CABINET

CONCLUSIONS of a Meeting of the Cabinet held at Admiralty House, S.W. 1, on Thursday, 28th 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. Selwyn Lloyd, Q.C., M.P., Chancellor of the Exchequer
The Right Hon. Duncan Sandys, M.P., Secretary of State for Commonwealth Relations
The Right Hon. Henry Brooke, M.P., Minister of Housing and Local Government and Minister for Welsh Affairs
The Right Hon. Peter Thorneycroft, M.P., Minister of Aviation
The Right Hon. John Hare, M.P., Minister of Labour

The Right Hon. Viscount Kilwin, Lord Chancellor (Items 1-7)
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. Sir David Eccles, M.P., Minister of Education
The Right Hon. Lord Mills, Paymaster-General
The Right Hon. Edward Heath, M.P., Lord Privy Seal

also present:
The Right Hon. Martin Redmayne, M.P., Parliamentary Secretary, Treasury

Secretariat
Mr. F. A. Bishop
Mr. J. H. Waddell
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1. The Lord Privy Seal said that a revolt of elements of the Syrian Army, which had been subject to Soviet subversion in the period before the union with Egypt, had apparently achieved a considerable measure of initial success. Egyptian forces had been ordered to intervene and the eventual outcome was uncertain. There was no reason to suppose that the revolt had been instigated by neighbouring Governments, and it was unlikely that these would intervene.

Our aim, in concert with the United States Government, should be to encourage restraint on the part of neighbouring Governments, and our public attitude should be that we were anxious about any development that endangered the peace and stability of the Middle East.

2. The Lord Privy Seal said that the Prime Minister of the Central Congo Government, Mr. Adoula, was under increasing pressure to invade Katanga, but his advisers were doubtful of their ability to subdue Katanga by military means. There was a considerable danger in any case that the Central Congo Government would come increasingly under the influence of Mr. Gizenga, the Deputy Prime Minister, and it was therefore important to encourage Mr. Tshombe, the Prime Minister of the provincial Government of Katanga, to enter into negotiations with Mr. Adoula. The Prime Minister of the Federation of Rhodesia and Nyasaland, Sir Roy Welensky, and also the United States and French authorities, were co-operating to this end. Mr. Tshombe had undertaken to dispose of his remaining European military advisers, and he had also offered to meet Mr. Adoula on neutral territory. The main difficulty in the way of negotiations was that, while Mr. Adoula did not necessarily reject an eventual settlement on federal lines, he maintained that constitutional discussions could only take place on the basis that Katanga was a provincial Government.

3. The Cabinet were informed that the discussions between the United States Secretary of State, Mr. Rusk, and the Soviet Foreign Minister, Mr. Gromyko, had not so far revealed any basis on which negotiations could be arranged, but they were to have a further meeting on 30th September. The Foreign Secretary, who had throughout been in very close touch with Mr. Rusk, would shortly return to this country.

In discussion it was suggested that there might be advantage in seeking to expand the scope of any negotiations beyond the narrow question of Allied access to Berlin. While the Soviet Government were now prepared to guarantee access to Berlin for the Western Powers, this was only on the understanding that the Western Powers would have to negotiate an arrangement with the East German Government that Berlin should be a free, demilitarised city, garrisoned only by token contingents of Allied troops on a temporary basis and accompanied by an equivalent contingent of Soviet troops. Such a negotiation would involve delicate problems such as the recognition of the East German regime and the frontiers of the East German State, notably the Oder-Neisse line. It would also have to cover the problem of the continued freedom and viability of West Berlin.

The Cabinet:
Took note of these statements.
The Cabinet had before them a memorandum by the Colonial Secretary (C. (61) 142) on the implications of the referendum in Jamaica which had resulted in a decision that the territory should withdraw from the West Indies Federation.

The Colonial Secretary said that there could be no question of repudiating this decision which, although reached on a narrow majority of a low poll, was accepted both by the Prime Minister, Mr. Manley, and by the Opposition Parties in Jamaica. Given the precedents of Cyprus and Sierra Leone, and having regard to the size of the population, economic viability and relative stability of the territory, a request from Jamaica for full independence within the Commonwealth could not reasonably be resisted. He proposed, therefore, that in the discussions he would have with the Prime Minister of Jamaica in the following week he should indicate that the United Kingdom Government were willing in principle to agree that, after the necessary preparations had been made, Jamaica should become independent and would sponsor her application for membership of the Commonwealth. As some time would be required to resolve a number of legislative and administrative problems created by the withdrawal of Jamaica from the Federation, it would be possible to avoid a firm date for independence at this stage, but this would probably take place in the latter half of 1963.

The implications of the decision for the other islands in the Federation could not yet be clearly seen. He was discussing this problem with Sir Grantley Adams, the Federal Prime Minister, and hoped shortly to have the views of Dr. Williams, the Prime Minister of Trinidad and Tobago. Subject to these consultations, it might be possible to establish an Eastern Caribbean Federation which might include British Guiana. A conference with representatives of the smaller islands might be desirable when opinion had had time to crystallise.

In discussion the following points were raised:

(a) It would be important to maintain, in discussions with representatives from all the West Indian territories, the cautious attitude which had so far been adopted about financial assistance by Her Majesty's Government. There did not seem any case for providing assistance for Jamaica, and the poorer islands should not be allowed to suppose that in independence they could expect full financial support from the United Kingdom.

(b) The withdrawal of Jamaica from the Federation might make the inclusion of British Guiana in a federation of all the remaining islands a little easier.

(c) As the British Overseas Airways Corporation were losing substantial sums annually in supporting the West Indies airline, which aspired to the status of an international airline, it might now be possible to cut the rate of loss by reducing operations to the more modest level of an inter-island air service.

The Cabinet—

(1) Agreed that, in his discussions with the Prime Minister of Jamaica, the Colonial Secretary should accept in principle that, after the necessary preparations had been made, Jamaica should have full independence and that in due course Her Majesty’s Government would sponsor the admittance of Jamaica to Commonwealth membership.

(2) Invited the Colonial Secretary to submit for their consideration at a later meeting a report on the prospects of establishing an Eastern Caribbean Federation which might include British Guiana.
5. The Colonial Secretary said that the prospects for the Uganda Constitutional Conference, in which the discussions had so far been difficult, were now a little more encouraging. But there remained a serious danger that the Baganda representatives would not accept a reasonable compromise, on the basis of a constitutional formula which he had now proposed, and in that case it was more than likely that the Conference would break down.

6. The Commonwealth Secretary said that there had recently been a marked deterioration in relations with the Ghana Government, particularly following the speeches made by President Nkrumah in the course of his visit to the Soviet Union in which he had criticised the United Kingdom Government and the policies of the West. There had also been the abrupt dismissal of General Alexander, the British Chief of the Defence Staff of Ghana. President Nkrumah had now sent a reassuring message to the Prime Minister, in which he disavowed any intention of adopting pro-Soviet policies and assured him of his desire to maintain friendly relations. Nevertheless, in view of the forthcoming visit of The Queen to Ghana, it was desirable that the apprehensions which were widely felt in this country about the policies of the Ghana Government should be frankly, though privately, expressed to President Nkrumah. He therefore proposed to visit Ghana in the following week for this purpose.

The Cabinet agreed that it would be undesirable for the Government to take any action which would worsen relations with Ghana. There was a considerable volume of opposition there to President Nkrumah, as was shown by the recent labour troubles. There was some chance that a more sympathetic attitude to this country would in the end prevail. Subject to the overriding need to ensure The Queen's safety, it seemed that it would be advisable for her visit to Ghana to take place, though it might be possible to curtail its length.

The Cabinet were informed that, although certain difficulties had still to be overcome, it seemed likely that the aid which the United States Government had proposed to contribute for the Volta River project would be made available. Some delay in this matter might help to induce President Nkrumah to be more reasonable in his policies and speeches.

The Prime Minister said that the Cabinet welcomed the intention of the Commonwealth Secretary to visit Ghana for frank but private talks with President Nkrumah. In the light of the outcome he would submit considered advice to The Queen about her proposed visit.

7. The Cabinet had before them a memorandum by the Minister of Labour (C. (61) 141) about the operative date of statutory orders to give effect to proposals of certain Wages Councils to increase minimum wages.

The Minister of Labour said that he had drawn the attention of all Wages Councils known to be considering wage claims to the terms of the statement by the Chancellor of the Exchequer on 25th July in the House of Commons. He had no power to amend the proposals of a Wages Council and, although he could refer them back, he was bound to make an order to give effect to them if re-submitted, and it would be improper to delay doing so. For practical reasons, the operative date which he had to specify and which was not open to argument by the councils was normally from
one to two months after the proposals had been received; but the Wages Councils Act did not specify what factors were to be taken into account in settling operative dates. He understood that it would be open to him to defer the operative date by a period longer than normal; a period of six months would probably not be held by the courts to involve a breach of statutory duty, but a longer period probably would.

He had received proposals from the four Wages Councils dealing with industrial and staff canteens, waste reclamation, road haulage and licensed hotels and restaurants, and had referred them back. In all these cases the councils could claim that they had agreed on their proposals before the statement on 25th July and they had in fact re-submitted their proposals unchanged. He felt justified in acknowledging at least some degree of commitment and he thought that the choice of 1st January as an operative date, being about two months later than normal, would be appropriate.

In discussion there was general recognition that, even if a date later than 1st January could be defended against challenge in the courts, it would be undesirable to run the risk of proceedings. A date in 1962 might be an inducement to those affected to take strike action—which, particularly in the road haulage industry, might do serious damage to the economy. The choice of 1st January would also have the disadvantage that, despite any disclaimer at the time of the announcement, that date would be regarded by the public as the Government’s forecast of the end of the pause.

For practical purposes, therefore, the choice lay between fixing a normal date in the earlier part of November and a slightly deferred date at 1st December. From the point of view of the pause, 1st December would be better. On the other hand, to make the increases operative on the normal date would be justifiable in the light of the action taken within the field of Government employment, where commitments were being honoured which, before 25th July, were no more than offers. Moreover, to adhere to the normal date would not make matters more difficult for the Government in their relations with other groups of work-people and might make them easier. It would mean that those Wages Council proposals which could not be held to be the subject of commitments could, in pursuance of the policy of the pause, be deferred a substantial way into 1962. This would have the particular advantage of helping to stagger payment of the substantial number of increases which would otherwise become due at the end of the pause.

The Cabinet—

(1) Invited the Minister of Labour to consider, in the light of their discussion, whether 1st December would be the most satisfactory operative date for the wage increases proposed to him by the four Wages Councils which could claim that commitments had been entered into before 25th July.

The Chancellor of the Exchequer said that, after discussion with the Prime Minister, he had further considered whether the M rate pay agreement for industrial civil servants should be implemented. He had come to the conclusion that to implement the agreement would damage the policy of the wage pause more seriously than he had at first thought. It seemed evident that the Civil Service Staff Associations attached greater importance to maintaining the principle of comparability than they did to the procedures by which comparability was established. They had, of course, been seriously disturbed by the Government’s decision to withdraw operative dates from the scope of arbitration, but their adverse reaction to a refusal to implement the M rate agreement would not be increased by the fact that that agreement had been committed to writing and was for a fixed period. They would be more likely to take the view that
to implement this agreement whilst withholding increases claimed for other Government employees on a footing of comparability with outside employment would amount to unjustifiably preferential treatment to the M rate employees; and they would increase their opposition to the wage pause, with the danger that the Government's policy would be frustrated. He had accordingly come to the conclusion that the agreement should be repudiated.

The Cabinet—
(2) Took note of this statement by the Chancellor of the Exchequer.

The Queen's Speeches on the Prorogation and Opening of Parliament

8. The Home Secretary said that the Committee on The Queen’s Speeches had met to consider preliminary drafts of the speeches and he would shortly submit revised drafts for consideration by the Cabinet. As the Prorogation of Parliament would this year take place a full week before the opening, he had it in mind that the draft Prorogation Speech might be considered by the Cabinet on 10th October, and the draft Opening Speech on 17th October.

Some uneasiness had been felt by the Committee lest the Government might be attempting a heavier legislative programme than would prove manageable, and the suggestion had been made in the course of their discussions that the simplest means of lightening the programme would be to exclude the Weights and Measures Bill.

The Cabinet—
Took note of this statement by the Home Secretary.

Cabinet Office, S.W. I,