67th Conclusions

CABINET

CONCLUSIONS of a Meeting of the Cabinet held at Admiralty House, S.W.1, on Tuesday, 5th December, 1961, at 10.30 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 (Items 1–5)
The Right Hon. SELWYN LLOYD, Q.C., M.P., Chancellor of the Exchequer
The Right Hon. VISCOUNT HAILSHAM, Q.C., Lord President of the Council and Minister for Science
The Right Hon. JOHN MACLAY, M.P., Secretary of State for Scotland
The Right Hon. IAIN MACLEOD, M.P., Chancellor of the Duchy of Lancaster
The Right Hon. SIR DAVID ECCLES, M.P., Minister of Education
The Right Hon. LORD MILLS, Minister without Portfolio (Items 1–5)
The Right Hon. EDWARD HEATH, M.P., Lord Privy Seal (Items 1–5)
The Right Hon. CHRISTOPHER SOAMES, M.P., Minister of Agriculture, Fisheries and Food

The following were also present:
The Right Hon. THE EARL OF PERTH, M.P., Minister of State for Colonial Affairs (Items 2–8)
The Right Hon. MARTIN REDMAYNE, M.P., Parliamentary Secretary, Treasury

Secretariat:
The Right Hon. Sir NORMAN BROOK
Mr. A. L. M. CARY
Mr. J. H. WADDELL

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1. The Foreign Secretary said that the Government would be asked in Parliament to state their view of the circumstances in which Dr. O'Brien, the former representative of the United Nations in Katanga, had relinquished his appointment with the United Nations and resigned from the Foreign Service of the Irish Republic. In his public statements Dr. O'Brien had sought to lay the whole blame for his removal on the Governments of the United Kingdom and France, though there had in fact been widespread disapproval of the manner in which he had discharged his responsibilities in Katanga. The Foreign Secretary said that he did not propose to rebut these statements in detail. He would take the line that the question of Dr. O'Brien's further employment had been a matter for the United Nations authorities and the Government of the Irish Republic; and, for the rest, that the policy of the United Kingdom Government in respect of the Congo was on record in statements made by Ministers in Parliament.

It now seemed likely that the United Nations authorities would renew their request that we should supply bombs for the Canberra aircraft which they had obtained from the Indian Government for use by their forces in the Congo. It was understood that they had reason to believe that the Indian Government would not be willing to supply bombs for these aircraft. In discussion it was suggested that, if we were seen to be taking a common line on this with the Indian Government, our action would be less likely to be misrepresented as support for the irregular forces in Katanga. Our position in the United Nations would be strengthened if we and the Indians could jointly take the line that bombing operations by these Canberra aircraft might have the effect of enlarging the area of conflict in the Congo.

The Cabinet—

(1) Took note with approval of the attitude which the Foreign Secretary proposed to adopt towards questions in Parliament about the resignation of Dr. O'Brien, the United Nations representative in Katanga.

(2) Invited the Foreign Secretary to consider, in consultation with the Commonwealth Secretary, whether it would be possible for the Governments of the United Kingdom and India to take a common line towards any further request for the supply of bombs for the Canberra aircraft in use by United Nations forces in the Congo.

2. The Cabinet had before them a memorandum by the Foreign Secretary (C. (61) 203) on the problems of voting in the United Nations on resolutions which included propositions running counter to United Kingdom policy.

The Foreign Secretary said that this difficulty arose largely from the efforts of moderate Afro-Asian countries to temper the more extreme resolutions favoured by the Russians and their supporters. As a result we were often left with the choice of voting against such a resolution, or abstaining, and thereby offending countries which wished to help us, or of voting for the resolution and thereby compromising our policies and beliefs. This situation arose most acutely in respect of resolutions bearing on our Colonial policies, but it could also arise in other ways and it was an increasing source of embarrassment. It was difficult to devise any consistent means of dealing with it. There seemed to be no better course than to follow
our present practice of judging, on each resolution as it came forward, how best to handle our vote. He would however welcome the views and advice of his colleagues on this question.

Discussion showed that it was the general view of the Cabinet that we should continue to judge each such resolution on its merits, with a bias in favour of avoiding the endorsement of propositions inconsistent with our own Colonial policy. On occasions when there were other overriding reasons for not voting against resolutions containing such propositions, we should be careful to put our reservations on record in statements made by our representatives before the vote was taken. It must however be recognised that this sort of safeguard was less effective in relation to resolutions in the Security Council, which could have executive validity.

In further discussion it was suggested that the difficulties to which this situation gave rise in relation to public opinion in this country might be lessened if steps were taken to secure a clearer public understanding of the balance of forces in the United Nations and the significance of the procedures currently adopted there. It would be useful if informed articles on this question could be published in leading newspapers in this country. A review of the situation might also be included in a White Paper on the year's proceedings at the United Nations. There would be advantage, too, in explaining the difficulties of this problem in a special message to Prime Ministers of other Commonwealth countries.

The Cabinet—

(1) Endorsed the proposals made in paragraph 11 of C. (61) 203.

(2) Invited the Foreign Secretary to consider what steps might be taken, after Parliament rose for the Christmas recess, to secure a clearer public understanding of the difficulties with which the United Kingdom Government were confronted in the United Nations.

The Cabinet considered a memorandum by the Foreign Secretary (C. (61) 193) on Chinese representation in the United Nations.

The Foreign Secretary said that the debate on this question in the United Nations had already started, on a resolution proposing that this should be declared to be “an important item”. The Cabinet had already decided, on 5th September, that we should support this resolution, which had been engineered by the United States Government as a means of ensuring that no change in Chinese representation could be made without a two-thirds majority. Discussion would then turn to a Soviet resolution (reproduced in the annex to his memorandum) which would have the effect of bringing Communist China into the United Nations. The United States Government would oppose this resolution and hoped to prevent it from securing a two-thirds majority. For our part, as we had long recognised the Peking Government as the Government of China, we could hardly avoid supporting the substance of this resolution and he proposed that we should vote in favour of it. It was however defective from our point of view in that it made no provision for the future representation of Formosa in the United Nations. He had therefore been wondering whether we should table a third resolution proposing the appointment of a Committee to consider means by which Formosa could be separately represented if the Peking Government took China's seat in the United Nations. This resolution would fall, if the Soviet resolution were carried; but, in the contrary case, it would at least provide a constructive alternative to the indefinite continuance of deadlock of the China seat.

In discussion attention was drawn to the offensive language in which the Russian resolution was framed. If we were to support it, we should at least dissociate ourselves from the third paragraph which
alleged that "representatives of the Chiang Kai-shek clique" were "unlawfully occupying" the place of China in the United Nations. Our representative should point out that this was a criticism, not of the Formosa Government, but of the United Nations itself, which had for years allowed the representatives of that Government to occupy China's seat at the United Nations. He should, however, go on to say that we could not contest the claim that the Peking Government should now occupy that seat, and for that reason were prepared to support the substance of the Soviet resolution. At the same time we should table a third resolution, on the lines suggested by the Foreign Secretary, with the object of drawing attention to the problem of Formosa's representation and of keeping that issue before the United Nations if in the event the Soviet resolution did not command a two-thirds majority.

The Cabinet—

(3) Invited the Foreign Secretary to instruct the United Kingdom representative at the United Nations (i) to vote in favour of the resolution that any change in Chinese representation was "an important item"; (ii) to vote in favour of the Soviet resolution, after dissociating himself from its third paragraph; and (iii) to deal with the problem of Formosa's representation, not by making the statement proposed in paragraph 9 of C. (61) 193, but by tabling a third resolution proposing the appointment of a committee to consider this question, and to bring that resolution forward for discussion if the Soviet resolution failed to command a two-thirds majority.

3. The President of the Board of Trade made a brief report to the Cabinet on the Ministerial meeting of the General Agreement on Tariffs and Trade (GATT) which had been held in Geneva in the previous week.

In the discussion on tariff reductions it had been agreed that the organisation should concern itself in future with general reductions rather than detailed negotiations on particular products.

On the problems of the under-developed countries it had been agreed that further outlets for their products were needed in the markets of the more industrialised countries. No specific proposals to this end were put forward: and the President had made it plain that the United Kingdom would be unable to accept any new commitments of this kind until the markets of other countries had been opened as widely as ours to these products.

On agriculture it had been agreed that a study group should be established to examine certain French proposals for world-wide arrangements for cereals and possibly some other products. There was a risk that this might be used by the French to delay the progress of the current negotiations between the United Kingdom and the European Economic Community. The President had emphasised that these studies under GATT should not be allowed to delay those negotiations.

The changing composition of GATT, with its increasing proportion of less developed countries, was altering the character of its work. Greater emphasis was now being laid on agricultural problems and on the need for markets for the products of the less developed countries.

The Cabinet—

Took note of this report by the President of the Board of Trade.
4. The Home Secretary said that the employers' side of the National Joint Council were now prepared to try to reach a settlement of the current wage claim of the firemen on the basis of an operative date of 8th December. If this were accepted, the employers would make a statement emphasising that they regarded the settlement as flowing from commitments entered into before the announcement of the Government's policy for a pause in wage increases. The Government could also emphasise this aspect of the settlement and the pressure which had been brought on the employers to secure postponement of the operative date.

The Chief Secretary, Treasury, said that he believed that a settlement related to 8th December could perhaps be defended, on its individual merits, in view of the element of pre-pause commitment which was involved.

In discussion the following points were made:

(a) It was agreed that of the three possible dates now in question, 1st February, 1st January and 8th December, there seemed to be least merit in 1st February. This would be wholly unacceptable to the men. If it were to be regarded as unconnected with commitments entered into before the pause, it was too early a date. For settlements based on such commitments 1st January was a reasonable date for which precedents had already been created by the Wages Council awards.

(b) As between 8th December and 1st January the merit of the earlier date was that it might lead to an agreed settlement. The men were concerned to get some cash payment before Christmas, and the employers were not now pressing for any earlier date in view of the Government's warning about the general grant and the consequent additional cost to them. The date of 1st January was unlikely to be acceptable to the men. If they took their claim to arbitration they might obtain a much earlier date, which would be unwelcome both to the employers and to the Government. It was however by no means certain that the men would go to arbitration; they might prefer to cause trouble, work to rule, and bid for public sympathy and support.

(c) It was no longer clear that the threat of withholding grant could reasonably be used to exert pressure on the employers. When the employers were thinking in terms of an operative date of 30th October and the Government in terms of 1st February, this threat had obvious relevance. With the gap now standing at no more than three weeks the threat to withhold grant could be made to seem arbitrary and unfair.

(d) If it were decided to accept a settlement related to 8th December the employers could be informed that such a date was acceptable only because the settlement hinged on commitments entered into before the pause, that this would be emphasised in public statements, and that there would be no suggestion from the Government that the employers had acted in breach of the Government's known policy.

(e) If, on the other hand, it were decided to press the employers to try for a settlement related to 1st January it would be necessary to take a stronger line. It would have to be pointed out that major claims were pending from engineers and railwaymen; that any date earlier than 1st January would be in breach of the precedents already established that wage increases flowing from commitments accepted before the pause should operate from that date; and that any departure from these precedents would make it much more difficult for the Government to adhere to their wages policy.

(f) The employers were trying to help the Government, and deserved consideration on this account. There were some precedents
in other fields where a national pattern of employment existed, e.g., in teaching, for regarding settlements in one area as creating a moral obligation to award similar increases elsewhere. The gap between 13th July and 8th December was not inconsiderable against this background.

The Prime Minister said that, before a final decision was taken, the Cabinet should see alternative draft statements which might be made to the employers’ side of the Joint Council relating both to 8th December and to 1st January. The statement on the 1st January date should contain, as a variant, some reference to the general grant.

The Cabinet—

Agreed to resume their discussion of this question at their next meeting.

5. The Cabinet discussed the tactics for handling the Committee Stage of the Commonwealth Immigrants Bill in the House of Commons. In spite of the efforts made to explain the position to them, Government supporters were still uneasy about the application of this Bill to citizens of the Irish Republic and it was likely that a number of them would abstain from voting on some of the amendments. This situation should be eased by the Home Secretary’s willingness to shorten the duration of the Bill, so that after 31st December, 1963, it would be renewable annually under the Expiring Laws procedure, and also by the arrangements which he was proposing to make to secure improved statistics relating to the movement of citizens of the Irish Republic to and from Great Britain. It was however desirable that a full statement of the Government’s attitude and intentions on the Irish aspects of the Bill should be made at the earliest convenient moment in the Committee Stage.

After discussion it was agreed that this statement could best be made in the debate on the question that Clause 1 should stand part of the Bill.

The Cabinet—

Took note that, at an early point in the Committee Stage of the Commonwealth Immigrants Bill, the Home Secretary would make a full statement of the Government’s attitude and intentions regarding the application of this Bill to citizens of the Irish Republic.

6. The Cabinet had before them a memorandum by the Commonwealth Secretary (C. (61) 201) covering a report by an inter-departmental committee of officials on Emigration Policy.

The Commonwealth Secretary said that the Commonwealth and Empire Settlement Acts, 1922–57, were due to expire on 31st May, 1962. His paper put forward three proposals: that the Acts should be renewed for a period of five years; the statutory limit on expenditure on all emigration schemes should be reduced from £1½ million to £750,000 a year; and that our annual contribution to the Assisted Passage Scheme to Australia should be raised from £150,000 to £300,000 a year. On reflection he had decided to withdraw the second of these proposals. The figure of £750,000 was no more realistic than that of £1½ million; and a reduction, although it would have no effect in practice, might be thought to imply that the Government were now less interested in emigration to other Commonwealth countries.
In discussion it was agreed that, while the emigration of skilled labour was likely to become more and more damaging to our economy, this would not of itself justify a departure from the five-year renewal period which had now become traditional. It would however be necessary to press the Commonwealth Governments concerned to refrain from attracting skilled labour from sectors of the economy where we could ill-afford to lose it.

It was agreed that there would be no merit and some political disadvantage in reducing the annual limit from £11 million to £750,000. Considerable doubt, however, was felt about the proposal to increase our contribution to the Assisted Passage Scheme to Australia by £150,000 a year at a time when painful economies were being forced upon us elsewhere. The extra money would be of no help to the emigrants; it would merely go to support the Australian budget. It was not reasonable to consider this proposal in isolation; it should be viewed against the economies in other sectors of public expenditure on which the Cabinet were expecting an early report.

The Cabinet—

(1) Authorised the Commonwealth Secretary to introduce legislation for the renewal of the Commonwealth and Empire Settlement Acts, 1922-57, for a further period of five years.

(2) Agreed that no increase should be made for the time being in our contribution to the Assisted Passage Scheme to Australia, but took note that the Commonwealth Secretary might wish to raise this question again at some later date.

7. The Cabinet had before them a memorandum by the Minister of Education (C. (61) 191) proposing that colleges of advanced technology, at present maintained by local education authorities, should be transferred to direct grant status with effect from 1st April, 1962.

The Minister of Education said that in June, after consultation with his colleagues and with Lord Robbins, the Chairman of the Committee on Higher Education, he had announced that he proposed to arrange for these colleges to be transferred to direct grant status, with independent governing bodies. He had since negotiated arrangements which would enable the transfer to be made in April 1962. Transfer would enable better salaries to be paid to the senior staff of the colleges and to that extent would increase expenditure; otherwise it would not affect the annual cost of these colleges to public funds. If the transfer were made in April 1962, however, there would be a net additional charge to the Exchequer in 1962-63 of about £5 million. To defer the transfer for a year, as had been suggested, would secure no real economic advantage. What would be gained would be no more than a short-term advantage to the Exchequer at the expense of local authorities and of the colleges and their staffs. Postponement would be criticised as an attempt by the Government to make the rates bear another year's share of the expenditure and would be resented by the local education authorities, who might, as a result, seek to strike a harder bargain. In the end the Exchequer might lose a good deal and legislation might be required to secure a result which could be obtained now by agreement.

The Chief Secretary, Treasury, said that the cost of maintaining these colleges (now estimated at £81 million for 1962-63) had been found to be much higher than had been originally estimated. It was not, at this stage, possible to estimate precisely what additional burden would have to be carried by the Exchequer in 1962-63—it might prove to be less than £5 million—if the transfer were made at April 1962.
but the acceptance of any additional burden must, in present circumstances, be treated as a serious matter. The Cabinet would shortly be considering the savings in supply expenditure which would be necessary in order to implement the undertaking given by the Chancellor of the Exchequer on 25th July to do his utmost to keep the increase of Government supply expenditure for 1962-63 at a level of not more than 2½ per cent. in real terms above that of the Estimates for 1961-62. The addition of several millions to supply expenditure in 1962-63 would make it that much the more difficult to secure these savings; and if the transfer date of 1st April 1962, were approved it might be necessary to seek corresponding savings in other services.

The Cabinet—

Agreed to resume their consideration of C. (61) 191 at a later date, when they could have before them proposals about major savings in Government supply expenditure in 1962-63.

8. The Cabinet had before them a memorandum by the Lord President and Minister for Science (C. (61) 198) about means of financing a meat research centre.

The Lord President said that the meat research work which was at present being done at Cambridge under the auspices of the Agricultural Research Council ought to be expanded. The premises at Cambridge would have to be vacated in 1966 and it had been agreed among the Ministers concerned that a new meat research centre should be established. It had not, however, been possible to reach agreement on whether the money should be provided by the Exchequer alone or in part by a levy on the meat trade. He accepted the principle of a levy but was aware of practical difficulties in devising a scheme and feared that there would be serious delay if an attempt were made to insist on a levy from the trade. The amount of any possible levy was estimated at £100,000 a year.

In discussion it was pointed out that industrial research projects sponsored by the Department of Scientific and Industrial Research (D.S.I.R.) were normally financed, at least in part, by contributions from the industries concerned. On historical grounds agricultural research might be held to be in a special position, but there appeared to be no reason why food research, including meat research, should be treated differently from other forms of industrial research. On the other hand, it could be argued that, as the meat trade made no contribution to the costs at present incurred on meat research, it would be difficult to persuade the trade that it should now make a contribution. The research carried on under the aegis of D.S.I.R. was in the main development research, whereas the meat research now proposed would be of a fundamental character. Moreover, the possible amount of any levy was so small that it would be difficult to apportion and there might, in the result, be more opposition in trade and scientific circles than adherence to the principle of industrial contributions would warrant.

The general view of the Cabinet was that in present circumstances the Government's normal principle of securing contributions to research from industry should be applied to meat research. Before a decision was announced, however, it would be necessary to be clear that a practicable scheme could be devised. For this purpose the several schemes which had been considered in the past should be examined by the Ministers concerned and a report upon them brought before the Cabinet at an early date.
The Cabinet—

(1) Agreed that, unless it proved impracticable to devise a scheme for the purpose, a contribution to the cost of meat research should be obtained from the meat trade.

(2) Invited the Lord Chancellor, after consultation with the Lord President and Minister for Science, the Chief Secretary, Treasury, the Minister of Agriculture and the Secretary of State for Scotland, to make an early report to the Cabinet on possible methods of imposing such a levy.

Cabinet Office, S.W.1,

5th December, 1961.