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C.C. (59)  
38th Conclusions

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CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W. 1, on  
Tuesday, 30th June, 1959, at 11 a.m.

Present:

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

The Right Hon. R. A. BUTLER, M.P.,  
Secretary of State for the Home  
Department and Lord Privy Seal.

The Right Hon. SELWYN LLOYD, Q.C.,  
M.P., Secretary of State for Foreign  
Affairs (*Items 1-2*).

The Right Hon. THE EARL OF HOME,  
Secretary of State for Commonwealth  
Relations.

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

The Right Hon. Sir DAVID ECCLES,  
M.P., President of the Board of Trade.

The Right Hon. HENRY BROOKE, M.P.,  
Minister of Housing and Local Gov-  
ernment and Minister for Welsh  
Affairs.

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

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

The Right Hon. VISCOUNT KILMUIR,  
Lord Chancellor.

The Right Hon. D. HEATHCOAT AMORY,  
M.P., Chancellor of the Exchequer.

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

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

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

The Right Hon. LORD MILLS, Minister  
of Power.

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

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

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

The following were also present:

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

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

Secretariat:

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

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Germany.  
Foreign  
Ministers'  
Meeting.  
(Previous  
Reference:  
C.C. (59) 37th  
Conclusions,  
Minute 1.)

\*1. The Cabinet were informed of the consultations which were being held with the United States Administration on the line to be taken by the Western Powers when the Foreign Ministers resumed on 13th July their negotiations on the problem of Berlin. They had before them copies of telegrams which had passed between London and Washington (Foreign Office telegrams to Washington Nos. 2807, 2808, 2811 and 2881, and Washington telegrams Nos. 1465, 1474 and 1485).

*The Prime Minister* said that, in pursuance of the Cabinet's discussion on 23rd June, he and the Foreign Secretary had sought to set before the United States Administration the advantages of seeking an interim settlement of the Berlin question by which the existing position would be maintained for a further period. If the Foreign Ministers could provide the framework for such a settlement, they could reserve for decision at a meeting of Heads of Governments such questions as the duration of the moratorium, the level of Western troops to be retained in Berlin and the form of the proposed consultations between representatives of East and West Germany. The United States Government had promised to send us their considered views on these proposals later in the week. But their initial reaction had not been unfavourable. They evidently recognised that the tactical position of the Western Powers in respect of Berlin was weak, and they seemed to be prepared to consider the possibility of seeking an interim settlement on the basis of a moratorium. On the other hand, public opinion in the United States would not welcome any apparent concessions over Berlin and it would on that account be more difficult for them to follow a realistic policy.

*The Foreign Secretary* said that in France and Germany also there were circles in which a realistic approach to this problem would, if it were advocated by the United Kingdom Government, be represented as a policy of appeasement; and it was therefore preferable that any compromise proposals should be put forward by the United States Government.

The Cabinet—

Took note of these statements by the Prime Minister and the Foreign Secretary.

Parliament.

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

European  
Economic  
Community.

3. The Cabinet had before them a memorandum by the Foreign Secretary (C. (59) 106) proposing that formal diplomatic relations should be established between the United Kingdom and the European Economic Community (E.E.C.).

*The Minister of State for Foreign Affairs* said that, in view of the economic impact on this country of the trade and economic policies of the E.E.C., some formal relations between the United Kingdom and the Community were inevitable. In the present state of the negotiations for a European Trade Association this was a suitable time to establish those formal relations. The delegations of the other countries in the Stockholm group had supported this course and, with the exception of Denmark which already had formal relations with the Community, were recommending their Governments to follow it. An informal approach had been made to the Community and, if their response was satisfactory, he recommended that diplomatic relations should be formally established. In that event legislation would be required in due course to provide for appropriate privileges and immunities for the E.E.C. representatives in London.

\* Previously recorded in a Confidential Annex.

## The Cabinet—

Approved the proposal to establish formal diplomatic relations with the European Economic Community.

Civil  
Defence  
Evacuation  
Policy.

4. The Cabinet had before them a memorandum by the Home Secretary (C. (59) 107) on evacuation policy.

*The Home Secretary* said that Members of Parliament were showing a moderate amount of interest in the Government's evacuation plans, and it might be difficult for him to avoid making a public statement on any alteration of the existing plans. The scheme for the evacuation of 12 million people in the priority classes from the larger centres of population, which had been put to the local authorities in 1956, was no longer practicable. The reception areas in the eastern half of England could no longer be used because of the airfields and missile sites which would be primary targets of attack. There were, however, difficulties in planning for a more limited scheme of evacuation. There would undoubtedly be complaint from areas which had been heavily attacked in the last war but would not be included in a new scheme. Moreover, if missile sites were established in the west of the country, any scheme based on reception areas there would have to be abandoned in a few years' time. On the other hand, a planned evacuation scheme might well save many lives in an emergency. Moreover, an admission that the Government were abandoning planned evacuation would call into question the value of all civil defence arrangements, would undermine the credibility of the deterrent, and would weaken our position in the North Atlantic Treaty Organisation. On balance, the best course might be to ask the local authority associations to discuss a modified scheme for the evacuation of about 6½ million people in the priority classes from certain large centres of population to reception areas mainly in the west country. These discussions would not take place until the autumn, and details of the modified plan would not be disclosed before then. But he would be glad to have authority to make a general statement in Parliament, on the lines of the draft in Annex B to C. (59) 107, if that became necessary. He also suggested that an interim evacuation plan might be prepared, in secret and without consultation with the local authority associations, for use if an emergency arose before the modified plan had been worked out in detail.

In discussion it was argued that the modified scheme for the evacuation of about 6½ million people would not in the event be any more practicable than the existing scheme. It was doubtful whether a Government would be able to start such an evacuation scheme in time for it to be effective; and, if it were started, it was likely to encourage a general unorganised evacuation of the cities. The Government's objective should rather be to educate people to understand that their best course in an emergency would be to seek the best protection they could get in the place where they lived. This, however, would take time, and meanwhile it might be desirable, even if only to maintain public morale, to prepare a modified scheme of evacuation. But the preparation of a modified plan ought to take into account the realities of the situation—that as many people as possible would try to leave the large centres of population, with inevitable chaos to the transport system.

*The Prime Minister* said that the Government should try to avoid making any statement on evacuation policy in the near future. If a statement had to be made it should be in very general terms, and should say only that the Government proposed to review the question in consultation with the local authority associations later in the year. It might well be that the Government's long-term aim should be to try to bring the public to realise that the best course in an emergency was for as many people as possible to stay in the area where they lived. But it would be premature to begin this process at the present time. The Cabinet would need to consider again in due course how

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the existing evacuation scheme could best be modified, having regard to what was likely to happen in reality in an emergency.

The Cabinet—

- (1) Agreed that a statement on evacuation policy should be avoided for as long as possible.
- (2) Took note that, if a statement had to be made, the Home Secretary would submit for the Prime Minister's approval a revised version of the draft annexed to C. (59) 107.
- (3) Agreed to resume their consideration of evacuation policy on a later occasion.

Industrial  
Disputes.  
Printing.  
(Previous  
Reference:  
C.C. (59) 37th  
Conclusions,  
Minute 5.)

5. *The Minister of Labour* informed the Cabinet that one of the leaders of the trade unions concerned in the printing dispute had now threatened to withdraw labour employed by the Stationery Office. There was no issue in dispute with the Stationery Office, and this threat was probably an attempt to force the Government to intervene in the main dispute in the industry. If, however, the Stationery Office now sought to transfer to their own printing establishments work normally carried out by contractors or made temporary arrangements for using duplicating in place of printing, there might be hostile reactions from the unions. While the withdrawal of printing and warehouse labour from the Stationery Office would not immediately threaten the essential machinery of government, it could lead to a difficult position within a relatively short time.

Meanwhile the effect of the main dispute on the production of printing ink was becoming rapidly more serious and might prevent the printing of the national newspapers before the end of the week. The Minister had therefore sent an informal invitation to the unions and the employers concerned with this part of the dispute to meet his Chief Industrial Commissioner, with a view to negotiating a continuance of work until the main dispute had been settled. The employers had accepted his invitation but the unions had declined it. It would be inexpedient for him to meet the employers alone. He had, however, renewed his invitation on a more formal basis; and, if the unions maintained their refusal, he proposed to safeguard the Government's position by a public statement of the facts.

*The Home Secretary* said that the Ministerial Committee on Emergencies were keeping the situation under review. In view of certain recent incidents it might be desirable at some stage to make a statement on the law relating to peaceful picketing and the duty of the police to enforce it, but the Committee did not consider that the time for this had yet come.

The Cabinet—

- (1) Took note, with approval, of these statements by the Home Secretary and the Minister of Labour.
- (2) Invited the Home Secretary and the Minister of Labour to keep them informed of developments in the dispute in the printing industry.

Education.  
Teachers'  
Salaries.  
(Previous  
Reference:  
C.C. (59) 36th  
Conclusions,  
Minute 3.)

6. The Cabinet had before them a memorandum by the Minister of Education (C. (59) 104) on teachers' salaries.

*The Minister of Education* suggested that the provisional agreement of the Burnham Committee that the proposed new basic salary scale of £520-£1,000 should operate for not less than 2½ years from October 1959, went a considerable way to meet the objection that a minimum above £510 would have an inflationary effect and constituted a new factor in the situation which would justify the

Government in reversing their earlier decision not to approve a scale with a minimum above that figure. The Local Authorities Panel of the Committee had, since the war, shown a reasonable willingness to resist demands for pay increases during the currency of earlier settlements intended to last for three years. In the circumstances the Minister proposed that, when the Burnham Committee submitted their formal recommendation to him, he should notify his approval in the terms of the draft letter annexed to his memorandum, laying especial emphasis on the period for which it was to operate.

In discussion it was pointed out that the 2½-year period of the proposed settlement was in fact less than the period normally adopted for Burnham awards and therefore did little to mitigate the inflationary character of the proposal. Nevertheless, while the reversal of the Government's earlier decision might be considered a sign of weakness, the objection to a prolonged controversy with the teaching profession and their employers was such that it would be preferable to regard the period of operation—which had been proposed spontaneously by the Committee themselves and not, as on the previous occasion, adopted by the Minister as the basis on which he would approve the award—as a new factor justifying the Government in withdrawing their objection to a minimum of £520. On balance, therefore, it was agreed that a basic scale of £520-£1,000 should be approved if it was formally recommended by the Committee. While the precise terms of the letter of approval should not be settled until the recommendation was received, the Minister might note that the Committee had met his concern that their proposals should not be inflationary in their effect by recommending that the new scale should remain in force for at least 2½ years from October 1959 and say that on that basis he would not press his objection to the proposed minimum.

The Cabinet—

- (1) Agreed that a new basic salary scale for teachers of £520-£1,000, to remain in force for not less than 2½ years from October 1959, should be approved if it were formally recommended by the Burnham Committee.
- (2) Invited the Minister of Education, in consultation with the Chancellor of the Exchequer, to give further consideration to the terms in which his approval should be given.

Commercial  
Policy.  
(Previous  
Reference:  
C.C. (59) 30th  
Conclusions,  
Minute 6.)  
Butter.

7. *The Chancellor of the Exchequer* informed the Cabinet that the Economic Policy Committee had approved a proposal to increase the quota for Polish butter by 5,000 tons and that for Hungarian and Bulgarian butter by 1,000 tons. Even with these increases butter supplies this year were likely to be about 20,000 tons lower than last year, but these increases would help to moderate the rise in butter prices. Since this was a once-for-all measure and without prejudice to the level of the normal quotas from these countries, and since additional supplies of Danish butter were not available, the negotiations for a European Trade Association would not be affected. Nor would there be any ground for complaint from New Zealand, since her butter exports were commanding a higher price than at any time since September 1956. There might, however, be objections from Canada, and it might be necessary to consider in due course some relaxation of the restrictions on the import of Canadian butter.

The Cabinet—

Approved the proposal to increase the quotas for the import of butter from Poland, Hungary and Bulgaria.

Cabinet Office, S.W. 1,  
30th June, 1959.

E.R.