CABINET

CONCLUSIONS of a Meeting of the Cabinet held in the Prime Minister's Room, House of Commons, S.W. 1, on Friday, 25th November, 1960, at 10:30 am.

Present:

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

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

The Right Hon. THE EARL OF HOME, Secretary of State for Foreign Affairs

The Right Hon. JOHN MACLAY, M.P., Secretary of State for Scotland

The Right Hon. HAROLD WATKINSON, M.P., Minister of Defence

The Right Hon. PETER THORNEycroft, M.P., Minister of Aviation

The Right Hon. REGINALD MAULDING, M.P., President of the Board of Trade

The Right Hon. EDWARD HEATH, M.P., Lord Privy Seal

The Right Hon. CHRISTOPHER SOAMES, M.P., Minister of Agriculture, Fisheries and Food

The following were also present:

The Right Hon. C. J. M. ALPORT, M.P., Minister of State, Commonwealth Relations Office (item 8)

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

The Right Hon. SIR REGINALD MANNINGHAM-BULLER, Q.C., M.P., Attorney-General (items 1-4)

The Right Hon. SIR EDWARD BOYLE, M.P., Financial Secretary, Treasury

SECRETARY:

The Right Hon. SIR NORMAN BROOK

Mr. F. A. BISHOP

Mr. M. REED
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The Foreign Secretary said that the situation in the Congo continued to be tense and there might be further clashes between Congolese soldiers under Colonel Mobutu and the United Nations Forces. President Kasavubu’s nominees had now been recognised as representing the Congo in the General Assembly, and there was some hope that it might be possible for the President to convene a constitutional conference in the near future to consider the relationship of the central government with the provincial administration, including that of Katanga.

The Cabinet—

Took note of this statement by the Foreign Secretary.

The Foreign Secretary said that the Prime Minister and he had had useful conversations with Italian Ministers in Rome. The Italian Government appeared to be sympathetic to our desire to achieve a settlement between the European Economic Community and the European Free Trade Area and, if we could find a way of meeting their special agricultural problems, we might be able to count on some degree of Italian assistance in any future negotiations.

The Cabinet—

Took note of this statement by the Foreign Secretary.

The Foreign Secretary said that it was likely that in the near future the United Kingdom representative would have to vote in a debate in the General Assembly on a resolution against colonialism sponsored by the Afro-Asian countries. In its present form this resolution was wholly unacceptable—especially as it called for the immediate grant of independence to all dependent territories. Some of our friends were suggesting that we should support amendments which would make it less objectionable. But it seemed most unlikely that the sponsors would accept sufficient amendment to make it possible for us to vote for the resolution and, if so, it would be better to avoid participating in attempts to improve its terms. He proposed to keep in close touch with the Colonial Secretary about the way in which the United Kingdom representative should be instructed to deal with this matter in the General Assembly.

The Cabinet—

Took note of this statement by the Foreign Secretary.

The Home Secretary said that a petition was shortly to be presented to the House of Commons on behalf of Mr. Anthony Wedgwood Benn, arguing that it was legally possible for him to renounce the peerage to which he had recently succeeded and that under the House of Commons Disqualification Act, 1957, he was entitled to remain a Member of that House. Since, under Standing
Orders, the petition could be made the subject of a debate which might be expected to concentrate less on the effect of the present law than on the desirability of amending it; it would be preferable that the petition should be referred at once to the House of Commons Committee of Privileges. The Attorney-General would then present the Committee with a memorandum in which the arguments in the petition could be refuted and the legal position explained. If this were done, it would be necessary to secure that the Committee did not address themselves to the question whether Mr. Wedgwood Benn was a peer, and that they should report that this was a question for the House of Lords. Nor should the reference to the Committee leave it open to them to consider whether or how the present law should be amended.

The Cabinet—

Agreed that steps should be taken to refer to the House of Commons Committee of Privileges the petition to be presented on behalf of Mr. Anthony Wedgwood Benn.

5. The Cabinet had before them a memorandum by the Chancellor of the Exchequer and the Secretary of State for Scotland (C. (60) 171) on the general grant for the second grant period (1961-63) in Scotland.

The Secretary of State for Scotland said that the figures agreed with the Chancellor of the Exchequer showed an increase in the estimated expenditure on services covered by the general grant of 4.8 per cent over the current year in 1961-62 and 8.3 per cent in 1962-63. The general grant would in consequence amount to £57 millions and £59 millions in the two years. Later discussions with the Scottish local authorities might make it necessary to increase these figures, possibly, by as much as £1 million, but every effort would be made to keep any increase to the minimum.

The Cabinet—

Took note of C. (60) 171 and the statement by the Secretary of State for Scotland.

6. The Cabinet had before them a memorandum by the Lord Privy Seal (C. (60) 169) about a further distribution of compensation from the funds available under the Anglo-Egyptian Financial Agreement of March 1959.

The Lord Privy Seal said that the claims in respect of property which the United Arab Republic had taken over permanently, almost all of which had now been presented to the Foreign Compensation Commission, amounted to £266 millions. This figure might turn out to be substantially less when the claims were assessed by the Commission. Claims for injury or damage to property which had been sequestrated had only recently begun to be presented; so far, these amounted to less than £1 million, and it was unlikely that their total would be more than £30 millions. The funds available for compensation consisted of £273 millions paid by the United Arab Republic under the Agreement of March 1959 together with net interest on this amount of about £1 million, and £1 million in respect of loans already received by the claimants which would be deducted from the payments to be made to them. Only £13 millions out of the compensation paid by the United Arab Republic had so far been distributed to claimants, and it was desirable to make a further interim distribution of compensation.
Under the first interim distribution the smaller claims had been met in a considerably higher proportion than the larger claims. It was therefore now proposed to increase the distribution broadly in favour of the larger claims, so that the overall sum would be more evenly distributed. The scale proposed would not allow for any additional payment in the case of claims under £10,000. It was estimated that a distribution on this basis would mean a total payment from the compensation fund of not more than £23 millions; and if the claims were decreased by the assessments of the Commission the total would be reduced proportionately. The amount remaining for a final distribution would in any case be comparatively small.

In discussion it was suggested that it might be desirable to increase the distribution for smaller claims, on the ground that it was in these cases that hardship was most likely to arise. It was, however, pointed out that if the smaller claims were now to be satisfied in full, this might imply that all claims would be satisfied in full when a final distribution came to be made. While it was recognised that some payment from the Exchequer might have to be made, to supplement the comparatively small amount of compensation which would remain after the second interim distribution, it would be undesirable at this stage to prejudge the amount of such a contribution. Moreover, many of those who had presented the smaller claims had already been assisted by ex gratia loans. In many cases this, with the first interim payment, was equivalent to the full satisfaction of the claims. It would relieve anxiety in these cases if the claimants were informed now that the loans would not have to be repaid; but, on balance, it would be undesirable to give this assurance now, since this also might imply that all claims would eventually be settled in full. Instead, it would be preferable to leave it to the Egyptian (Loans) Advisory Board to deal with cases of hardship by administrative means.

The Cabinet—
Approved the proposals in C. (60) 169.
we would be prepared to discuss various aspects of the Study Group's report when the French were ready, and we should try to discover what timetable they had in mind with a view to arranging joint discussions. In order to satisfy public interest, and to prevent undue optimism about the project, we should try to get the French to agree that both Governments should say that the Study Group's proposals raised a number of difficult problems, concerning both countries, which needed consideration.

Discussion showed that it was the general view of the Cabinet that it would be preferable to avoid stressing the fact that the Study Group's proposals raised a number of difficult problems. This might be taken by the French to be a sufficient indication of our attitude to the project to allow them to put the onus of rejecting it on the United Kingdom.

The Cabinet—

Approved the recommendations in C. (60) 172, with the exception that, in informing the Study Group, the Channel Tunnel Parliamentary Group and the Press, reference should not be made to the fact that the proposals raised difficult problems.

8. The Cabinet had before them a memorandum by the Home Secretary (C. (60) 165) about coloured immigration from the Commonwealth.

The Home Secretary said that there had recently been a startling increase in the rate of immigration from the West Indies. During the first 10 months of the year 43,500 West Indians had arrived in this country, compared with 16,400 in the whole of 1959 and 29,800 in 1956. While there had for some time been no serious incidents, social tensions continued to exist and were a potential source of serious disturbance. He proposed, therefore, that the Cabinet Committee which had been appointed to consider the problems caused by coloured immigration should be reconstituted to keep the situation under review.

The Cabinet agreed that the present situation was disquieting and should be kept under review. The coloured immigrants tended to congregate in a relatively few areas, with consequent pressure on local housing and employment. It was no longer possible to expect that administrative action in their countries of origin could stem this high rate of immigration. Although it would represent a breach with tradition, it might become necessary to introduce legislation to control immigration from the Commonwealth and to empower the Secretary of State to deport Commonwealth citizens. While the legislation would need to apply to the Commonwealth as a whole and to the Republic of Ireland, it would be unnecessary to enforce it against more than a few countries. It must, however, be recognised that any such legislation, especially if it were administered in a discriminatory way, would have damaging effects on the Commonwealth.

The Cabinet—

Took note that the Prime Minister would appoint a Committee under the chairmanship of the Lord Chancellor, to consider and keep under review the problems caused by the uncontrolled entry into the United Kingdom of British subjects from overseas.
9. The Cabinet had before them a memorandum by the Home Secretary (C. (60) 173) about the future of Covent Garden Market.

The Minister of Agriculture said that, following the Cabinet's discussion on 17th November, further consideration had been given to the feasibility of the proposal that the Covent Garden market should be rebuilt over the railway sidings at King's Cross and to the possibility of so amending the Bill now before the House of Commons as to empower the new statutory Market Authority to rebuild the market either on its present site or at King's Cross. The Ministers primarily concerned had reached the conclusion that the right course was to proceed with the Bill in its present form. Being a hybrid Bill it could not be amended in such a way as to widen its scope. It would therefore not be possible to enable the Market Authority to choose between the two sites without withdrawing the Bill and reintroducing it in a later Session. The merits of the King's Cross plan were, in any case, far from certain and could not be determined without discussions with the wide range of interests concerned, which might take some years to complete. Meanwhile the Government could not afford further delay in dealing with the urgent problems of traffic congestion and fire risk arising from the market in its present site. The plan to reorganise and rebuild it in the Covent Garden area, which had secured a wide measure of agreement, offered the only possibility of an early solution.

The Cabinet—

Approved the proposal in C. (60) 173 that the Government should proceed with the Covent Garden Market Bill in its present form.