CONCLUSIONS of a Meeting of the Cabinet held at Admiralty House, S.W. 1, on Tuesday, 19th September, 1961, 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
The Right Hon. VISCOUNT HAILSHAM, Q.C., Lord President of the Council and Minister for Science
The Right Hon. DUNCAN SANDYS, M.P., Secretary of State for Commonwealth Relations
The Right Hon. HAROLD WATKINSON, M.P., Minister of Defence
The Right Hon. LORD MILLS, Paymaster General
The Right Hon. EDWARD HEATH, M.P., Lord Privy Seal (Items 1-4)
The Right Hon. ERNEST MARPLES, M.P., Minister of Transport
The Right Hon. VISCOUNT KILMUIR, Lord Chancellor
The Right Hon. JOHN MACLAY, M.P., Secretary of State for Scotland
The Right Hon. IAIN MACLEOD, M.P., Secretary of State for the Colonies
The Right Hon. PETER THORNEycROFT, M.P., Minister of Aviation
The Right Hon. REGINALD MAULDING, M.P., President of the Board of Trade
Dr. The Right Hon. CHARLES HILL, M.P., Chancellor of the Duchy of Lancaster
The Right Hon. CHRISTOPHER SOAMES, M.P., Minister of Agriculture, Fisheries and Food

The following were also present:
The Right Hon. LORD CARRINGTON, First Lord of the Admiralty (Item 5)
The Right Hon. JULIAN AMERY, M.P., Secretary of State for Air (Item 5)
The Right Hon. REGINALD BEVINS, M.P., Postmaster-General (Item 5)
Mr. EDWARD BOYLE, M.P., Financial Secretary, Treasury (Items 1-4)
Mr. ERNEST MARPLES, M.P., Secretary, Treasury (Items 5 and 6)
Mr. JOHN PROFUMO, M.P., Secretary of State for War (Item 5)
The Right Hon. RICHARD WOOD, M.P., Minister of Power (Items 5 and 6)
The Right Hon. MARTIN REDMAYNE, M.P., Parliamentary Secretary, Treasury
Mr. ALAN GREEN, M.P., Parliamentary Secretary, Ministry of Labour (Items 5 and 6)

Secretariat:
Mr. F. A. BISHOP
Mr. J. H. WADDELL
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The Lord Privy Seal said that the Joint Parliamentary Under-Secretary of State for Foreign Affairs, Lord Lansdowne, had had discussions with the Prime Minister and other representatives of the Central Congo Government and with the United Nations representatives there, but it had not been possible fully to ascertain the origin of the military action taken by United Nations forces against the administration in Katanga. The local representatives of the United Nations had been given a considerable measure of discretion by the late Secretary-General, Mr. Hammarskjöld, and it seemed clear that some of them, notably Dr. O’Brien, had exceeded their authority in implementing the instructions of the Central Congo Government and in using military force unnecessarily. They had certainly misjudged the reaction of the Katangan Government.

Mr. Hammarskjöld had realised the urgent need to bring hostilities to an end and had taken the initiative in seeking a meeting with the Prime Minister of the provincial government of Katanga, Mr. Tshombe; it had been arranged, with the help of Lord Lansdowne and the Government of the Federation of Rhodesia and Nyasaland, that such a meeting should be held at Ndola.

The United Nations aircraft in which Mr. Hammarskjöld had been killed had taken a circuitous route from Leopoldville, but had been in contact with Salisbury and Ndola airfields and was apparently about to land when it met with an accident. There was so far no evidence of sabotage or interference by other aircraft. It was hoped that the investigation of the accident which had already begun would be broadened to include British, Swedish and United Nations representatives, so that it would have the authority of a high-level enquiry with international representation.

The situation in Katanga was still confused; the United Nations Irish contingent had surrendered at Jadotville, but fighting was still continuing in Kamina and sporadically in Elizabethville. We had urged Mr. Tshombe to do everything possible to enforce a cease-fire, and to bring to an end the operations of the fighter aircraft, thought to have been piloted by Rhodesian and Belgian pilots, which had been indulging in uncontrolled action against the United Nations representatives and forces. The practical nature of the operations of these aircraft had made it expedient for us to agree to allow a limited number of Ethiopian trainer fighter aircraft, together with their accompanying transport aircraft, to overfly Kenya and to refuel in Uganda, on the strict understanding, to which Mr. Hammarskjöld had agreed in writing, that they would be used only to neutralise the fighter aircraft purporting to operate on behalf of the Katangan forces. In fact, the Ethiopian aircraft had not yet been despatched to the Congo, since the Ethiopian military authorities were not satisfied that the facilities for their journey and for their operations in the Congo were adequate.

In addition to the hostilities between Katangan forces and those of the United Nations, there was some danger of an uprising by Kasai tribesmen, and our representative at Elizabethville had authority to put evacuation plans into effect if necessary.

In these tragic circumstances our primary aim should be to continue our efforts to bring about a cessation of hostilities in Katanga. Mr. Tshombe had given Lord Lansdowne an undertaking to return to Ndola for a meeting with United Nations representatives provided that these did not include Dr. O’Brien. There was good reason to hope that the senior United Nations representative in the Congo, Dr. Linner, would agree to this, and it was understood that a United Nations delegation was already on its way to Ndola.

The Central Congo Government had withheld permission for Lord Lansdowne to visit Katanga, ostensibly on the ground that his safety could not be guaranteed. Since he had already met Mr. Tshombe at Ndola, there seemed no reason for Lord Lansdowne
to prolong his visit, and it was proposed that he should return direct
to this country.

Discussion showed that the Cabinet approved the efforts which
were being made to bring about a cessation of hostilities in Katanga,
and agreed that overflying and refuelling facilities should be made
available for the aircraft which the Ethiopian Government were
prepared to provide to the United Nations authorities in the Congo,
on condition that these were only used to neutralise the piratical
operations of the fighter aircraft purporting to operate on behalf of
the Katangan Government.

The Cabinet—
Took note of this statement by the Lord Privy Seal and of
the points raised in discussion.

2. The Lord Privy Seal referred to the death of
Mr. Hammarskjöld, the Secretary-General of the United Nations.
There was no provision in the Charter of the United Nations for the
replacement of the Secretary-General, otherwise than by appointment
by the General Assembly on the recommendation of the Security
Council. The Soviet Government, in view of their demand for the
substitution of a triumvirate, would almost certainly obstruct
the election of a new Secretary-General. In these circumstances the
United States Government, in order to provide for the continuing
administration of the Secretariat, proposed at the outset of the
meeting of the General Assembly that day to seek the election of the
new President, who was to be Mr. Slim, a Tunisian. Mr. Slim was
one of the most respected and experienced of the representatives of
the neutral nations. His election would be followed immediately by
the moving of a resolution calling on the new President to direct
and administer the Secretariat pending the election of a new
Secretary-General. This procedure might prove acceptable to the
Afro-Asian representatives, and it would be difficult for the Soviet
Government to oppose it. It was possible that Mr. Slim might in
due course become the permanent Secretary-General, and there was
a risk that he might be succeeded by some less suitable neutral. But
it was in our general interest that the United Nations should continue
to be an effective international authority, and the Foreign Secretary
recommended that we should support the United States plan.

Discussion showed that the Cabinet were in favour of the
procedure proposed by the United States Government.

In further discussion it was explained that no immediate question
arose about a further United Kingdom contribution towards financing
the United Nations operations in the Congo; in addition to the
subscription of £3 millions for which Parliamentary authority had
been obtained, we had undertaken to provide a further £2 millions
but only if other countries contributed in proportion. The question
of enforcing contributions for sustaining the peace-keeping machinery
of the United Nations would probably be considered by the General
Assembly, and there might be some support for seeking the opinion
of the International Court of Justice on the question whether
Governments were legally obliged to pay their assessed share of
peace-keeping costs and therefore liable to be deprived of their voting
rights in the General Assembly if they continued to default.

The Cabinet—
Invited the Lord Privy Seal to inform the United States
authorities that the United Kingdom would support their
proposals to provide for the continued administration of the
United Nations Secretariat.
3. The Lord Privy Seal said that the meeting of Western Foreign Ministers in Washington had not resulted in any proposals for a solution of the Berlin problem or in any definite arrangements for negotiations. The French Foreign Minister had refused to accept any commitment that formal negotiations should take place with the Soviet Government, though he was prepared to consider whether there should be negotiations in the light of any information which might be obtained by the United States Secretary of State in the course of soundings which he proposed now to make of the Soviet Foreign Minister. It had accordingly been agreed that the United States Secretary of State should discuss with the Soviet Foreign Minister not only the possibility of negotiations but also the substance of the problem of Berlin.

In view of the result of the Federal German elections it was likely that Dr. Adenauer would either try to continue in power with a minority Government, or that his supporters would form a coalition with the Free Democratic Party. In either case it was to be feared that the German authorities would be preoccupied with internal difficulties; this would make the task of formulating an agreed Western policy on Berlin even more difficult and it might also affect adversely or delay the negotiations which we were to hold with the European Economic Community.

In discussion the following points were made:

(a) It was suggested that the reluctance of the French Government to contemplate negotiations with the Soviet Government about Berlin could be explained partly by their desire to do everything possible to retain Federal Germany within the Western Alliance, and partly from a conviction that the Soviet Government would to some extent be deterred from aggressive policies by a display of resolution on the part of the West. But, in addition, it was probable that the French Government realised that negotiations would inevitably entail some concessions to the Soviet and East German Governments; and they preferred that the criticisms that such concessions would arouse should be directed primarily towards the United States and United Kingdom Governments.

(b) The role of the Free Democratic Party would be of considerable importance in the coming months, not only in German internal affairs, but in connexion with the policies of the Western Alliance.

(c) With the steady reinforcement of the military resources on both sides, the danger that hostilities might break out by accident was bound to be increased. The policy favoured by the French Government therefore entailed a very dangerous risk.

The Cabinet—

(1) Took note of the statement of the Lord Privy Seal and of the points raised in discussion.

(2) Invited the Lord Privy Seal to circulate a memorandum for the information of the Cabinet about the political situation in Federal Germany following the elections there, with particular reference to the role of the Free Democratic Party.

4. The Lord Privy Seal said that the Ruler of Kuwait had asked that, with the arrival of an Arab League force which he regarded as adequate, British forces should begin to move out of Kuwait. Arrangements had accordingly been made for the departure of a token detachment, and the Commander-in-Chief, Middle East, had authority to withdraw other forces from forward positions in Kuwait to their base camp there. The departure of further detachments would depend on the progress of consultations with the Kuwait:
military authorities and, through them, the Arab League force commanders.

The Ruler of Kuwait attached considerable importance to accepting an Ambassador from Saudi Arabia as the first diplomatic representative in Kuwait. Although it would have been preferable for the British Ambassador to be appointed first, the Foreign Secretary had decided that, in view of the overriding need to retain the confidence of the Ruler, it would be advisable to accede to his wish.

The Cabinet—
Took note of this statement by the Lord Privy Seal.

5. The Cabinet had before them a note by the Deputy Secretary of the Cabinet (C. (61) 135) to which was annexed a minute from the Chancellor of the Exchequer to the Prime Minister on the agreement which governed the pay (known as the M rate) of a group of about 100,000 industrial civil servants.

The Prime Minister said that the M rate agreement, which had been reached between the official and trade union sides in 1959, required the basic rates negotiated in 34 specified industries to be averaged and to be used as the basis for determining, at six-monthly intervals, the pay of the industrial civil servants covered by it. The agreement, which was in writing, ran for five years with no break clause. Its effect was that, according to the movement of rates in the specified industries, an increase of about 3s. a week, costing £1 million a year, would be payable on the next review due in October. The question was whether this agreement should be repudiated in pursuance of the policy of securing a "pause" in wage increases.

When the question had been considered by the Wages Committee some Ministers had taken the view that the Government ought not to break a formal written agreement in a way which might render a private employer in the same position liable to court action. The Chancellor of the Exchequer had said publicly that commitments entered into would be met and the M rate agreement must be regarded as one of the commitments covered by his statement. Repudiation of the agreement would be a damaging step in the eyes of the public and would prejudice the chance of persuading the unions again to enter into long-term agreements. Other Ministers had argued that, as the Government had already found it necessary to breach wage agreements (and in particular to ignore the Fair Wages Resolution), it would be unreasonable and impolitic to concede an increase in the M rate, which would be widely regarded as a sign of weakness and would make the "pause" ineffective. The Government would find it difficult, if not impossible, to resist claims from other civil servants whose wages, though not regulated by written agreement, had hitherto followed wage movements in the private sector.

Discussion showed that opinion in the Cabinet was evenly balanced. On the one hand, it was said that too much emphasis should not be laid on the fact that the agreement was formal and in writing. This was due to the need to define precisely which outside industries were to be considered comparable. An agreement on paper should not be considered to be more binding than other agreements not on paper which had already had to be repudiated. To insist on observing the M rate agreement would have a disturbing effect upon other comparable groups of employees whose wage agreements had conspicuously been breached.
On the other hand, it was suggested that it would be discreditable to repudiate an agreement which public opinion would regard as binding upon the Government. When an agreement had once been concluded in writing, the circumstances in which it was made were not relevant to a decision about its implementation.

In further discussion it was suggested that the union representatives of the staffs concerned would be surprised if in current circumstances the Government decided to implement the agreement. Against this it was argued that this consideration did not provide an adequate guide to the action the Government ought now to take. It was also suggested that there might be room for a compromise which would give effect to the agreement up to the time of the Chancellor's statement but would withhold any increase related to increases in industrial pay thereafter. It was pointed out, however, that a compromise course would be no less a breach of the agreement and that there would in any event be practical difficulties about the selection of any date other than the six-monthly occasions provided for by the agreement.

Summing up, the Prime Minister said that the implementation of this agreement was likely to have embarrassing repercussions in a number of sectors of Government employment. Opinion was divided as to the effect which implementation of the agreement might have on the "pause" in wage increases which the Government were seeking to secure. Special importance must clearly be attached to the view which the Chancellor of the Exchequer had himself been inclined to take, that the obligation upon the Government to implement this agreement was binding. He proposed to discuss the matter further with the Chancellor of the Exchequer, as soon as possible after his return to this country, in the light of the views which had been expressed by the Cabinet, with a view to deciding which course would be most consistent with the policy which the Government had announced.

The Cabinet—

Took note that the Prime Minister would decide, in consultation with the Chancellor of the Exchequer as soon as possible after his return to this country, whether the Government should implement the M rate pay agreement of industrial civil servants.

6. The Cabinet had before them a memorandum by the Prime Minister (C. (61) 136) covering a revised draft of a letter from the Chancellor of the Exchequer to the two sides of industry.

The Prime Minister said that he had thought that, in order to enlist the co-operation of industry in a new approach to the problems of economic planning, the letter should show plainly that the proposed new Council under the chairmanship of the Chancellor of the Exchequer would be supported by an effective planning staff which would have some measure of independence and authority.

In discussion there was general agreement that the Government must proceed with its proposal to enlist the co-operation of both sides of industry in a new form of planning organisation, but considerable doubt was expressed about the standing and functions both of the proposed National Economic Development Council and of the planning office to be attached to it. It was suggested that the proposals appeared on the one hand to disregard the significant amount of planning which was already done within the Government machine and by contact between Departments and the principal industries, and on the other to over-estimate the extent to which...
particular industrialists could be persuaded to disclose and discuss their plans. Apart from the doubt whether useful results could be obtained from the kind of organisation contemplated, there appeared to be a real difficulty in determining the relations between the organisation and the Government itself. If, as the letter suggested, the Chancellor of the Exchequer was to be the chairman of the Council and at least two other Ministers were to be members, the Government would hardly be able to dissociate itself from the conclusions reached by the Council or to reject any advice it might tender. Ultimate responsibility, however, must lie and be seen to lie with the Government.

In further discussion the following points were raised:
(a) The risk of confusion about responsibilities would be reduced if the main function of the organisation were consultative rather than advisory.
(b) A case could be made for associating the Research Councils under the aegis of the Minister for Science with the central structure of planning: it might be possible to broaden the function of the organisation so that it could comprise technical and technological as well as economic matters.
(c) It might be preferable and more practicable to strengthen the National Production Advisory Council for Industry, whose functions were less directly related to economic planning, and to provide it with a small staff of its own.

The Cabinet—

Took note that the Prime Minister would arrange for a meeting of Ministers at which discussion of the proposed letter to both sides of industry about economic planning would be resumed.

Parliament

7. The Home Secretary said that the requests had been received from a small number of the Government's own supporters as well as from certain Opposition quarters that Parliament should be recalled in order to discuss the Congo and Berlin. In consultation with the Chief Whip he had declined these requests.

The Cabinet—

Took note with approval of this statement by the Home Secretary.

8. The Home Secretary said that the action taken by the police on the occasion of the demonstration against nuclear armaments on Sunday, 17th September, had effectively prevented the organisers from carrying out their intention of marching down Whitehall to Parliament Square. In spite of the scale of the police action which had been taken it was understood that no one had suffered injury. He would consult the Metropolitan Commissioner of Police if the organisers showed sign of staging a further demonstration. As at present advised, he would prefer not to have to give consent to a further order under the Public Order Act, 1936, if that course could be avoided.

The Cabinet—

Took note of this statement by the Home Secretary.