects of the problem of housing—

Mr. Bence : Inflation.

Sir C. Osborne : I do not like inflation. I hate it. Nothing increases wage demands—sometimes justifiably—and puts up prices quicker than increases in house rents. If a man has to pay very much higher rents at home, he has a pressure from home to demand more wages. This goes on as inflation. I should like to ask the Chancellor how much is the 7 per cent. Bank Rate costing on the interest on a modern council house? How much extra has to be found either in rent or in subsidy?

This is not a new matter. I am delighted to quote what the hon. Member for Salford, West (Mr. Allaun) asked on 19th July, 1960. Putting the question far better than I could put it, he asked the then Conservative Chancellor of the Exchequer:

“Is the Chancellor aware that a £1,500 council house will now cost £5,510 by the time that it has paid interest for 60 years at the rate of 6 per cent.?”

I ask what it would cost at the rate of 7 per cent. He went on:

“Is he aware that this difference of 1½ per cent. will add £1,160 to the total cost of the house.”—

that is a council house—

“or 7s. 6d. a week extra on rent?”—[OFFICIAL REPORT, 19th July, 1960; Vol. 627, c. 240.]

I think that if that was the question posed when the Bank Rate was 6 per cent., I am entitled to ask what is the extra cost now that the Bank Rate is 7 per cent., and how much longer will it go on?

It was announced in the Press this morning that the hire-purchase debt for March had risen by another £16 million to £1,139 million, which is a record for all time. Two of the main causes of this increase were electricity and gas show-rooms, which showed big increases. These are nationalised monopolies. Surely the

Chancellor could do something to curb them. Can he not do anything, under a 7 per cent. Bank Rate, to stop this hire-purchase debt increase? Will he tackle this debt and try to reduce it? I hope that it would not be unfair to ask whether he is frightened of losing votes in so doing.

May I remind him that the autumn drain on sterling will start in a few months' time? I should like to know what defence we shall have against it. Our economic position is far more serious than hon. Members on either side of the Committee begin faintly to understand. What defence have we against this drain, except American loans? While we keep borrowing and borrowing, how can we expect to restore foreigners confidence in our economy? Above all, I beg the right hon. Gentleman to do what he can to keep the Bank Rate down.

My last point is this. Hon. Gentlemen who, ever since the election, have been chiding us on this side that their problems were inherited—

Mr. William Baxter (West Stirlingshire): Does the hon. Member agree with that?

Sir C. Osborne : Let me deal with the matter.

They say that they inherited a problem of the nation living £800 million beyond its own capital—[HON. MEMBERS: “Hear, hear.”] Just wait. There was a £800 million deficit in our trading. This has been the excuse which they have made. I do not blame them. If I were in their place, I would make it, false though it is. It has been used as an excuse for everything. They say, “We inherited this mess, £800 million of it.” Fine. Let me examine it, because I believe that it is certainly not the whole of the truth. I do not believe that it is half true. I believe that it is only partially true. There are four factors in this £800 million.

The first is the flight of capital. How much capital flew from London to Zurich, to Rome, to Bonn and to America after the election? I think that it was well over £100 million, if not up to £200 million. Why did it go? For the simple reason that people were frightened that there would be another devaluation. They felt that if they left their money, they would lose as much

of it as would be accounted for by devaluation. Most Europeans had suffered devaluation in their own countries; they knew what it meant. One could not blame the Frenchman for taking his money from London back to Paris if he feared that by leaving it here he would suffer a great loss. How much of the £800 million was due not to the old Government, but to a fear of the new Government, justified or not? It was not our fault; it was the fault of hon. Members opposite.

The second important factor is what we call in trade the leads and lags in overseas payment. This arises from the fear of devaluation, whether justified or not. Anyone who doubts this should go into the City and ask any foreign exchange dealer. He will tell him how much of the £800 million was due to leads and lags. I should like to know that.

The third factor was how much was due to national stockpiling of materials? A very considerable amount. As soon as the election result was known, many industrialists and traders bought all the materials they wanted quickly. Why? They feared, from previous experience, that a Socialist Government would impose controls. How right they were. The 15 per cent. surcharge was clamped on.

Therefore, the first three of the four factors in this £800 million were not due to this side at all, but to fear of Socialism—

The President of the Board of Trade (Mr. Douglas Jay): The figure of £800 million was actually an estimate, made before the result of the General Election was known, of what the deficit on current and capital account would be by the end of 1964. As a result of the measures taken by the Government, which were effective, it turned out to be not £800 million, but £745 million.

Sir C. Osborne: This is perfectly true. Of course, this happened before the election. It is no good waiting to escape from the hangman's rope once one is dangling. One escapes before he gets it round one's neck. People move very quickly when it comes to international finance. They were not taking the risk.

I am making a point which should have been made long ago—that more than half of the £800 million was due to fear of

Socialism and not to the policies of this side of the Committee. There is no doubt that this was due to our living beyond our means. We are still living beyond our means. I am waiting for a Socialist Chancellor to have the courage to say to the nation, "You cannot live any more beyond your means. You have to go without. You cannot have it until you have earned it and there is no more money available."

Mr. W. Baxter: Why does the hon. Member speak of a Socialist Chancellor? Does he think that it is only a Socialist Chancellor who would take the necessary measures to rectify the wrongs which were done to the country by the previous Administration? Will he recollect that, on previous occasions, he has paid compliments to the late Sir Stafford Cripps for the measures which he took to rectify the wrongs which had existed in the country?

The Deputy-Chairman (Sir Samuel Storey): This is a speech.

Sir C. Osborne: I have taken too long already and I must bring my remarks to an end.

The present Chancellor is taking very much the same steps that were taken by my right hon. and learned Friend the Member for Wirral (Mr. Selwyn Lloyd) in 1961, which were bitterly opposed by hon. Gentlemen opposite and for which my right hon. and learned Friend got the sack. We will never get prices down or keep them steady unless the Chancellor has the courage—as Sir Stafford Cripps had over food subsidies, when he said, "£480 million and not 1d. more" in 1947. If the present Chancellor will say to the spending Departments, remembering that the Government spend the most, "You must cut your expenditure", that will be the best way to get prices down and keep them down.

The whole problem lies with Government expenditure and, as I said earlier, discipline in the trade union world. If the First Secretary can deal with those two things, he will deserve the thanks of the whole nation.

6.51 p.m.

Mr. Lewis Carter-Jones (Eccles): I will deal with two major points in my speech this afternoon; monopolies and the advantages of engaging in immoral mathematics.

[MR. CARTER-JONES.]

But before discussing those two themes I would like to find out from hon. Gentlemen opposite whether or not they accept the view of the right hon. Gentleman the Member for Wolverhampton, South-West (Mr. Powell) who, in a clarion call last year, advocated that an element of *laissez faire* economics should come back into the Tory Party. Do hon. Gentlemen opposite now respond to that call?

In February of last year the right hon. Member for Wolverhampton, South-West, writing in *New Society* about whether or not management has a responsibility for prices and profits, said:

“ Management has no business to accept any such responsibility, or rather, since “ management ” is really a collective abstract expression, managements have no business to accept such a responsibility, because the duty of every manager is to conduct the business, including the price policy of the business, in the way in which the return to the management is likely to maximise the return on the capital invested in the business.”

He said there, in effect, that the first duty of managements is to their shareholders and that they have no responsibility to society.

I will give a classic example of this ; and may I say that I am delighted that my right hon. Friend the First Secretary has chosen to have soaps and detergents investigated among the first subjects for investigation by the National Board for Prices and Incomes. The findings will make extremely interesting reading. It so happens that there was an article on this subject in the *Observer* last Sunday. It also so happens that I had been doing some research on it previously.

Two firms in this country control 70 per cent. of the output of soap and detergents. They are Unilever, with the two household products Omo and Surf, and Procter and Gamble, with two detergents named Daz and Tide.

Sir K. Joseph : So that we may know, would the hon. Gentleman tell us what share the Co-op has of the market in these products?

Mr. Carter-Jones : I do not know. I am merely pointing out that these two firms have 70 per cent. of the output. I hope that the right hon. Gentleman will allow me to advance this part of my argument and I am sure that we will be able to find

out what share of the market the Co-op has. Either I will find out and let the right hon. Gentleman know, or he will find out and let me know.

Having mentioned that 70 per cent. of the output in these products is held by those companies, it should be remembered that 15 per cent. of the total turnover goes on Press and television advertising, although in that 15 per cent. is not included the sort of thing that infuriates the housewife ; the free offer and the free gift. During the past 12 months Omo, Daz, Surf and Tide have increased in price by 12 per cent., a considerable increase. [HON. MEMBERS: “ What about the Co-op? ”] I wish that hon. Gentlemen opposite would listen to what I am saying. Although I hear them mentioning the Co-op, I do not accept their argument, although our investigations into the question asked by the right hon. Member for Leeds, North-East (Sir K. Joseph) will no doubt give us the relevant figures.

On investigating these matters one comes across a front organisation known as the Society of British Soap Makers, which ostensibly speaks for all soap manufacturers. When Unilever is asked, according to the *Observer*, how many members that society has, the reply is 200, but when Procter and Gamble is asked the same question it states that there are 100 members. In fact, the society's membership totals 60. So far, we know that the society has a membership of 60 and that two firms control 70 per cent. of the industry's output.

The next point to bear in mind is that basically the British are a clean people. They wash quite frequently. It is a good thing that they should. There are two elements in washing ; the conventional soap and synthetic detergents. The raw material for ordinary soap has gone up in price while the raw material for detergents has remained fairly constant. Indeed, in certain cases it has fallen. Despite this, the price of the detergents I mentioned increased by 12 per cent. during the last 12 months.

My major point in mentioning these facts is that if one has a monopoly situation, and it is argued that there are advantages to be had from large-scale production, then should it not be possible to produce a washing-up detergent more cheaply by large-scale production than it

is for a smaller firm to produce one? Procter and Gamble charges twice as much for its Fairy Liquid as Sainsbury's virtually identical product. Unilever's Omo is sold in Holland and in this country. It is remarkable that during the last 12 months the price of Omo has gone up by 4 per cent. in Holland, but by 12 per cent. in Britain.

If we are to have an accepted policy for wages, incomes and prices, the first thing we must do is prove clearly that we mean business when we talk about prices. It is necessary for us to prove to the British worker, management and housewife that when we tackle the problem of prices we mean to tackle it vigorously. Only by doing that will we create a climate in which the public will accept some measure of control. The remarkable thing is that a firm like Sainsbury's, which is prepared to cooperate, can produce an identical product at half the price of the big boys. Yet we are told where there are the advantages of large-scale production, purchases will be cheaper. There is a contradiction here somewhere.

The second element is that when comparing the identical product of the same firm, namely, Omo, as sold by Unilever in Holland and Unilever in this country, it is discovered that the price rose by 4 per cent. in Holland and 12 per cent. in this country. The Dutch already have a far more effective means of price control than we have, and, taking this product as an example, it seems to be possible to keep prices down or at least to create a climate in which prices are held.

One of the most difficult things in school-teaching is to teach percentages, no matter to what age group. At the O-level stage it can sometimes be got across that if the price is added to the cost price, that percentage of the cost price is added and then this is added to the selling price. If the sum is done incorrectly at O-level or the 11-plus the child fails. If it is done incorrectly in big business someone makes a fortune. If an investigation of this sort of thing could be made it might indicate what sharp practice goes on in industry.

The best example occurred within striking distance of this building. When the 15 per cent. surcharge was imposed table wines in a certain establishment

went up immediately. "Regrettably," they said, "because of the surcharge." The significant thing, however, was that the 15 per cent. was imposed not on the cost price of the article, but on its selling price. The result was that the price of the article rose from 10s. to 11s. 6d., whereas the real rise should have been from 10s. to 10s. 4½d.

If one uses the argument of the right hon. Member for Wolverhampton South-West, one notices that he says managements have no obligations in this field. They are allowed, in fact, to make a "sucker" out of the housewife. If this form of morality is used when no obligation is felt, then such immoral mathematics can be justified. In no circumstances would I or my Friends on this side of the Committee accept this premise. I honestly believe that a climate which would show that the Government mean business when they say that they will tackle prices will create a situation leading to much better labour relations, productivity and a much more favourable balance of payments for us.

There are people who say that they are patriotic. These are the people who say, "The 15 per cent. surcharge has been imposed, but we shall not pass it all on to you. We will absorb some, so our customers may benefit." Then they promptly slap 10 per cent. on the selling price. These are the acts of traitors. The surcharge was imposed because of our financial difficulties. The hon. Gentleman who spoke before me said that the situation was grave and that the action was taken in a very grave situation.

Some people hypocritically claim to be sharing part of the cost and probably making an extra fortune out of doing so. Unfortunately they are allowed to get away with it. We can only tackle this problem as individuals. When we prove to the country, as a Parliament, a Government, that we shall not allow this type of sharp practice, because that is what it is, to destroy our economy, then we will go a long way towards winning the faith and support of the people.

It is remarkable how some people can, when the occasion suits them, do all sorts of peculiar things to justify a price increase. We are told that industry

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benefits from competition, the vigorous impact of one firm against another, which gives us the dynamic economy we have. Yet at the beginning of this year, in one fell swoop, these highly competitive people found it necessary to increase the price of 3,200 items of groceries. This is not competition, it is connivance. Are right hon. Gentlemen opposite willing to accept the situation that firms can get together to fix prices so that people are hit at one and the same time?

Sir K. Joseph *indicated dissent.*

Mr. Carter-Jones : The right hon. Member shakes his head, but it happens.

The remarkable thing is that two reasons were given for the increases. One was the 15 per cent. surcharge and the other was the increased cost of petrol. Since these were food items, the surcharge did not apply to them and the first excuse was invalid. On the other hand, if it was argued that it was the increase in petrol which had sent up prices, a most embarrassing position arose. As far as I can work out, the increased cost of petrol runs something like this. If one should happen to want to move three tons of sausages 100 miles the effect of the increased petrol tax on that is one-hundredth of 1d. per lb. of sausage, which seems to be rather a poor reason for increasing the prices of sausages by 1d.

If one really wants to go into the language of immoral mathematics one has it here. That is the lighter side. Once one gets into the home it ceases to be light. Somebody's pocket is being hit and somebody is having to pay for this imposition, imposed because the country was in dire need. People who exploit the situation are, by my standards, traitors.

There has been a sort of acceptance on the other side of what my right hon. Friend the First Secretary has been trying to do in this connection. What he is attempting will be more successful if he can reveal to the worker—whether organised or not—to managements and to housewives that he really means business. If some of the sharp practices in pricing policy are brought under the glaring light of public scrutiny the result may be im-

provements for us all. If my right hon. Friend can so time things that prices are investigated just a little ahead of wages, he stands an extremely good chance of being most successful.

7.10 p.m.

Mr. David Price (Eastleigh) : The hon. Member for Eccles (Mr. Carter-Jones) will excuse me if I do not follow him into the economics of sausages, but I can deal quickly with what he said about the effect of the 15th per cent. surcharge, plus two Socialist Budgets, on the wine trade in terms of the cost increase on the wine merchant. It represents an increase of 1s. 5d. on a normal bottle of French table wine and 6s. on a bottle of imported rum. Had the hon. Gentleman come to me about the wine merchant whom he alleges to have passed the full 15 per cent. on to the retail price I should have been delighted to tell him of a most admirable merchant from whom I buy my wine and who is adding only the bare increase to his selling price. That is the answer to the hon. Gentleman, because I am glad to say that in the wine trade in London there is intense competition. I add that this is a trade in which I take certain interest, but I assure him it is entirely as a customer. I have no interest in it from the other side of the counter.

This has so far been a quiet debate and, I think, a serious one. I have disagreed with a great deal more that hon. Members have said than I have agreed with, but one thing on which we are all agreed is that we do not like incipient inflation. That sort of inflation goes rather the way this debate has—it quietly meanders on. It does not come dramatically, like galloping inflation. The Committee may recall the rather colourful language of a distinguished American economist who said :

“A little inflation is like a little pregnancy, it keeps growing.”

The problem to which hon. Members have been addressing themselves is that of how to prevent inflation. I am sure that we will all agree that there is not one single simple solution. In fact, I would go so far as to say that, given the various criteria in our economy and in our social and political expectations at the present time, I do not believe that there is an answer to inflation, but

that there are merely methods of trying to live with it and to contain it.

I should like to put before the Committee what seem to me to be the relevant factors in our total economic and social position today that make it impossible, on either side of the Committee, to put forward a plan that one can say with integrity that if it were followed one could guarantee that in ten years' time prices would be the same as they are today.

The first factor is full employment. By that, we now do not mean full employment as defined just after the war by the late Mr. Hugh Gaitskell, but $1\frac{1}{2}$ per cent., or, at the most, 2 per cent. of unemployment at any one moment of time.

The second factor is the exposed nature of our economy, to which we have to give more consideration, possibly, than other countries. We are very exposed to short-term fluctuations in our funds, remembering that, very broadly speaking since the end of the war our short-term liabilities as against our short-term assets have been as 4 is to 1.

Thirdly, what this country faces—what I think the whole world faces—is a phenomenon that has been called the revolution of rising expectations, which means however far we can work out, as academic economists a high growth rate it is not fast enough. We all do this in our model building, whether a 3 per cent., 4 per cent. or 5 per cent. model. Nevertheless, the plain fact is that for most people the growth rates for which a model can be built are inadequate to their expectations.

Fourthly, in response to this, we in all the major countries are pursuing to a greater or lesser extent policies of economic growth which, again, make it harder to contain inflation.

Fifthly, we have the factor of Parliamentary democracy. I do not criticise any of these factors as such. I am merely trying to put to the Committee the general economic and social background against which we must try to deal with inflation.

I put it another way. If we had general agreement in the country—indeed, in this Committee—that the first and major economic and social objective of Government was to stop inflation and that all the other objectives were to have a much

lower priority, then I believe that we would do very much better than we have done, or are likely to do, in containing inflation. But the moment one says that, one thinks, as other hon. Members do, of the other objectives of national policy—above all, of growth, which we dare not subordinate.

We also have the fact that in this country we run what we call a mixed economy. It is neither the full old-fashioned free market economy nor is it the complete totalitarian, dictatorial economy—whether we call it Communism or Fascism, I do not mind. That means that all the traditional sticks and carrots that were available under a free market economy, and are available under a totalitarian economy, are not available to us—at least, not to the full extent. I have to ask, as I have asked myself for many years, whether what our economy lacks most is adequate sticks and adequate carrots. I shall come back to that point in a moment.

Because of the social consequences of inflation, apart from the economic ones, there is always pressure on the Government of the day to announce a policy for dealing with inflation. The present Government have given us their solution in their White Paper "Prices and Incomes Policy"—Cmnd. 2639. Their chosen instrument is the National Board for Prices and Incomes which they have established.

I have nothing against the First Secretary's effort in setting up this Board, but if any hon. Member asks me whether I think it will succeed in the terms in which the First Secretary is hoping that it will succeed, I have to give the answer that, regrettably, I do not think it will succeed. If hon. Members then ask, "Are the Government doing enough?" my reply must be, "No". I say that because I do not believe that the National Board for Prices and Incomes, or the White Paper—or, indeed, the whole range of Government policy—can come to terms with market forces, which are the real cause of incipient inflation.

Let hon. Members remember that, whether one is working in an old *laissez faire* economy or in a Communist economy, completely State-controlled, market forces are still there. If anyone doubt that, I can refer him to

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some of Mr. Khrushchev's speeches on the failure of the agricultural programme in the Soviet Union.

Having said that, I must make it clear that I do not believe that the National Board for Prices and Incomes is valueless. I believe that it has at least two useful purposes. First, I think that it is capable of playing an important educational rôle to the public—a sort of W.E.A. extension lecture on a very large scale. I do not scorn that, though some might.

Secondly, it can create an atmosphere in which some marginal restraint is possible. I would go that far with the First Secretary of State. I do not scorn any success he may achieve in that direction, but I do not believe it is sufficient. One or two hon. Members have spoken about asking people to be reasonable, but in economic terms what we are asking is that people should accept $3\frac{1}{2}$ per cent. as the norm rather than 5 per cent. Each wage claim in its own context seems very reasonable to those concerned, particularly when one reads paragraph 15 of the White Paper, which gives admirable reasons why one should be the exception to the norm.

Just as the little pregnancy grows, so the little inflation grows. It is the sum of all the increases of $1\frac{1}{2}$ per cent. more than the norm which, added over the years, creates incipient inflation. It is the firm which passes on the cost which it cannot absorb and a little more in anticipation of another increase next week on the principle that it cannot put up prices every week.

To deal with this problem, the first and over-riding responsibility of the Government is the management of the economy. Let us try to anticipate supply and demand and get them into balance. Having said that, one is only beginning to come to the point. I have watched a number of Chancellors over the years. One of the difficulties which a Chancellor faces is that the information by which his advisers attempt to estimate supply and demand is not adequate. I put it seriously to the Government that one of the first things we need to do is to get better and quicker figures on which the Chancellor of the day can get a better estimate of supply

and demand. In particular, our figures about the state of forward orders and figures of stocks in progress are inadequate and always late.

This clearly will mean putting more imposition on industry, on commerce and public services to provide meaningful information. Nowadays advance statistical sampling techniques are available. It should be possible therefore to get more of this information quicker without having to do 100 per cent. surveys.

For a long time I have been of the opinion that we need extra regulators in the armoury of the Chancellor of the Exchequer and the authorities. The Committee may be interested to know that on various occasions when I have discussed this matter with very distinguished figures in the City of London I have asked them, "If you were Chancellor of the Exchequer what new regulators would you add to the armoury?", the kind of reply I have had has always been negative. In the words of a distinguished banker, "Mr. Price, you don't come to the City of London and ask a question like that; we are intellectually sterile".

I suggest to the President of the Board of Trade—who, I understand, is to wind up the debate—that there are at least three regulators which could be added to our armoury. The first is a flat sales tax. I am quite sure that any economist in the Committee would agree that technically that would give the Chancellor one of the easiest regulators to boost demand or to restrain it as required. Secondly, we ought to have a pay-roll tax, because that would give the authorities the further advantage that it could be made at differential rates in different parts of the country. That is a thought which I should have liked to put to the right hon. Member for Clackmannan and East Stirlingshire (Mr. Woodburn), who is not present in the Committee at the moment.

The right hon. Gentleman was on a good point when he said that we get an excess of demand over supply in London and the booming Midlands just at the moment when we are getting things moving in the development districts. Therefore we should develop a new regulator by which we could restrain demand in the South and the Midlands without

checking demand in the development districts. I have northern Scotland particularly in mind.

We have to accept that there will have to be alterations in the pace of growth in the economy. I know this has been condemned in the past as stop and go. I would not say stop and go but rather going slower and faster is inevitable if the economy is to be properly regulated. I was interested in the comments of my hon. Friend the Member for Scarborough and Whitby (Sir A. Spearman) in the debate last night. He said:

"If by those much abused words 'stop and go' we mean 'slow down and speed up', I am sure that 'stop and go' is essential. The only alternative is either to run the economy very slow indeed, which is unthinkable because it means massive unemployment, or to have a series of controls, which I do not believe a democratic Government could possibly acquire in time of peace."—[OFFICIAL REPORT, 10th May, 1965; Vol. 712, c. 136.]

I agree entirely. I go back to my earlier point. The more we can refine and improve the technique of estimating supply and demand, the more possible it ought to be to get nearer to a steady pace which we all would like to have. It is quite unrealistic to imagine that over the years the economy can grow at an absolutely even pace. There will have to be fluctuations unless we are to be content with a very slow pace.

I equally agree with the remarks made by my hon. Friend the Member for Howden (Mr. Bryan) about the importance of competition. The First Secretary of State told us in his first economic speech in this Parliament, in the debate on the Address on 4th November:

"In general terms we need to create a competitive climate in which efficiency is rewarded and inefficiency penalised."—[OFFICIAL REPORT, 4th November, 1964, Vol. 701, c. 220.]

I entirely agree with that. Anything which the right hon. Gentleman and his colleagues in the Government do in pursuit of that aim will have the support of myself and, I know, of many of my hon. Friends. There are moments when I reflect that possibly on these matters the division between the two sides of the Committee is not a real division. The real division is between those who take a forward, aggressive, courageous view of change and those who want to dig in on their prepared positions whatever they may be politically.

How can we get more competition? The former Administration took many valuable measures, particularly the Resale Prices Act, to which reference has been made already, and the Restrictive Trade Practices Act. I am delighted that the President of the Board of Trade is following up the intention we in the previous Administration had of widening the scope of that Act. It is extremely important that it should extend to the field of services. I am also glad that he is going ahead with further monopoly legislation, but the fact that a particular manufacturer is a sole producer does not necessarily mean in cost terms a monopoly situation. It depends upon the ability of the buyer without much increase in price to move to an alternative product.

I have believed for many years that we have approached our monopoly legislation or the definition of a monopoly situation the wrong way round. We have looked at it in terms of control of production whereas we should look at it in terms of the control of the market. I have always been attracted by the approach of Professor Hicks in his "indifference curves". He does this rather elegantly in considering how much a trader can go on raising the price without his customers moving to an alternative product.

The classic case, if I can go back to drink again, is Guinness. The manufacturers of Guinness claim that it is unique and they tell people that it does them good. But we who may not be quite as keen on Guinness would regard Guinness as being just one of many stouts. If the manufacturers of Guinness were to push up the price, very soon even the dedicated Guinness drinkers would buy an alternative stout. This is what I mean by the ability to move into an alternative product.

This is relevant to the remarks of the hon. Member for Eccles. He mentioned what he thought was an unfortunate situation, on which I gather he has done quite a lot of work, in respect of detergents. If my memory serves me right, the last Government referred detergent manufacturers to the Monopolies Commission. I add, on the question of monopolies, that under both Conservative and Labour Governments we have taken the view that this country could not, because the domestic market is not

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large enough, take the rather crude and simple view that the Americans have pursued in successive legislation, starting with the great Sherman Act.

When we join the Common Market and are part of that very much larger market, I hope that we shall press upon the other member countries and upon the Commission to adopt something similar to the American approach to monopolies of scale. I believe that then the home market would be large enough to be able to contain it. Over the last sixty years the rather crude approach, as some people think, taken by the Americans to monopolies of scale has in the long run, in spite of some rough edges in it, been to the benefit of growth in the American economy and to the American consumer.

There are limitations on competition. The first limitation is those nationalised industries where there is not an alternative product into which one can easily move. By contrast one of the successes of the gas industry is that a declining industry has been able successfully to respond to the challenge of competition from electricity and oil. I was rather surprised at the simple faith the First Secretary has shown in the value of consultative councils. Secondly, there is an obvious limitation on the full bite of competition when one has a booming home market in which it is easier to pass on price increases.

We should also remember on the subject of competition that people do not compete because it is tremendous fun to compete. It is the job of the authorities—that is, the Government and we as a legislature—to ensure that we so arrange both the general control of the economy and our legislation that we compel people to compete. As one distinguished American once said to me, “In my country if you are not on your toes you end up on your knees”.

Nobody likes competition for himself. The view that I so frequently find going round British industry and round the constituencies is that everyone is in favour of competition for the other chap but not for himself; that if it is applied to himself it is unfair competition. It was the same over the Resale Prices Act. The attitude was, “Get rid of R.P.M. for everything that we need as

customers; but for us as sellers it protects our standard of living and is essential”. It is exactly the same with restrictive practices. We are all against restrictive practices. We can find restrictive practices in every field except our own. In our own field we find some very good reason for justifying their continued existence.

The First Secretary of State said in his first speech on taking office that he wanted to reward efficiency and to penalise inefficiency. What have the Government done in pursuit of these two great aims? It is perfectly true that, as a result of the two Budgets—and now we are on the second Finance Bill—we have all been penalised. Indeed, the increase of over £1,000 million of extra taxes and extra charges in a full year is a considerable penalty for us all. I can find little in the way of incentive.

I suggest to the President of the Board of Trade another way in which we can get a little more competition. I seriously put it to him that, if we do not manage to get something successful out of the so-called Kennedy Round in the G.A.T.T., he should very seriously consider selective unilateral reductions in our own tariffs. I am not a free trader. I am a low tariff man. I believe that on the foreign side there is no substitute for joining the Common Market. To my mind, the quicker we do so the better.

The other thing—this is my last general thought—is that we must devote far more thought to how, on the one hand, we can increase the supply of labour and how, on the other hand, in the context of increasing demand and increasing output, we can reduce the demand. So we must work on either side of the equation. It is the imbalance in the equation between supply of and demand for labour that is the real reason for the rise in wage costs.

To increase the supply of labour we must go even further than we have gone in providing more training facilities. This all will be going ahead under the new industrial training boards. We must take an entirely new look at our apprenticeship system. In many industries the apprenticeship system goes back to the days when the apprentice was no more than the brewer up of tea for the journeyman. Today, with all the modern

aids and facilities that we have in better factories and better firms, we need a completely new look at the whole subject.

It is not for me to suggest to the trade union movement how it might take action, but for many years I have wondered why the trade union movement has not blacked employers who did not provide decent training facilities. I believe that this would be proper protection for their members and would be thoroughly in the national interest.

We obviously must have greater mobility of labour. Over the years gradual steps have been made towards this. I believe that probably the most important single factor here is the provision of more houses, not only to rent but to buy, in areas where more skilled labour is needed.

Coming to the other side of the equation, reducing the demand for labour—I declare an interest. I am an old works study man and I am by profession a management consultant. Through these techniques there are enormous opportunities for reducing the amount of labour that is required to do a particular job. We are only on the threshold of automation. At the moment we are just thinking about it in industry. When we start to think about it through the whole of the services, both public and private, there is an enormous harvest to be reaped, particularly in offices and in transportation.

We continue to design our hospitals on the broad conceptions that were no doubt right in Florence Nightingale's day, to the extent of still laying the beds out in a military line, sticking the patient in bed and leaving him in bed because the sergeant-major can deal with him better in bed than when he is mobile. We must go back to square one and think the whole thing out without prejudice, asking "Why?" the whole time.

I made a passing reference to getting rid of restrictive practices. This features in all our speeches, but, as I said earlier, when one comes to it in practice it is rather different from making speeches about it on the public platform. There is in this country an implicit syndicalism of management and worker to resist change. I blame neither one nor the other. I merely report the fact. Again,

change is one of the things where we are all for the other fellow changing. We are not nearly so keen on changing ourselves, except possibly the young ladies in matters of fashion. We need stronger management if we are to have an adequate rate of change.

Equally it must be recognised that, just as one gets bad management, so one gets the awkward squad in the trade union movement. It does not do any good to pretend that all managements are good and all trade union leaders are shining with the national interest. We would have more success in getting rid of restrictive practices and getting wages and salaries more related to productivity if we were nearer to the shop floor in our agreements and less involved in great national agreements covering vast millions of men in industries whose working conditions vary greatly.

Finally, the Government must set an example in their own field. I end by returning to the National Prices and Incomes Board. Paragraph 15 of the White Paper gives the reason why any of us can claim a bigger salary or wage increase than the norm. I am no lawyer, but I believe that I could argue a very good case for any group of workers or professional men who cared to employ me to argue it for them. I cannot see how we can ever persuade any group of people that they are the people to exercise restraint. I rather think that the White Paper means that we are all now exceptions.

The incomes policy of the right hon. Gentleman the First Secretary of State is not exactly a rip-roaring success at present. I want stable prices, and I am sure that the whole Committee does, but I do not think that we shall succeed on the right hon. Gentleman's measures alone. They are not enough. Voluntary restraint can help, but it cannot stand up against strong market forces. Action must be taken against those forces. We must recognise that what the right hon. Gentleman is living in is a fool's paradise. If restraint is to succeed—and it can have some marginal influence—the Government must set an example.

At present Ministers in the spending Departments show their loyalty to the First Secretary by reeking inflation all over him on the Front Bench opposite.

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Indeed, his right hon Friend the Minister of Technology gives the First Secretary of State that "cold Mafioso" stare which in Sicily signifies early and brutal death—if not actual physical death, then at least death to his incomes policy and to his political career. I have no such brutal motives. I am far more charitably disposed towards the right hon. Gentleman than I fear is the Minister of Technology. As an idealist I should like to see his incomes policy succeed, but as an economist I am certain that it will not succeed, because it is powerless to deal with strong market forces which are the real cause of continuing inflation.

7.45 p.m.

Mr. Kenneth Lomas (Huddersfield, West): I have been a Member of Parliament only six months, but I have repeatedly learned in that time that I have been right in believing during my life in the trade union and Labour movement that right hon. and hon. Members opposite do not know how the other half lives. They cannot understand what it is like for people on £12 or less a week to keep wife and family together.

We have had an example of that in the speech of the hon. Member for Eastleigh (Mr. David Price). The cost-of-living to him was a matter of wine and rum, which hardly affects the great mass of working people.

Mr. David Price: With respect, the hon. Member should give way—

Mr. Lomas: The hon. Member talked about what he called "creeping pregnancy" and referred to the wages which were allowed to slip through the incomes policy. The hon. Member must understand that when wages are as low as £9, £10, or £11 a week we are not only concerned as a Labour Party and a Labour Government with an incomes policy, but with social justice. It is elementary justice that these people who are at the bottom end of the scale should have a proper wage on which to bring up themselves and their families. The hon. Member is talking complete nonsense, unless he is prepared to deprive these people of a reasonable and decent standard of living.

The hon. Member went on to speak of the virtues of competition, but my

hon. Friend the Member for Eccles (Mr. Carter-Jones) has already shown quite clearly that in the giant soap and detergent monopolies one finds one firm marketing five or six different products which appear to the general public to be competitive, but which, in fact, are working for the benefit of the same organisation. It is difficult to follow the hon. Member for Eastleigh in his arguments.

The hon. Member for Louth (Sir C. Osborne), in an entertaining speech, made a few pertinent points, but I was reminded of the old saying, "I fear the Greeks, even though they offer gifts", when he offered his congratulations to the First Secretary on his incomes policy. My faith in the Tory Party, however, was justified, because the hon. Member said that the policy would fail. It will not fail. This time we have a Labour Government, and the trade union movement and the nation as a whole realise that they can depend upon that Government keeping their word. As my right hon. Friend the Minister of Technology has said, the mass of the country have been saying, "We cannot trust the Tories", and 13 years of Tory rule have proved that conclusively.

We are told by hon. Members opposite that wage claims are responsible for forcing up the cost of living, but the facts are different. On 1st January this year, for example, a £3 million pay award at 3½ per cent. to 4 per cent. was made to 150,000 printing workers. This raised the costs in that industry by 1 per cent., but this did not prevent the printing firms from putting up their prices, in many instances, by as much as 7 per cent. They jumped on the bandwagon, just as others jumped on the bandwagon when the 15 per cent. surcharge was imposed and sought to put that charge on items like food to which it had no relation whatsoever.

Hon. Members opposite also bitterly complain that under Labour we have a Bank Rate of 7 per cent. We did not want this, and they should realise that the fact that we have it today is a direct indictment of the policies which the Tory Party pursued in the 12 months before we threw it out. The Conservative Party tends to speak in debates of this kind as if all was well in the world until

October, 1964, and as if the 13 years were golden years. They may have been years full of promise, but the promises were never fulfilled. We still had the same terrible housing problem and the same spiralling prices. People at the bottom end of the income scale and those in the public services know only too well what it is like to live under a Conservative Government.

The Government of the last 13 years have been a Government of drifters, of people who allowed events to take charge instead of taking charge of events. They allowed things to happen and did nothing whatever about them. They took no action to try to help the consumer and the housewife and to stem the rising cost of living. They merely let these things happen. They became the Micawber Government waiting for something to turn up. Eventually, last October, thank goodness, a Labour Government turned up to get us all out of a mess.

During the past 10 years, prices rose by about 50 per cent. The share of our world trade has gone down, yet the terms of trade moved in our favour. How that could possibly happen one does not begin to understand, except, of course, that we had a Conservative Government in power. The net result of price increases, because that Conservative Government did little to try to counteract them, was that the people on low incomes, the ones who could least afford it, were most affected.

Mr. Cranley Onslow (Woking): A few minutes ago, the hon. Gentleman's hon. Friend the Member for Eccles (Mr. Carter-Jones) spoke about dishonest arithmetic. Does not the hon. Gentleman realise that, in fact, our proportion of world trade has declined only relatively and that absolutely there has been an increase in British exports?

Mr. Lomas : This is playing with words again. Our share of the world markets decreased during the time when the Conservative Party was in power.

I was saying that the Conservative policy of allowing prices to rise and doing very little about it meant that those who could least afford it were affected most. When we came to power, therefore, we decided that, as a matter of social justice and priority, we had to do some-

thing to help those least able to stand the rising cost of living. This is why we immediately began to do something for the sick, for the aged and for people in need. Hon. and right hon. Members opposite scoff at this and say it is nothing, yet we have challenged them over and over again to say where they would have got the money from.

The right hon. Member for Leeds, North-East (Sir K. Joseph) said that they had voted for the increase in National Insurance contributions. I remind him that the increase in sickness payments started in January; we made that gesture and gave something for Christmas to people who were on National Assistance. We did what we could as at a time when we were faced with a terrible economic crisis which we had inherited because the Tory Government had been fiddling and juggling with the whole financial machine of this country in the hope of gaining some election advantage. We decided what the priorities were and we tried to do something about them.

Soon after taking office, my right hon. Friend the First Secretary of State acted on the realisation which he had had for a long time that it was essential to have some sort of sustained growth and some kind of joint determination on the part of both sections of the community in order to create a climate in which an incomes policy necessary to our economy could survive. In December, the Declaration of Intent was born. Some firms heeded the directions and advice given to them and realised that, to get this country out of the economic mess we had inherited, they must co-operate; and they did so. But there were others who were prepared to let the country go on as before—down the slippery slope leading to economic disaster.

In my view, we must first try persuasion with the industrialists, but, if persuasion does not work, the price review body must have power to act against those firms which refuse to work in the national interest. The price review body is now beginning work and the results will come before the House in a fairly short time. I hope that it will not be necessary for the whip to be used. I should much prefer the carrot to be used every time. But we as a party realise that these things

[MR. LOMAS.]

must be tackled firmly. We must attack the giant monopolies which by their price rings, cartels and secret agreements tend to hold the housewife and the consumer to ransom. This is the line we are following. We are taking positive action wherever we possibly can.

The right hon. Member for Grantham (Mr. Godber) seemed to imply that wage rates should remain as they are or move only at a steady $3\frac{1}{2}$ per cent. per year, but, as I have said, our aim is to secure some kind of social justice, apart from anything else, for the people of this country. Therefore, wages must not only be related to the job done by the worker but must be related to the needs of the individual and the benefits which he should be entitled to have in any decent civilised society. It follows, therefore, as night follows day, that some people must have greater wage increases than others.

I have personal experience of these questions in one of the public services, in the National Health Service. In 1961, it was people in the public service who felt the axe of the right hon. and learned Member for Wirral (Mr. Selwyn Lloyd) first of all, at the very time when he demonstrated the true philosophy of Conservatism by saying to the nurses that they could have only 6d. in the £, while giving £84 million to the Surtax payer.

We believe as a party—and I certainly believe as a trade unionist—that it is essential for people at the very bottom of the scale to be assisted, and by this I mean not only people in the hospitals, local authority workers and manual workers, but everyone below a reasonable and decent standard of life. As members of a community, we should do what we can to raise their standards. But, of course, this is something which the Conservative Party cannot begin to understand.

By their policies over the past 13 years, and by their attitudes, right hon. and hon. Members opposite have constantly attacked the public sector, the weakest sector, the sector where workers are not so well organised as they are in some other employments. These were the people the Conservatives went for, and we are now trying to put things right. We are trying to spread the load of

taxation wherever we can. This is where I disagree emphatically with the hon. Member for Eastleigh, when he argues for a sales tax. Indirect taxation on the necessities of life tends to penalise the very people at the bottom of the scale, the people whom we on this side are seeking to help in every possible way.

My right hon. Friend the Chancellor of the Exchequer can take credit for his Budget and what it is designed to do within the limits in which he was forced to work to. His proposals on expense accounts, allowances for cars and the Capital Gains Tax are what stamp his Budget has entirely different from anything we have had during the past 13 years. It is part of the Government's policy to create a climate in which it will be possible for our incomes policy to thrive.

I accept, of course, that one cannot have an incomes policy just by Government directive. It calls for co-operation from the trade union movement. It puts a great responsibility on the trade union movement, and it is to the trade union movement that we must now look for co-operation and understanding. I suggest to my right hon. Friend the First Secretary that he might adopt this rough and ready yardstick to determine which people should, as it were, slip through. Taking an average wage of, say, £15 or £16 a week, people who are well below that level should be entitled to much more than the $3\frac{1}{2}$ or 4 per cent. People on the average wage should have the recognised figure of about $3\frac{1}{2}$ per cent.

People with £25 or £30 a week, on the other hand, should realise that, in the interests of those at the bottom, there must be some give and take; they must be content to accept a slightly smaller increase in their pay packet. This is the only way. What we are seeking to do is to carry through a levelling-up process and, until we have done that, we cannot hope to have any semblance of an incomes policy. We must level up to a much greater extent than we have at present and then, having done that, we can move on to make the incomes policy work.

It is the duty of the Government to ensure not only the right to work but the right to live—to live a decent life with all the benefits and advantages

that the second half of the twentieth century should bring. After 13 years, we now have a Government who are doing something constructive about it, who are really tackling the problem as it exists, who are seeking the co-operation not only of management and trade union but of the whole nation in order to evolve a system under which, using all the modern methods of production and mechanisation, we can build a better kind of society in which everyone will enjoy its benefits. The Government are planning priorities. Many years ago, Aneurin Bevan said that Socialism is the language of priorities, and indeed it is. That is what we are trying to do. We are trying to decide the priorities that should go into a just and decent society.

I want to see management doing all it can to assist in creating a situation in which the manual worker, the man on the shop floor, will be able to enjoy a decent three weeks' holiday with pay, to step up fringe benefits to which the workers are entitled and to do away with class distinctions of "blue collar" and "white collar".

I believe that this is the kind of world we can move to and I believe that the people elected this Government because they believed that the Labour Party wanted and believed in expansion and modernisation and that it would apply modern minds and modern methods to modern problems. If we go ahead on those lines, then the nation, the trade union movement and the employers will in the long run be eternally grateful that, last October, the nation was wise enough to get rid of 13 years of stagnation and elect an energetic, dynamic, and forceful Government.

8.1 p.m.

Mr. Russell Johnston (Inverness): As the First Secretary of State said, prices have been rising continuously since the war. I was pleased by the way in which he tackled this question during his speech. He was frank about it. He said that prices had risen and had continued to rise since the Government came to power and that is true. He said that the Government were now making a determined effort to tackle the problem and, again, that is true.

I was reminded by the hon. Member for Louth (Sir C. Osborne) that this was not by any means the first time that a

comparable effort had been made to tackle what frequently seems to be, as the hon. Member for Eastleigh (Mr. David Price) said, a problem which cannot properly be solved. We remember the White Paper on Personal Incomes, Costs and Prices, issued by Sir Stafford Cripps in 1948, and that it was accepted by the trade union movement. If we are to be more successful on this occasion, a new feeling, as many hon. Members have said, must permeate all parts and aspects of Government policy.

One thing which has emerged clearly in the debate is the wholeness and completeness of the problem and the fact that it invades every Government activity. It seems simple to relate wages and incomes to productivity, but immediately one is drawn not simply into wage bargaining, but, as the hon. Member for Huddersfield, West (Mr. Lomas) said, into endeavouring to hold wages and differentials and Government expenditure generally in the kind of tariff framework within which one proposes to work and within the question of what sort of sum one is prepared to expend for social objectives.

The right hon. Member for Grantham (Mr. Godber) mentioned education, referring to the fact that the Secretary of State for Education and Science has apparently said that the teachers would always be in a particular, privileged position. Is this to be the case or not? I agree that pensions are to be increased and paid for as well. These are all factors in the equation and a very complex equation it is.

If we proceed to tackle regional slums, whether in the North-East or in the Highlands, this means, in the short term, that we are prepared to put up money which will need taxation to raise and which will affect prices even if, in the long term, it is an investment. The problem enters every Government activity.

The Liberal Party was prepared to accept higher taxation to ensure that higher pensions would be paid, so I am satisfied that in this respect the strictures of the First Secretary of State do not apply to us. We thought that a pension increase was fair, just as we have accepted the need for rationalised aircraft production. Nevertheless, we are by no means satisfied with the progress made or with the area

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of intent that the Government demonstrated. I shall explain a number of reasons why we are as yet not satisfied.

The first concerns productivity—the most vital of all. There is the need to encourage and reward it and I will quote from an article by Mr. William Rees-Mogg in the *Sunday Times* of 25th April. He said:

“To increase productivity requires better personal incentives, and we certainly have not had them. It means an emphasis on productive investment (Mr. Wilson called for that in New York; Mr. Callaghan devalued the investment allowances) . . . It means an attack on restrictive practices by trade unions . . . the reference to restrictive practices was struck out of the remit of the Royal Commission on trade unions. It means a concentration on growth industries . . . almost all growth companies are damaged by the new Corporation Tax.”

Leaving that aside, the question of productivity bargaining is equally important, as mentioned by the right hon. Member for Grantham. I wonder whether the productivity agreement at Fawley would have been reached had there been an incomes policy at the time. A leading executive of Esso has said that he did not think it would. There is no doubt that the strain on the union structure would have been acute. The Fawley agreement was negotiated by low-ranking shop stewards and union officials and they had the support, strangely enough, of the then Communist-led E.T.U., which saw the advantage for its members. This is a case where we think that there is a new look by the Government.

On the other hand, what about the conscientious, public-spirited Right-wing trade union leaders who have been very anxious to support the Government's guiding light and who, no doubt, have been dutifully reading the various puritanical leaders which appear regularly in *The Times*? What about the area leaders and officers in South Wales, in view of the report that the Steel Company of Wales is offering earnings increases of up to 50 per cent. in return for the abolition of craftsmen's mates and other big increases in productivity? Will they reckon up to the same kind of attempt as the Fawley agreement?

Secondly, there is the question of Government expenditure. As we know, it tends to rise and very often for the best reason—for example, because of the need

to spend more on pensions and education. It is estimated that this year it will rise by about 10 per cent. I think that the estimated figure is £8,482 million, as against the actual figure of £7,713 million last year.

What will be the effect on this of the compensation to be paid out if steel is nationalised? I do not intend to discuss that at length, but I would have thought that if this was a matter of priorities—and the word was frequently reiterated by the hon. Member for Huddersfield, West—it was more important to try to keep down Government expenditure than to embark on what is indubitably a highly contentious and uncertain experiment which will certainly cost a great deal in compensation. If the First Secretary discusses the matter with housewives and asks what they think about the need to expend money in this way, he should listen and listen again.

The Liberal Party feels that there must be greater incentives to risk, to skill and to mobility of labour and capital. We are still not satisfied about two aspects of the direction in which the Government are moving. First, we are not satisfied with their anti-monopoly legislation, although we are pleased to see that they are proposing much more action in this respect than was evidenced by the Conservative Party during the last 13 years.

I was interested, and later amused, to hear the hon. Member for Eastleigh say that he was pleased that the Government were embarking on extending anti-monopoly legislation. I did not notice such enthusiasm when he came to my constituency before the election. Nevertheless, we feel that there is no evidence of sufficiently strong action about monopolies in general, or restrictive practices.

Secondly, we are still very concerned about the tariffs situation. I know that the Government have reduced the import surcharge, but this is the only tariff action which they have taken since they came to power. The net result of many surcharges is to protect in such a way as to encourage not efficiency but laziness and to cosset rather than to provoke. There is no incentive to risk or skill.

Those are my only major criticisms. As long as the hard sanctions of economic policy are working in a direction opposite

to the intent, it is evident that we cannot expect success in the incomes policy for some time.

8.13 p.m.

Mr. Eric S. Heffer (Liverpool, Walton): We have listened to a very interesting speech from the hon. Member for Inverness (Mr. Russell Johnston) on behalf of the Liberal Party. The Liberals seem to be making a serious effort to try to understand the difficult problems facing industry and the trade unions. I am glad to note that they recognise that the Government are seriously tackling the problems, a very different situation from when the previous Government did not even begin to tackle them. When the Conservatives spoke of an incomes policy, they were primarily concerned with keeping wages at a low level and they did not seriously tackle prices. The White Paper, however, clearly lays down that not only must wages and salaries be kept at a reasonable level, but the general movement of prices must be kept under review, as must money incomes of all kinds. This is the fundamental difference in the attitudes of the present and previous Governments.

I want to comment on the responsibilities of the trade union movement in seeking a solution to our economic problems. We are often told about restrictive practices among trade unionists, but there is very little understanding of the reasons why workers take certain lines of action to safeguard their jobs. Yet this is the essence of the so-called problem of restrictive practices.

When there is unemployment and when it is understood that by finishing a job at a certain time a man may find himself unemployed for three or four weeks or even longer, as is and has been the case in some areas, a man is deeply concerned about cornering a job for his particular craft. This arises from the average worker's fear of being unemployed. There is nothing worse than unemployment for knocking out the stuffing and lowering the dignity of a worker.

When we consider restrictive practices and the responsibilities of the trade union movement, we have also to consider full employment. I was rather disturbed, to say the least, by the remarks of the hon.

Member for Eastleigh (Mr. David Price) who said that it was necessary not to have a stop-go economic policy but a policy which was going ahead a bit at one time and slowing down at another—the same policy in different terms. We know what that can lead to. It led to unemployment in some areas, and this fear of unemployment has had a terrible effect on workers in industries where there are so-called restrictive practices.

Therefore, the first essential in solving the economic problem is to ensure full employment, so that the workers know that when new techniques are developed and when new machinery is introduced and when new methods are used, they will not suffer as a result and be turned onto the streets to face this terrible problem of unemployment. That is the first essential if we are to get the full support of the trade unions and the workers for technological change.

Let us consider the position in countries like America. In a recent debate, an hon. Member opposite said that technological change had been introduced into the American coal mining industry with the full support of the American trade union movement. What the hon. Member did not say was that at the same time as that was carried through, there was mass unemployment among the miners in the areas concerned, to such an extent that certain areas in the Appalachian Mountains are still derelict within the most prosperous state in the world. That is because there was no planned approach to technological advance. This is something that we must deal with. To get this change, there must be a planned approach. We cannot leave it to the competitive market merely to solve the problem in this way.

I am not against competition as such. I am not against the idea of having public ownership with a certain measure of competition in quality between publicly-owned industries. That is rather different from competition in which the profit motive is the basis. I would not object to a municipally-owned enterprise—say, in Liverpool—competing with a publicly-owned enterprise, provided that the benefits of both were applied to meeting the needs of the people. It is, therefore, a question not merely of competition, but

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of how it is used and the results of the competitive system.

I return to the question of the trade union movement and its responsibility. The trade union movement is bending over backwards to help to solve our economic difficulties. The trade union movement is going all the way, and sometimes, from my point of view, perhaps a little too far in the steps it is taking, but it is making a serious effort in this direction. Nobody can say that the trade union movement is not accepting its full responsibility in our economic problems.

There is, however, something which I should like to see developed a little further. I speak now as a trade unionist of long experience. I should like to see a smaller number of unions and a greater growth of industrial unions in particular industries. Industrial unionism is the logical step forward. It is easy to talk in terms of what has happened in Germany, which already has industrial unions. But Hitler wiped out the trade union movement in Germany and, therefore, in Germany it was possible to plan the type of organisation that trade unionists would build after the war.

Our unions have a long historical development which we cannot wipe out. We can get agreement between the various unions only on the basis of voluntary acceptance of coming together in amalgamation, confederation and ultimately, I hope, in organisational unity in various industries so that we finally arrive at industrial unions for our main industries. I hope that we as unionists work towards this end. It is essential and progressive not only for the trade union movement, but for the country as a whole. I make a call to the trade union movement to work much more progressively towards this goal than it has done in the past.

We must, of course, understand that this cannot be imposed upon the trade union movement. It is no good any Royal Commission on the trade unions, or the Liberal Party, the Labour Party, the Conservative Party or anybody else, coming forward with a set plan and telling the unions that they must accept it. We live in a democratic society in which the movement has built its organisation on the basis of the experience of the movement. Development can

be done only by the movement itself agreeing to move in this direction on a voluntary basis. This is something that, I hope, we go along with, but do not let us as politicians say to the trade unions in our political programme that this is the sort of thing that they as a democratic movement must accept.

The hon. Member for Inverness, speaking from the Liberal benches, has undoubtedly begun to get a glimmer of understanding of the difficulties which exist in the trade union movement. At this stage, however, it is only a glimmer. I assure the Liberals that they must learn a great deal more about the trade union movement before they can speak with any authoritative voice concerning the problems of industry.

In a sense, the Conservative Party might speak a little more authoritatively, but for only one reason. Representing, as they do, the big business interests, they have to negotiate with the trade union movement and, therefore, they meet us face to face over the negotiating table. In that sense they certainly understand us as the trade union organisation.

These are real problems. We are talking about an incomes policy and about halting rising prices. Most of the points that I should like to have made concerning the problems of the workers have been made by my hon. Friend the Member for Huddersfield, West (Mr. Lomas), who made an excellent speech. I certainly agree with most of his points. I want, however, to take up two points by the hon. Member for Eastleigh—his suggestions concerning a sales tax and the pay-roll tax—which he regards as essential to overcome some of our problems.

I have always been opposed to the idea of a sales tax. It is the most unfair type of taxation that could be introduced. It is the sort of taxation which hits primarily at those on lower incomes because a sales tax represents the same taxation for somebody who is earning £10 a week as for somebody earning £100 a week. This is a terrible form of taxation. Where we have had taxation of this kind it has been regrettable and I certainly do not want any extension of the sales tax.

The pay-roll tax does not always necessarily lead to a growth of productivity in the development areas.

I was rather interested in the point made by the hon. Member for Eastleigh. He seemed to think that if we had a pay-roll tax it would lead to a growth in industry in the under-developed parts of the country, and would hold back growth in other areas. The fact is that some of the largest employers in the development areas are the big municipal authorities, and if we had a pay-roll tax it would affect them in the same way as it would affect anyone else. It would have disastrous results on employment in those areas, and it therefore seems to me that it is not the sort of tax that we ought to have to grapple with our problems.

This has been an interesting discussion, because it seems that there is a recognition that we are faced with serious economic problems which have been made worse by thirteen years of unplanned Tory rule.

Mr. Harold Walker (Doncaster): Two hundred years.

Mr. Heffer: I stand corrected. I am talking about the recent 13 years of Tory misrule. There is no doubt that the economic problems which we inherited forced the Government to take certain action which they had no intention of taking when they took office, because at that time they had not recognised the seriousness of the economic difficulties facing us.

It is interesting to note that when the 15 per cent. import surcharge was introduced the prices of all sorts of goods which were not affected by that surcharge were increased. I did not notice any reduction in prices when the import charge was reduced. Manufacturers put up their prices very quickly, but they never seem to take any serious steps to bring them down. I think that there is a lesson to be learned from this. I do not believe that we can hope for manufacturers voluntarily to reduce their prices merely by pointing out to them that their prices are rising.

If there are any weaknesses at all in the White Paper, one of the most serious is the fact that the teeth provided by it are not sufficiently sharp. I should like them to be much sharper. I should like there to be greater control of prices than exists at the moment. I hope that even now the Government will look at

this matter again, in order to stop these unnecessary rises in prices which have taken place and which continue to occur. I should like to see a further strengthening and sharpening of the teeth in the White Paper.

If this policy is ever going to be successful, there must be a much more serious control of the profits that are made in industry so that workers who are asked to accept a 3½ per cent. increase in wages each year can recognise that there is that control. Unless the average worker on the shop floor can see that such a policy is being enforced, we cannot expect him to be enthusiastic about an incomes policy. It has to be shown quite clearly that we are taking positive steps to control prices, and that we are definitely restricting profits. If this is done, the workers of this country will wholeheartedly support the White Paper and the Government's policy.

8.35 p.m.

Mr. Julian Ridsdale (Harwich): If the hon. Member for Liverpool, Walton (Mr. Heffer) has his way and the Government listen to his advice, their controls will be even greater than the Labour Government faced in 1951. The First Secretary and hon. Members opposite have said that when the Conservatives were in power they did nothing about increased prices. During those 13 years, in fact, incomes, wages and pensions kept ahead of rising prices. Our record in dealing with wages and prices was far better than that of many Continental countries. The reason why we are now anxious about price increases is that they are now becoming far greater here than abroad, while taxation is reducing incomes.

In the 13 years of Conservative rule taxation was reduced by £2,000 million annually. In the first months of the rule of the Labour Government taxes are already up by £1,000 million a year, and it seems that they will be increasing, soon, to the £2,000 million mark—back to 1951 with a vengeance.

On Friday in the *Financial Times* there was a review of the effect of the price rises, since the 1964 Budget, on a married man with an income of £3,500 a year and two children. I am surprised that this has not been remarked upon

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by any other hon. Member. It is something which we should mark, learn and digest. This is the type of man who is creating the wealth of this country, and we should be giving him an incentive to continue to do so, whereas since the April 1964 Budget his costs have risen by £206 a year. More than that—taking into consideration the amount of tax that he will have to pay, and his National Insurance contributions, his income has been cut by £253 a year. That is an indication of the impact of the Government's policies on this sort of man.

Mr. Albu : I saw this interesting article. Does not the hon. Member agree that many of the increases are in respect of such things as drink? Is it not quite possible that the sort of man to whom the hon. Member is referring could reduce his expenditure? That is part of the Government's policy.

Mr. Ridsdale : Drink was not a very big item in this. One of the biggest items was this man's mortgage, for which he is having to pay £19 more. He is having to pay £15 more on rates, food prices have gone up by £32 a year, and the price of clothes by £7 a year. Those are the real increases, and the hon. Gentleman cannot dismiss the matter blindly by saying that his costs have increased because he is paying more for his whisky and other drink. The hon. Member had better look at the prices again. In any case, this is not a human way of dealing with a man with two children, who is earning £3,500 a year.

Soon after the Labour Government's first Budget I had a chat with a county council smallholder in my division. He barely makes a living from his land at present, and he told me that the Budget had increased his expenditure by £2 10s. a week, which he had to find in order to pay for his petrol, his Income Tax, his mortgage, his food, clothing, and the rest.

What about the small business? In my division there is a small company which processes hydrocarbon oil. Because of the 15 per cent. surcharge the costs of the company have risen by between £40,000 and £45,000 a year. That is the price of Socialism which the company is having to pay after only a few months of a Labour Government.

Mr. Anthony Grant (Harrow, Central):
And increased taxation.

Mr. Ridsdale : Yes, and increased taxation.

What about the retired person who has had to face the increase in rates this year? Recently when I was making a speech in my constituency I said that if the increased rate of expenditure continued at a figure of 10 per cent. a year—the kind of increase that we now have to face over the next 8 to 10 years—a pensioner in my audience said, "If we have to face that kind of increase each year we have only one alternative, that is to commit suicide." [HON. MEMBERS: "Oh dear."] Hon. Members opposite may not like this. One hon. Gentleman opposite said that we did no talk about human problems on this side of the Committee; I am talking about them and I am being disparaged for doing so, but I have not yet finished. I wish to refer to the boast of occupants of the Government Front Bench that pensioners and widows have received an increase of 12s. 6d. I am told that one widow in London found that the rise in rent in respect of the council house in which she lives was equal to the 12s. 6d. that she had received from the Labour Government. This amount has soon been taken away, although it may have been given quite generously and with good will in the first place.

The Labour Government must accept direct responsibility for the increased costs which the country is having to face. There has been a 15 per cent. surcharge which has cost £140 million; a 7 per cent. Bank Rate; an increase of 6d. a gallon on the price of petrol, Derv and hydrocarbon oil; an increase in National Insurance contributions of 5s. 3d. a week; a 50 per cent. increase in duty on goods vehicles and £2 10s. on private cars; a 33½ per cent. increase on postal charges, an increased tax of 6d. on cigarettes; an increase of 1d. on beer and 4s. on whisky—which the Minister of State dismisses so lightly—and an increase of £1 on T.V. licences and 5s. on wireless licences—The Minister of State laughs again, but I can assure him that to have to pay an extra £1 a week means a great deal to old-age pensioners.

Mr. Albu : Does the hon. Gentleman really think that the increases are due to

the actions of this Government, or to the delay of the previous Administration in taking decisions?

Mr. Ridsdale : I know that the Minister of State would like to hide behind the so-called crisis which it is said that the Government inherited, but he knows very well the reason why we are in our present position is that some of the economic leaders in the Labour Government could not keep their mouths shut but had to go to Geneva—I am not sure whether the President of the Board of Trade went to Geneva—and talk about a serious economic crisis when they knew in their hearts—and everyone realised—that it was a temporary crisis.

No attempt has been made to check the rise in Government spending. When the previous Conservative Government were in power all the Labour Party could do was to say, "We can spend a lot more than you can." For all his brave words about wishing to reform our tax structure, I find that the "red medicine" of the Chancellor of the Exchequer is much the same as in 1951 and before. The medicine has alas become bitter with age and not sweeter. We have changed back to more intensive Socialism and more taxation, and with the very apparent policy that saving is to be done compulsorily by the State, not voluntarily by the individual. We have had two Budgets which, as I have pointed out, have added more than £1,000 million annually to the taxpayers' bill. With the declared policy of the Labour Government now to nationalise steel, to pay the education bill more from the Exchequer, to give a minimum national income on retirement well above existing pension rates, to reform the whole rating system and other measures, does anyone believe that the taxation bill will stop at £1,000 million? All the indications are of higher taxation still.

There is little sign of the rephrasing of the Government's plans for spending. The main reliance in the two Budgets has been on the revenue and not on the expenditure side of the Government account. Revenue is already £1,000 million above that of 1963-64. It will soon be £2,000 million. It will not take us very long to get back to the 1951 levels of socialist taxation. All this is having grave effects on the cost of living.

With their policies of moving to more intensive Socialism, the Labour Government have done their best to prevent the proper functioning of a progressive capitalist system.

Competition has been thrown out of the top window. Flexibility grows more difficult every day. Individuals are finding it harder and harder to save. Now it is back to the man in Whitehall who knows best. This has been underlined in many speeches from the Government side of the Committee. "Whenever it is a case of accepting fairer or more progressive competition, it is always back to the person who knows best, the judge in Whitehall. I am sure that by far the best judges are the laws of supply and demand, if carried out fairly, and let us see to it that the Government see that these laws are being carried out fairly.

The freedom of the individual investor to choose grows less and less under Socialism. The smaller company, as I have illustrated, is finding it much more difficult to survive. Is it any wonder that we are threatened with severer price rises than at any time since the Socialists were in power in 1951? The First Secretary talks about a 3-3½ per cent. norm and Government spending matching the increase in production of about 4¼ per cent. a year, but in these Socialist times in which we live, surely a growth rate of about 2½ per cent. is about as much as we can afford to plan for.

Why is the Chancellor so sure that a 4¼ per cent. growth rate in Government spending will not over-stretch our economy? Are not increased wage costs—particularly in the public sector—already having a direct effect on the whole competitiveness of our economy? I would refer to three examples. On 23rd December there was a rise of 9.6 per cent. to 13 per cent. for 77,000 G.P.O. engineers. On 14th January 80,000 British Railway engineers had a 9 per cent. increase; and on 17th April 120,000 postmen had a 20 per cent. increase stretching from January 1964 to 1966.

One always welcomes the fact that people should be able to have more money and more incentives, but when the First Secretary says that the norm should be 3 to 3½ per cent. and it is flagrantly breached ten days later by a

[MR. RIDSDALE.]

Post Office award, is it any wonder that there are rumours of murmurings from the Cabinet—though we do not know what they are exactly—to the effect that that kind of award should not be made so flagrantly ten days after? The people who will be hurt more than anyone—the Minister of Pensions is here and she knows this—are the pensioners and those on fixed incomes if this kind of wage award is flagrantly made against the norm at which the First Secretary is aiming.

Mr. James Tinn (Cleveland): Would the hon. Gentleman not agree that the workers about whom he has been speaking come within the category of public servants who were grossly neglected during the years of Conservative Governments?

Mr. Ridsdale: I was speaking about the Chief Secretary having set the norm at 3 per cent. to 3½ per cent. and I am sure that he regrets the recent breach of his wages policy. Naturally one can pick certain groups of workers, as the hon. Member for Cleveland (Mr. Tinn) just did, but the remarks I made nevertheless apply.

I assure hon. Gentlemen opposite that I hope that the First Secretary's quest for an incomes policy succeeds. However, for all the Socialist talk about an incomes policy and stopping inflation, the facts show that the Government have had little success in dealing with wage inflation since they came to office. This is because they have relied too much on increasing revenue rather than cutting expenditure. The Budget takes savings from individuals to be spent on Government projects which are running far in advance of increased national production. The pressure which the Government are exerting is preventing the market forces of a 7 per cent. Bank Rate from working.

While I hope that the price review will succeed, justice must appear to be done. We do not want to have a double standard, one for private industry and another for the nationalised industries. If one thing applies to road haulage why should it not apply to rail fares? Certainly the rise in rail fares has been very great indeed, especially for some of the commuters about whom I spoke at the beginning of my speech, including those with

incomes of £3,500 a year who, in addition to increased rail fares, face the other increased costs of taxation and impositions which have been imposed by the Labour Government.

Is exhortation really enough? Surely the pressure from market forces is the basis of economic efficiency. The Budget, by relying on State investment and high taxation is, certainly in the long run, harming initiative, for we must see that value for money is got from investment.

In the last 10 years we have invested more than £6,000 million in public industries, six times the amount of our gold reserves. Despite this, in these public industries during those 10 years, in spite of public investment on such a scale, there have been price increases of about 50 per cent.

I am certain that with the continued high rate of Government spending—the latest example being £600 million for steel, a sum which we will have to find—backed by high taxation and the 7 per cent. Bank Rate, prices are bound to be pushed up still further. Is nothing being done, with all the taxation that is being collected, to pay off the national debt? If not, what is happening to the money?

Sir Harmar Nicholls: Does my hon. Friend really think that we are likely to have to spend £600 million for steel this side of the next General Election?

Mr. Ridsdale: My hon. Friend is probably right. Nevertheless, I am pointing out that the amount of taxation and other measures introduced by the Government shows how the Government are taking money that would be saved in the private sector and are spending it in the public sector. Price rises must result from such action. The Government will not succeed in keeping prices stable.

For this reason the Governor of the Bank of England has had to restrict bank advances. He realises the pressure of Government spending on the economy and since the Government will not do anything about it he has had to put the brake on.

The difficulty is that this practice is putting a brake on productive investment in industry. If we want credit and prices to stop rising then we have got to encourage private investment, investment in productive industry and not the

long-term Government spending. It is because of these reasons that I am convinced that the rise in prices is caused by the intensive Socialist policies which the Government is pursuing.

It is preventing productive investment in industry and continuing a high rate of Government spending. I have an idea that the Government are not going to be successful in keeping prices stable. The pensioner, the £3,500 a year man, the technician and the scientist who have not been helped at all by the Government are going to find the future very difficult indeed, as indeed are we all.

9.0 p.m.

Mr. Albert Murray (Gravesend): The hon. Member for Harwich (Mr. Ridsdale) spoke of 1957. Assuming that it is correct, no doubt we can expect the reappearance, like a crow from the ashes, of the Housewives' League. It has been quite noticeable, during the past six months, during which the Labour Government have been in power, that there has been a reappearance of pressure groups which were prepared to say nothing under 13 years of Conservative rule, but who are prepared to start working after two to three months of Labour Government.

I had lobbying me a group of farmers from my constituency, complaining about the Annual Price Review. They had worst Price Reviews under the Conservative Government and they said, "We have never done this before." I said that it was a pity that they did not come along when the Conservative Government were in office. Why they did not come along is an interesting question.

The hon. Member for Harwich would have us crying our hearts out about certain groups in the community. What about the nurses, four years ago? The Opposition, then in power, kept the House sitting all night to avoid giving the nurses their increase. It was not a great increase, but, unfortunately, the Tories, because of their previous policies and with the 7 per cent. Bank Rate, had decided that public servants were not to get increases. The public servants affected were the nurses and those working in the Health Service.

We have just given the old-age pensioners the biggest single increase since

the last Labour Government. Conservative spokesmen have said that, by their policy, the Labour Government are increasing prices. But the Government are setting an example of how to deal with rising prices and how to make sure that people achieve a better standard of living. I believe that the people will support a Government who give them fairness, if they see that the Government are prepared to attack rising prices and to review particular cases where there have been rises in prices, and also to ensure that those workers in the public service get their fair share of the national cake.

Before I came into the House I worked on the shop floor. I knew that my fellow workers, if they felt that nurses, who were getting poor wages, were to get an increase which would mean an increase in their own tax, would not have minded. In many public services the 3½ per cent. norm will not be a great help. For instance, ambulance drivers are doing a vital job on a basic wage of £11 15s. a week.

If we make sure that the electorate know that we are doing the right thing by that class of person, we shall have a Labour Government for a very long time. The Government are tackling tax concessions on business lunches, of which we have heard much complaint from the Opposition, and we must have actions like that so that trade unions may see that there is fairness all round—

Sir Harmar Nicholls (Peterborough): The hon. Gentleman has given a list of people who should have more than the 3½ per cent. norm. Can he tell us of those he thinks should be kept to the 3½ per cent. norm?

Mr. Murray: I am not prepared to do that, because I am not here negotiating on behalf of the trade unions.

The printing industry is often maligned by some hon. Gentlemen opposite, but they should look at the wage agreements in that industry. They will find that the printing unions, in the cause of efficiency and increased production, are prepared to negotiate long-term wage agreements, while keeping to what hon. Members opposite might call reasonable standards.

The hon. Member for Louth (Sir C. Osborne) said that we must discipline

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the trade unions. He is there saying that we must discipline 8 million male members of the population and their wives and families, but he does not say that any other sections of the community must be disciplined. Our trade unionists are quite responsible people, and do not need Government discipline. What they want is fairness and honesty from the Government of the day, and if they see that the Government are prepared to give them that honesty and fairness they will play the game. For the past 13 years they have known a Government that allowed things in one direction while continually clamping down in another.

They want a Government that will not only tackle the problem of increased production but the odd 1d. or 2d. price rises that affect the lower-paid workers and the old-age pensioners so much. The Government must ensure that the public services get decent wages, and are well supplied with decent hospitals, schools and staffs for all our people. A Government following this line of policy will have the support of every one of our working population.

9.3 p.m.

Sir Keith Joseph (Leeds, North-East): We have had several wide-ranging speeches, including one from the right hon. Member for Clackmannan and East Stirlingshire (Mr. Woodburn), and speeches of great interest from my hon. Friends the Members for Louth (Sir C. Osborne), Eastleigh (Mr. David Price) and Harwich (Mr. Ridsdale), but I make no apology for bringing the Committee back to the relatively narrow issue on which we shall vote tonight. It is that there has been over the last few months, and is now continuing, a widespread rise in prices at an increasing pace, despite the firm pledge by the party opposite that it could and would stabilise the cost of living.

It is true, I say it at once, that we on this side did not conquer this problem when we were the Government, but we slowed down the pace—[*Interruption.*] The hon. Member for Gravesend (Mr. Murray) must not immediately cry “Conspiracy” if there is increasing public resentment over the widespread rise in prices following so soon after the cate-

goric promises of the party opposite during the election.

There can be no doubt that prices are rising, and rising on a wide front. I remind the Committee of some of the individual items catalogued by hon. Members today. Outside London fares increased by 8 per cent. on 1st February this year. In a large number of regional electricity board areas prices went up by anything between 9 per cent. and 14 per cent. and the price of coke rose by from 9s. 6d. to as much as 18s. 6d. a ton. Postal charges are due to go up in a few days. Rates have gone up on average all over the country by 14 per cent.

The Government cannot escape the charge that they promised early relief to the ratepayer. Let them look at the rather discredited document, “New Britain”. On page 13 they will see the pledge in black and white. They won votes by their promises and now they are brazenly breaking them. Of course, they said that a review was necessary. We do not disagree with that. We set the review in hand, but that is not an excuse for inaction by the Government. It was the First Secretary of State who used these words at Peterborough on 30th December last year:

“While we are waiting for the inquiry, Labour will transfer some of the burden on the local ratepayers to the Government.”

That was firm enough, but they have not done it. They missed the opportunity of using the General Grant Order to transfer some of the burden from the ratepayer to the taxpayer in brazen breach of their promises given only a few weeks’ earlier.

What about interest rates? What gall and wormwood the subject must be to hon. Members opposite, after all their speeches. What a bitter memory they must have of stumping the country about the iniquity of 5 per cent. interest rates. It was the Chancellor of the Exchequer who worked out carefully what the annual cost to industry and commerce would be to the country of a 1 per cent. increase in interest rates—£25 million a year. But the Government have imposed a 2 per cent. increase. Not only is there a £50 million extra burden on industry and commerce, but a huge burden is placed on local authorities, interrupting the mounting momentum of their social programmes initiated under the Tory

Government. The difficulties caused by the interest rate burden for individuals are too big for me to emphasise.

Those interest rates have nothing to do with the inheritance the Government received from the Tory Party. The rise in interest rates was needed only in an attempt to restore the confidence which the Government themselves shattered during their first weeks of power. The Government look like keeping interest rates at 7 per cent. for as many months as we once had that rate for weeks. My hon. Friend the Member for Louth was absolutely right to emphasise the importance of the impact of this high interest rate on all activities and initiative in the country. If he was right—and he may be—in regarding our economic position as more serious than the Government have told us it is, the prospect of a cut in interest rates soon seems somewhat remote.

I have gone through some of the rises in prices in the public sector, and I now turn to the private sector. Prices of goods on almost every shelf of almost every shop in every town and village have risen and are rising. That is true in “pubs”, in tobacconists, in chemists, both for drugs and cosmetics; it is true for household goods, for confectionary, clothes, shoes, fabrics, furniture, pet foods, and in the garage. All, or nearly all, housebuilding materials have risen. As hon. Members have said again and again, in speeches, price rises in groceries may be numbered in thousands. As the *Financial Times* says:

“Slowly, but inexorably, grocery prices are rising.”

There are some good things, and I must not miss them out. Thanks entirely to the initiative of my right hon. Friends and to their courage in the national interest, during the time of the Tory Government, the beginning of the end of resale price maintenance has brought some price cuts, but that is absolutely no thanks to the Labour Party which, tamely and cravenly, abstained on an issue like this—and then had the nerve to accuse us of tinkering with the problem. Prices have fallen for sewing machines, light fittings, sports goods, nylon clothing and, of course, drinks, where the Chancellor of the Exchequer slapped it back in increased taxes.

I must convey my wry congratulations to the Government on one paradoxical

achievement. Despite their pledges, they have reduced the number of houses being built and, by that means, and by that means only, have stabilised temporarily the price in some parts of the country of private houses for sale. But it is a satisfaction that can give them absolutely no pleasure. Their job was not to stabilise the price of houses by ceasing to build them. Their job was to carry out their pledges and at least maintain our programme of house building and, according to their promises, level off the prices.

As for local authority houses, the work of the Government in the surcharge, the petrol tax, and other contributions they have made have put up the price of the average local authority house, so it is said, by about £100. So we have the curious combination of fewer houses at roughly stable prices only because people cannot borrow the money to go into the market to buy them.

I am glad to see the First Secretary of State here. I hope that the President of the Board of Trade will tell us, when he replies later, what will happen to the other great pledge that the Labour Party made at the General Election about prices. What about land prices? One would have thought from all that the Labour Party said during the election that it would swing into prompt action with a Bill to stop the price of land being what it is, but it looks from what one sees in the newspapers as if we shall not even get a Bill. We shall not get the smack of firm government. We shall get another White Paper. We shall see what happens when that comes.

These price rises are causing universal dismay. The hon. Member for Huddersfield, West (Mr. Lomas) must recognise that many of the price increases of which I have been speaking really hit the ordinary wage earner. The hon. Gentleman spoke as if Tory complaints were only about the effect on the middle income group and the wealthy. The long catalogue I have given reaches into every home. The index has already risen two points in five months. All this, as my right hon. Friend the Member for Grantham (Mr. Godber) said, is before the rises in National Insurance contributions, vehicle excise duties, postal charges, cigarettes, beer and spirit duties. The effect on producer goods will, before long, work its way through to the shops and

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the trend looks to be sharply up as the new burdens imposed and allowed by the Government permeate every activity in the economy.

I see the right hon. Lady the Minister of Pensions and National Insurance here.

“The pension increases given in March will be eaten up by the increase in prices.”

The Minister of Pensions and National Insurance (Miss Margaret Herbison): Rubbish.

Sir K. Joseph: The right hon. Lady says, “Rubbish”, but I am quoting from an article in *The Guardian* of yesterday’s date, headed:

“Labour accused of broken promises.”

I am quoting a statement made at a trades council conference by Mr. Hendry, whose words are precisely quoted. It is not a Tory saying this. This is the view expressed at a Labour conference.

All this is against the background of self-confident, indeed arrogant, pledges given before the election by the Labour Party. Again, I turn to the rather discredited “New Britain”. This contains, on page 12, firm pledges to attack the problems of rising prices at their roots. On the same page there is the promise of

“new and more relevant policies to check the persistent rise in prices”.

The same emphasis was given in election addresses and in speeches up and down the country.

The right hon. Gentleman the First Secretary said at Swadlincote, on 27th September last year, a place where I believe he refused to say anything on some subject or other last Sunday:

“Continued rises in the cost of living can, must and will be halted.”

It is deeply sworn. Here we have a Government who are pledged to stabilise prices, but who, by their own policies, have kicked prices up. Let me remind the Committee what the Government have done. Income Tax has been increased by 6d. The tax on beer, spirits and tobacco has been increased. The petrol tax has been increased, which has given a jolt to all road transport costs. The commercial vehicle duty has been increased. Postal charges are just about to be increased. The Bank Rate

and all interest rates following it have been increased savagely and held at a high panic level month after month. Rates have gone up by 14 per cent. on average, and on top of all this we had the import surcharge, which the Government imposed in a panic and which they have now partially taken off, prematurely, according to their original judgment, under pressure.

Far from stabilising prices, the Government have not controlled their own costs. They have allowed the nationalised industries to increase their charges. Rail, gas, electricity, coal, posts—all have gone up, and when the First Secretary gave us his lecture on how the nationalised industries are put through the hoops by some ruthless Ministers before they are allowed to increase their charges, it was as frightening a demonstration of the unreality in which the present Government live as one can imagine.

It is extremely difficult for nationalised industry management to adopt new policies or to increase productivity. All credit to them in so far as they achieve it. This difficulty is not because of the inherent wickedness of anybody. It is because of the history, nature and structure of nationalised industry, and it is because that structure imposes such obstacles to efficiency that we on this side so passionately oppose steel nationalisation. When the First Secretary spoke of the sanctions against nationalised industry prices rising, all he spoke of were paper work, committees and meetings. He even prayed in aid consultative councils. Private enterprise, I would remind the Government, has to raise its money and earn its profits in a competitive market, that is, if the Government are doing their job properly. The sanction on private enterprise is bankruptcy. That is a sanction which does not discipline the nationalised industries.

The fact is that the Government are permitting earnings to jump far more than productivity. They are not insisting that wherever possible there shall be a productivity bargain, and one that is kept. It is the Government’s job to keep earnings and productivity in relation within their own sector and to see by their control of the economy

that private enterprise cannot put up the prices and keep its volume of profitable business.

The nationalised industries, said the Labour Government in the pamphlet "The Truth about Prices", a few months ago

"deserve full credit for the way they try to keep prices steady."

In the light of the evidence, that is pretty improbable. We know the real explanation.

"The trade unions created the Labour Party and still finance and control it."

That is another Labour quotation. And no doubt is why the Government are so timid in handling wage increases.

Mr. George Brown: And Bovis finances the right hon. Gentleman.

The Chairman: Order. I have said before that I hope that if occupants of the Front Bench want to intervene they will do so in the conventional manner. I hope that if the First Secretary wants to intervene he will do so in that way.

Sir K. Joseph: This time the Government cannot pray in aid the excuse which had some validity in 1951, the last year of their period in power. It is true that in that year the terms of trade, because of the Korean war, went sharply against this country. But now the terms of trade have been stable over the past six months.

The Government, or the Labour Party before they became the Government, promised new and relevant initiatives to stabilise prices. We must assume that the new and relevant initiative is their National Board for Prices and Incomes. The First Secretary of State poured scorn on my right hon. and learned Friend the Member for Wirral (Mr. Selwyn Lloyd) for setting up the National Incomes Commission, which was instituted, of course, for the same purpose. The main difference appears to me and to many of my hon. Friends to be that, while the Government are concentrating on private industry prices, which they do not control—though I note the wish of the hon. Member for Liverpool, Walton (Mr. Heffer) that they should control them—they are neglecting public industry prices which they can control, and they are timidly letting wage claims in all sectors, apparently grossly violating the First Secretary of State's norm, go unchecked.

They even have a philosophy to justify this—

"Successful work on prices will provide a firm basis for proceeding to deal with incomes."

There is no successful work yet, but these higher incomes which are allowed to go unchecked by the Government will in many cases involve increases in costs and, in turn, lead to higher prices, and all will be worse than ever. Prices and earnings interact on each other. Each increase in one produces increases in others. This is why, if they are to carry out their pledges, the Government must evolve policies which bite on both prices and earnings and incomes. I mean competition.

In his very complacent speech, the First Secretary of State talked about his prices and incomes policy. My hon. Friend the Member for Eastleigh made some very shrewd comments on what he said. More and more, the right hon. Gentleman seems to exaggerate the rôle which a prices and incomes policy can play on its own. But this sort of policy, notwithstanding the energy of the right hon. Gentleman, cannot be a substitute for competition and for getting the balance of supply and demand in the economy right. As my right hon. Friend the Member for Bexley (Mr. Heath) has said, the incomes policy does not exonerate the Government from following proper economic policies which will lead to the stabilisation of the economy.

It is no good the Government saying that they have had only six months. They may say how hard it all is now, but they gave the country a very different impression during the election campaign. My hon. Friend the Member for Howden (Mr. Bryan) made a speech which was like a breath of fresh air after the First Secretary of State's lecture. He turned the trousers which his firm makes into the theme of a sensible discussion of economics, as John Stuart Mill did with his buttons.

The Government must realise that the prices battle calls for action, often unpopular action, not just for words, statements and White Papers. Each wage claim, each increase in Government-controlled costs, brings more, more increases in prices and more claims for increases in earnings to compensate for them. In his

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long speech, the right hon. Gentleman never even referred to the balance of supply and demand, and scarcely enthused about competition. Yet without getting these things right, he is living in a fantasy world.

I point out to hon. and right hon. Members opposite the grave danger of their present approach of concentrating on prices even if it were to be successful. If the Government were to succeed temporarily in restraining some prices below market level, that is, the level resulting from demand and supply, and failed at the same time to restrain incomes, the only result would be to suck in more imports. This cannot be what the right hon. Gentleman and the Government wish, but that would be the logical, inevitable, inexorable result of success on the prices front and failure on the earnings front—not, I fear, that they will have all that success on the prices front.

The right hon. Gentleman has referred to the National Board for Prices and Incomes soap, including detergents, and bread and road haulage. I would only comment that we on this side of the Committee would have listened with more interest to the hon. Member for Eccles (Mr. Carter-Jones) if he had enlarged his researches into the soap and detergent industry beyond Unilever and Procter and Gamble to the other great supplier, the Co-operative movement, which is also a major supplier of bread.

It is not only in the nationalised industries that the Government have lost control. I will give a small example to show how much they have lost it in their own Departments. In the same week that the First Secretary of State issued his Declaration of Intent the Minister of Labour sanctioned an increase of no less than 40 per cent. in the price of the Ministry of Labour Gazette. Prices are set by a delicate balance of bargaining power—not always at the maximum that the market will permit because of the risk of losing valuable contracts and goodwill. It is competition that equips the buyer with bargaining power.

Far from increasing competition, the Government have done just the reverse. In opposition, the Chancellor of the Ex-

chequer was very bold. He advocated tariff cuts to increase competition. But when he gets into power he does precisely the opposite. He slaps on a surcharge to protect domestic industry against world competition.

Mr. George Brown : No, no.

Sir K. Joseph : The Government have not only done that. They have given further protection to the coal industry. They delayed the Monopolies and Mergers Bill. They have shown no signs of tackling restrictive practices.

Mr. George Brown : What the right hon. Gentleman said a little earlier was surely not part of the party political battle. We did not put the surcharge on to protect domestic industry. If it went out from the House of Commons that either side thought that to be so, it would cause considerable damage, and I ask the right hon. Gentleman to withdraw that remark.

Sir K. Joseph : I gladly withdraw it. I will say that the surcharge was put on with that result, but I certainly acquit the Government of trying to achieve that result.

It is on the removal of restrictive practices that the Government should concentrate if they want to fulfil their pledges. Efficiency and competition are allies of the housewife. We believe in a high earnings, low cost economy, efficient and competitive. We promised that a new Monopolies Bill would be our first item of legislation. As a Government, we carried through the Resale Prices Act, from which the Labour Party cravenly abstained.

We urge the Government to get their priorities right. Let them advocate competition and promote efficiency. They have done just the opposite. They distract businessmen with complex and often dangerous tax proposals. They fool around with the steel industry. They devalue investment allowances and cloud the future with uncertainty—and they sack Dr. Beeching. They ignore the wage claims of those sweeping past the First Secretary of State's norm—and without any productivity bargains attached.

The Government must realise that what they are allowing to go unchecked is part of a cumulative process. The country is not witnessing the smack of firm

government, but the smack of rising prices. Hour by hour and day by day the Government are being judged not by headlines or even by legislation, but by prices—and the Government, by their own pledges, repeated so arrogantly and often up and down the country, invited the country to judge them by this yardstick.

The outcome of the Government's policies will be seen inescapably in the cost-of-living index. With all the knowledge which they should have gathered from 13 years' observation of the difficulties of reconciling growth, full employment and stable prices, the Labour Party deliberately pledged that it would end the rise in prices. New and relevant weapons, the Labour Party said they had. The Government have chosen their combination of weapons. They have made their pledges. Prices are rising and rising fast and the country is judging them.

9.30 p.m.

The President of the Board of Trade (Mr. Douglas Jay): The hon. Member for Louth (Sir C. Osborne) earlier this afternoon congratulated my right hon. Friend on his incomes and prices policy and wished him all success. The right hon. Member for Leeds, North-East (Sir K. Joseph) seems to be taking the problem rather less seriously. During the last half hour he has been trying to persuade the Committee that it is all the fault of the present Government if prices have been rising in the last six months. How, then, does he explain the fact that prices have been rising for the last six years, and, indeed, for the last ten years?

If the right hon. Gentleman is interested only in the last six months, since 13th October last year, the Retail Price Index has risen from 107·9 to 109·9, by two points, or rather less than 2 per cent. But in the 12 months before 13th October last it rose from 103·7 to 107·9, or by 4·2 points, which is almost exactly the same rate of increase. The only difference is that we have had rising production combined with rising prices in the last six months whereas previously we had the same rising prices combined with stagnating production and a widening balance of payments deficit.

The right hon. Member for Grantham (Mr. Godber) made great play with the

fact that, as he said, our policy had been unsuccessful because the cost of living in this country had risen twice as fast as in France in the last few months. According to the United Nations figures, which I have looked up since, between October and January, the latest month for which we have figures, the French cost of living rose by 1 point, from 109 to 110, while in the United Kingdom the cost of living rose by 2 points, from 116 to 118. That, I suppose, is what he means by saying that it is rising twice as fast as in France. I do not regard that as a catastrophic defeat for the Government's policy. I am sure that the right hon. Gentleman will be glad to know that in the same period living costs also rose by two points and about the same percentage in Italy, Sweden, Denmark and Germany. I do not think that he has established any great charge against the Government in this respect.

Mr. Godber: I emphasised the position in France because I was taking the right hon. Gentleman's own words. He had quoted France for previous years and I was showing how exactly the opposite had occurred since right hon. Gentlemen opposite had been in office.

Mr. Jay: If the right hon. Gentleman wants to prove that twice one is two, he is perfectly welcome to that point.

Over the last ten years, during most of which the party opposite was in power, the Retail Price Index has risen on average by 3 per cent. a year, and yet those 10 years include two prolonged deflations, after 1956 and 1961, which cost the country so much in employment, economic growth and investment. The country's memory of that is too vivid and too deep for the party opposite to get anywhere making easy party capital out of the problem of prices. I am sure that the public would prefer to see the House of Commons asking itself seriously why prices have risen over these recent years and how in future we can get the upward thrust under control.

In the first seven years after the war, it was possible to blame part of the cost-push pressure upon rising import prices, but from 1957 to 1962 at least our import prices were falling. The index fell from 111 to 99 in those five years on the basis of 1961=100. It is a remarkable part of the story that with the party opposite

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in power and with this sharp drop in import prices, the Retail Price Index continued to rise throughout even those five years.

The one period when the country might fairly easily have enjoyed stable prices was thrown away in those years by mistakes of policy, and mainly by the Rent Act, 1957. [HON. MEMBERS: "Nonsense."] I am coming to the figures on that, so hon. Members opposite had better wait and not laugh. I must, however, warn the Committee that import prices have again been rising since 1962, and this has benefited the less developed countries, which are still great exporters of primary products. Even though that rise has flattened out in recent months, I doubt whether we can look for much relief from import prices in the future.

Perhaps one of the most important economic changes in the world in the last five years has been the intervention of Russia and China as purchasers of wheat in the world market. We would not be wise to assume that that is a purely temporary phenomenon. The price that the United Kingdom has to pay for its imported food has risen by 14 per cent. since 1961.

But the greatest single cause of the rise in the cost of living since 1956, if one looks at the figures in the index, has been the rise in rents, the direct result of the Rent Act, 1957. The figures are as follows. Between January, 1956, and January, 1962, the official Index of Retail Prices, as calculated by the Tory Government then in power, rose by 17.5 per cent., but the housing component of the index, the largest item in which is rents, rose by 40.6 per cent. Since January, 1962, when the index was recalculated, the housing element has again risen as a percentage more rapidly than any other component of the index. Altogether, the rise in the housing cost of living since the Rent Act has been more than 50 per cent. On top of this, in the Greater London area the London Government Act, which now can be seen to be one of the most damaging Measures other than the Rent Act passed in the House of Commons since the war, has provoked, and is provoking, a sharp rise in rates in addition to rents.

It is deplorable that all these mistakes of policy by the party opposite should

have generated a prolonged and unnecessary rise in prices and diverted attention from the real problem of incomes and prices which faces us. There is a real problem which we should neglect at our peril and we shall not solve it successfully unless the Government direct their policy tirelessly to that end and the public wholeheartedly co-operate.

Sir C. Osborne: Would not the right hon. Gentleman admit that the 7 per cent. Bank Rate will push up rents still further?

Mr. Jay: No. The 7 per cent. Bank Rate is a temporary measure—[HON. MEMBERS: "We have had it for six months."]—and the rent control Bill that the Government are introducing will be a permanent measure.

However, whatever policies are pursued and whatever happens to import prices, it remains true that if money incomes are allowed to rise persistently faster than production, prices must rise. This is just remorseless arithmetic, and it is always worth reminding ourselves that prices are simply the arithmetical effect of the impact of demand on output. The rate of growth of money incomes is by far the biggest influence affecting prices. Actually the selling price of goods and services making up final output in this country is determined as to 73 per cent. by money incomes at home, 17 per cent. by imports, and the remaining 10 per cent. by taxes on spending. So there is clearly no hope of getting prices under control if incomes are totally out of hand.

Over the past 10 years the story in the United Kingdom is really pretty plain to read. Total output rose on average in those 10 years by 3 per cent. a year. Total money incomes rose by 6 per cent. So the general price level rose by about 3 per cent. a year, and in those years our export prices were rising by about 2 per cent. a year, and our share of world exports of manufactures fell from 20 per cent. to 14 per cent. I think that those are figures which we should always keep before us.

The United States has been more successful—indeed remarkably successful—in the last five years in increasing output with scarcely any rise in prices, but it has done it at the cost of 5 or

6 per cent. unemployment. I do not think that anybody here, with the possible exception of the right hon. Member for Wolverhampton, South-West (Mr. Powell), who has not given us the benefit of his advice today, would wish to pay that price in unemployment.

Therefore, if we mean to employ our resources fully and achieve growth, there is an inescapable choice before us. Either the Government grasp the nettle—and heaven knows that it is a prickly one—of an incomes and prices policy resolutely, or we face chronically rising prices. It would, of course, be perfectly possible to adopt the second alternative. It is often conventionally said that if we did, and just let prices rip with rising demand, we would face some sort of economic breakdown or heavy unemployment. That is not really true. What we would face is great injustice to many old people and to many weaker members of the community, together with repeated balance of payments crises, and periodic changes in the exchange value of the currency. Anyone who does not like an incomes policy should take a hard look at the stark realities of that perfectly possible alternative. That alternative seems to be incompatible with any sort of social justice, or indeed with the survival of this country's influence in the world.

We might, of course, follow such a policy and avoid trouble if other major industrial countries were doing the same, but they are not. They are almost all striving to keep their price levels under control. They have adopted the same policy, with variants, as the present Government in this country. Sweden and Holland have been experimenting in doing so for many years, not always with success, but they are still trying. The President of the United States, in his economic report to Congress this year, laid it down that budgetary and monetary policies must not permit excessive demand to pull up prices, or private price and wage decisions to push them up, and he called on

“the public responsibility of labour and industrial leaders to do their part in preventing this.”

It seems that almost everyone is in step, except, of course, the right hon. Member for Wolverhampton, South-West, and it is still not very clear to me whether the alternative which he prefers is that of

letting prices rise uncontrollably, or of heavy unemployment and deflation.

At any rate, the Government have made up their mind to try to seek to influence prices and to plan the advance in money incomes as well as the rest of the economy. Certainly this will be made harder than, for instance, in the United States by our determination to keep unemployment down to its present extremely low level. But it will also be made easier by our equal determination to steer industrial expansion into under-employed areas and to even out the rate of unemployment over the country as a whole. It is inflation in the over-heated areas which most quickly forces up rents, incomes and prices.

One central part of any policy of restraining price increases must be the control of demand through the Budget and credit policies. Nobody can say that the present Government have been slow to impose the disinflation that was necessary over the last six months. My right hon. Friend the Chancellor of the Exchequer has introduced in six months two courageously disinflationary Budgets. [*Interruption.*] It would be very interesting to know what hon. Members opposite would have done in the same situation. Any attempt to restrain purchasing power through the Budget always involves this inevitable dilemma. I am giving right hon. Members opposite this point.

If we restrain purchasing power by raising indirect taxes we risk pushing up costs as well as restricting demand. If we do it by raising direct taxation we can be charged with depressing incentive or industrial investment. There is no easy way out of that dilemma. I believe that the most practical solution is, first, to rely mainly on direct taxes and, secondly, to select those indirect taxes which least affect the prices of really basic elements in the cost of living—like food, rents, and clothes. Indeed, it was one of the prime blunders of the party opposite over the last 13 years that its disinflationary Budgets leant almost exclusively on rises in indirect taxes, which pushed up the price of necessities and the cost of living.

Hon. Members who have been in the House for some years will remember the right hon. Member for Birmingham, Handsworth (Sir E. Boyle) explaining

[MR. JAY.]

what was called “Boyle’s Law”, according to which rises in the price of necessities were supposed to restrain people from buying other things. That was part of the same argument.

I also agree that a second inescapable dilemma faces us when we are trying to restrain inflationary forces generally, and have to decide the pricing policy of public enterprises. Hon. Members opposite who have merely grumbled today about price rises in the public services did not always sound as if they were even aware of the existence of this dilemma. It is this: if we allow public services—like the Post Office, for instance—to raise prices when costs are rising we may contribute to a further rise in the cost of living. But if we hold down the prices of such services to uneconomic levels we drive public enterprises into deficit, we demoralise the staff, we underpay public servants in comparison with others, and in the end the quality of the service suffers.

If we have erred in either direction in the last twenty years it has been on the side of holding down to too great an extent prices in these enterprises. Hon. Members opposite today seem to have forgotten that their own Government, in April 1961, introduced a White Paper on the Financial Obligations of the Nationalised Industries, which laid it down that these industries should make ends meet and should earn a specific return year by year on the capital invested. That White Paper said that surpluses on revenue account for these industries should be at least sufficient to cover deficits over a five-year period and that interest and depreciation should be charged against revenue in arriving at such surpluses and deficits. Later a target figure was agreed on the basis of this proposal for each undertaking.

I agree in general with the objectives of that policy, formulated by the previous Government, but if that is the policy of the party opposite it is no good their grumbling when the Post Office or any other public enterprise has to alter its prices in order to conform with that same policy. The right policy for a public enterprise—subject to any special obligations it may have—is the same as for a private firm. First, there is an obligation

on both—reaffirmed in the statement of intent on prices and incomes last December—to promote the greatest possible efficiency and productivity, and absorb unavoidable rising costs in this way so far as it can.

Secondly, if such costs cannot be thus absorbed, the enterprise, public or private, is entitled to make such increases in price as will earn it a reasonable return from the capital invested. Thirdly, neither a public nor a private enterprise is entitled to a steeper rise in prices than those two principles would permit.

I believe that those are the right “guide posts” as the Americans now call them, and it is to translate these into practice that the Government have set up the new Prices and Incomes Board. Unlike the last Government, therefore, we have not merely decided on a considered policy, but we have already—and by agreement with those most concerned—set up a machine capable of carrying it out. We have done more than this. We have shown by our other policies that any direct restraint on money incomes will be part of a general programme which, so far as is humanly possible, will be fair to all.

First and foremost, we shall reverse the damage done by the 1957 Rent Act and re-establish rent controls. That will be a powerful blow on the side of restraint in both income and living costs. Secondly, the Prices and Incomes Board will be concerned as much with prices as with incomes and the first references to the new Board have, as the Committee knows, affected prices, and prices of basic necessities. If prices are kept down, profits are automatically kept under control. We believe that this is one effective way of ensuring that profits do not rise excessively any more than rents, salaries or wages.

Thirdly, we have introduced a real capital gains tax at last, which will end the scandal in this country of tax-free capital gains running side by side with taxed earned income. Fourth, my right hon. Friend the Chancellor, is attacking expense account extravagance which everyone knows has been a major psychological obstacle in recent years to an agreed incomes policy. [Laughter.] So long as hon. Members opposite laugh at that they will never achieve an incomes policy in this country.

In addition, we have abolished prescription charges which in itself means a fall in living costs for those who need it most. On top of all this we have introduced a new Monopolies Bill which will attack more vigorously the abuse of monopoly power and the excessive profits and prices which may spring from it. The right hon. Gentleman made an odd remark that we were delaying the Monopolies Bill. No one is delaying it, so far as I know, except the Opposition. There is nothing else to prevent it from going straight through the House. In this Bill we are seeking power to establish direct price control where that is proved to be necessary in the public interest.

Clearly, and I agree, an attack on monopoly and restrictive practices must be one part of a policy designed to promote both greater efficiency and price stability. But we, as a Government, are not afraid of resisting unjustifiable practices which stand in the way of efficiency just because labour and not management is concerned. The present Government proved this recently when my right hon. Friend the Minister of Transport announced that he had given the Railways Board approval to invest £6 million in liner train equipment and given the go-ahead to the liner train programme. We did this because we believe that this system offers hope of greater productivity and a better service to the consumer.

For all those reasons, it does not seem to me that any case has been made out by the party opposite tonight or that the public has the slightest idea what the alternative policy is which they are proposing.

The right hon. Member for Leeds, North-East, in an intervention, tried to bolster up his case by saying that the Opposition did not vote last autumn against the rises in taxation needed to pay for the higher social benefits. It is no good his saying that he only meant the increased insurance contributions, because a large part of those higher social

benefits was paid for by general tax revenue and not by the contributions. The plain fact is, if he wants to be reminded, that the Opposition voted against both the increase in petrol tax and the increase in Income Tax after the Budget Statement of 11th November last—

Sir K. Joseph : Extra contributions, against which we did not vote, will yield £270 million—I am speaking from memory—this financial year, against extra outgo of about the same figure.

Mr. Jay : The increase paid from the tax revenue was £135 million, and this was paid from the tax revenue and not from increased insurance contributions. Hon. Members opposite agree that a Government nowadays should aim at price stability, but they are not prepared to follow the policies of social justice which alone can make it possible.

They all agree—with a few lurid exceptions—that we cannot have price stability without an incomes policy, yet for 13 years they failed to persuade the rest of the community to accept one or to set up any institutions which could carry it out. They agree that private industry ought not to charge too much, but they did nothing to prevent it. They maintain that nationalised industries should be allowed to earn a fair rate of return on capital, but they grumble when any such industry charges the prices necessary to do so. They support the improvements which this Government have made in social benefits, but they vote against the tax revenue necessary to pay for them. I believe that it is just this miserable record of inconsistency and vacillation which lost the party opposite the last election and will lose it the Division tonight.

Question put. That a sum not exceeding £768,000 be granted for the said Service:—

The Committee divided : Ayes 291, Noes 296.

Division No. 105.]

Agnew, Commander Sir Peter
Alison, Michael (Barkston Ash)
Allan, Robert (Paddington, S.)
Allason, James (Hemel Hempstead)
Amery, Rt. Hn. Julian
Anstruther-Gray, Rt. Hn. Sir W.
Astor, John
Atkins, Humphrey

AYES

Awdry, Daniel
Baker, W. H. K.
Balniel, Lord
Barber, Rt. Hn. Anthony
Barlow, Sir John
Batsford, Brian
Beamish, Col. Sir Tufton
Bell, Ronald

[10.0 p.m.]

Bennett, Sir Frederic (Torquay)
Bennett, Dr. Reginald (Gos & Fhm)
Berkeley, Humphry
Berry, Hn. Anthony
Biggs-Davison, John
Bingham, R. M.
Birch, Rt. Hn. Nigel
Black, Sir Cyril

- Blaker, Peter
 Bossom, Hn. Clive
 Bowen, Roderic (Cardigan)
 Box, Donald
 Boyd-Carpenter, Rt. Hn. J.
 Braine, Bernard
 Brewis, John
 Brinton, Sir Tatton
 Bromley-Davenport, Lt.-Col. Sir Walter
 Brooke, Rt. Hn. Henry
 Brown, Sir Edward (Bath)
 Bruce-Gardyne, J.
 Bryan, Paul
 Buchanan-Smith, Alick
 Buck, Antony
 Bullus, Sir Eric
 Burden, F. A.
 Butcher, Sir Herbert
 Buxton, R. C.
 Campbell, Gordon
 Carlisle, Mark
 Carr, Rt. Hn. Robert
 Cary, Sir Robert
 Channon, H. P. G.
 Chichester-Clark, R.
 Clark, Henry (Antrim, N.)
 Clark, William (Nottingham, S.)
 Clarke, Brig. Terence (Portsmouth, W.)
 Cole, Norman
 Cooke, Robert
 Cooper-Key, Sir Neill
 Cordle, John
 Corfield, F. V.
 Costain, A. P.
 Courtney, Cdr. Anthony
 Craddock, Sir Beresford (Spelthorne)
 Crawley, Aidan
 Crosthwaite-Eyre, Col. Sir Oliver
 Cunningham, Sir Knox
 Curran, Charles
 Currie, G. B. H.
 Dalkeith, Earl of
 Dance, James
 Davies, Dr. Wyndham (Perry Barr)
 d'Avigdor-Goldsmid, Sir Henry
 Dean, Paul
 Deedes, Rt. Hn. W. F.
 Digby, Simon Wingfield
 Dodds-Parker, Douglas
 Doughty, Charles
 Douglas-Home, Rt. Hn. Sir Alec
 Drayson, G. B.
 du Cann, Rt. Hn. Edward
 Eden, Sir John
 Elliot, Capt. Walter (Carshalton)
 Emery, Peter
 Errington, Sir Eric
 Eyre, Reginald
 Farr, John
 Fell, Anthony
 Fisher, Nigel
 Fletcher-Cooke, Charles (Darwen)
 Fletcher-Cooke, Sir John (S'pton)
 Foster, Sir John
 Fraser, Rt. Hn. Hugh (St'fford & Stone)
 Fraser, Ian (Plymouth, Sutton)
 Galbraith, Hn. T. G. D.
 Gammans, Lady
 Gardner, Edward
 Gibson-Watt, David
 Giles, Rear-Admiral Morn
 Gilmour, Ian (Norfolk, Central)
 Gilmour, Sir John (East Fife)
 Glover, Sir Douglas
 Godber, Rt. Hn. J. B.
 Goodhart, Philip
 Goodhew, Victor
 Gower, Raymond
 Grant, Anthony
 Grant-Ferris, R.
 Gresham-Cooke, R.
 Grieve, Percy
 Griffiths, Eldon (Bury St. Edmunds)
- Griffiths, Peter (Smethwick)
 Crimond, Rt. Hon. J.
 Curden, Harold
 Hall, John (Wycombe)
 Hall-Davis, A. G. F.
 Hamilton, Marquess of (Fermanagh)
 Hamilton, M. (Salisbury)
 Harris, Frederic (Croydon, N.W.)
 Harris, Reader (Heston)
 Harrison, Brian (Maldon)
 Harrison, Col. Sir Harwood (Eye)
 Harvey, Sir Arthur Vere (Maccles'd)
 Harvey, John (Walthamstow, E.)
 Harvie Anderson, Miss
 Hastings, Stephen
 Hawkins, Paul
 Hay, John
 Heald, Rt. Hn. Sir Lionel
 Heath, Rt. Hn. Edward
 Hendry, Forbes
 Higgins, Terence L.
 Hiley, Joseph
 Hill, J. E. B. (S. Norfolk)
 Hirst, Geoffrey
 Hobson, Rt. Hn. Sir John
 Hogg, Rt. Hn. Quintin
 Hooson, H. E.
 Hopkins, Alan
 Hordern, Peter
 Hornby, Richard
 Hornsby-Smith, Rt. Hn. Dame P.
 Howard, Hn. G. R. (St. Ives)
 Howe, Geoffrey (Bebington)
 Hunt, John (Bromley)
 Hutchison, Michael Clark
 Iremonger, T. L.
 Irvine, Bryant Godman (Rye)
 Jenkin, Patrick (Woodford)
 Jennings, J. C.
 Johnson Smith, G. (East Grinstead)
 Johnston, Russell (Inverness)
 Jones, Arthur (Northants, S.)
 Jopling, Michael
 Joseph, Rt. Hn. Sir Keith
 Kaberry, Sir Donald
 Kerr, Sir Hamilton (Cambridge)
 Kershaw, Anthony
 Kilfedder, James A.
 Kimball, Marcus
 King, Evelyn (Dorset, S.)
 Kirk, Peter
 Kitson, Timothy
 Lagden, Godfrey
 Lambton, Viscount
 Lancaster, Col. C. G.
 Langford-Holt, Sir John
 Legge-Bourke, Sir Harry
 Lewis, Kenneth (Rutland)
 Litchfield, Capt. John
 Lloyd, Rt. Hn. Geoffrey (Sut'n C'dfield)
 Lloyd, Ian (P'tsm'th, Langstone)
 Lloyd, Rt. Hn. Selwyn (Wirral)
 Longbottom, Charles
 Longden, Gilbert
 Loveys, Walter H.
 Lubbock, Eric
 Lucas, Sir Jocelyn
 McAdden, Sir Stephen
 Mackenzie, Alasdair (Ross & Crom'ty)
 Maclean, Sir Fitzroy
 McMaster, Stanley
 McNair-Wilson, Patrick
 Maitland, Sir John
 Marples, Rt. Hn. Ernest
 Marten, Neil
 Mathew, Robert
 Maude, Angus
 Maudling, Rt. Hn. Reginald
 Mawby, Ray
 Maxwell-Hyslop, R. J.
 Maydon, Lt.-Cmdr. S. L. C.
 Meyer, Sir Anthony
 Mills, Peter (Torrington)
- Mills, Stratton (Belfast, N.)
 Miscampbell, Norman
 Mitchell, David
 Monro, Hector
 More, Jasper
 Morgan, W. G.
 Morrison, Charles (Devizes)
 Mott-Radcliffe, Sir Charles
 Munro-Lucas-Tooth, Sir Hugh
 Murton, Oscar
 Neave, Airey
 Nicholls, Sir Harmar
 Nicholson, Sir Godfrey
 Noble, Rt. Hn. Michael
 Nugent, Rt. Hn. Sir Richard
 Onslow, Cranley
 Orr, Capt. L. P. S.
 Orr-Ewing, Sir Ian
 Osborn, John (Hallam)
 Osborne, Sir Cyril (Louth)
 Page, John (Harrow, W.)
 Page, R. Graham (Grosby)
 Pearson, Sir Frank (Clitheroe)
 Peel, John
 Percival, Ian
 Peyton, John
 Pickthorn, Rt. Hn. Sir Kenneth
 Pike, Miss Mervyn
 Pitt, Dame Edith
 Pounder, Rafton
 Powell, Rt. Hn. J. Enoch
 Price, David (Eastleigh)
 Prior, J. M. L.
 Pym, Francis
 Quennell, Miss J. M.
 Ramsden, Rt. Hn. James
 Rawlinson, Rt. Hn. Sir Peter
 Redmayne, Rt. Hn. Sir Martin
 Rees-Davies, W. R.
 Renton, Rt. Hn. Sir David
 Ridley, Hn. Nicholas
 Ridsdale, Julian
 Roberts, Sir Peter (Heeley)
 Robson Brown, Sir William
 Rodgers, Sir John (Sevenoaks)
 Roots, William
 Russell, Sir Ronald
 St. John-Stevas, Norman
 Sandys, Rt. Hn. D.
 Scott-Hopkins, James
 Sharples, Richard
 Shepherd, William
 Sinclair, Sir George
 Smith, Dudley (Br'ntf'd & Chiswick)
 Smyth, Rt. Hn. Brig. Sir John
 Spearman, Sir Alexander
 Speir, Sir Rupert
 Stainton, Keith
 Stanley, Hn. Richard
 Steel, David (Roxburgh)
 Stodart, Anthony
 Stoddart-Scott, Col. Sir Malcolm
 Studholme, Sir Henry
 Summers, Sir Spencer
 Talbot, John E.
 Taylor, Sir Charles (Eastbourne)
 Taylor, Edward M. (G'gow, Cathcart)
 Taylor, Frank (Moss Side)
 Temple, John M.
 Thatcher, Mrs. Margaret
 Thomas, Rt. Hn. Peter (Conway)
 Thompson, Sir Richard (Croydon, S.)
 Thorneycroft, Rt. Hn. Peter
 Thorpe, Jeremy
 Tiley, Arthur (Bradford, W.)
 Tilney, John (Wavertree)
 Turton, Rt. Hn. R. H.
 Tweedsmuir, Lady
 van Straubenzee, W. R.
 Vaughan-Morgan, Rt. Hn. Sir John
 Vickers, Dame Joan
 Walder, David (High Peak)
 Walker, Peter (Worcester)
 Walker-Smith, Rt. Hn. Sir Derek

Walters, Dennis
Ward, Dame Irene
Weatherill, Bernard
Webster, David
Wells, John (Maidstone)
Whitelaw, William
Williams, Sir Rolf Dudley (Exeter)

Wills, Sir Gerald (Bridgwater)
Wilson, Geoffrey (Truro)
Wise, A. R.
Wolrige-Gordon, Patrick
Wood, Rt. Hn. Richard
Woodhouse, Hon. Christopher
Woodnutt, Mark

Wylie, N. R.
Yates, William (The Wrekin)
Younger, Hn. George

TELLERS FOR THE AYES:

Mr. McLaren and
Mr. MacArthur.

NOES

Abse, Leo
Albu, Austen
Allaun, Frank (Salford, E.)
Aldritt, Walter
Allen, Scholefield (Crewe)
Armstrong, Ernest
Atkinson, Norman
Bacon, Miss Alice
Barnett, Joel
Baxter, William
Beaney, Alan
Bellenger, Rt. Hn. F. J.
Bence, Cyril
Benn, Rt. Hn. Anthony Wedgwood
Bennett, J. (Glasgow, Bridgeton)
Binns, John
Bishop, E. S.
Blackburn, F.
Blenkinsop, Arthur
Boardman, H.
Boston, T. G.
Bottomley, Rt. Hn. Arthur
Bowden, Rt. Hn. H. W. (Leics S.W.)
Boydell, James
Braddock, Mrs. E. M.
Bradley, Tom
Bray, Dr. Jeremy
Broughton, Dr. A. D. D.
Brown, Rt. Hn. George (Belper)
Brown, Hugh D. (Glasgow, Provan)
Brown, R. W. (Shoreditch & Fbury)
Buchan, Norman (Renfrewshire, W.)
Buchanan, Richard
Butler, Herbert (Hackney, C.)
Butler, Mrs. Joyce (Wood Green)
Callaghan, Rt. Hn. James
Carmichael, Neil
Carter-Jones, Lewis
Castle, Rt. Hn. Barbara
Chapman, Donald
Coleman, Donald
Conlan, Bernard
Corbet, Mrs. Freda
Cousins, Rt. Hn. Frank
Craddock, George (Bradford, S.)
Crawshaw, Richard
Cronin, John
Crosland, Anthony
Cullen, Mrs. Alice
Dalyell, Tam
Darling, George
Davies, G. Elfed (Rhondda, E.)
Davies, Harold (Leek)
Davies, Ifor (Gower)
Davies, S. O. (Merthyr)
de Freitas, Sir Geoffrey
Delargy, Hugh
Dell, Edmund
Dempsey, James
Diamond, John
Dodds, Norman
Doig, Peter
Donnelly, Desmond
Driberg, Tom
Duffy, Dr. A. E. P.
Dunn, James A.
Dunnett, Jack
Edelman, Maurice
Edwards, Rt. Hn. Ness (Caerphilly)
English, Michael
Ennals, David
Ensor, David
Evans, Albert (Islington, S.W.)

Evans, Ioan (Birmingham, Yardley)
Ferryhough, E.
Finch, Harold (Bedwellty)
Fitch, Alan (Wigan)
Fletcher, Sir Eric (Islington, E.)
Fletcher, Ted (Darlington)
Fletcher, Raymond (Ilkeston)
Floud, Bernard
Foley, Maurice
Foot, Sir Dingle (Ipswich)
Foot, Michael (Ebbw Vale)
Ford, Ben
Fraser, Rt. Hn. Tom (Hamilton)
Freeson, Reginald
Galpern, Sir Myer
Garrett, W. E.
Garrow, A.
Ginsburg, David
Gourlay, Harry
Greenwood, Rt. Hn. Anthony
Gregory, Arnold
Grey, Charles
Griffiths, David (Rother Valley)
Griffiths, Rt. Hn. James (Llanelli)
Griffiths, Will (M'chester, Exchange)
Gunter, Rt. Hn. R. J.
Hale, Leslie
Hamilton, James (Bothwell)
Hamilton, William (West Fife)
Hamling, William (Woolwich, W.)
Hannan, William
Harper, Joseph
Harrison, Walter (Wakefield)
Hart, Mrs. Judith
Hattersley, Roy
Hazell, Bert
Heffer, Eric S.
Henderson, Rt. Hn. Arthur
Herbison, Rt. Hn. Margaret
Hill, J. (Midlothian)
Hobden, Dennis (Brighton, K'town)
Holman, Percy
Horner, John
Houghton, Rt. Hn. Douglas
Howarth, Harry (Wellingborough)
Howarth, Robert L. (Bolton, E.)
Howell, Denis (Small Heath)
Howie, W.
Hoy, James
Hughes, Cledwyn (Anglesey)
Hughes, Emrys (S. Ayrshire)
Hughes, Hector (Aberdeen, N.)
Hunter, Adam (Dunfermline)
Hunter, A. E. (Feltham)
Hynd, H. (Accrington)
Hynd, John (Attercliffe)
Irvine, A. J. (Edge Hill)
Jackson, Colin
Janner, Sir Barnett
Jay, Rt. Hn. Douglas
Jeger, George (Goole)
Jeger, Mrs. Lena (H'b'n & St. P'cras, S.)
Jenkins, Hugh (Putney)
Jenkins, Rt. Hn. Roy (Stechford)
Johnson, Carol (Lewisham, S.)
Johnson, James (K'ston-on-Hull, W.)
Jones, Dan (Burnley)
Jones, Rt. Hn. Sir Elwyn (W. Ham, S.)
Jones, J. Idwal (Wrexham)
Jones, T. W. (Merioneth)
Kelley, Richard
Kenyon, Clifford
Kerr, Mrs. Anne (R'ter & Chatham)

Kerr, Dr. David (W'worth, Central)
Lawson, George
Leadbitter, Ted
Ledger, Ron
Lee, Rt. Hn. Frederick (Newton)
Lee, Miss Jennie (Gannock)
Lever, Harold (Cheetham)
Lever, L. M. (Ardwick)
Lewis, Arthur (West Ham, N.)
Lewis, Ron (Carlisle)
Lipton, Marcus
Lomas, Kenneth
Loughlin, Charles
Mabon, Dr. J. Dickson
McBride, Neil
McCann, J.
MacColl, James
McGuire, Michael
McInnes, James
McKay, Mrs. Margaret
Mackenzie, Gregor (Rutherglen)
Mackie, John (Enfield, E.)
McLeavy, Frank
MacMillan, Malcolm
MacPherson, Malcolm
Mahon, Peter (Preston, S.)
Mahon, Simon (Bootle)
Mallalieu, E. L. (Brigg)
Mallalieu, J.P.W. (Huddersfield, E.)
Manuel, Archie
Mapp, Charles
Marsh, Richard
Mason, Roy
Maxwell, Robert
Mayhew, Christopher
Mellish, Robt
Mendelson, J. J.
Mikardo, Ian
Millan, Bruce
Miller, Dr. M. S.
Milne, Edward (Blyth)
Molloy, William
Morris, Charles (Openshaw)
Morris, John (Aberavon)
Mullew, Rt. Hn. Frederick (Sheffield Pk)
Murray, Albert
Neal, Harold
Newens, Stan
Noel-Baker, Rt. Hn. Philip (Derby, S.)
Norwood, Christopher
Oakes, Gordon
Ogden, Eric
O'Malley, Brian
Oram, Albert E. (E. Ham, S.)
Orbach, Maurice
Orme, Stanley
Oswald, Thomas
Padley, Walter
Page, Derek (King's Lynn)
Paget, R. T.
Palmer, Arthur
Pannell, Rt. Hn. Charles
Pargiter, G. A.
Park, Trevor (Derbyshire, S.E.)
Parker, John
Parkin, B. T.
Pavitt, Laurence
Pearson, Arthur (Pontypridd)
Peart, Rt. Hn. Fred
Pentland, Norman
Perry, Ernest G.
Popplewell, Ernest
Prentice, R. E.

Price, J. T. (Westhoughton)
 Probert, Arthur
 Pursey, Cmdr. Harry
 Rankin, John
 Redhead, Edward
 Rees, Merlyn
 Reynolds, G. W.
 Rhodes, Geoffrey
 Richard, Ivor
 Roberts, Albert (Normanton)
 Roberts, Goronwy (Caernarvon)
 Robertson, John (Paisley)
 Robinson, Rt. Hn. K. (St. Pancras, N.)
 Rodgers, William (Stockton)
 Rose, Paul B.
 Ross, Rt. Hn. William
 Rowland, Christopher
 Sheldon, Robert
 Shinwell, Rt. Hn. E.
 Shore, Peter (Stepney)
 Short, Rt. Hn. E. (N'e'tle-on-Tyne, G.)
 Short, Mrs. Renée (W'hampton, N.E.)
 Silkin, John (Deptford)
 Silkin, S. C. (Gamberwell, Dulwich)
 Silverman, Julius (Aston)
 Silverman, Sydney (Nelson)
 Skeffington, Arthur

Slater, Mrs. Harriet (Stoke, N.)
 Slater, Joseph (Sedgefield)
 Small, William
 Smith, Ellis (Stoke, S.)
 Snow, Julian
 Solomons, Henry
 Soskice, Rt. Hn. Sir Frank
 Steele, Thomas (Dunbartonshire, W.)
 Stonehouse, John
 Stones, William
 Strauss, Rt. Hn. G. R. (Vauxhall)
 Summerskill, Dr. Shirley
 Swain, Thomas
 Swinger, Stephen
 Symonds, J. B.
 Taverne, Dick
 Taylor, Bernard (Mansfield)
 Thomas, George (Cardiff, W.)
 Thomas, Iorwerth (Rhondda, W.)
 Thornton, Ernest
 Tinn, James
 Tomney, Frank
 Tuck, Raphael
 Urwin, T. W.
 Varley, Eric G.
 Wainwright, Edwin
 Walden, Brian (All Saints)

Walker, Harold (Doncaster)
 Wallace, George
 Warbey, William
 Watkins, Tudor
 Weitzman, David
 Wells, William (Walsall, N.)
 White, Mrs. Eirene
 Whitlock, William
 Wigg, Rt. Hn. George
 Wilkins, W. A.
 Willey, Rt. Hn. Frederick
 Williams, Alan (Swansea, W.)
 Williams, Albert (Abertillery)
 Williams, Mrs. Shirley (Hitchin)
 Williams, W. T. (Warrington)
 Willis, George (Edinburgh, E.)
 Wilson, Rt. Hn. Harold (Huyton)
 Wilson, William (Coventry, S.)
 Winterbottom, R. E.
 Woodburn, Rt. Hn. A.
 Wyatt, Woodrow
 Yates, Victor (Ladywood)
 Zilliacus, K.

TELLERS FOR THE NOES:
 Mr. Sydney Irving and
 Mr. George Rogers.

Original Question again proposed.

Mr. Neil McBride (Swansea, East)
 rose—

It being after Ten o'clock, The CHAIRMAN left the Chair to report Progress and ask leave to sit again.

Committee report Progress ; to sit again Tomorrow.

TRAFFIC WARDENS

10.13 p.m.

The Joint Under-Secretary of State for the Home Department (Mr. George Thomas): I beg to move,

That the Functions of Traffic Wardens Order, 1965, a draft of which was laid before this House on 14th April, be approved.

This Order has been drafted in pursuance of the powers conferred on my right hon. and learned Friend the Home Secretary by Section 2 (3) of the Road Traffic and Roads Improvement Act, 1960. It adds new functions to those already prescribed as appropriate for discharge by traffic wardens by the Function of Traffic Wardens Order, 1960.

I should make clear to the House at the outset that these functions are permissive and not mandatory. By the 1960 Act, which the party opposite placed on the Statute Book, Parliament said, in effect, that police authorities might employ traffic wardens to aid police officers in the performance of certain functions associated with road traffic, but that the functions which traffic wardens appointed under the Act should undertake in any locality must come within a list of functions declared appropriate by the Home Secretary. Within that list, however, traffic wardens might be used for all or merely for some of the functions.

In 1960 the setting up of the traffic warden organisation was a considerable innovation. Many expressed fears about the acceptance of traffic wardens by the public, about the level of efficiency that they would attain, and about the effect of their employment on relations between the police and the public. The House, I know, will share my pleasure that those fears have proved groundless. Traffic wardens in the areas where they have been employed have been quickly accepted by the public.

I quite realise that the sight of a traffic warden bearing down on a car parked in a wrong place does not give rise to the "Hallelujah Chorus" on the part of the motorist concerned, but generally motorists realise that we must have restrictions in our crowded cities and that those restrictions are worth while only if they are properly enforced.

Nothing causes more legitimate annoyance to the motorist than the feeling that other people are getting away scot-free from infringements of the traffic laws, especially as regards parking.

Traffic wardens have played a most worth-while part in helping to keep the traffic flowing. They have convinced the public at large that they have carried out their duties of enforcement in the tradition of the police service with impartiality and courtesy. They have built up a high reputation for themselves, and this, I believe, is generally recognised. The public now turns to them for help and gets it. In 1960 it was thought, and rightly so, that the service ought to start on a limited basis so that it could grow roots and consideration could be given to further development. Accordingly, the 1960 Order authorised traffic wardens to enforce the law in respect of a limited number of parking offences and to act as parking meter attendants and at school crossing patrols.

The growth of the service has been slow. In some areas, notably the metropolitan district in London, this has been due partly to difficulties of recruitment. The essential qualities required of a traffic warden, honesty, courtesy, accuracy in making unbiased reports, are the very qualities that other employers are looking for. There are still only a little over 1,000 traffic wardens in England and Wales, but police authorities are now beginning to use them in increasing numbers. We expect that the rate of increase will be further improved as police authorities and chief constables see more clearly the usefulness of this new aid to our hard-pressed police as parking meter schemes and fixed penalty schemes spread more evenly and widely.

After four years and an encouraging start in dealing, in the main, with stationary vehicles, we are convinced that the time has now come for further development and we have spent much time considering what new duties could properly be given to the wardens. We have naturally consulted chief constables and the police authorities associations, and we have concluded that the functions of controlling and regulating moving traffic stand out as the most

[MR. THOMAS.]
useful of the functions in present circumstances. Some of the duties that these might cover are point duty at the simpler junctions where there are, none the less, heavy peaks of traffic. The traffic warden might undertake regular tours of duty. It might be that he will serve at weekends only or for short periods in the morning or the evening when the traffic is at its peak and where there are tidal flows in and out of urban areas.

This proposal will be particularly welcome in the West Country and in the south of England where there is at present a heavy and wasteful toll of our police manpower controlling traffic. I was little surprised to see in *The Times* on the 8th of this month this statement on the proposals now before the House. The hon. Member for Bodmin (Mr. Bessell), who for very good reason, I know, is not in his place at the moment, is quoted as follows:

"Mr. Peter Bessell, the Liberal spokesman on transport, said that it would be pointless to appoint traffic wardens at a busy junction if motorists knew they could ignore their signals with impunity. But on the general proposition of employing traffic wardens—given the right powers—to assist the police, the Liberals were not antagonistic."

It is our turn tonight.

"Subject to the wardens having adequate and proper training—preferably under the supervision of the police—and to their work being co-ordinated with the work of the police, this is a desirable step", he said."

In Cornwall for the past 30 years a few civilians have been employed for this very kind of work in the summer months. They have done it without any statutory protection. It works adequately and it is acceptable to the community there.

Mr. G. R. Howard (St. Ives): Would the Joint Under-Secretary say a little more about this? Does he mean people who control school crossings, or does he mean that there are some people in Cornwall other than the police controlling traffic?

Mr. Thomas: What I meant was that civilians are engaged by the local authority there to help in the controlling of traffic at the peak seasons and that the public and the motoring community are grateful for the work that these folk do.

Traffic wardens might help with dealing with traffic jams around fairs and shows. In these cases part of the difficulty is enabling heavy streams of traffic to enter and leave private land and their control and regulation has to be done off as well as on the highway. That is why the draft Order specifically refers to road traffic, whether on the highway or not. We could not possibly be expected to list all the occasions on which it would be useful and sensible to use traffic wardens.

The draft Order, therefore, also includes a general form of words referring to

"any other functions normally undertaken by the police in connection with the control and regulation of road traffic."

We believe that this will allow flexibility and, what is more important, experiments by chief constables to meet local requirements. It is the wish of my right hon. and learned Friend, and I am sure that of the House, that chief constables should endeavour to make the best possible use of the service of wardens in their areas to release the police for other important duties.

Mr. Jeremy Thorpe (Devon, North): I support the Order and therefore I am, as it were, on the side of the angels, but may I ask whether it is the hon. Gentleman's intention that in the event of a motorist contesting a case the traffic wardens would be the people who would give evidence for the prosecution in a magistrate's court, thereby releasing police from having to wait many hours in the queue? Is that the intention, or is that duty still to remain with the police?

Mr. Thomas: I will deal with that later on when I deal with the fact that traffic wardens will not have the power of constables in carrying out their duties.

The draft Order includes the provision that traffic wardens shall not exercise their new function in a moving vehicle. This is to make it perfectly clear that they are not to be employed as members of traffic patrol crews. Those crews perform a wide range of duties requiring special training as well as the exercise of the powers of constables. Traffic patrol crews are often required to deal with criminals who are using stolen cars, which seems to be one of the main weapons they use at present in setting about their crimes. We believe that it

is wiser for the traffic wardens, at least at this stage, not to be traffic patrol crews.

Under the 1960 Act traffic wardens are not given the power of constables. Those who were responsible for getting that Measure through the House took the deliberate step, with which I agree, to ensure that traffic wardens were not given the powers of police constables, and paragraph 1(3) of the draft Order merely restates this position to avoid any possible misunderstanding. This makes it important that they should not be employed as traffic patrol crews where they might be called upon to exercise powers which they do not enjoy.

Mr. R. Gresham-Cooke (Twickenham): I remember that when that Act came before the House as a Bill traffic wardens were not given the powers of constables. How is it, therefore, that they are being used in the West Country for controlling traffic? I should have thought that they were thereby usurping the powers of constables. Would not that be against the Order?

Mr. Thomas: It is perfectly possible for the hon. Member to control traffic if he so desires. No doubt on occasion when a friend was driving a car out of a garage he has stood by to guide the traffic and has therefore controlled the traffic. Lorry drivers' mates often control traffic. A.A. and R.A.C. scouts control traffic, and the motoring community are deeply appreciative of the part which they play. What we are doing is helping the police authorities throughout the country by giving them the facility of increased manpower, which will be covered by grant, to help to relieve the pressure on the police forces dealing with traffic problems.

Mr. Geoffrey Wilson (Truro): As far as I recall it, the person to whom the hon. Gentleman refers was a man in uniform who used to control traffic in Boscawen Street, Truro, many years ago, in about 1950, I think, long before the Act of 1960. He was not a constable, but he was allowed to control the traffic there.

Mr. Thomas: They are very progressive people in Cornwall, as I well know. I do not for a moment dispute what the hon. Gentleman says, because he knows his facts on this matter. We are not saying that it is illegal for anyone else to

control traffic. We are making provision for traffic wardens, who will be properly trained and under the supervision of the police forces, to help in relieving the growing burden of traffic which we face today.

Mr. David Webster (Weston-super-Mare): I understand that, in the old days, there used to be what were known as traffic controllers in Scotland, men who had power to stop, direct and control traffic. I gather from Scottish friends on both sides of the House that the use of these traffic controllers has fallen into abeyance. Is it intended that we should have the Scottish traffic controller system in England now?

Mr. Thomas: This draft Order does not apply to Scotland.

Mr. Webster: I asked about England.

Mr. Thomas: Yes, I know. Every hon. Member is entitled to fight for time while he is thinking of the answer. There has not been anything like the traffic wardens before. These are people who will be employed, trained and supervised by the police. They will be uniformed people. I know that some hon. Members have expressed anxieties, as did a report in *The Times*, because the traffic warden will not enjoy the powers of the police if, for instance, there is a drunken driver or someone who ignores his signal. It has been asked, "How can he carry on with his work if he has not authority to impose his decision?"

That is a fair question, but I have a fair answer. There is no reason at all to believe that drivers of vehicles will not stop for wardens any more than they refuse to stop for A.A. scouts or R.A.C. patrolmen. It is, indeed, a witless person who will whiz past in great danger to himself and to everybody else, and, if such a thing occurs, the civilian traffic warden—for he is not a policeman—will do what any other civilian has an obligation to do; he will report it to the police. If a motorist refused to obey the signal of the man controlling traffic and insisted on going his own way regardless of others, that would be, I am sure the House agrees, an example of careless driving. Perhaps I ought to have said that any reasonable person would agree.

Mr. Eric Lubbock (Orpington): Of course, the House agrees that 99 per cent.

[MR. LUBBOCK.]
of the motoring public will obey the signals of the traffic warden just as they obey those of the R.A.C. and A.A. at present. But there is a great distinction between the signals of the traffic warden and those of the police officer because, in the former case, no offence is committed under the Road Traffic Act, 1960, if a driver ignores them. Will the hon. Gentleman address his mind to the observations of the House of Lords Committee which commented on this very point?

Mr. Thomas: I reject those comments. I do not think that they are well founded. I am trying to make a case to the House. It is suggested that someone controlling traffic has to have powers to arrest. [HON. MEMBERS: "No."] That is what is being asked for. [HON. MEMBERS: "No."] Powers to do what, then? To take out summonses? If it is not power to arrest, what powers do hon. Members want to give traffic wardens?

Mr. Mark Carlisle (Runcorn): I accept the hon. Member's contention that it may well be that to refuse to obey an order of a traffic warden may well amount to careless driving. But, under the school crossing rules, it is an offence not to obey a command given at a school crossing. Where is the difference in principle?

Mr. Thomas: I will deal with that point.

The draft Order makes a large extension of the activities in which traffic wardens may be employed. In the present situation of a hard-pressed police force and the steadily mounting total of cars on the roads, we believe that it is essential for this House, which speaks often enough about the hard-pressed police, to take positive steps to relieve them of some burdens. Traffic wardens have a vital part to play in this regard.

The police authorities and the service associations have been consulted and are in general agreement with the proposal. The extent to which the new powers are used will now depend upon police authorities and chief constables, but my right hon. and learned Friend wishes no one to be in doubt that he regards the effective use of traffic wardens on all proper occasions as an important element in the modern policing of an area.

We in the Home Office will do all we can to advise and help police authorities and chief constables in using to the full this new service. It is the custom of the House to move slowly in matters of this sort. We have waited four years for this extension of the functions of traffic wardens. If, in the course of time, it is proved that, in practice, they need further powers we shall not be reluctant to face up to that need, but I believe that the House itself would be reluctant to extend the powers of the police to other people who are performing duties of this sort and I hope that the House will give its approval to the Motion.

10.40 p.m.

Mr. Richard Sharples (Sutton and Cheam): We on this side welcome almost any measure that will relieve the police of their routine duties. I certainly join the Joint Under-Secretary of State in paying tribute to the work of the traffic wardens since this service was established. But, having said that, I should say that this Order has defects in it which have been somewhat glossed over by the hon. Gentleman. Our difficulty is that while we would not wish to oppose the Order, under our rules of procedure we are not able to amend it in any way once it has been laid.

The Under-Secretary referred briefly to the comments of the Special Orders Committee of another place and said that he did not take much account of criticisms made there. I hope that he will give them further consideration. He pointed out that the traffic wardens scheme was introduced under the Road Traffic and Roads Improvement Act, 1960, and he was at pains to point out that it was introduced not without considerable misgivings on both sides of the House and outside. The then Opposition spokesman from the Front Bench, Mr. Gordon Walker, described the scheme as an untried and possibly dangerous experiment, and that sentiment was echoed by the present Foreign Secretary.

I believe that the success of the scheme was largely due to the care taken in its introduction and especially to the first Order made under the Act, the Functions of Traffic Wardens Order, 1960. The difference between that and this Order is that that Order was absolutely specific

and both the motorist and the traffic warden knew exactly where they stood.

The Under-Secretary said that the present Order simply confirmed that the powers of constables were not to be transferred to traffic wardens, but that is not so. The 1960 Order says:

"traffic wardens may exercise the functions conferred on constables by the said section one in the area to which the said section one extends."

Under the previous Order, in a specific and limited respect it was clearly understood on both sides that the powers of constables given to traffic wardens would be in the enforcement of parking regulations and only in those respects. Both motorists and traffic wardens knew where they stood and that only in this limited respect traffic wardens had powers of enforcement.

This Order goes a great deal further than the original under which the successful operation of the scheme has been carried out. The Under-Secretary referred to the use of wardens for the control of traffic on point duty on different occasions and referred only briefly and vaguely to the second power given to them by this Order. After referring to control of traffic and point duty and matters of that kind, the Order says:

"and any other functions normally undertaken by the police in connection with the control and regulation of road traffic."

These powers which the Under-Secretary seeks for traffic wardens could be extremely wide. The difficulty arises because they depart from the principle contained in the original Order that the powers of traffic wardens should be clearly and definitely defined.

The Joint Under-Secretary said that the Order would allow of flexibility in the working of traffic wardens. What is the meaning of these words in the Order? Why are they included? Why is it not the intention to lay separate orders for the extension of these powers of traffic wardens so that Parliament should know the purposes for which they are to be used?

These are specific questions to which we require answers. Is it the intention that traffic wardens should be used for the investigation of accidents? Is that to be one of their functions? Are they to be used in connection with traffic

offences? Are traffic wardens to be used for the operation of radar speed meters and technical requirements of that kind? Are they to be used for the taking of breath tests when they are introduced? Are they to be used for the enforcement of regulations relating to public service vehicles under Sections 146 to 148 of the Road Traffic Act? As far as I can make out, all these functions are covered by the words contained in the Order and there are many other functions besides. The House should be told what are these flexible functions which traffic wardens may be required to carry out.

My second point, to which the Under-Secretary referred briefly, concerns the powers of traffic wardens. As I have said with regard to their present functions, their powers are clearly defined in the 1960 Order. The hon. Gentleman gave the impression that they would be able to carry out all these vague, undefined functions—

The Joint Parliamentary Secretary to the Ministry of Transport (Mr. Stephen Swingle): They are not at all vague.

Mr. Sharples: —without, apparently, any powers whatever. The hon. Gentleman's colleague from the Ministry of Transport remarks that these functions are not vague. The expression

"any other functions normally undertaken by the police in connection with the control and regulation of road traffic"

is as vague as it possibly could be. According to the cutting from *The Times* to which the Under-Secretary referred, a spokesman, apparently, from the Home Office, said:

"We appreciate that this lack of power by the traffic warden is open to criticism, but we do not think it justifies holding up the Order."

Of course, that reply will create difficulty.

The powers of a constable, for example, to direct traffic, to require traffic to go into a certain lane, to require traffic to stop when he raises his hand, or not to turn to the left, are contained in Section 14 of the Road Traffic Act, 1960. Powers under that Section will not, I understand, extend to a traffic warden. He will not have the power of a constable to direct traffic or to compel a vehicle to stop. That power is exclusively reserved to a constable under Section 223 of the Road Traffic Act. If

[MR. SHARPLES.]

somebody drives past a traffic warden and takes no notice, he will have no power to order that vehicle to stop.

A traffic warden will have no power to ask the driver of a vehicle to produce his driving licence, or even to look at it to find the name and address of the driver. That power is reserved to a constable under Section 226 of the Road Traffic Act. He will not have the power to ask the driver of a vehicle to give his name and address unless an accident has occurred, which any civilian is able to do so under Section 77 of the Road Traffic Act, or he can allege that a charge of dangerous or careless driving is to be brought.

The hon. Gentleman gave the impression that ignoring the signal of a traffic warden or a police constable was the same offence as careless or dangerous driving. That is not so. They are two separately defined offences under the Road Traffic Act, and I do not believe that it would be possible, or, at any rate, it would be very difficult, to prove a charge of dangerous or careless driving simply by saying that somebody had ignored a signal given by a traffic warden.

A traffic warden only has the powers of an ordinary civilian. The fact that he wears a uniform gives him no additional powers. He has powers equivalent to those of an A.A. patrolman. I contacted the A.A. this morning, and was told that the vast majority of people obey the signals of A.A. patrolmen when they are directing traffic, but they do not direct traffic at busy intersections. Normally, they direct traffic at agricultural shows, private events, and things of that kind. The A.A. told me that there are people who deliberately ignore the signals of an A.A. patrolman on duty at such places, and that there is no action that he can take when that happens. I think that traffic wardens should have powers commensurate with the duties which they are called on to perform.

Mr. George Thomas: Is the hon. Gentleman suggesting that the A.A., which he rang up this morning, is anxious to see traffic wardens given powers comparable to those of the police, and different from those given to A.A. patrolmen?

Mr. Sharples: I am not saying that, and I did not put that question to the

A.A. I merely asked whether patrolmen acting in the capacity to which I have referred were ignored. I was told that the vast majority of people obey the patrolman's signals, but that there is nothing that he can do about those who deliberately ignore them.

A man acting as a school crossing patrol has definite powers. It is an offence, punishable by a fine of £20, to ignore his signals. Equally, it is an offence, punishable by a fine of £5, to ignore the signals of a keeper in a Royal Park when he is directing traffic. If it is thought necessary to give limited powers of enforcement to someone acting as a school crossing patrol, and to a keeper in a Royal Park, why should not traffic wardens have similar limited powers of enforcement in the narrow fields in which they can be called on to operate?

Having said that, I repeat that we on this side of the House are anxious to support any realistic measure which will relieve the police of routine duties of this kind. I pay tribute to the realistic and constructive attitude adopted by the Police Federation to the whole question of traffic wardens, but let us be quite clear about one thing. The main problem of the police is to combat the wastage which occurs, and one of the main reasons for the premature retirement of policemen is weekend and night duty.

This Order will make very little difference to solving the problems of the police, unless traffic wardens undertake a fair share of these unpopular duties—a fair share of weekend work and night work. Unless they do so all that the Order will mean is that a greater proportion of night work and weekend work will fall upon the regular police.

I have criticised the Order, but I certainly would not wish to oppose it. What I would say to the hon. Member is that there are grave defects in it, as it stands. We would not wish to oppose it, but if the Under Secretary should, on consideration, feel that he should advise his right hon. and learned Friend to take the Order back and redraft it in a form in which it would have more chance of operating successfully, we would not hold that against him.

10.55 p.m.

Mr. Gordon Oakes (Bolton, West): I, too, would like some clarification of this

Order from my hon. Friend, particularly on the question of enforcement. The point has been well expressed—if it will not be considered presumptuous of me to say so—by the hon. Member for Sutton and Cheam (Mr. Sharples) and also in the interventions of the hon. Member for Orpington (Mr. Lubbock) and the hon. Member for Runcorn (Mr. Carlisle). The big difference between the functions proposed in this Order and those which were provided for in the previous Order is that traffic wardens were previously dealing almost exclusively with stationary vehicles, whereas this Order proposes that they should deal with moving vehicles.

The previous Order dealt with lights on stationary cars, under Section 1 of the Act; it dealt with parking and obstruction, and with parking meters. In certain cases traffic wardens could be used as school crossing patrol officers, suitably uniformed. But this Order is quite different. It deals with a moving vehicle, and two difficulties arise from that fact, one from the point of view of the person controlling the traffic and the other from the point of view of the driver of a vehicle.

I urge my hon. Friend to realise that the direction of traffic is a very skilled job. From what he has said I am sure that he does. There are many functions that the police must undertake which are a waste of police manpower. The direction of traffic is not in that category. It reminds me of the story of the small boy who went to see a symphony orchestra and afterwards described the conductor as "the man who wagged his arms about". It may appear that the constable on point duty is wagging his arms about, but he knows how to wag them. Very special training is needed for the job. An unskilled person doing this could cause traffic chaos and accidents. That point may be covered by the training that the traffic wardens receive.

The other difficulty arises from the point of view of the driver. A driver, particularly in a congested spot, must be aware of many things, such as other traffic, pedestrians, road signs, and so on. The one thing that any driver recognises in any part of the country is a policeman in uniform. He has no doubt about it; he recognises him for what he is, and obeys him. The traffic warden is also uniformed, but his uniform is not

distinctive. It could be—and it often appears to me to be—an ambulance man's uniform.

The traffic warden could be a Civil Defence worker returning home, or a majordomo from a cinema. He is not in the same category as a policeman, whom one recognises at once: there is no confusion there, but there could be confusion about a traffic warden as seen from a moving vehicle, as distinct from talking to the man when one has left one's car too long at the kerbside. One can then read on his hat that he is a traffic warden. I think that the motoring public needs to be educated to the fact that these men whom we now recognise as traffic wardens may legally control traffic. The motorist, with the best intentions in the world, may not realise that these men have the authority to do what they are doing.

The other point which has been mentioned is the vexed question of enforcement. I do not like the idea of giving a man a job to do and giving him no power to carry it out. This would be a particularly dangerous state of affairs for traffic wardens. I join with what has been said about the excellent work they do. They do a wonderful job in helping the police, and also, if the motorist only knew it, in helping the motorist, though not all motorists think so. Some motorists have something of an aversion to traffic wardens. They do not have an aversion for an A.A. or R.A.C. scout; they regard him as someone who helps motorists. But if a "barrack room lawyer" type of motorist thinks that he can disobey a traffic warden's signals, he will do so. That could cause grave difficulties to other traffic. In any event, it is not a good thing to have a man in authority to do a job, but with no powers to carry it out.

That is one of the difficulties over this Order. So far as I can see, if I were to ignore a traffic warden carrying out his duty, nothing could happen to me. It is not correct to say that I would be committing the offence of driving carelessly or without reasonable consideration. I may be, but I may not be, Section 14 specifically mentions a police constable. A traffic warden must not act as a police constable or even as a special constable. This is reinforced in the Order itself. One thing which he could not do

[MR. OAKES.]
is exercise the powers of a police constable. It does not say "in uniform," but Section 14—which is the only Section, so far as I am aware, which makes it an offence to ignore a signal—lays it down quite specifically that it must be a police constable. Under this Order, if I ignore the signal of a traffic warden, nothing can happen to me. I can get off scot-free.

I think that it is a pity, from the point of view of the traffic warden, the motorist and the general laws of the country, that a man should be given a job to do and no "teeth" to see that that job is carried out.

11.4 p.m.

Mr. Christopher Woodhouse (Oxford): I think that it was always foreseen and intended that the functions of traffic wardens should be extended in some such way as this Order proposes if the original experiment succeeded. I say this without having been in on the original proceedings in establishing traffic wardens, but this was certainly my understanding when I was at the Home Office.

I am glad of the evidence which the Order constitutes, that it is the view of the Home Office that the experiment has now succeeded, so far as it has gone, especially as the Under-Secretary has assured us, as expected, that this decision has been taken after consultation with the chief constables and the representative organisations of the police.

Some reservations have been expressed about the Order by the motoring associations, by the hon. Member for Bolton, West (Mr. Oakes), by my hon. Friend the Member for Sutton and Cheam (Mr. Sharples) and, judging by the number of hon. Members who wish to take part in this discussion, some further reservations are likely to be expressed.

Any doubts I might have had about the wisdom of this extension are, at any rate, mitigated by the knowledge that any employment of traffic wardens on these additional functions will be at the discretion of the chief constable in every case. The Under-Secretary stressed that the Order was permissive and that chief constables would not have accepted this extension unless they were convinced that it was workable in practice.

I am not completely clear, from what has been said so far, how responsible will be the nature of the tasks which the traffic wardens will carry out. It is one thing to marshal cars out of a football ground at the end of a match. It is quite another to control traffic in Parliament Square. It is also a different matter to act as an observer in a police patrol car which, I am glad to see, is specifically excluded by the Order. Obviously, the intention is to make the extension discreetly and cautiously, but it is still important for the reasons stressed by my hon. Friend the Member for Sutton and Cheam, to know what powers traffic wardens will have.

It is clear that those powers will fall short of the powers of a constable and I think that my hon. Friend may have overlooked the crucial words at the end of paragraph 1(3):

"... a function conferred expressly on a constable as such by or under any enactment." The words "as such" appear to be crucial there. What the powers of "a constable as such" are is not an easy matter to define exactly. The last attempt known to me to produce a comprehensive definition of the powers of a constable was in one of those interminable but well briefed speeches which I made during the Committee stage of the Police Act, 1964. The question, of course, is how much less will the powers be? Will they, for instance, approximate those of the uniformed employees of the Ministry of Public Building and Works who control the traffic in the Royal parks? Indeed, what are the powers of those employees?

Mr. Sharples: I did refer to this point. A penalty of £5 can apply for disregarding the signals of employees of the Ministry of Public Building and Works when controlling traffic in the Royal Parks. As I understand the position, traffic wardens, on the other hand, only have the powers of a civilian.

Mr. Woodhouse: I thank my hon. Friend, but it is for the Under-Secretary to answer this point. How close an approximation does the Minister consider that there will be between the functions of these two classes of uniformed civilians?

The question which is particularly important is the possibility of more serious

complaints arising against traffic wardens on the part of the public. I recall that an Amendment, dealing with complaints, was tabled by my hon. Friend the Member for Twickenham (Mr. Gresham Cooke) in Committee on the Police Act, 1964. I have a feeling of personal responsibility about this, because in replying to his Amendment I stressed the fact that in dealing with complaints by the public traffic wardens were at that time in a quite different position from constables. The passage appeared in columns 600-2 of the OFFICIAL REPORT proceedings for 6th February last year.

I twice stressed that the traffic warden did not have the power of controlling moving traffic and that, therefore, the provisions for dealing with complaints against him did not need to be the same as those for dealing with complaints against constables because it was in the matter of dealing with moving traffic that the most serious complaints against constables were likely to arise.

It appears that the same argument will in future be applicable to traffic wardens, as it was not a year ago, when I made those remarks from the same position as Under-Secretary of State. It is particularly important because the suggestion has been made in a memorandum from the Standing Joint Committee of the motoring associations that this Order provides the framework for the development of what may ultimately become a virtually independent force of traffic police. I hope that the hon. Gentleman will be able to assure us that this is a somewhat exaggerated picture of what is intended because if there was any intention of creating a separate police, certainly traffic wardens, as at present constituted, would seem to be a very inappropriate body on which to build.

Does this Order represent the limit of the extensions open to the Government under existing legislation in relation to traffic wardens and will the traffic wardens wear any distinctive mark when on duty in their new function? How many police areas operate traffic wardens in their existing function and have all the chief constables in those areas agreed, without qualification, to the desirability of this extension of their powers? Subject to satisfactory answers

to these questions, I certainly feel inclined to approve this Order.

11.11 p.m.

Mr. G. R. Howard (St. Ives): I support this Order wholeheartedly. In my time in local government in London, nearly 20 years ago, the traffic problem was a serious one. Today, this problem is far more serious, and constables are being used on the duty of checking on the number of cars parked alongside the road when they ought to be doing much more important work.

It has been asked what will happen when the warden fails to stop a car. I do not think that this will happen. I remember when I was a special constable in the mounted police before the war, and the great thrill I had, riding out into the middle of a busy traffic junction, holding up my hand and seeing everything stop. It was quite an experience.

Sir Douglas Glover (Ormskirk): That is against the Order. My hon. Friend was wearing police uniform.

Mr. Howard: My hon. Friend has anticipated what I am going to say. How many people would have known the powers I had? How many would have known I carried a warrant card and had the power to arrest, and all those other things?

There is a form of tradition in England that if a man is given an enforcement job to do the average person obeys that man. It matters not if he is in a traffic warden's uniform, a policeman's uniform, or the uniform of an A.A. scout. If he holds up his hand people will obey him, like the lorry driver I saw yesterday afternoon, whose lorry had broken down. He was in control of the traffic and people obeyed him.

I think that it is a poor excuse for opposing this Order to say the warden has not got the rights of a policeman. The average person would obviously obey a traffic warden and if he does not the warden will have powers, under this Order, to take the number of the car and then report the matter to the police. After all, if someone disobeys a policeman, the policeman has to do the same thing, unless he can run after the person—

Mr. Webster : Is not the difference that if the policeman lays an information the magistrate will immediately take action, but that if a civilian lays an information the magistrate will consider the case in his own judgment? Is not that the basic difference?

Mr. Howard : No, I do not think that it is. As I understand the Order, the traffic warden will have the same powers—and I would think that he would be considered by the magistrate to have the same powers—as a policeman in such a case.

We have to consider the job of the police. The police forces are undermanned. They have far more important jobs than this to do, and if the traffic wardens could take on the work I should have thought it an excellent idea that they should. I would hope that we could recruit, say, ex-Service men with good records—that could be checked from their Service papers. I think that they would be only too pleased to take on the job.

I would hope that as a result of this Order we would be able to recruit many more people, not only in London but in others of our cities, to take on the job, thus releasing the police for the work for which they are trained. The police are not there to waste their time walking up and down, taking the numbers of motor cars parked outside our flats all day. That is not what they are trained to do. I think that we have here an excellent idea. I wholeheartedly support this Order, and hope that we can greatly increase the numbers of wardens.

The traffic wardens are a new corps, and do a very good job in many places. They do not have the same background as the police, however, and in some places may make what one might call pettifogging restrictions—stopping someone parking for just a few minutes to attend to some job or other. There, they would have to be trained to be a little more lenient to the motoring public—that is very important. If they are to be approved by the police, as I understand will be the case, I wholeheartedly support their being used in this extremely important duty, thereby releasing the police to get on with the prevention and detection of crime, and doing the other things for which they are trained.

11.18 p.m.

Mr. Clive Bossom (Leominster) : I am one of those who has for the past two years pressed both the previous Government and this one to look into the possibility of extending the use of traffic wardens so permitting them to control and regulate traffic. Like my hon. Friend the Member for Sutton and Cheam (Mr. Sharples), I think that the Order is too vague in its present form. It must be improved, and tightened up so as to give wardens more specific powers.

I think that selection and special training are the key to the whole question of this use of traffic wardens. The men would have to be very carefully selected for this work in regard to age, fitness and eyesight. I should also like them to be not anti-social. It is also important that, if possible, they should be able either to drive or to know all about driving. They would then undergo special training by the police. Once they were qualified, I should like to see them promoted and designated as "traffic controllers".

This new type of trained traffic controllers could be of great assistance to the police. They could be made available for many duties, and so relieve the police to get on with their mobile traffic patrol duties, because there is at present a great lack of traffic patrol policemen.

Before this plan is finalised, two or three pilot schemes should be tried out over the country so that some of the snags mentioned in the debate may be overcome. Yesterday, we saw the introduction of the disc parking system in Cheltenham. That has been welcomed by trade and industry, and especially by tourists and holidaymakers. I believe that many towns, especially seaside resorts, will want to try out this system, which has been tried and tested in over 100 towns on the Continent, including Paris. I foresee the duties of traffic wardens in many towns changing, although they will still be required for supervision of parked vehicles. We must remember that not all traffic wardens are tied to the job of supervising parking meters. The City of Leicester has a non-meter scheme and other towns are bound to follow Cheltenham's example and have the disc system.

The traffic warden's duties must become more flexible as different systems

are introduced, as I am sure they will be in the next few years. Like my hon. Friends, I welcome the Order with a reservation about the wardens' specific powers. These should be clarified tonight. When wardens are trained for these types of duties they should be promoted and, I hope, called "traffic controllers". We should then have the two types: the ordinary traffic warden and the trained traffic controller.

11.22 p.m.

Mr. Mark Carlisle (Runcorn): I make clear to the Under Secretary, in case my intervention raises doubts in his mind, that I fully welcome this draft Order. I do so because I think it important, as my hon. Friend the Member for St. Ives (Mr. G. R. Howard) said, the police force being overburdened as it is today, that we should see that those types of service which can be adequately carried out by traffic wardens should be given to them and they should have the power to perform them.

I hope that the Under Secretary will not think it unreasonable, in welcoming the Order, to look somewhat critically at its terms. It is extremely wide. The Under Secretary said that the intention was basically that traffic wardens should be able to control traffic at the smaller junctions. I should have thought that at the least it went somewhat wider than that. I assume that traffic wardens might take from the police duties of controlling traffic at places such as Cardiff Arms Park and other football grounds and, in time, at the more important junctions. They might well have a reasonable part to play in controlling radar speed traps.

The terms of the Order include the words:

"control and regulation of road traffic",

which seem to be very wide. I hope that they will be used widely and not limited, as the Under Secretary tended to imply, to the control of traffic at smaller junctions. We must all accept that the first duty of the police is to deal with crime. Any of us who are concerned with the rise in the crime rate in this country feel that the greatest deterrent to crime is the likelihood of conviction. It is, therefore, essential that the police who are available should be used in preventing crime and arresting criminals rather than on normal traffic duties.

The Order will help in two ways, first, in taking from the police the duty of regulating traffic and also by saving many hours which police officers have to spend waiting to give evidence in court in cases arising from offences at road junctions. But I feel that if this Statutory Instrument is to be properly used, the Government, if they intend to give them these duties, should also give the traffic wardens adequate powers.

I am not suggesting that they should necessarily have the power of arrest. The Joint Under-Secretary of State referred to the drunken driver. I am not suggesting that the traffic warden should be in the position of being able to arrest without warrant or to require someone to stop and give his name and address to him, but he should have the limited power at present laid down in Section 14 of the Road Traffic Act, 1960, where it is specifically stated to be a statutory offence to fail to obey the order of a police officer given when regulating traffic.

I do not believe, with respect to the Under-Secretary, that he answered my question, which was why, if it was felt necessary to give such powers to school-crossing wardens one should not give similar powers to traffic wardens. Section 48 of the Road Traffic Act specifically states that it is an offence not to stop when the prescribed sign is exhibited by a school-crossing warden. I should have thought that this Statutory Instrument would have been far more suitable if it had included a further provision to make it an offence not to obey the order of a traffic warden when regulating traffic.

I appreciate that the hon. Gentleman has said that if one flagrantly disregards the order of a traffic warden one may well be committing the offence of careless driving. With respect, the more likely offence would be driving without due consideration, but why take a sledge-hammer to crack this nut when there is in the case of the police force and school-crossing wardens the specific offence, with a limited fine, of failing to obey their signal? Without asking for such wider powers as the power to arrest, I should have thought that we should at least give the traffic wardens powers so that it would be an offence to fail to obey their signal to stop at a road junction.

[MR. CARLISLE.]

There is another matter which has not yet been raised by any hon. Member. I refer to the Under-Secretary's comment when he said, with a sense of Welsh pride in his voice, that, of course, the traffic wardens would be supervised and properly trained by the police for their task. What training does the hon. Gentleman envisage? I ask this because Section 2(5) of the Road Traffic and Roads Improvement Act, 1960, which set up traffic wardens, states that

"A police authority shall not employ as traffic warden any person who is a constable, but shall take steps to ensure that only persons adequately qualified are appointed traffic wardens . . ."

Notice taken that 40 Members were not present;

House counted, and, 40 Members being present—

Mr. Carlisle: I remember similar circumstances, when a count was called on a Friday morning, and the Joint Under-Secretary of State claimed that the result had been to bring into the Chamber rather bigger fish to fry. I am not claiming that tonight, but I am glad to see that it has brought in at least another of the Under-Secretaries of State for the Home Department.

The question of training is important. The hon. Gentleman glibly repeated what is set out in the 1960 Act about the need for these people to be properly trained, but, if we are to extend their duties—quite rightly, in my view—it is more important than ever that they should be properly and adequately trained. Quite apart from what is laid down in the 1960 Act about proper training, what means have the police authorities for seeing that the people they employ on this important duty are adequately qualified and trained?

I welcome the purpose of the Order. I hope that the hon. Gentleman will deal with the question of training, and will consider again whether the powers of traffic wardens will be adequate for the duties which they will be required to undertake.

11.31 p.m.

Mr. David Webster (Weston-super-Mare): I endorse what has been said by my hon. Friend the Member for Runcorn (Mr. Carlisle) about qualifications. Many

of the laymen—I think it better to call them that rather than civilians—who control traffic do not seem to have had the experience of driving a car. This is certainly the impression of a good many people who have had experience of the way some school-crossing patrols, for instance, work.

I should be glad if the Under-Secretary of State would describe the training which will be given. Will these traffic wardens have to have been motorists? Will they have had experience of what it is like to be at the control of a vehicle? These things are important.

One of the reasons for the lack of sympathy between motorist and warden is that they seem to be people apart. I am sure that in many cases this is not really so, and one wants to break down attitudes of that kind. What qualifications will wardens have? Will they have gone through the advanced motorist test? Will they be required to have had a certain time at the wheel of a vehicle? What other experience will they have? Qualifications of this kind could be of great value if the service is to work as we all wish it to do.

I was worried when it was said at one point that we should have a separate form of police force. We do not want that, and this is why I am a little worried about the type of information which is laid by a traffic warden in these circumstances.

We are now getting various private police forces, which is often regrettable. Having spoken to people with Home Office experience, I think there must be greater supervision of people who have anything to do with the protection of law and order and also the control of traffic and that their own personal reputability needs thorough checking. I know that the Under-Secretary of State will go into this with thoroughness and I hope that he can give some information to calm the public mind, which is exercised on this point.

I asked the hon. Gentleman earlier about the Scottish type of traffic controllers. I hate to say this because reference to race is no longer to be allowed, but as a Scotsman with an English constituency I would recall that in my birthplace we had three traffic controllers who had absolute control over

traffic, as far as I know. I was only a boy of 12 or 13 riding a bicycle then. No doubt we are a law abiding people who tend to take orders given by such people, but I would be grateful for information about what sanction these controllers in Scotland had. This is a tricky point. It is right that traffic wardens should be obeyed provided they are not abusing the privileges the law gives them.

As a layman who has taken legal advice on this for the debate, I understand that a policeman on point duty, if he is unable to move and a motorist fails to obey his direction, lays information and there is almost an automatic summons. In the case of a lay or civilian form of control, that form of information is measured by the magistrate, using his own judgment on it. This is a matter of some significance. I will not say which I prefer, but I would like clarification.

Mr. Daniel Awdry (Chippenham): If a man fails to obey an order of a police officer, that is an offence. If he fails to obey the order of a traffic warden that is not an offence and no information could be laid.

Mr. George Thomas: Traffic wardens will be working under the supervision of the police. If a warden sees an example of careless and irresponsible driving, obviously he will report it to the police, who will lay the information and he will be the witness.

Mr. Webster: I am grateful to my hon. Friend the Member for Chippenham (Mr. Awdry) and to the Under-Secretary of State for clarification. It was not clear in the hon. Gentleman's opening speech. I wonder whether the draft Order will be wide enough. Paragraph I(2) says:

"Nothing in this Article shall permit any of the said functions to be exercised when a traffic warden is in a moving vehicle."

Perhaps the hon. Gentleman can clarify that.

Surely this is a case where one has the great problem of trying to get lane discipline in our traffic arrangements. Specialists like Buchanan and others have great knowledge about the use of our roads and the movement of traffic. One of the best ways is lane discipline. To have a traffic warden giving this sort of

direction would surely be no more offensive than putting a coat of paint down on the road. We all wish to ensure that the police undertake activities which protect the citizen from violence and robbery. This is their function. Anything which can alleviate their extraneous duties is to be welcomed.

That brings me to a former Minister of Transport and a former Home Secretary, no longer in the House, both of whom were trying to improve our roads and streets. The Minister of Transport said to the Home Secretary of the time, "Your job is simple. It is to get the girls off the streets. My job is to get the traffic off the streets". It is right for the police to concentrate on law and order and for both the girls and the traffic to be dealt with in another way. [Laughter.] I am glad to hear that jollity from lower down the benches. The police should be protecting law and order and should concentrate on their job and leave traffic to the specialists. But let us make sure that they are specialists and that their legal position is precisely defined.

I should be grateful if the Under-Secretary can help me with this. If he can, I shall be glad to give the Order my blessing.

11.41 p.m.

Sir Richard Thompson (Croydon, South): The Under-Secretary may be feeling rather bewildered that so many hon. Members should be agreeing with the Order and yet subjecting it to a string of criticisms. I hope that I shall not go over the fairly well trodden ground which has already been covered. Like every other hon. Member, I believe that the police should be reserved for the kind of duties for which their high degree of training, splendid character and high degree of physical fitness best qualify them. There is no difference between us about that. It is far better that people with a lower degree of training and not so fit and not requiring such high standards should do the simpler repetitive duties, leaving the police free to do the more important work. However, having said that, I have one point of clarification which I wish to put to the hon. Gentleman and which nobody else has mentioned.

[SIR R. THOMPSON.]

It is about time that we introduced a little more rationalisation in our arrangements for controlling parking in our towns. We now have three separate bodies of people all having a go part of the time. There are the police themselves—and the objective of the Order is to remove them as far as possible from this responsibility at ordinary time—the traffic wardens, whom the Order refers to, and parking meter attendants, who are employed by local authorities. Their control is not a function of the Under-Secretary, but I mention them because in a sense they compete in an important part of the duties of wardens.

If we are to relegate the enforcement of parking restrictions, plus a limited responsibility for traffic control, to a sort of auxiliary police force, not having the powers of constables, would it not be a good idea to have one army doing this instead of two or three as now? It would be a uniformed body with a uniform standard of training and not, as at present, an auxiliary body responsible as traffic wardens to the Home Office and as parking meter attendants to the local authority concerned.

In the centre of Croydon, for example, we have both parking meter attendants and traffic wardens sometimes controlling the same street, the attendants looking at the cars parked by the meters and the wardens at the spaces on the other side of the road. That seems to us to be rather over-egging the pudding. We have 35 traffic wardens and 20 parking-meter attendants in the centre of Croydon alone and people sometimes wonder whether, with a little rationalisation, we could not have only half as many people doing the same job without any overlapping.

There is one more thing to which I should like to draw the Under-Secretary's attention. We have had discussion about the precise powers of traffic wardens, and no doubt the hon. Gentleman will deal with that when he replies. I should like him to say whether a traffic warden has any discretionary powers. I am told that he has not.

The following case comes to my mind. A driver who was approaching the centre of Croydon realised that his car was about to run out of petrol. He did not want to cause obstruction by stopping

in the middle of a congested main street and stopped his car off the main road. Fortunately, he had a can of petrol in the back and he got out to refill the tank, when he was promptly booked by a traffic warden. On protesting, he was told that had he genuinely broken down he would not have been booked, but that because he was trying to prevent the consequences of running out of petrol he was in trouble.

I am told that had that happened where there was a policeman, he would have had the power, after interrogating the man, to say, "I quite understand the circumstances. Carry on", and that would have been the end of the matter. The traffic warden, however, could not do that, with the result that a man who was trying to help the situation was penalised.

I hope that the Under-Secretary can clear up this point for me because I am as anxious as he is that traffic wardens' duties should be clearly and readily understood by the motoring public. As hon. Members have pointed out, the motoring public feel that they are somewhat victimised. They accept discipline readily and gladly from the police, whose powers they understand, but there is doubt about just how far traffic wardens can go. That is the only point which I wish to put to the Under-Secretary and I shall be glad if he can enlighten me on it.

11.47 p.m.

Mr. David Steel (Roxburgh, Selkirk and Peebles): In speaking to an Order which does not apply to Scotland, I trust that I shall not incur the wrath of the Prime Minister, or that there will be any limitations in the future on the participation of Scottish Members in debates of this kind.

When the Joint Under-Secretary was speaking, and received a slight cheer in the middle of his address from this part of the House, he understandably, but quite mistakenly, thought that it was for him. It was, in fact, for the entry of the Minister of State, Scottish Office, who was showing due regard for this piece of legislation. I am glad to know that we have also had the presence intermittently of one of the Under-Secretaries of State and we now have the presence of the Secretary of State. This shows the

due regard of Scots for the affairs of others.

My reason for intervening briefly is that the Under-Secretary referred to some remarks made by my hon. Friend the Member for Bodmin (Mr. Bessell), who is unable to be present tonight and has asked me to make one or two points for him. The hon. Gentleman mistakenly referred to my hon. Friend as the hon. Member for Cornwall, North in a very prophetic note, but no hon. Member for Cornwall, North yet sits on these benches. The hon. Gentleman was referring, I believe, to my hon. Friend the Member for Bodmin.

Mr. George Thomas: I apologise to both hon. Members.

Mr. Steel: In view of the concern which the Under-Secretary showed for the relevance of the Order to Cornwall, it is surprising that the hon. Member for Cornwall, North (Mr. Scott-Hopkins) is not present.

I wish to make two points. The question of training and supervision has already been raised and I take it that when the Under-Secretary replies he will give further details of this. I do not, therefore, wish to go further into that matter.

I should like to add to the general consensus of what has been said about powers.

Mr. Webster: The hon. Gentleman has referred to the absence of my hon. Friend the Member for Cornwall, North (Mr. Scott-Hopkins). Will he take note of the fact that the hon. Member for Devon, North (Mr. Thorpe), the hon. Member for Bodmin (Mr. Bessell), the hon. Member for Inverness (Mr. Russell Johnston), the hon. Member for Caithness and Sutherland (Mr. George Y. Mackie) and—

Mr. Deputy-Speaker (Sir Samuel Storey): Order. I do not think that that arises on this Order.

Mr. Steel: I am glad the hon. Gentleman was out of order, but I had notice that he was here.

With regard to the powers of traffic wardens, I think that perhaps the Under-Secretary has been rather coloured by his correct refusal to accept the Report of the Special Orders Committee of

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another place, but I think that there was a distinction which that Report failed to draw between different types of powers accorded to the police which might be accorded to traffic wardens. Nobody has suggested, as the Report did, that traffic wardens might have the power to stop a person alleged to be driving while unfit to drive through drink or drugs, but I think that there is a wide consensus of opinion in support of the view that it should be made an offence under Section 14 of the Road Traffic Act, 1960, to disobey the directions of a traffic warden.

It seems to me that there is a case for saying that the powers of traffic wardens should not be extended to the point which this Order suggests. No one has supported this view tonight, and if we are agreed that these powers should be extended it seems only logical that they should have the full force of the law behind them. If there are penalties for disobeying the orders of a school-crossing patrol, or the orders of Royal Park attendants employed by the Ministry of Public Building and Works, it cannot be said to be an illiberal extension of the law to give traffic wardens adequate powers if they are to undertake these tasks. This point has been raised and supported by all three parties, and I hope that the hon. Gentleman, with his reputation for broad-mindedness and generosity, will consider it carefully and consider improving the Order at a later stage.

I support the view expressed by one hon. Gentleman opposite about the standardisation of uniforms. This would be helpful, and perhaps the hon. Gentleman will deal with this when he replies to the debate.

Any measure which takes an ordinary chore away from the police force and puts it on to traffic wardens is welcome if it helps to relieve the difficult task of the police.

11.53 p.m.

Mr. Daniel Awdry (Chippenham): This Order has been fully debated for the last hour and a half, and I intervene for one reason only, and that is to clarify a point raised by my hon. Friend the Member for Weston-super-Mare (Mr. Webster). During the speech of my hon. Friend the Member for St. Ives (Mr. G. R. Howard) he said that if a person

[MR. AWDRY.]

failed to take notice of a signal given by a traffic warden, the warden could report him. He cannot do that, because there would be no offence to report.

The Joint Under-Secretary says that if it was careless driving the warden could report the motorist for that offence. I can think of many cases where there is no suggestion of any offence of careless driving or anything of that sort, but there is a clear indication on the part of the driver to take no notice of a warden. Many hon. Members have made the point that the powers of traffic wardens ought to be strengthened in this one respect, if in no other.

I hope that the hon. Gentleman will realise that many of us who support the Order in outline are very much exercised on this one point, and that is why I intervened to make it again.

11.54 p.m.

Mr. Geoffrey Wilson (Truro): In his opening remarks the Joint Under-Secretary referred to the fact that in Cornwall, some years ago, we had civilians controlling traffic. I recollect one of the cases to which he referred. A gentleman in uniform used to control the traffic at the junction of Boscawen Street and Lemon Street, in Truro. As far as I know, he was not a constable, nor a special constable. He was a well-known character in Cornwall, because he always used to sing in a loud voice while on duty. He controlled the traffic quite satisfactorily for many years. He retired some years ago. He was never in any difficulty about his duties.

I do not know what the complaint of hon. Members is about the possibility of non-constables controlling traffic; the A.A. and R.A.C. Joint Committee has objected to the Order on the ground that it could be a step in the direction of an independent road police. I have always been in favour of an independent road police. I could never understand the objection of the police authorities to such a development. The railway police have existed for 100 years as an independent body of equal authority to the county police in any area, and there has never been any difficulty about their co-operation with other police forces.

I could never understand why it should not be possible to have a road patrol of

the same nature. I am in favour of the Order, I do not see why it should not work. Even if it is a step in the direction of an independent police force for the roads, I welcome it.

11.56 p.m.

Mr. Charles Curran (Uxbridge): I hope that the Joint Under-Secretary will not become impatient if, having gone through the ritual formula of telling him that I am in favour of the Order, I ask him still more questions about it. He has been bombarded with questions ever since he concluded his speech.

We are discussing this Order against a background to which a little more attention should be given than has been given so far. It is common ground that the police are finding it very difficult to keep level with the rise in the rate of crime. It is clear from all the figures and evidence we have that the police are finding it ever more difficult to do this. There are various consequences, one of which is the growth of private police forces. The fact that police forces are no longer equal to the business of controlling crime means that the gap that they have failed to fill is being filled by private enterprise. I find that very disquieting.

Secondly, the proposals that we are now discussing seek to extend the powers of the traffic police. In spite of what my hon. Friend the Member for Truro (Mr. Geoffrey Wilson) has said, I do not believe that it is anything like as easy as many people suppose to separate traffic duties from crime, particularly since nowadays so many crimes are committed with the aid of motor vehicles—either cars or lorries. To say, as many do, that it would be quite easy to create a separate traffic force which could deal with traffic matters and leave the police to their job of the pursuance of crime, seems to be altogether too superficial.

Mr. Geoffrey Wilson: The railway police are of exactly equal authority to any other police force, and can deal with crime in the same way—burglary, murder, or anything else.

Mr. Curran: I think that I can convince my hon. Friend of the distinction. I am aware of the powers of the railway police, but there are difficulties that arise in connection with traffic wardens. Let

us suppose that we have a traffic warden who does not have the powers of a policeman, and that in the exercise of his control functions he stops a car and then has reason to suspect that the car is stolen, or that it contains stolen property. He may discover that it contains a firearm. If he were a policeman, or had the powers of a policeman, there would be some things that he could do, but being a traffic warden, with no powers of the police, he is in no better position than an ordinary member of the public; he must call a policeman to do something which he himself cannot do.

It would not be difficult to construct a whole series of such cases, illustrating the point that it is not as easy as many people suppose to separate the handling of traffic from the control of crime. It is to this point that I hope that the Under-Secretary will give a little attention, because this, I think, is the root of the matter. What sort of powers does he see these traffic wardens having? How will he draw the frontier line between looking after traffic and controlling crime? I and, I imagine, other people in this country feel a certain amount of unease at the prospect of any increase in the numbers of people who can give orders to other people.

When we are—as we are now—creating an additional number of people who will be able to give orders to other people, it is very important to say what sort of authority they will have, what its limits will be, and what sort of remedy the citizen has if he believes that those powers are being used improperly.

A number of very sensible questions have been asked about what power a traffic warden has if he gives an order and it is disobeyed. I shall not repeat that question, because the Under-Secretary must be sick and tired of hearing it, but I would ask him the other one. What sort of remedy has the citizen if he is given an order by a traffic warden which he thinks is unreasonable? Has he any remedy at all against a traffic warden which he would not have against a police officer, for instance? I ask these questions simply because I do not know the answers. I hope that the Under-Secretary will be able to deal with these matters: the frontier between the authority of the traffic warden and that of the police, and the remedy, if any, which a citizen may

have who feels that the authority of a traffic warden is being exercised improperly.

12.2 a.m.

Mr. R. Gresham Cooke (Twickenham):
Mr. Deputy-President—

Mr. Deputy-Speaker (Dr. Horace King): I have an infinite variety of titles, but this is the British Parliament.

Mr. Gresham Cooke: Mr. Deputy-Speaker, having promoted you to such a high office, I hope that you will accept my apologies. Perhaps it is the shape of things to come.

Everyone who has spoken tonight has said that he is in favour of the Order. I am not one of those. I have many doubts about it. When traffic wardens were first introduced under the 1960 Act, their functions were carefully discussed in the House and in Standing Committee. They were given seven separate functions: to deal with traffic left or parked on roads during the hours of darkness; with vehicles obstructing the roads; with offences in connection with parking on the highways; they could deal with offences with a fixed penalty; they could act as parking attendants in street parking places under the control of the Minister; they could deal with places designated as parking places; and they could act as school-crossing patrols.

These functions were very strictly controlled. The Order takes them into a different category altogether. It will make their position much more that of traffic police. While I am in favour of traffic police and argued that case during our discussions on the Police Act, 1960, I would suggest that, if we are to have traffic police, they should be properly trained men, mobile in motor vehicles, and that upgraded traffic wardens could not be traffic police.

The difference between what we said in 1960 and what is being said tonight is, of course, that these men will now have the powers to deal with moving traffic. They are still to work under the police, as auxiliary police, and if a motorist brings a complaint against them, such a complaint, I take it, will have to be dealt with by the police authorities who employ the traffic

[MR. GRESHAM COOKE.]
wardens, and not by the chief constables. Complaints can only be made to the police authorities which employ them.

If these men are not constables—and we know that they are not—can they give a signal to stop a moving vehicle? From my understanding of the discussion, they can, but the position needs to be made clear. Can they ask for the name and address of a motorist who disobeys one of their instructions? Can they go further and, say, take a specimen of the breath of a motorist who is suspected of driving while under the influence of drink? Can they operate radar machinery? It appears that they cannot, although—

Mr. Carlisle : Before my hon. Friend goes further with the point he is making, may I tell him that I see no reason why they should not operate radar equipment, since presumably anybody can operate radar as such? As I understand the position, they have none of the powers of a police officer to take steps if their commands are not obeyed. However, like any individual they can, if they know how, operate radar equipment.

Mr. Gresham Cooke : My hon. Friend may be right, but when I asked the Home Secretary recently about the operation of radar in the metropolitan area he told me that normally radar had to be operated by two constables; one to operate it and the other to stop vehicles. Since there is some confusion over this we should be told the exact position. In any case, would these men be able to operate complicated radar equipment? It must be remembered that it has been found in the north of England that radar equipment can be upset by birds or other moving traffic.

The traffic wardens are overworked at present and I urge the Joint Under-Secretary to consider this as a human problem. In the London area they work from 8.30 a.m. to 6.30 p.m. Monday to Friday and from 8.30 a.m. to 1.30 p.m. on Saturdays. It seems ridiculous that they should have to work these hours. In Westminster, where I live, although, on a Saturday morning, the streets are almost completely empty—everyone has left the centre—we find traffic wardens on the look-out patrol.

Since they already work a five-and-a-half-day week and long hours, are we now to expect them to control moving traffic? We must consider this is a human problem. Many of these men are past the age of the average policeman. Will we be asking these men, many of whom are of retiring age, to run after moving vehicles, remembering that the majority of them have not had experience of this sort of work?

For these reasons, I am doubtful whether this is a wise extension of the functions laid down for traffic wardens in the Act.

12.9 a.m.

Mr. Forbes Hendry (Aberdeenshire, West): My hon. Friend the Member for Runcorn (Mr. Carlisle) referred to the peculiar effects of calling a Count. Sometimes it results in some big fish being brought into the Chamber to fry, he said. He omitted to notice that the Count we had earlier brought in no less a big fish than the right hon. Gentleman the Secretary of State for Scotland. Unfortunately, we could not fry him, because the Order concerns England and Wales.

The Count did not produce the big fish I had hoped for, and to which we are entitled; one or more of the Law Officers of the Crown. On many occasions I have had to complain about the lack of the presence of the Law Officers for Scotland, but this is the first occasion on which I have had to complain about the absence of the Law Officers for England and Wales.

Where are they? Presumably in bed. Why are they not here? This is a very important Order raising difficult legal points and this House is entitled to clarification. I believe that the Order contains the seeds of its own destruction, and I hope that the Under-Secretary of State will consider this immediately and send for legal advice. I am surprised that he did not seek the advice of his right hon. and learned Gentleman the Home Secretary before producing this Order, because I am certain that his right hon. and learned Friend would never have allowed him to produce such an Order.

Looking at the statutory foundations for this Order, it will be seen that subject to subsection (3) of Section 2 of the Road Traffic and Road Improvement

Act, 1960, traffic wardens shall not be employed to discharge functions other than appropriate for the purpose by order of the Secretary of State. Any Order under the subsection may be varied or revoked by a subsequent Order of the Secretary of State.

The then Home Secretary produced an Order in 1960 to which he had given a great deal of thought, particularly in relation to the duties appropriate to traffic wardens. He produced the Functions of Traffic Wardens Order, 1960, in which he set out what he thought were the appropriate duties.

This Order under discussion does not seek to vary or revoke the previous Order. What it does is add to it and it makes that very clear because the very first words of this Order are:

"Without prejudice to the provisions of the Functions of Traffic Wardens Order 1960(b) the following functions are hereby prescribed as appropriate for discharge by traffic wardens . . ."

In other words, it does not vary the previous Order at all. It does not seek to vary or revoke it. This is a completely new Order and it is completely *ultra vires* of the Home Secretary. It is a most serious thing that this should be brought along without a single word of explanation, or any of the Law Officers of the Crown who are the only people, other than the Secretary of State himself, present to advise the House.

It is perfectly obvious that this is absolutely characteristic of the contempt which the Government hold for the House.

Mr. Deputy-Speaker: I hope that the hon. Gentleman will confine himself to the Order, which I thought he was about to discuss.

Mr. Hendry: I was about to revert to it, but my enthusiasm carried me away.

We are asked to approve an Order, which appears to be *ultra vires* of the Home Secretary and we are entitled to know whether this Order is or is not *ultra vires*. I hope that the Under Secretary of State will speedily obtain legal advice and advise the House.

The legal effect of this Order in another respect concerns me. The Road Traffic and Road Improvement Act, 1960,

seeks to control the duties conferred upon these persons called traffic wardens in the Act. It says that

" . . . a police authority may appoint persons to discharge, in aid of the police, functions normally undertaken by the police in connection with the control and regulation of road traffic."

We also read in Section 2(3):

"Traffic wardens shall not be employed to discharge functions other than those prescribed as appropriate for the purpose . . ."

of the Order. That puts a clear duty on the Secretary of State to consider what those duties are.

In 1960, the then Home Secretary went to a great deal of trouble to do that, and produced a long Schedule containing three principal paragraphs setting out these duties in considerable detail. I do not believe that this Order has been produced by the right hon. and learned Gentleman the Home Secretary, but by some lesser person, who gave less thought to the legal niceties. Whoever it was, he started by referring to the

" . . . control and regulation of road traffic at road junctions . . ."

and then put in an omnibus provision:

" . . . and any other functions normally undertaken by the police in connection with the control and regulation of road traffic."

Nothing could be wider than that. Those words are taken from the 1960 Act.

In other words, the Under-Secretary, or his advisers, has not given any thought at all to this point, but has put in this blanket power in complete defiance of an Act which says that the duties are to be laid down in the greatest detail. On that ground, too, I think that this Order is quite *ultra vires*. I hope that the Under-Secretary—who, I am perfectly certain, has not had legal advice—will be able to satisfy us on that point.

I am concerned about the tremendous width of the Order. Such an Order should be carefully thought out, and that has not been done. The Order seeks to confer on traffic wardens

" . . . the control and regulation of road traffic at road junctions or at other places, whether on the highway or not . . ."

That is a very wide and serious power.

Are the traffic wardens to be given power to enter upon private premises in order to control traffic there, and are they to be able to do so with or without

[MR. HENDRY.]
warrant? The Law Officers of the Crown are the only people competent to give us the advice we seek. Whether these people are given power under this Order to enter private property, possibly without a warrant, is an extremely constitutional matter.

On the other hand, the Order seems to be self-contradictory, because it later states:

"Nothing in this Article shall confer on a traffic warden a function conferred expressly on a constable as such by or under any enactment."

That seems strange, unless there is some particular reason for its inclusion in this Order, because it was not in the 1960 Order.

My legal interpretation of the present inclusion is that the Order automatically confers the powers of a constable on a traffic warden. Is that the intention? We are entitled to know about that from one of the Law Officers. The point seems to be of very considerable constitutional importance and legal nicety, and it is one which, with respect, the Under-Secretary, with all his charming qualities, is not qualified to answer.

I am sorry to be talking at great length at this late hour, but these are matters of considerable importance. Even though the hour is late, I am sure that Government supporters will not mind being kept here a little longer to discuss these things. The final paragraph of the Order says that it does not apply to Scotland. Why is that? The 1960 Act applies to Scotland. There must be an ulterior motive in this. Why are these provisions made for England and Wales but not for Scotland? There is collective responsibility in the Cabinet and, although the Under-Secretary may not find it possible—

Mr. Deputy-Speaker: I think I can help the hon. Member. This is an Order concerning England and Wales. We cannot, therefore, discuss tonight the implications of the Road Traffic Act and various Acts as they might apply to Scotland. The hon. Member must discuss the Order.

Mr. Hendry: I am obliged to you, Mr. Deputy-Speaker. I have made my point and will discuss it in correspond-

ence. I hope that while I have been speaking the Under-Secretary in some mysterious telepathic way has sent for the Law Officers to come here to give a proper answer before we decide whether or not to approve the Order.

12.22 a.m.

Mr. Edward M. Taylor (Glasgow, Cathcart): I am glad to have the opportunity of speaking after my hon. Friend the Member for Twickenham (Mr. Gresham Cooke), because I was rather scared that I might be the only person in this debate expressing concern about the content of this Order, which might have regrettable consequences for England and Wales.

One of the reasons why I think this could be so arises from the content of the Act from which the Order stems. When that Act was introduced it was not the intention of the Government—at least, I hope it was not—that we should have a period of five years between the two Orders relating to traffic wardens without any other Orders being brought in in relating to training of wardens. The first Order related to vehicles which are not moving and the other Order refers to vehicles which are moving. If the two Orders had been brought in at the same time it would have been possible to establish a traffic warden force which was able to fit into these responsibilities without difficulty.

We have now established a force of wardens who for five years—in certain places for a shorter period—have been exercising functions over vehicles which are not moving. Now they are to take over new powers. In order that they should be able to do so without difficulty, new regulations should have been made laying down specific standards of training and provision that they should be a calibre of person who can carry out far more major functions than those referred to in the 1960 Order. Here is a quite major departure in which we are greatly to extend the responsibilities of traffic wardens.

It is unwise of the Government to make this provision without going ahead with other matters important for the safety of road traffic. The principal argument advanced by the Under-Secretary in support of the Order was that at present we are wasting a great deal of talent of the

police force which could be usefully employed on other duties. This is a relevant argument and we have to accept it, but I think it has been argued to a far too great an extent. I was amazed when I heard the hon. Member for Roxburgh, Selkirk and Peebles (Mr. David Steel) referring to traffic duties as a perfectly ordinary chore.

I do not consider that traffic control is a perfectly ordinary chore. It is a vital and complex job which involves human lives. Do hon. Members realise that, according to statistics given to me only three weeks ago by the Ministry of Transport, while we have been discussing this Order about 130 people will have been killed or injured on the roads? During 1964, 377,000 were injured and 78,000 were killed. On the basis of those figures it is most unwise to bring in a new group of people to control traffic unless we are confident that they are able to carry out the job. We should consider carefully before we make a major departure and have anyone except the police carrying out this important function.

Another argument forcefully advanced by the Under-Secretary was the shortage of police. Nobody denies that there is a shortage, but unfortunately we have never been given a precise estimate of the shortage. Chief constables are not in a position to offer specific figures. Before we make this enormous change in the functions of traffic wardens, should we not consider seriously whether the powers contained in the 1960 Order should not be exercised more fully and thus obviate the need for this Order?

Hon. Members have referred to policemen walking round and noting the numbers of vehicles. This situation would not arise, nor would our present problems have arisen, if local authorities had used more fully their 1960 powers. Quite apart from that, I do not deny that there is a shortage of police and that something must be done. Last year the number of indictable offences rose for the first time to over the one million mark. In the last four years indictable offences have risen in number by 35 per cent., crimes of violence by 40 per cent., and juvenile crimes by rather more. Clearly we have a serious problem.

It is difficult to justify a major departure in the responsibility of police and

traffic wardens unless we have this estimate of the shortage of police officers. The only estimate I have, for which I cannot vouch, is a shortage of 7,000 in the London area, 10,000 in the rest of England and Wales, and about 1,000 in Scotland. Clearly, action is needed and the Government should have investigated fully the possibility of using the 1960 Order to a greater extent before embarking upon a new one.

Another argument not yet mentioned, to which we should have some regard, is that if there is a problem at present it will grow to be more serious as time goes on. Whereas at present there are 10 million vehicles in this country, the Buchanan Report estimate is that by 1980 there should be no fewer than 27 million. This gives some idea of the increase in the volume of traffic and therefore the increase in traffic problems which we shall have to face in the future. With that in mind, we should be thinking not of temporary palliatives but of a fresh fundamental approach to the problem.

Mr. Geoffrey Wilson: Since the publication of the Buchanan Report, there have been further estimates which show that Buchanan under-estimated traffic growth. In fact, it will be considerably more.

Mr. Taylor: If there are such further figures, they fortify the point I make. We should be thinking in terms of a fundamental change in our way of tackling the problem. The real answer lies in the development of the police forces as we now have them. The problems of traffic control are far too serious to be considered in any other way, and it is for this reason that I should be reluctant to give approval to the Order without more explanation from the Government.

If the House is to approve the Order, as I think it will, it is entitled to demand certain assurances from the Government. First, will the powers of traffic wardens be adequate for their new and extended functions? Second, will there be adequate promotion opportunities within the service? Third, what kind of training will be given to the traffic wardens?

Mr. Webster: Promotion is very important for recruitment. Could my hon. Friend tell us what is the senior rank in

[MR. WEBSTER.]
the service what is the salary? Perhaps the Under-Secretary of State could develop that matter a little.

Mr. Deputy-Speaker: Order. If the hon. Gentleman obliged his hon. Friend who put the question, he would be right out of order. He was on the edge of it in his speech at that point.

Mr. Taylor: I have looked into this matter with some care, and I hoped to make what I regarded as some serious points, Mr. Deputy-Speaker. Although at this late hour some hon. Members may adopt a light-hearted approach, it was not my intention to make a light-hearted speech. I shall ignore the other points which I had in mind, because of the time—[An HON. MEMBER: "Go on."]
—and confine myself—

Mr. Deputy-Speaker: Order. The hon. Gentleman is making a serious speech. The last kind of frivolous interruption the Chair would welcome is one which encourages hon. Members to make longer speeches.

Mr. Taylor: My last point arises on the final paragraph of the Order which provides that it shall not apply to Scotland. At the time of the passage of the Road Traffic and Roads Improvement Act, 1960, there was a determined effort made to find a way of providing that traffic legislation was the same in both countries. Section 2(1) of that Act introduced in England the situation which was covered in Scotland by the Police (Scotland) Act, 1956. There was a clear indication given at the time—I think that the Government gave an assurance about it—that the intention was that both countries should have similar legislation and regulations on traffic. This has not been secured. It was not done under the 1960 Order, and the situation has remained unchanged since.

I hope that, despite this, the time will come when we can have some relationship between the positions in both countries, and I hope that the Government will make an endeavour along these lines. I apologise for speaking so long at this late hour. It is not my intention to waste time. I hope that the Joint Under-Secretary of State will reply to my queries.

12.35 a.m.

Mr. George Thomas: With your permission, Mr. Deputy-Speaker, and that of the House, I will now try to answer the important points raised in this very interesting and comprehensive debate. It is a reminder of how much the motor car affects our modern life that such a sustained interest has been shown in this draft Order. The House must remember that we are now operating within the terms of the 1960 Act. The Order cannot go further than that Act, cannot impose powers that are not provided for in the Act and certainly cannot impose powers that the Act specifically indicates ought not to be provided.

The hon. Member for Sutton and Cheam (Mr. Sharples) was, I gather, asking for a redraft of the Order so as to include powers which we just cannot give under the Act. We are not saying that if, at a later stage it is found necessary to take these powers we would be reluctant to do so. What we are saying is that we see the necessity for extending the functions of the traffic wardens now and think it wrong to delay because legislation is necessary if other powers are to be added as well. There is no doubt that the police authorities want this Measure and believe that it will help them in their work. The House must understand that.

It would be exceedingly unfortunate if any speech by any hon. Member tonight encouraged any foolish motorist to think that he can disregard a traffic warden on point duty in future. It is a most irresponsible thing to lead any motorist to believe that he can get away scot-free if he ignores a traffic warden in the operation of his duty and causes difficulty or danger to anyone else, as he would be likely to do.

We want to give the wardens, in taking up their new duties, a fair chance which pre-eminently requires that the community should have the encouragement of this House in realising that these men are entrusted with an onerous task after training and that they have a right to expect all reasonable people to co-operate fully with them in their duties.

As the service develops, the House might be asked later to expand their powers of enforcement—for instance, in regard to the operation of radar meters,

as one hon. Member suggested. But it is not intended to do so in this draft Order and, if we seek to use wardens for such a purpose, the Home Secretary will have to indicate such a proposal.

Mr. Gresham Cooke *rose*—

Mr. Thomas : No. I gave way enough before. I gave way at least seven times when I opened the debate. I have listened with great care and, of course, with increasing patience to every speech and trust that the House will now allow me to get on, for we are not only keeping ourselves up but we are keeping other people up as well. I know, of course, that we must do our job adequately. I am trying to deal with all the main points and I can only do justice to the House if I now continue.

Section 2 (5) of the Act provides that traffic wardens must be suitably trained before undertaking their duties and must be adequately qualified for their appointment as such. It is true that there is no national training school for traffic wardens. It was my great privilege and honour to be at Bedford last weekend at the divisional police headquarters. I hasten to tell the House in modesty that I was opening the building. I found there the great pride of the police in their new traffic warden training scheme which is beginning. I can give the House an indication of the sort of training which these wardens receive. In the metropolitan police force they are instructed in relevant parts of the road traffic law—which is essential—in the law of evidence, relations with the public, the making of reports and the basic principles of driving and parking, which covers the points made by hon. Members opposite. If the duties to be undertaken are widened, so will be the course of the training.

A number of hon. Members asked me whether traffic wardens would deal with traffic offences, with taking the breath test. Of course, nobody not even constables, are taking breath tests yet. The hon. Member for Twickenham, for the first time in his life, is in advance of his time. These questions concern the enforcement of the law relating to road traffic and the Order is not concerned with that.

What duties will they perform within the general phrase to which I drew the

attention of the House? Possible duties are point duty at crossroads, dealing with traffic jams, diverting traffic to prevent traffic jams, placing road signs under police direction, the driving and parking of vehicles, directing traffic trying to move on and off the highway, advising and assisting motorists on routes through towns and on parking problems, and regulating traffic in the vicinity of road accidents. This development is forced by the sheer necessity of the growth of our motoring problem.

I was asked by the hon. Member for Oxford (Mr. Woodhouse), whom I succeeded in this office, how many authorities now had traffic wardens. Thirty-three police authorities out of a total of 125 are using traffic wardens. Half of the traffic wardens today are in the London area, but there is every sign that their use is spreading considerably.

I was asked whether the proposed extension of powers would provide for complaints by members of the public. The circumstances are that traffic wardens are employed by police authorities to act under the direction of chief constables. Complaints about traffic wardens by members of the public should, therefore, be made in the first place to the chief constable and, if the complainant is dissatisfied, it is open to him to complain also to the police authority. There are no statutory disciplinary regulations for traffic wardens made by my right hon. and learned Friend. In this connection, wardens are in the position of other civilians employed in a police force. Since they do not exercise police powers, the very strict police discipline code is not necessary in their case. It is also possible for them to be sued in certain circumstances, of course. The hon. Member also asked me whether the Order represents the limit of the extension of existing powers under the Act. The draft Order does not exhaust the functions which may be prescribed under the Act.

The hon. Member's fourth question was whether traffic wardens should wear a distinctive mark. I am pleased to tell him that provision is made for wardens in Section 2(6) of the Act, which provides that

“Traffic wardens shall wear such uniform as the Secretary of State may determine, and shall not act as traffic wardens when not in uniform.”

[MR. THOMAS.]

The uniform that has been determined is as follows: (a) a navy blue peaked cap, with which we are all familiar, with a yellow capband and the words "Traffic Warden". It may have a local badge or crest as an optional extra. (b) Either a navy blue jacket and trousers with yellow "Traffic Warden" flashes and the warden's number on each shoulder, or a navy blue linen jacket with shoulder flashes and number. There need not be any confusion. As the traffic warden scheme develops, the yellow band is distinctive and I am sure that the motorist will soon recognise with whom he is dealing.

I was asked whether the chief constables in the areas concerned have agreed without reservation. The Home Office has not asked individually each of the chief constables, but we have talked with the representatives of the chief constables who strongly support these proposals.

It may well be that I have overlooked or not answered some of the questions which have been raised. I assure hon. Members that if such is the case when I read tonight's debate I will ensure that every hon. Member who has raised serious points will receive a serious reply. I know that I am adding to the work of those who work with me, but I know that they will gladly undertake this responsibility.

It was interesting to me that the hon. Member for St. Ives (Mr. G. R. Howard) and the hon. Member for Truro (Mr. Geoffrey Wilson), both of whom come from the West Country, made strong speeches in support of the Order. Many other hon. Members have declared themselves in support of it but, naturally and rightly, they went on to express their anxieties. There is no intention of creating a separate police traffic corps on its own. It is too much a part of the national police force of the land. It is true that chief constables estimate that three hours out of every eight on the beat are taken up with motor traffic and road traffic matters, but the police are anxious to keep their identity.

We have had a good debate and I earnestly hope that the House will give the Order its approval.

Question put and agreed to.

Resolved,

That the Functions of Traffic Wardens Order, 1965, a draft of which was laid before this House on 14th April, be approved.

MR. CHRISTOPHER PYM (POLICE PROSECUTION)

Motion made, and Question proposed,
That this House do now adjourn.—
[Mrs. Harriet Slater.]

12.49 a.m.

Mr. Eric Ogden (Liverpool, West Derby): Throughout the whole day, the House has debated matters that concern many millions of people. Now I draw the attention of the House to a matter which is of primary importance to one man and his family. In doing so, I am conscious that for more than 700 years it has been the right of Parliament to seek redress of grievance. The fact that I can do so tonight in this Chamber seems to me to be proof that no matter what the cynics may say we are still the free Parliament of a free people.

I draw to the notice of the House the police prosecution of Mr. Christopher Pym who, on Friday, 9th April, 1965, in the magistrates' court of the Borough of Cambridge, was fined £1 for making a street collection in the City on the morning of 16th February, 1965.

Mr. Pym was born a Londoner. He is 36, and married, with one son. His father was a chaplain of Trinity College, Cambridge, and his mother is a former Fellow of Girton College, Cambridge. He was educated at Marlborough, where he won an open exhibition to Cambridge, Trinity. He was a National Service officer and served with the British Intelligence Services in Cambodia. He was on the organising staff of the British Trade Fair in Moscow, and he is an elected member of the Royal Institute of International Affairs.

He is an author, and he has written two pamphlets or booklets, one entitled "The £150 deposit in Parliamentary Elections" and the other, "Towards the Independent Member of Parliament". I suggest that the latter is the key to his character, for he has sought to serve his fellow men in Parliament and he has chosen the long hard road of an independent candidate.

In 1960 he was an independent candidate in the Parliamentary by-election at Blyth, and it is an interesting aside that the hon. Member for Blyth (Mr. Milne) is in the Chamber tonight. No doubt he recalls those circumstances quite well. That by-election was caused by the elevation to another place of Alfred Robens, as he was then, now Lord Robens. The candidature of Mr. Pym at that time received the support of no fewer than 3,223 of the electors of Blyth, and he used his personal savings to finance that campaign.

Continuing his independent campaign, he was a candidate in the Kent County Council election in West Wickham in 1961, and in October, 1964, he offered to contest Bristol, South-East in the General Election there.

In February 1965 he became redundant in his employment and he decided to use his redundancy pay to fight the Parliamentary by-election that was due in the constituency of Saffron Walden, caused, as hon. Members will remember, by the elevation to another place of the Right Hon. R. A. Butler.

Mr. Pym rented premises in Saffron Walden and made his usual individual approach to the electors of that constituency to seek their support for his nomination. He did in fact receive the necessary support of 10 electors, a proposer and seconder and eight assentors. His nomination papers were sent to the acting returning officer, the Town Clerk of the Borough of Saffron Walden, and it was later proved that they were completely in order.

As every hon. Member knows, contesting an election is an expensive business, and while Mr. Pym had money for his election address, which was in fact printed, he still required £150 to provide the necessary sum for his election deposit. The means that are often available to party members or party candidates were not available to an independent candidate. My Pym decided that he would try to raise £150 by collecting the money in the neighbouring towns of Colchester, Chelmsford, Bishops Stortford and Cambridge, believing that many people from the Saffron Walden constituency went into those towns. Unfortunately, as it proved, he went first to Cambridge.

In following this path he followed the advice that is given to many candidates, and I refer to advice that is given to members of my party:

“A constant appeal for money should be made throughout the election. Funds can be built up during the election fervour. Money will flow in readily if asked for, whereas pence can hardly be extracted from people after the contest . . . A capable and trustworthy person should be put in charge of this work. Have courage to ask voters to pay for their politics and they will do so—don't ask them, and they will keep their money in their pockets.”

This is good advice that we have all followed.

So on Saturday, 6th February, at 8 o'clock in the morning, Mr. Pym began his collection in Regent Street, Cambridge, at a place near the Tesco Stores and, I believe, also quite close to the police station. By 8.40 a.m. he had collected the sum of £1 7s. 6d. This is a remarkable rate of progress as that time in the morning. I suggest that at that rate he would soon have achieved his target of £150 for his deposit, but at 8.40 he was seen by a police officer who later—I quote from a Cambridge newspaper here and the hon. Member for Saffron Walden (Mr. Kirk) may be able to tell me which—in the magistrates' court, said that he saw Mr. Pym

“standing outside Tesco stores on 6th February. He was wearing a blue and white rosette and carrying a tin which was surrounded by blue and white ribbon.”

The officer alleged that Mr. Pym

“approached a woman and said: ‘Would you contribute towards my election deposit.’ When cautioned at the police station, Pym said: ‘I don't deny that I have been asking people for money and there is about £1 in the tin. I fully admit what I have been doing. I don't want to break the law.’ Told that a report would be made to the Chief Constable, Pym replied: ‘The purpose of collection is not for my expenses but purely for the deposit, which is returnable. If I am prevented from collecting money then I am prevented from standing.’”

However the police were instructed to prosecute, and on 9th April

“Pym, of 17, George Street, Saffron Walden, pleaded not guilty to contravening a police authority regulation in that he made a collection of money—other than a collection taken at an open air meeting—without having first obtained a permit from the Cambridge Watch Committee.”

This prosecution was under the Street Collection Act, 1916, which derives its

[MR. OGDEN.]
 authority from the Metropolitan Streets Act, 1903, which again derives its authority from the Metropolitan Streets Act, 1867, so that in 1965 a prosecution originated from Acts of 1867, 1903 and 1916. Under the Act of 1916,

“A police authority may make regulations with respect to the places where and the conditions under which persons may be permitted in any street or public place, within the police area, to collect money or sell articles for the benefit of charitable or other purposes.”

I emphasise the words “or other purposes”.

Mr. Pym and I corresponded. He asked me to speak for him in court that day. I agreed and travelled overnight from my constituency in Liverpool to be in court in Cambridge that Friday morning. The Town Clerk of Cambridge gave evidence, as did the Town Clerk of Saffron Walden, at great inconvenience, and the Chief Inspector of Police. Mr. Pym did likewise. The report continues:

“In court, Pym said he had collected money for politics before in this way and no one had objected . . . Mr. H. Thirlway, defending, submitted that the purpose of Pym's collections did not fall under the definition of the regulations concerned.”

So, under Acts of 1916, 1903 and 1867, the ability of an honest and sincere man to stand for Parliament was reduced to an arid legal argument between legal experts as to the precise interpretation of “or other purposes”.

Let me make it clear that I do not criticise the police for what they did. There is more than enough criticism of them. They were instructed to prosecute, and they did. I criticise, quite deliberately, those who gave them that instruction. It was a costly exercise in time and money and served no useful purpose. I submit that, no matter what legal arguments are used, it was not the intention of Parliament that this Act for the proper control of flag days should be used in this way. It is permissive legislation. This debate may persuade other authorities to be more charitable in the future. The magistrates gave careful consideration to the matter and then gave their verdict, which was “guilty”. I had hoped to be able to speak in mitigation for Mr. Pym, but I was not allowed to do so, because the verdict and the penalty were announced together. The maximum penalty is 40s., and Mr. Pym was fined

20s. It is not the amount of the fine which matters: there is a mark, a conviction, against Mr. Pym, and I hope that there may be a way in which he may have this mark removed from his character.

I would ask whether there is a way in which the Queen's Pardon could be granted to him. I am not pressing this point too much on my hon. Friend the Joint Under-Secretary, even though he is known to be a champion of the rights and liberties of Members of Parliament. There is to be a Select Committee to consider reform of the electoral law. Surely it is an anomaly that police and watch committee permission must be sought to obtain funds for a Parliamentary candidature. Could this matter of the control of statutory bodies over the ability of an individual to stand for Parliament be referred to this Select Committee?

I am not concerned with the political opinions of Mr. Pym: we had more than enough independence among Members of Parliament last Thursday and on other occasions. If he ever stood in West Derby I would oppose him with all my strength. The hon. Members for Beckenham (Mr. Goodhart) and Saffron Walden have shown great interest in this matter, for which I am grateful, and I am also grateful to my hon. Friend the Joint Under-Secretary for his concern. No votes are to be gained by our actions tonight. I hope that no time has been wasted, and that what has been done is in the interests of the individual and in the best traditions of Parliament.

1.3 a.m.

The Joint Under-Secretary of State for the Home Department (Mr. George Thomas): My hon. Friend the Member for Liverpool, West Derby (Mr. Ogden) has followed some of the best traditions of the House in championing the cause of Mr. Christopher Pym, who seeks to stand as an independent candidate in Parliamentary elections. It is a long tradition in the House, going back to before the time of any of us, that Adjournment debates are used to advance the causes of people who feel that they have a grievance and to establish redress of grievances where it lies within our power so to do. The rights of the individual are safeguarded by the vigilance of hon. Members, and I am sure that the House

will join me in thanking my hon. Friend for the manner in which he has spoken tonight.

There is no dispute about the facts in this case. Mr. Pym collected money, and did so without a permit. We are not to know what the reply would have been if he had applied for a permit, but the provision is there within the law for Mr. Pym to have applied to the watch committee for a permit to collect money for his cause. One of the difficulties is that although we all recognise that Mr. Pym is a strong-minded man of great integrity, it would be quite open for anyone to say that he was to be an independent candidate at the next election and go around with a collecting box and a rosette, and people are not to know whether he stands or not if the relevant constituency is not in that area.

This problem is full of difficulties. The Cambridge magistrates found Mr. Pym guilty of the offence, and fined him £1, when the maximum was £2. It is not for the Home Office to comment on the way in which magistrates perform their duties. We take great pains not to find ourselves in any way in conflict with them on this question.

My hon. Friend is right in saying that the 1916 Act was introduced to deal with flag days which were then starting up in a big way. People had all sorts of flag days to help Service men and people engaged in the war effort. The Act was established to restore order and to prevent too many schemes from being run at the same time. But we must deal with the effect of the law as it is now.

The chief constable is responsible for enforcing the law and deciding whether to prosecute. He must be impartial, and I know that my hon. Friend and no other hon. Member would ever want us to interfere with the police authorities in the impartial operation of their duty in deciding whether or not to prosecute. It would be a very dangerous thing if Ministers of the Crown could influence the police in this way. It might make a lot of friends, of course, but a lot of enemies, too.

My hon. Friend asked for remedies. You may well be asked, Mr. Speaker, to undertake, on behalf of the House, the setting up of a Mr. Speaker's Conference to deal with the procedure for elections. It would be open to my hon.

Friend to write to Mr. Speaker. I hesitate to speak for you, Mr. Speaker, though I know that you are unable to speak for yourself at the moment. I do not know and cannot say what the terms of reference of Mr. Speaker's Conference will be, if he decides to establish one. They have not yet been announced. However, I think that it would be open to any hon. Member to write to that conference. I imagine that the conference would be able to consider any matter which it wished to consider.

The question of the prerogative of mercy and of free pardon my hon. Friend is wise not to press, because this is not a case where my right hon. and learned Friend would feel that he could recommend the prerogative of mercy without seeming to comment on the way in which the court fulfilled its task.

Whether Section 5 of the Act to which we have been referring should apply to party candidates or to independents is another question. It is a matter of the interpretation of the law and I understand that one thing we never seek to do is to interpret the law. We make the law and we discuss it a great deal when we are here, but once the Statute has been established we do not seek to define the law and to interpret it. It is a matter for the courts themselves to ensure the same impartial treatment to all.

My hon. Friend has done what he can for Mr. Pym. I regret that there is nothing I can do. The normal processes of the law, allowing an appeal, were, of course, open to Mr. Pym. I know that it is an expensive business and if he had to collect to get his £150 deposit for the election he would certainly find it far more expensive to bring an appeal.

There is, unfortunately, nothing we can do in this regard without the law itself being dealt with—and, Mr. Speaker, as you will be quick to remind me, we are not able to discuss on the Adjournment a revision of the law. I wish that we could have given a better and more encouraging answer to my hon. Friend. But I am limited by what the law allows and the discretion of my right hon. and learned Friend is not such that he could intervene in this case.

Question put and agreed to.

Adjourned accordingly at ten minutes past One o'clock.

HOUSE OF COMMONS

Wednesday, 12th May, 1965

The House met at half-past
Ten o'clock

PRAYERS

[Mr. SPEAKER in the Chair]

ORDERS OF THE DAY

MURDER (ABOLITION OF DEATH PENALTY) BILL

Considered in Committee [Progress 5th May].

[Dr. HORACE KING in the Chair]

Clause 1.—(ABOLITION OF DEATH PENALTY FOR MURDER.)

10.35 a.m.

The Chairman : For the convenience of hon. and right hon. Members, I remind the Committee of the correction made to the duplicated notice giving the provisional selection of Amendments. Hon. Members interested in the next two Amendments should note that Amendment No. 17 will be taken before Amendment No. 14, because what matters in order in Committee is the order of Amendments on the Paper.

Mr. W. R. Rees-Davies (Isle of Thanet): Would you just say a word about Amendment No. 10, Dr. King? Is it to be called separately or subsequently?

The Chairman : The hon. Gentleman may not have been here when it was agreed that Amendment No. 10 should be discussed with Amendment No. 9. It has been taken.

Division No. 106.]

Alison, Michael (Barkston Ash)
Allaun, Frank (Salford, E.)
Alldritt, Walter
Armstrong, Ernest
Astor, John
Bacon, Miss Alice
Barnett, Joel
Baxter, William
Bence, Cyril
Bishop, E. S.
Blackburn, F.
Blenkinsop, Arthur
Boyle, Rt. Hn. Sir Edward
Braddock, Mrs. E. M.

Brooke, Rt. Hn. Henry
Brown, R. W. (Shoreditch & Fbury)
Carmichael, Neil
Carter-Jones, Lewis
Chapman, Donald
Coleman, Donald
Conlan, Bernard
Craddock, George (Bradford, S.)
Cullen, Mrs. Alice
Darling, George
Davies, Harold (Leek)
Davies, Ifor (Gower)
de Freitas, Sir Geoffrey
Deli, Edmund

Dempsey, James
Diamond, John
Doig, Peter
Driberg, Tom
Dunn, James A.
English, Michael
Ensor, David
Evans, Ioan (Birmingham, Yardley)
Ferryhough, E.
Fitch, Alan (Wigan)
Foot, Sir Dingle (Ipswich)
Foot, Michael (Ebbw Vale)
Ford, Ben
Freson, Reginald

AYES

[10.37 a.m.]

Mr. Rees-Davies : That is what I understood. I understood that it was taken for discussion with the earlier Amendment, and, in the circumstances, I wondered why it appeared on the Paper. But you have satisfied me, Dr. King.

Amendment moved [28th April], In page 1, line 7, leave out "sentenced" and insert:

"liable at the discretion of the court."—[Sir J. Hobson.]

Amendment negatived.

The Chairman : We come now to Amendment No. 17.

Mr. C. M. Woodhouse (Oxford): I am grateful to you, Dr. King, for allowing the Amendment in page 1, line 7, at the end to insert:

"Such a sentence shall be of indefinite duration subject only to the exercise of the prerogative of mercy".

to be taken separately from the previous group, because it differs from those Amendments in two respects. In the first place, this is the only Amendment at this point in the Bill which excludes the courts from the decision to release a convicted murderer and leaves the responsibility for determining—

The Chairman : Order. I apologise to the Committee. I had promised that, if necessary, there would be a Division on Amendment No. 11.

Amendment proposed : In page 1, line 7, leave out "life" and insert:

"a period of not less than 25 years unless a court in its discretion orders otherwise".—[Mr. Rees-Davies.]

Question put, That "life" stand part of the Clause:—

The Committee divided : Ayes 148, Noes 160.

Tuesday, 11th May, 1965

LOCAL GOVERNMENT

Clerks of Works and Building Inspectors

12. **Mr. Bence** asked the Minister of Housing and Local Government if he will take steps to increase the number of clerks of works and building inspectors.

Mr. MacColl: So much construction work is at present in hand that persons with technical qualifications in building are bound to be in great demand. My right hon. Friend is not aware of a shortage confined to the local authority activities with which he is concerned, but if my hon. Friend has evidence he will be glad to see it.

New Towns

16. **Mr. William Hamilton** asked the Minister of Housing and Local Government what further plans he has for designating new towns.

Mr. Crossman: At present I have no plans beyond those I announced to the House in February for two new towns in the North-West, one in North Bucks and the "doubling" of Ipswich, Northampton and Peterborough.

Gypsies

25. **Mr. Norman Dodds** asked the Minister of Housing and Local Government what progress has been made with the survey on gypsies and other travellers; what counties have failed to give the required information; and what he proposes to do when all returns are in to improve the present unsatisfactory situation.

Mr. Crossman: Returns have been received from all the county and county borough councils and these are now being analysed. I would like to consider the results before deciding upon further action.

Local and National Finance (Review)

26. **Mr. Dudley Smith** asked the Minister of Housing and Local Government how many officials are engaged full-time in carrying out the Government's review of local and national

finance in relation to the rates problem; when he expects them to submit their report; and if he will publish it.

Mr. Crossman: As I said in the debate last Wednesday, we now have all the background information that is needed for this review. The initial work was carried out by three official working parties: one investigated new sources of local revenue; one co-ordinated Departmental projections of local authority expenditure over the next decade; the third dealt principally with grants and rates. All three working parties have now reported. In addition, of course, the Allen Committee has presented its report on the impact of rates on households. We have the information: we are now working on the action that is to follow.

The Finance Division of my Ministry was strengthened to undertake the necessary calculations and staff were allocated to the work as required. The maximum number exclusively engaged on this work at any one time has been eight. An Assistant Secretary has been fully engaged on the work from the outset. The hiring of a mini-computer has now eliminated the need for a large staff engaged on test grant calculations.

The papers assembled by officials are not intended for publication. We shall announce our conclusions and proposals when we are ready to do so.

Planning Proposals (Representations)

28. **Mr. Geoffrey Lloyd** asked the Minister of Housing and Local Government if he will take steps, in consultation with planning authorities, to inform members of the public of the procedure for consideration of representations which may have been made for or against any particular planning proposal.

Mr. MacColl: The procedure adopted for considering representations is a matter for each planning authority to decide.

29. **Mr. Geoffrey Lloyd** asked the Minister of Housing and Local Government what steps he is taking, in consultation with planning authorities, to

improve the means of keeping members of the public informed of planning proposals which may affect the value and amenities of their homes.

Mr. MacColl: The difficulty here is to reconcile the need for speedy decisions with telling people what is proposed. There are already fairly extensive requirements for publicity and my right hon. Friend would need much more evidence before he felt justified in adding to what is already a time-consuming and complicated procedure.

47. **Mr. Hornby** asked the Minister of Housing and Local Government what plans he has for ensuring that people likely to be affected by planning appeals may be given the chance to make their views known when the written statement method of deciding appeals is made use of.

Mr. MacColl: The method of deciding an appeal on written statements is used only when there seems no need to give third parties an opportunity of expressing their views on the appeal.

New Shopping Centre (Wellington)

32. **Mr. William Yates** asked the Minister of Housing and Local Government when he proposes to hold the public inquiry concerning objections to the definition of the central development area submitted to him by the Wellington Urban District Council, in relation to the new shopping centre, and to the relevant compulsory purchase orders.

Mr. MacColl: My right hon. Friend will consider fixing an inquiry when he has received from the planning authority the full background information needed for a proper consideration of the proposals and objections.

Land Covenants

33. **Mr. Shepherd** asked the Minister of Housing and Local Government if he is aware of the impediments to development arising from covenants passing with freehold land, many of which are of great antiquity; and whether he will give consideration to terminating such of these restrictions as date back for 40 years or more, relying upon the planning authorities to determine amenity standards.

Mr. MacColl: There are certain existing procedures which enable restrictive covenants to be set aside; and my right hon. Friend has no evidence that it is necessary to broaden their scope.

Refuse Collection

34. **Sir Knox Cunningham** asked the Minister of Housing and Local Government what progress has been made in co-ordinating the activities of local authorities in a scheme for collecting large articles of household rubbish, such as water tanks, lavatory bowls, bedsteads, and mattresses, which at present are being dumped on road verges and common land throughout the country; and if he will make a statement.

Mr. MacColl: Local authorities were asked in 1960 to organise the collection of unwanted articles. The Working Party on Refuse Collection are considering this among other matters and when my right hon. Friend has their report he will be getting in touch with local authorities again.

Electricity Sub-Stations

35. **Mr. Godman Irvine** asked the Minister of Housing and Local Government what steps have to be taken by an area electricity board to satisfy him that planning requirements have been complied with before a sub-station is erected.

Mr. MacColl: Electricity boards may erect sub-stations not exceeding 1,000 cubic feet in capacity without applying for planning permission. In other cases they need to obtain planning permission in the usual way.

Smoke Nuisance (Barking)

36. **Mr. Driberg** asked the Minister of Housing and Local Government what progress has now been made by the Alkali Inspectorate in assisting the Barking Metal Trading Company to reduce the emission of dark smoke from their chimney in contravention of the relevant regulations, and, in general, in promoting the smokeless operation of furnaces in such works.

Mr. Mellish: After discussion with the Alkali Inspectorate, the company has agreed to install a new incinerator to burn cable. The Inspectorate are asking for the installation of similar incinerators, or

the addition of efficient afterburners to existing furnaces, at other works of this kind.

Ratepayers' Petition (Walthamstow)

37. **Mr. John Harvey** asked the Minister of Housing and Local Government whether he has taken note of the petition submitted to him by the hon. Member for Walthamstow, East, on behalf of nearly 15,000 ratepayers in Walthamstow; and what action he proposes to take, within the limits of his powers, in response to these petitioners.

Mr. Crossman: Yes. As my hon. Friend the Joint Parliamentary Secretary has already indicated to the hon. Member I understand and sympathise with the petitioners' feelings. But the level of the rate is a matter for the council.

Urban Development Schemes

38. **Mr. R. W. Elliott** asked the Minister of Housing and Local Government if he will take steps to encourage local authorities to effect in schemes of urban renewal a balance between development which will yield revenue and that which has amenity value only.

Mr. Crossman: I already seek to do this.

Direct Labour (Work Study)

39. **Mr. R. W. Elliott** asked the Minister of Housing and Local Government if he will take steps to encourage local authorities to introduce work study where they employ direct labour.

Mr. Mellish: This subject is already being pursued by a Local Government Work Study Group formed under the aegis of the National Joint Council for Local Authorities' Services. My right hon. Friend welcomes their initiative.

Rights of Way

40. **Mr. Philip Noel-Baker** asked the Minister of Housing and Local Government whether he is satisfied with progress in completing maps of public rights of way under the National Parks and Access to the Countryside Act, 1949; and if he will make a statement.

Mr. Crossman: No. Twenty-seven of the county councils in England have completed definitive maps for the whole

of their counties, but elsewhere progress is uneven and in some cases far too slow. I was concerned particularly to find that rights of way in some of the national parks and approved areas of outstanding natural beauty have not yet been fully mapped. I have asked the county councils concerned to make special efforts to complete the maps for these areas quickly, and I shall continue to press for better progress elsewhere.

44. **Mr. Hayman** asked the Minister of Housing and Local Government what stage the survey of rights of way has reached in Cornwall; and what steps it is proposed to take to secure publication of a definitive map for the county within the immediate future.

Mr. Crossman: Provisional maps of public rights of way have been published for 23 of the county districts in Cornwall. The remaining 7 districts have draft maps. The county council hope soon to publish definitive maps for 22 districts, and they are giving urgent attention to the rest of the county.

Holiday Lettings

42. **Sir J. Eden** asked the Minister of Housing and Local Government whether he is aware that many prospective holidaymakers in the United Kingdom are being prevented, by out-of-season cheap-rate longer-term residents claiming security of tenure under the Protection from Eviction Act, from taking up the accommodation they had booked and for which a deposit had been paid sometimes months in advance; and if he will take steps to stop this practice.

Mr. Crossman: I am aware that a few cases of this kind have occurred. I have no sympathy for attempts to misuse the Protection from Eviction Act. But in fact only seven cases have been brought to my attention. If the hon. Member knows of others perhaps he will send me the details.

Water Supplies, Vennington

45. **Sir J. Langford-Holt** asked the Minister of Housing and Local Government if he has yet been able to sanction the commencement of work on the supply of water to Vennington, Shropshire, in accordance with the scheme submitted to him by the West Shropshire Water Board.

Mr. MacColl: No. My right hon. Friend is still awaiting information from the West Shropshire Water Board.

Car Parks

48. **Mr. Graham Page** asked the Minister of Housing and Local Government how many local authorities have obtained payments in contribution towards the provision or maintenance of public car parks from applicants for town planning permission for development; and what total sum is involved in this use of planning control.

Mr. MacColl: Local planning authorities may make arrangements of this kind without reference to my right hon. Friend and, therefore the information is not available.

Central South Lancashire

49. **Mr. Orme** asked the Minister of Housing and Local Government why he cannot accept the proposals made by Professor Ely Devons and the Local Government Commission to extend the boundaries of the South-East Lancashire

and Merseyside Special Review Areas to cover the whole of Central South Lancashire.

Mr. Crossman: Extensions on the scale proposed would have far exceeded anything Parliament had in mind when it passed the Local Government Act in 1958. I decided it would be wrong to go further than the more limited extensions made by the two orders I recently laid before Parliament.

Boundary Commission (Recommendations)

55. **Mr. Corfield** asked the Minister of Housing and Local Government how many recommendations of the Local Government Boundary Commission have reached the stage at which it only remains for him to announce his decision; and if he will publish a list of such cases in the OFFICIAL REPORT, together with the dates on which each was received in his department on completion of all the other statutory procedures.

Mr. Crossman: Twelve. The information requested is as follows:

<i>Local Government Commission Review Area</i>	<i>Proposal</i>	<i>Inspector's report of the local inquiry into objections received</i>
East Midlands General Review Area	Extension of Leicester county borough ...	August, 1962
South Western General Review Area	Creation of a Torbay county borough ...	November, 1963
	Creation of a new county borough at Cheltenham	May, 1964
	No alteration in the present boundaries of Plymouth	May, 1964
Tyneside Special Review Area...	Extension of Gloucester county borough ...	August, 1964
	A continuous county with four most-purpose boroughs	July, 1964
North Eastern General Review Area	Extension of Darlington county borough...	October, 1964
	Creation of a Tees-side county borough ...	January, 1965
	Amalgamation of West Hartlepool county borough with the borough of Hartlepool	March, 1965
West Yorkshire Special Review Area	Extension of Sunderland county borough ...	April, 1965
	Creation of a new county borough by the amalgamation of Dewsbury County Borough with parts or the whole of nine other authorities	February, 1965
	Amalgamation of Wakefield county borough, Horbury urban district and parts of four other authorities to form a non-county borough	May, 1965

This table does not take account of the proposals accepted by my predecessor for a pattern of county boroughs and other changes in the West Midlands Special Review Area and for the conversion of Burton upon Trent County Borough to be a non-county borough in Staffordshire. These proposals are the subject of actions in the High Court.

Mogden Purification Works, Isleworth

53. **Mr. Reader Harris** asked the Minister of Housing and Local Government what reports he has had on the effective-

ness of the repairs carried out in the last six months to the Mogden Sewage Works; if he is aware that smells from the sewage works which caused annoyance and distress to local residents last

summer have now returned; and if he will institute a full investigation into the causes of this continuing nuisance.

Mr. MacColl: The repairs carried out so far have not eliminated the trouble. It is clear that much more extensive works are needed and these the Greater London Council are putting in hand. My right hon. Friend does not think an investigation by the Department at this stage would serve any useful purpose.

Marske Outfall Sewer (Saltburn)

56. **Mr. Tinn** asked the Minister of Housing and Local Government how much was saved by Saltburn Urban District Council in rejecting private tenders for the repair of Marske outfall sewer.

Mr. MacColl: The council spent £4,911. The lowest outside tender was £22,360.

Air Pollution

Dr. Summerskill asked the Minister of Housing and Local Government whether he will introduce legislation to prevent the contamination of the air by organic chemical solvents which are the by-products of certain manufacturing processes.

Mr. Mellish: The Alkali, etc. Works Regulation Act, 1906, enables the Chief Alkali Inspector to control emissions of listed noxious gases, including organic chemical solvents, from works scheduled under the Act; and the Public Health Act, 1936, enables local authorities to deal with emissions likely to prejudice health or cause a nuisance. My right hon. Friend sees no need for additional legislation.

Burial Ground

Mr. Kitson asked the Minister of Housing and Local Government what is the estimated acreage of land in England and Wales which is being used as burial ground, and what acreage he estimates will be required over the next 25 years.

Mr. MacColl: My right hon. Friend regrets that he is not in a position to make any reliable estimates.

Rating Assessment Appeals (Kensington and Chelsea)

Mr. Roots asked the Minister of Housing and Local Government how many appeals against assessments in the

current valuation list for the Royal Borough of Kensington and Chelsea are outstanding; how many appeals were heard in April; what steps he has taken to expedite such hearings; and whether he is aware that delay is causing anxiety.

Mr. MacColl: The number of appeals outstanding is 7,668; 80 were listed for hearing by courts in April.

The panel are averaging three courts a week and my right hon. Friend does not regard this as unsatisfactory. The progress made in despatching appeals depends not only on the number of courts held but also on private negotiation and settlement between the valuation officer and the ratepayer and we must hold the balance between the two.

Rating (Waltham Forest)

Mr. John Harvey asked the Minister of Housing and Local Government when he will introduce measures that will afford relief to ratepayers, and especially to those of Waltham Forest, whose rate burden is considerably higher than any other in the Greater London area.

Mr. Crossman: I have no proposals to make in advance of the announcement of the Government's general decisions about local government finance and the rating system.

Professor Devons (Resignation)

Mr. Boyd-Carpenter asked the Minister of Housing and Local Government what were the reasons for the resignation of Professor Devons from the Local Government Boundary Commission; and whether he will make a statement.

Mr. Crossman: Professor Devons resigned because he considered that my decision to limit the extension of the Merseyside and South East Lancashire special review areas would make it impossible for the Commission to consider proposals for effective and convenient local government in the North West.

Stone Ridge, Westward Ho

Mr. Peter Mills asked the Minister of Housing and Local Government what action he intends to take to preserve the Stone Ridge at Westward Ho, North Devon.

Mr. MacColl: It is for the local authority to consider in the first place

what action may be necessary. At their request one of the Department's engineering inspectors visited the area recently, and the Department will be writing to the authority shortly, when his report is received.

HOUSING

Immigrants

46. **Mr. Gurden** asked the Minister of Housing and Local Government if he will take steps to enable local authorities to provide houses in overspill areas for immigrants from overcrowded districts of large concentration.

Mr. Mellish : Immigrants can benefit on the same basis as the rest of the community from the present machinery for carrying out overspill schemes. My right hon. Friend sees no reason for making any additional or special arrangements.

Unoccupied Houses, London

50. **Mrs. Jeger** asked the Minister of Housing and Local Government how many habitable houses he estimates are unoccupied in the area of the Greater London Council ; and what proposals he has for dealing with this waste of housing accommodation in an area of severe shortage.

Mr. Mellish : At the 1961 Census 40,229, or 1.6 per cent., of the dwellings in the Greater London conurbation were unoccupied. It does not follow that this is all a waste of accommodation. A proportion of dwellings must always be standing empty to allow for movement. The London figure is comparatively low. Local authorities already have adequate powers to acquire empty houses.

Houses (Office Use)

51. **Mrs. Jeger** asked the Minister of Housing and Local Government whether he is aware of the continuing use in London of many houses for office purposes ; and whether, in view of the plentiful supply of purpose-built office accommodation, he will seek powers to provide that suitable houses revert to domestic use as they become vacant.

Mr. Mellish : Where such uses have only temporary planning permission—as is quite common—my right hon. Friend is sure the local authorities will be very

much alive to the need to bring back into residential use, when the permissions expire, any houses which are still suitable for living. But to extinguish a continuing right to use a house as an office would involve compensation, and he doubts if the cost would be justified. Many of the houses in question would need further expenditure before they could be suitable for modern living.

Building Standards

52. **Mr. Maxwell** asked the Minister of Housing and Local Government if he will now make a statement on his plans for safeguarding house purchasers from bad workmanship.

Mr. Crossman : I am not yet ready to make a statement but will do so before long.

Improvement Grants

54. **Mr. Ridley** asked the Minister of Housing and Local Government if he will seek to amend the Housing Act, 1964, to provide for standard grants to be payable on the full cost of a bathroom, built to provide a bath, and of a septic tank built for a water closet.

Mr. Mellish : My right hon. Friend is covering these points in his current review of legislation to see how improvement grants can be made more simple and effective.

Subsidies (Interest Charges)

Mr. Boyd-Carpenter asked the Minister of Housing and Local Government what is the cost of interest on a local authority house started this month over the full period of subsidy payment ; and what are the comparable figures in respect of a house started a year ago.

Mr. Mellish : As loans may be raised in different ways, sometimes with variable requirements as to payment of interest, it is not possible to generalise about the amount of interest payable during the 60-year period of the subsidy.

MINISTRY OF POWER

Nuclear Power Station, Dungeness (Reactor)

57. **Sir H. Legge-Bourke** asked the Minister of Power whether he will now announce the type of reactor chosen for

the Dungeness B Nuclear Power Station ; and whether he will make a statement on the implications of his choice for the future of the nuclear power programme and the future of the coal industry.

Mr. Frederick Lee : The tenders are at present being assessed by the Central Electricity Generating Board in consultation with the Atomic Energy Authority. Until I have their views, I cannot say what the implications will be.

Steel Industry

Mr. Geoffrey Lloyd asked the Minister of Power if he will state the amount of money loaned by the Government to privately-owned companies in the steel industry since denationalisation ; and when it is due to be repaid.

Mr. Frederick Lee : Apart from some £150 million invested in connection with denationalisation loans from public funds to privately-owned steel companies since their respective dates of denationalisation comprise a loan of £50 million to Colvilles Ltd. under Section 5 of the Iron and Steel Act, 1953, together with £5 million postponed interest and a loan of £27 million to the Steel Company of Wales, under Section 20(1)(a) of that Act, arranged before the Company was denationalised. The final date for repayment of the Colvilles loan is 1978 ; the final payment of the loan to the Steel Company of Wales was made in 1963.

TECHNOLOGY

Hovercraft (Development)

58. **Mr. Grimond** asked the Minister of Technology what assistance is being given to the development of Hovercraft.

Mr. Cousins : The National Research Development Corporation, through its subsidiary company Hovercraft Development Limited is continuing to give substantial financial support to the development of the latest types of Hovercraft, while the Defence Departments are continuing their trials for defence purposes.

Computer Courses

Mr. Charles Morrison asked the Minister of Technology if he will list the training courses in computer technology which are already available.

Mr. Cousins : Comprehensive information on computer courses in universities, technical colleges and other educational establishments is being collected. I will write to the hon. Member when this is available.

NATIONAL FINANCE

Bank Rate

59. **Mr. Evelyn King** asked the Chancellor of the Exchequer if, in order to prevent further increases in the rents of council houses, he will now reduce the Bank Rate.

Mr. Callaghan : I do not accept the implication in the hon. Member's Question. Bank Rate will be reduced as soon as the country's economic circumstances permit.

Parliamentary Counsel

60. **Mrs. Joyce Butler** asked the Chancellor of the Exchequer what action he is taking to increase the provision of Parliamentary draftsmen, so that future legislative programmes may be facilitated.

Mr. MacDermot : Two Assistant Counsel have been recruited to the Office of the Parliamentary Counsel since the beginning of the Session. Further vacancies in this grade are now being advertised.

An increase in establishment of the Scottish Parliamentary Draftsmen is under consideration.

Overseas Trading Deficit

62. **Sir C. Osborne** asked the Chancellor of the Exchequer if he will give an estimated breakdown of the £800 million overseas trading deficit for 1964 between capital repatriation, leads and lags, national stockpiling, and the basic trade difference, respectively ; why he anticipates it will be the end of 1966 before this position is put right ; and if he will make a statement.

Mr. Callaghan : The figures of the balance of payments in 1964 were presented in the White Paper, Preliminary Estimates of National Income and Expenditure and Balance of Payments, 1959 to 1964. An account of developments in the year, including the amount invested in stocks, is in the Economic

Report in 1964, published by Her Majesty's Stationery Office and available in the Library. As regards the second part of the Question, the hon. Member should read my Budget Statement.

Balance of Payments

63. **Sir C. Osborne** asked the Chancellor of the Exchequer by how much he estimates local and central Government spending would have to be cut in order to restore the balance of payments to equilibrium, and to enable the nation to live within its income; what criteria he employs in deciding to borrow from foreign bankers rather than make these cuts; and if he will make a statement.

Mr. Callaghan: There is no simple connection between the amount of public spending and the balance of payments. But the Government have made it clear on a number of occasions that they intend to maintain a firm control over expenditure.

Inflation (Consumer Price Index)

Mr. Galbraith asked the Chancellor of the Exchequer if he will give the annual rate of inflation each year since 1945 as a percentage.

Mr. Diamond: The rate of inflation could be measured in various ways, which would not necessarily give the same result. A rough indication, however, can be given from the movement of the consumer price index, the annual increase in which is shown in the table below:

Consumer Price Index

	<i>Percentage increase over previous year</i>		
1946	Not available
1947	6.8
1948	7.8
1949	2.3
1950	2.8
1951	9.0
1952	6.0
1953	1.7
1954	1.9
1955	3.4
1956	4.4
1957	3.1
1958	2.8
1959	0.5
1960	0.9
1961	2.9
1962	3.7
1963	1.1
1964	2.7

Civil Service Pensions (Representations)

64. **Sir C. Taylor** asked the Secretary to the Treasury whether, since five months have elapsed since representations were made to him on the subject of Civil Service pensions by the Public Service Pensioners Council and the staff side of the Civil Service National Whitley Council, he is yet in a position to open negotiations with these and other representative bodies on this matter.

Mr. MacDermot: Full account is being taken of these representations in the review which is not yet complete.

Inland Revenue (Computer Services)

Mr. Graham Page asked the Chancellor of the Exchequer what progress is being made in the Department of Inland Revenue with the introduction of computer services in the calculation of Pay-As-You-Earn.

Mr. Diamond: A computer to take over all routine P.A.Y.E. work now done in local Scottish tax offices has been ordered and will be installed at East Kilbride in 1967.

£ Sterling (Purchasing Power)

Mr. Galbraith asked the Chancellor of the Exchequer by what percentage the value of the pound sterling has declined since 1945.

Mr. Diamond: On the basis of movements in the consumer price index, the internal purchasing power of the pound sterling is estimated to have fallen by 48 per cent. between 1946 and March, 1965, the latest available date. A comparable figure based on 1945 is not available.

Baker and Bessemer Plant, Kilnhurst

Mr. Wainwright asked the Chancellor of the Exchequer if he will take the necessary steps to have published the agreement of sale by the Iron and Steel Holding and Realisation Agency to the consortium of English Steel, United Steel, and eight other companies, of the Baker and Bessemer plant, Kilnhurst.

Mr. Callaghan: No.

WIRELESS AND TELEVISION

Broadcasting Council

65. **Mr. Webster** asked the Postmaster-General if he will take steps to establish for broadcasting a body with functions similar to the Press Council.

Mr. Benn : No. Broadcasting has been placed in the hands of two public corporations, appointed as trustees for the national interest in broadcasting, each assisted by Advisory Councils.

B.B.C. (Sound and Television Corporations)

Sir C. Osborne asked the Postmaster-General if he will introduce legislation to divide the British Broadcasting Corporation into two separate corporations of sound and television, respectively, so as to prevent too great an accumulation of power in one set of hands and to reduce costs; and if he will make a statement.

Mr. Benn : No.

Ministerial Reserve Powers

Mr. Webster asked the Postmaster-General what criteria he uses in deciding whether to exercise his powers of disallowing the sending of matter on television.

Mr. Benn : As I explained in reply to the hon. Member for Sudbury and Woodbridge (Mr. Stainton) on 23rd November last, my powers to disallow the sending of broadcast matter are reserve powers for use only in the last resort. In the nature of the case, it is not possible to define the criteria which would govern their use more specifically.

POST OFFICE

Postal Services (Spilsby and Horncastle)

66. **Sir J. Maitland** asked the Postmaster-General what steps he is taking to improve the postal service in the Spilsby and Horncastle areas.

Mr. Benn : Some of the delay to mail for the Spilsby and Horncastle areas, which I much regret, is due to shortage of staff in our main sorting centres: we are doing all we can to recruit more staff. Special checks are also being made on the

mails for the areas in question so that if there are remedial weaknesses in the arrangements they can be removed.

Stamps (Design)

71. **Mr. Rowland** asked the Postmaster-General what consideration he has given to the series of definitive stamps, the proposed designs of which have been sent to him by a firm of stamp dealers.

72 and 73. **Mr. Ogden** asked the Postmaster-General (1) what proposals he has received from outside organisations for the re-designing of United Kingdom postage stamps; and if he will make a statement;

(2) what action he is taking to improve the design of the United Kingdom postage stamps, especially the $\frac{1}{2}$ d. to 1s. varieties.

Mr. Benn : I have received suggestions from a well-known firm of stamp dealers for the re-design of our definitive series of postage stamps. As I announced in reply to my hon. Friend the Member for Brighton, Kemptown (Mr. Hobden) on 24th March last, new designs for this series using a profile photograph of Her Majesty are to be commissioned and action to this end is already in train.

Postal Vans (Colour)

74. **Mr. Hector Hughes** asked the Postmaster-General why he is changing the colour of Post Office vans from traditional red to verdant green.

Mr. Joseph Slater : My right hon. Friend has no intention of changing the colour of postal vans. Green engineering vehicles are sometimes used, particularly during the Christmas period, for postal purposes.

Surplus Stocks

75. **Mr. Dodds** asked the Postmaster-General, to what extent surplus stocks were offered for sale to the public during the financial year 1964-65; what was the total amount realised; what action was taken to acquaint other Government departments and public bodies of the surplus stocks before offering them to the public; and with what result.

Mr. Benn : All the "unused" and suitable "used" surplus stocks arising

in 1964-65 were initially offered to Government Departments and public bodies likely to be interested, and, as a result, sales to a value of £6,700 were made. The bulk of the remaining surplus stores were then offered for sale to selected firms by competitive tender in accordance with normal policy and, from these tenderings a further £23,984 was realised. A few special items (e.g. of proprietary equipment) were sold non-competitively to a value of £2,809.

Standardised Envelopes

Mr. Thorpe asked the Postmaster-General whether he will now estimate the date on which the proposed standardised envelopes will be ready for introduction, so as to reduce uncertainty to firms when ordering stocks of stationery.

Mr. Benn: I hope shortly to make an announcement which will cover the point raised by the hon. Member.

Miss Quennell asked the Postmaster-General whether he will consider taking steps to institute a standard size envelope which can be electronically sorted for use in a high-speed service.

Mr. Benn: A single standard sized envelope would, I am sure, be too restrictive for the general user of the post. As announced on the 25th March, I have decided to press ahead with envelope standardisation and this will permit the use of a standard range of sizes lending itself to high speed mechanical sorting.

TELEPHONE SERVICE

Old-Age Pensioners

67. **Mr. Hector Hughes** asked the Postmaster-General if he has yet completed his consideration of the proposal of the hon. Member for Aberdeen, North to increase the telephone facilities and amenities for old-age pensioners; and what action he will take.

Mr. Benn: I would refer my hon. Friend to the reply I gave the hon. Member for Cheadle (Mr. Shepherd) on 16th March. The examination is continuing.

Municipal Exchange

69. **Sir R. Thompson** asked the Postmaster-General if he is aware of the continuing frustrations and delays experi-

enced by the subscribers, mostly business and professional, linked to the Municipal exchange; and what steps he is taking to provide an adequate service.

Mr. Joseph Slater: I am sorry for these continuing difficulties. To improve the service 110 additional circuits have been provided since last November and a further 29 will be added shortly. A large new cable to Central London should be brought into service in July.

Land, Budleigh Salterton

70. **Mr. Mathew** asked the Postmaster-General if he will offer the land at Station Road, Budleigh Salterton, which is surplus to his requirements for the new telephone exchange, back to the executors of the original owners at a fair price.

Mr. Benn: As I told the hon. Member in my letter of 15th March, the local authority, the Devon County Council, and others are interested in acquiring the site. In the circumstances, I think the right thing to do is to put it up to public auction.

A.635 (Kiosks)

76. **Mr. A. E. P. Duffy** asked the Postmaster-General if he is aware that for a distance of 20 miles on the A.635, between the Sovereign Inn at Lane Head and Mossley, travellers cannot use a telephone kiosk unless they have four pennies on their person; that this is particularly inconvenient on the 10 miles moorland portion of the road between Holmfirth and Greenfield; and if he will take steps to remedy the situation.

Mr. Joseph Slater: Yes, but genuine emergency calls can be made from all of these kiosks without the insertion of coins. The new type of coinbox, requiring 3d., 6d. or 1s. pieces, cannot be installed until the exchanges concerned are converted from manual to automatic working, but will be introduced as these conversions take place over the next 3 years.

TRANSPORT

Bus Station, Wellington (Loan Sanction)

77. **Mr. William Yates** asked the Minister of Transport, in view of the early need to develop the new shopping

centre in Wellington, when he proposes to give loan sanction to the application sent to him by the Wellington Urban District Council for the construction of the new bus station.

Mr. Tom Fraser: The Wellington Urban District Council tell me they intend to make a bus station Order under the Road Traffic Act, 1960. This Order will require my confirmation under the statutory procedure and decision on it will determine my attitude to the loan sanction application. The present bus station project is distinct from the shopping centre development proposals.

Vehicle Licences ("Days of Grace" Period)

78. **Sir M. Galpern** asked the Minister of Transport to what extent, under his regulations, a motorist may drive his vehicle during a 14 days' grace period after the expiry of his road fund licence, provided the vehicle is taxed within that period from the date the previous licence expired.

Mr. Tom Fraser: A motorist who keeps or uses an unlicensed vehicle on the road is committing an offence under the Vehicles (Excise) Act 1962. But no action is taken against him provided that he renews his licence within 14 days of the expiry of the previous one. This arrangement is extra-statutory, and is generally known as the "days of grace" period.

Abnormal Indivisible Loads

Mr. Crowder asked the Minister of Transport if he is aware of the traffic congestion caused by the movement of vehicles carrying outside heavy loads within a 30-mile radius of London; and if he will restrict the movement of such vehicles to the period between 1 a.m. and 7 a.m. during the summer months.

Mr. Tom Fraser: Power to control the time of movement of abnormal indivisible loads on roads is vested in the police by virtue of the Motor Vehicles (Authorisation of Special Types) General Order 1963. I do not feel justified in varying this general arrangement.

I do, however, impose a condition prohibiting throughout the country movement of exceptionally large, wide or heavy loads over Bank Holiday periods and during summer weekends.

ECONOMIC AFFAIRS

Prices and Incomes Board (Inquiries)

79. **Dame Irene Ward** asked the First Secretary of State and Secretary of State for Economic Affairs whether the Prices and Incomes Board will be able to investigate increases in prices imposed on bread, soaps and detergents and road haulage by the electricity, gas or National Coal Boards.

Mr. George Brown: Yes, if the Board considers this relevant to its inquiries.

Pressed Steel Company's Workers (Salary Increase)

Mr. Peter Walker asked the First Secretary of State and Secretary of State for Economic Affairs into which category of exceptions to Her Majesty's Government's Incomes Policy, as outlined in paragraph 15 in the White Paper on Prices and Incomes Policy, the increase in salary of 6½ per cent. awarded on 28th April, 1965, for 3,800 day workers at the Pressed Steel Company's car body factory at Cowley, comes.

Mr. George Brown: It is not for me, but for the parties concerned, to defend this settlement in relation to the policy set out in the White Paper, which has been agreed with representatives of management and unions.

Electricity Charges, Scotland

Sir M. Galpern asked the First Secretary of State and Secretary of State for Economic Affairs if he will refer to the Prices and Incomes Board the 6 per cent. increase in electricity charges proposed by the South of Scotland Electricity Board and the North of Scotland Hydro-Electric Board.

Mr. Foley: No.

SCOTLAND

Electoral Roll, Ayr

80. **Sir M. Galpern** asked the Secretary of State for Scotland, in view of the incompleteness of the voters' roll in Ayr resulting in substantial omissions of voters' names whereby ratepayers who

for years had voted regularly were prevented from doing so at the recent municipal election, if he will hold an inquiry into the reasons for the inaccuracies in the preparation of the electoral roll.

Mr. Ross: No. I have no statutory power to take such action as suggested.

Burial Ground

Mr. Kitson asked the Secretary of State for Scotland what is the estimated acreage of land in Scotland which is being used as burial ground, and what acreage he estimates will be required over the next 25 years.

Mr. Ross: No information is available on which reliable estimates could be based.

Hospitals (Nursing Staff)

Sir J. Gilmour asked the Secretary of State for Scotland what shortages of nursing staff exist in Scottish hospitals; and whether he will publish a list of all hospitals, showing their establishment of nurses and the number of vacancies.

Mr. Ross: There are no fixed establishments of nursing staff for hospitals in Scotland and consequently no figures of vacancies. In recent years the effective number of nursing staff has increased on the average by about 3 per cent. per year.

DOMINICA (BRITISH SUBJECTS)

81. **Mr. G. Campbell** asked the Secretary of State for Foreign Affairs if he will not make a further statement on such events in the Republic of Dominica as endangered British lives.

Mr. M. Stewart: The danger to British lives was most acute immediately prior to the first landing of United States troops on 28th April; law and order in Santo Domingo had broken down and armed bands were roaming the streets. The United States action undoubtedly prevented serious civil strife; and evacuation of foreign, including British, nationals proceeded as planned. Since 5th May, when a cease-fire was signed by the combatant forces in the presence of the Organisation of American States Mission, the danger has further diminished. But tension between the two sides is still high and United States forces

have been the target of insurgent snipers. In these circumstances we should not advise British subjects who were evacuated to attempt to return to Santo Domingo until law and order have been completely restored.

VIETNAM

Q7. **Mr. Jackson** asked the Prime Minister what progress has been made by Her Majesty's Government towards achieving a negotiated settlement in the Vietnam crisis.

The Prime Minister: Britain, the United States and their other allies in the South-East Asia Treaty Organisation reaffirmed on 5th May their purpose of seeking a peaceful settlement and their support for President Johnson's offer of unconditional discussion with the Governments concerned in the Vietnam conflict. But I am sorry to tell the House that I still have no indication that China, North Vietnam or the Soviet Union are yet prepared to consider a negotiated settlement on anything but their own unacceptable terms.

SECURITY

Q8. **Mr. Hamling** asked the Prime Minister if he will take steps to tighten up security.

Q12. **Mr. Derek Page** asked the Prime Minister whether he is satisfied with the operation of security policy and its application throughout the public service; and whether he will make a statement.

The Prime Minister: I would refer hon. Members to the statement I made in the House yesterday.

MALAYSIA

Q9. **Mr. Stainton** asked the Prime Minister (1) what is the estimated cost for this year of the total British support effort in connection with the defence of Malaysia; and whether he is satisfied that this expenditure is not disproportionate to that of the other countries engaged in the confrontation with Indonesia;

(2) if he is satisfied that the commitment for British forces in Malaysia is not disproportionate to that of the other

countries engaged in the confrontation with Indonesia; and if he will make a statement.

The Prime Minister: The estimated extra cost of the British support effort this year related to the defence of Malaysia is about £5 million.

I am satisfied that this expenditure and the commitment of our forces is necessary for the discharge of our obligations under the Anglo-Malaysian Defence Agreement.

FATHERLESS FAMILIES

Q11. **Mr. Parker** asked the Prime Minister whether he will recommend the appointment of a Royal Commission to consider the problems of fatherless families and to make recommendations.

The Prime Minister: I have nothing to add to the answer I gave on 27th April to a Question by the hon. Member for Tynemouth (Dame Irene Ward).

GERMANY (PEACE SETTLEMENT)

Q13. **Mr. Warbey** asked the Prime Minister whether, in his recent discussions with Chancellor Erhard, he agreed with the Chancellor that the conclusion of a peace treaty with Germany must await the reunification of Germany under a single Government.

The Prime Minister: My discussions with Chancellor Erhard were confidential. Her Majesty's Government's view is that a peace settlement for the whole of Germany should be concluded with a freely elected Government of a reunified Germany.

NATIONAL FARMERS' UNION (DISCUSSIONS)

Q14. **Mr. Kitson** asked the Prime Minister if he will make a statement on his recent official discussions with the leaders of the National Farmers' Union.

The Prime Minister: I would refer the hon. Member to the statement issued from 10 Downing Street on 6th May, following the discussions, and to the statement issued this morning jointly by my right hon. Friend the Minister of Agriculture

and the other Agricultural Ministers. Copies of both statements are available in the Library.

BUSINESS ABROAD (MINISTERIAL ASSISTANCE)

Mr. Stainton asked the Prime Minister in view of the fact that the Parliamentary Secretary to the Ministry of Aviation has visited Beirut in negotiations with Middle East Airlines on behalf of the British Aircraft Corporation for the sale of the Vickers Super VC10, if he will take steps to make available to other privately-owned companies similar Ministerial assistance in negotiating business abroad.

The Prime Minister: Yes, if the circumstances were such as to justify it.

AGRICULTURE, FISHERIES AND FOOD

Brucellosis

Mr. Kitson asked the Minister of Agriculture, Fisheries and Food what is the estimated cost of brucellosis to the agricultural industry.

Mr. John Mackie: From the Brucellosis Survey published in December 1964 it is estimated that the annual economic loss caused by the disease in dairy herds amounts to about £1,000,000. The incidence of disease in beef herds is not known and no estimate of the annual loss in these herds can be made.

MINISTRY OF AVIATION

TSR2

Sir A. V. Harvey asked the Minister of Aviation what arrangements are being made to preserve the jigs and tools of the TSR2 project.

Mr. Roy Jenkins: None, except in the limited number of cases where they can be used in other projects.

SOUTH ARABIA

Constitution

Mr. Tinn asked the Secretary of State for the Colonies whether he will make a further statement about constitutional talks on South Arabia.

Mr. Greenwood : Since the postponement of the South Arabia Constitutional Conference arranged for March, it has become clear that the Governments and political parties in South Arabia are not ready for such talks and that there is a general wish for further discussion among themselves about the various possibilities of constitutional development which exist. I have considered how we can help in this process and have decided that the best way of doing so lies in the appointment of a Commission which can visit South Arabia, consult with the various interests there, and consider with them what will be the most suitable future constitutional arrangements for the area.

The composition of the Commission has still to be settled but I hope to include some members from countries other than the United Kingdom. I propose to make an oral statement to the House as soon as practicable. The terms of reference of the Commission will be:

“In the light of the wish of the Governments and people of South Arabia to achieve independence as soon as possible, and the general desire in South Arabia for unity, and bearing in mind the declared aspiration of Her Majesty’s Government to bring Aden and all the States of the Protectorate of South Arabia, both within and without the Federation, to independence as a single State by 1968, to consider, after consultation with the Governments and peoples of South Arabia, the constitutional structure appropriate for a sovereign independent South Arabian State and the necessary interim constitutional arrangements leading to its introduction, and to make recommendations.”

MINISTRY OF DEFENCE

Coastal Survey Craft

Mr. Wingfield Digby asked the Secretary of State for Defence when a firm order will be placed for the first of the six new coastal survey craft for the Royal Navy.

Mr. Mayhew : The detailed characteristics of the new survey craft have required extensive study but we expect to invite design and build tenders shortly and place an order in the late Autumn.

H.M.S. “Terra Cotta”

Mr. Wingfield Digby asked the Secretary of State for Defence when an order will be placed for the Royal Navy’s new icebreaker H.M.S. “Terra Cotta” to replace H.M.S. “Protector”.

Mr. J. P. W. Mallalieu : I am not yet able to say when the order will be placed.

EDUCATION AND SCIENCE

Further Education (Examinations)

Mr. Merlyn Rees asked the Secretary of State for Education and Science if he is aware that negotiations between examining bodies in further education have been proceeding for three years; and if he will inquire into the reasons for this delay with a view either to reaching an early agreement or to the setting up of an inquiry into the whole field of examinations in further education.

Mr. Crosland : Negotiations have been proceeding for some three years between the City and Guilds of London Institute and the regional examining bodies with a view to revising the agreement on examinations at the “intermediate” level for operatives, craftsmen and technicians, originally drawn up in 1933.

The regional examining bodies have recently been examining revised draft proposals circulated by my Department in November and December last after a meeting between all the parties, and they forwarded proposed amendments to the Department a fortnight ago.

Further discussions with the examining bodies are being arranged, and I have every hope that, given the desire of all parties to reach an agreement, the negotiations may soon be brought to a successful conclusion.

New Universities

Mr. Eldon Griffiths asked the Secretary of State for Education and Science if he will publish a list of those public companies, professional associations and trade union organisations which have made contributions to the building and endowment of new universities; and how much each has contributed, and to which universities, over the last 10 years.

Mr. Crosland : This is not a matter within my responsibility.

Doctors of Philosophy

Mr. Charles Morrison asked the Secretary of State for Education and Science (1) if he will give a monthly figure for doctors of philosophy who have migrated from the United Kingdom since January, 1963 ;

(2) if he will give monthly figures for the number of doctors of philosophy who originally graduated from universities in the United Kingdom and who have returned to work in the United Kingdom since January, 1963.

Mr. Crosland : There are no comprehensive statistics available to provide an answer to these Questions.

Regarding scientists and technologists, the Joint Interviewing Board, which is the joint responsibility of my Department, the Atomic Energy Authority and the Civil Service Commission, and which also represents the Central Electricity Generating Board and the Science Research Council, visited the U.S.A. and Canada last year as is their yearly practice, to interview scientists and technologists, most of them British, for appointments within those organisations in the United Kingdom. They saw 265 candidates, of whom about 65 per cent. were holders of Ph.D.'s, and 186 were recommended for appointments. One hundred and one appointments were made up to December, 1965, either as a result of those recommendations, or by direct recruitment by the Research Councils and the organisations represented by the Board. In addition, the names of 16 candidates were passed by the Board to the Federation of British Industries for consideration for industrial posts in the United Kingdom.

HOSPITALS

Adolescent Psychiatric Units, Manchester

Mr. Rose asked the Minister of Health how many adolescents aged between 12 and 18 years of age were received into adult mental wards in the area of the Manchester Regional Hospital Board during 1964.

Mr. Loughlin : Two hundred and ninety-six (including those aged 18).

Mr. Rose asked the Minister of Health when his plans for adolescent

psychiatric units in the area of the Manchester Regional Hospital Board will be completed.

Mr. K. Robinson : I cannot at present add to the Answer I gave my hon. Friend on 22nd February.

Mr. Rose asked the Minister of Health whether he will conduct an inquiry, within the area of the Manchester Regional Hospital Board, into cases where adolescents, compelled to receive psychiatric treatment in adult male wards, have been subjected to criminal assaults by other patients.

Mr. K. Robinson : No such cases have been brought to my notice or that of the Board but if my hon. Friend has any information and will let me have it I will make enquiries.

Admissions, Stockport

Mr. Orbach asked the Minister of Health how many beds there are available for acute cases in the various disciplines for the people of the county borough of Stockport ; and how many patients are waiting for admission to hospital.

Mr. Loughlin : The figures for the hospitals of the Stockport and Buxton Hospital Management Committee, which provides hospital services for the great majority of patients from the Stockport County Borough area, are :

	<i>Average daily number of Available Beds in 1964</i>	<i>Waiting List at 31st December, 1964</i>
General Medicine	13	8
Paediatrics ...	40	—
Infectious Diseases	49	—
Diseases of Chest	116	—
Dermatology	22	—
Physical Medicine	96	17
Rheumatology	97	46
General Surgery	229	3,535
E.N.T. ...	24	} 1,271 tonsils and adenoids 656 other
Traumatic and Orthopaedic	145	
Ophthalmology	23	64
Dentistry ...	4	—
Gynaecology ...	51	795
Pre-Convalescent	14	—
Others... ..	40	—

Mr. Orbach asked the Minister of Health what is the average waiting time for admission to the various departments of St. Thomas's Hospital, Stockport Infirmary, Cherry Tree Hospital and

Stepping Hill Hospital, based upon the average for the last three years.

Mr. Loughlin : As the figures averaged over three years could mislead, I give figures for each of the three years :

	1962	1963	1964
<i>Stockport Infirmary</i>			
General Medicine	3-4 days	6-8 days	3-4 days
General Surgery... ..	11½ months	11 months	4 months
E.N.T. (tonsils and adenoids)	3 years	5 years	1 year
E.N.T. (Others)	7 months	7 months	3-4 months
Traumatic and Orthopaedic Surgery	1 year	5 months	8½ months
	4-5 months		
	3 months	2½ months	2½ months
<i>Stepping Hill</i>			
General Medicine	Nil	Nil	Nil
Paediatrics	3-4 days	Nil	Nil
Diseases of Chest	Nil	Nil	Nil
Geriatrics	1 month	2 weeks	1 month
General Surgery... ..	6-7 months	6-7 months	8½ months
E.N.T. (tonsils and adenoids)	7 months	7-8 months	5 months
Traumatic and Orthopaedic Surgery	2 weeks	6-8 days	Nil
Ophthalmology	3½ months	2½ months	1½ months
Dentistry	1 month	Nil	Nil
Gynaecology	2½ months	2 months	4 months

Waiting lists are not maintained at St. Thomas's Hospital or Cherry Tree Hospital. Emergency cases are admitted immediately and urgent cases either immediately or within a few days.

Hospitals, Stockport

Mr. Orbach asked the Minister of Health what schemes are at present being considered either by the North-West Regional Hospital Board or the Stockport and Buxton Hospital Management Committee for the rehabilitation of St. Thomas's Hospital and the enlargement of Stockport Infirmary.

Mr. Loughlin : At St. Thomas's Hospital, one scheme for upgrading ward accommodation and one for installing a new boiler: at Stockport Infirmary, one scheme for improving the X-ray and pathology facilities. No schemes for enlarging the Stockport Infirmary are being considered.

MINISTRY OF HEALTH

Cervical Cancer (Stockport)

Mr. Orbach asked the Minister of Health what facilities exist in the county borough of Stockport for the detection of cervical cancer.

Mr. Loughlin : Stockport and Buxton Hospital Management Committee provide a cytological service for women with symptoms. Additional laboratory facilities are being provided and these will allow a routine screening service to be introduced.

Doctors, Stockport

Mr. Orbach asked the Minister of Health how many general practitioners there are within the county borough of Stockport; and how this compares with the national figure.

Mr. Loughlin : On 1st October, 1964, there were 66 general practitioners providing unrestricted services in Stockport with an average list of 2,371, and 20,246 in England and Wales with an average list of 2,362.

BOARD OF TRADE

Lif jackets

Dr. Bennett asked the President of the Board of Trade what period he now intends to allow before the new standards for lifejackets become obligatory and lifejackets supplied to earlier specifications are declared obsolete; and what the cost to British shipowners will be if the change-over is made within a period of five years.

Mr. Mason : I am considering what period it would be reasonable to allow for the change-over from the present type of lifejacket to the new type and a decision will be announced shortly. The new and improved lifejacket will be more

expensive than the existing one but until it is in production I cannot say precisely what the cost will be.

Development Districts

Mr. Ness Edwards asked the President of the Board of Trade whether he proposes to make further changes in the list of development districts.

Mr. Jay: I am adding to the list of development districts the employment exchange areas of Newton Stewart and Wadebridge, the branch employment office area of Turriff, and the Caerphilly and Bargoed groups.

HOME DEPARTMENT

Life Sentences (Release on Licence and Recall)

Mr. Deedes asked the Secretary of State for the Home Department how many persons sentenced to imprisonment for life and released on licence have been recalled during the periods 1945 to 1957 and 1957 to 1965, respectively; and for how long in each of those periods such persons were detained.

Sir F. Soskice: During the years 1945 to 1956 inclusive three persons on licence

from a sentence of life imprisonment were recalled to prison. Two were again released on licence, after being detained for four months and twelve months respectively. The third is still in prison having been detained for over ten years since his recall.

No such person was recalled during 1957, and the corresponding number for the period since then is five. One of these was again released on licence after being detained for thirteen months; two are still in prison having been detained for seven months and ten months since recall; one has been twice recalled and is still in prison after an aggregate of four and a half years' detention since being first recalled; and the fifth died in prison eight months after being recalled.

Return of Election Expenses

Mr. McLaren asked the Secretary of State for the Home Department when the Return of Election Expenses moved for on 5th November, 1964, will be published.

Mr. George Thomas: It is hoped that this Return will be published before Whitsun.