CONCLUSIONS of a Meeting of the Cabinet held at Admiralty House, S.W.1., on Tuesday, 13th February, 1962, 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 (Items 4-7)
The Right Hon. SELWYN LLOYD, Q.C., M.P., Chancellor of the Exchequer (Items 1-4)
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. HAROLD WATKINSON, M.P., Minister of Defence
The Right Hon. PETER THORNEYCROFT, M.P., Minister of Aviation
The Right Hon. REGINALD MAULDING, M.P., Secretary of State for the Colonies
The Right Hon. EDWARD HEATH, M.P., Lord Privy Seal (Items 1-5)
The Right Hon. ERNEST MARPLES, M.P., Minister of Transport (Items 1-3)
The Right Hon. Frederick ERROLL, M.P., President of the Board of Trade

The following were also present:
The Right Hon. LORD CARRINGTON, First Lord of the Admiralty (Items 5-7)
The Right Hon. JULIAN AMERY, M.P., Secretary of State for Air (Items 5-7)
The Right Hon. CHRISTOPHER SOAMES, M.P., Minister of Agriculture, Fisheries and Food

THE DUKE OF DEVONSHIRE, Joint Parliamentary Under-Secretary of State for Commonwealth Relations (Items 4-7)
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1. The Foreign Secretary said that Mr. Khrushchev had sent a prompt reply to the messages which the Prime Minister and the President of the United States had addressed to him suggesting a new initiative towards an effective international agreement on disarmament. In this he made the counter proposal that Heads of Governments should themselves attend the opening stages of the 18-Power conference on disarmament. It was evident that he had been planning to make this proposal before the Anglo-American approach was made. After consultation with the United States Government it was proposed to take the line, in reply, that the Anglo-American proposal for a preliminary meeting of Foreign Ministers would be a more practical approach, though the possibility of a meeting at a higher level could be considered later if it became clear that there were good prospects of progress towards an agreement.

The Prime Minister said that, while he agreed that little practical progress was likely to be made by a meeting of 18 Heads of Governments, the Governments of the United Kingdom and the United States should not allow themselves to be robbed of the initiative which they had taken. This might happen if a number of the other Governments were to support the course suggested by Mr. Khrushchev.

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

2. The Foreign Secretary said that the United Nations authorities wished to put troops into Jadotville and Kolwezi, two towns in Katanga containing important installations of the Union Minière. Their professed purpose was to round up mercenaries believed to be operating in this area. There was however reason to believe that they were also concerned to bring pressure on the Union Minière to pay a larger share of their profits to the central Congo Government. This operation could therefore be represented as an attempt to use military force for political ends. It was therefore important that it should not be undertaken without the agreement of Mr. Tshombe, the Prime Minister of Katanga. It was possible that the Prime Minister of the Federation of Rhodesia and Nyasaland might be willing to advise Mr. Tshombe to reach an agreement with the United Nations authorities regarding the deployment of these troops.

The Cabinet—
Took note of this statement by the Foreign Secretary; and agreed that no objection need be raised to this proposed deployment of United Nations forces in Jadotville and Kolwezi if it were carried out in agreement with the Prime Minister of Katanga.

3. The Cabinet were informed that the outstanding claim for wage increases in the gas industry might have a bearing on any settlement now proposed for railwaymen. The workers in the gas industry were claiming 4 per cent., in the light of the recent award of a 6 per cent. increase to workers in electricity undertakings; but an award of more than 2½ per cent. to 3 per cent. would prejudice a railway settlement and would be contrary to the Government's current policy. As regards the railwaymen there seemed to be two
alternatives: to concede now or in a few weeks' time some marginal increase above 3 per cent.—say, 3½ per cent.—and reach in this way a settlement which would be binding until some time in 1963; or to stand firm on 3 per cent. for the time being but to make it clear that if the unions submitted a further claim in the autumn it would be examined in the light of developments in the national economy and of any benefits which might then have begun to flow from the re-organisation of the railway system.

In discussion the following points were made:

(a) The Prime Minister's objective, at his meeting with representatives of the railwaymen's unions, would be to avert a strike without making concessions which might undermine the Government's wages policy. It would be particularly important to avoid any statement which could be interpreted as a commitment to allow further increases later in the year. It was also important that no indication should be given that the Government were prepared to consider any advance beyond the offer of a 3 per cent. increase in wages which had been made to the unions by the Chairman of the British Transport Commission.

(b) If the railwaymen's unions accepted a 3 per cent. increase in wages now on the understanding that they would be free to re-open negotiations in the autumn, it was not to be expected that they would then be content with less than a supplementary award of 2 per cent. If this were conceded in the autumn they would have received a total of 5 per cent. in the year, which would seriously undermine the Government's wages policy.

(c) On the other hand 3 per cent. already represented some concession to the railwaymen since it was higher than the figure of 2½ per cent. on which the Government's present policy was based. It was impossible to predict the course of events if the unions re-opened negotiations in the autumn; much might have happened in the interval both to the state of the national economy generally and to the level of wages.

The Cabinet—

Took note that the Prime Minister would, in the light of their discussion, consider with the Ministers concerned the terms of the statement which he should make to representatives of the railwaymen's unions at his meeting with them on 14th February.

4. The Cabinet had before them a telegram from the Commonwealth Secretary (Soscro No. 6 from Zomba) reporting the upshot of a talk which he had had in Zomba with Dr. Banda, the African leader in Nyasaland. In the course of this talk he had asked Dr. Banda whether, if Nyasaland were given an unconditional right to secede from the Federation, he would be willing to negotiate some looser form of association with the Rhodesias. To this Dr. Banda had replied that he would not negotiate at all until Nyasaland was outside the Federation; that after secession Nyasaland should stand alone for a period before entering into any new association; and that after such a period Nyasaland might go into an East African federation, with which Northern Rhodesia might also be associated in due course. He was determined that Nyasaland should not be associated with any central African federation, or with Southern Rhodesia, so long as either was dominated by Europeans. The Commonwealth Secretary proposed that on his return to Salisbury he should report this conversation to the Prime Minister of the Federation, Sir Roy Welensky, and advise
him that he had no prospect of retaining Nyasaland in the Federation except by force. He also sought the Cabinet's authority to advise Sir Roy Welensky to take the initiative himself, in anticipation of any public statement by Dr. Banda formally demanding secession, by making a public declaration that he would not desire to retain an unwilling partner in the Federation and was therefore asking the United Kingdom Government to arrange for Nyasaland to secede from it in accordance with the wishes of its people.

Discussion showed that it was the general view of the Cabinet that it would be premature to advise Sir Roy Welensky to make a public declaration on the lines suggested in paragraph 10 of the Commonwealth Secretary's telegram. While doubts had been growing about the possibility of preserving the Federation in its present form, it had been hoped hitherto that it might be replaced by some form of looser association between the three constituent territories. It need not yet be assumed that this would be wholly impracticable. In any event the Cabinet should have further time to weigh the alternatives, and to consider the practical and financial implications of dismantling the Federation, before any public declaration was made which would imply that its dissolution was inevitable.

In further discussion the following points were made:

(a) The Commonwealth Secretary had said, in paragraph 5 of his telegram, that Dr. Banda might modify some of the views which he had expressed in this discussion. Past experience had shown that he was amenable to influence, and he might still be brought to accept some different form of association between Nyasaland and the Rhodesias. His attitude in this recent talk might have been affected by the fact that it took place in an interval between the Commonwealth Secretary's consultations with Sir Roy Welensky, to whom he was bitterly hostile.

(b) Sir Roy Welensky had on the previous day assured the Federal Parliament in Salisbury that he would not allow the Federation to be dissolved while he was Prime Minister. In view of the terms of that speech (of which the Commonwealth Secretary would not have been aware when his telegram was sent) he could hardly be expected to make a public declaration on the lines contemplated in paragraph 9 of the Commonwealth Secretary's telegram.

(c) There was force in the suggestion that, if the secession of Nyasaland was inevitable, we should concede it before it was forced from us by Dr. Banda. We ought first however to weigh the consequences; and there was time to do this before Dr. Banda came to London in April. During this interval further detailed thought should be given to the administrative and financial implications of a break-up of the Federation.

(d) Sir Roy Welensky now seemed to be more ready to make concessions to the two northern territories. In return for the independence of the Federation he now seemed ready to contemplate that these territories should have a right to secede after five years. A plan for development along those lines had been worked out by the Monckton Commission. Even now it might not be too late to secure agreement on some such basis as this.

(e) In his recent speech in the Federal Parliament, Sir Roy Welensky had claimed that the United Kingdom Government could not dissolve the Federation without the consent of the Federal Parliament. The Lord Chancellor said that he was doubtful whether this view was soundly based in law. The Law Officers might be asked for their opinion.
The Cabinet—

(1) Invited the Prime Minister to send an immediate reply to the Commonwealth Secretary's telegram Soscro No. 6, asking him to refrain from putting to Sir Roy Welensky the specific proposals outlined in paragraphs 9 and 10 of that telegram and suggesting that in his further discussions in Salisbury he should confine himself to exploring the situation generally and without commitment, so that the Cabinet might be able to discuss the whole position on his return.

(2) Invited the Lord Chancellor to obtain from the Law Officers an opinion on the question whether the United Kingdom Government had power to dissolve the Federation of Rhodesia and Nyasaland without the consent of the Federal Parliament.

5. The Cabinet had before them a memorandum by the Minister of Defence and the Minister of Aviation (C. (62) 25) about the choice of a light cargo aircraft to meet military requirements.

The Minister of Defence said that from a military point of view the Handley Page Herald was marginally better than Hawker Siddeley's Avro 748. The Caribou, manufactured in Canada by a subsidiary of Hawker Siddeley would not meet the military requirements. He agreed with the Minister of Aviation that the arguments for placing the order with a firm which had supported the Government's policy for concentrating the aircraft industry were strong enough to make it right to choose the Avro 748 in preference to the Herald: the military advantages of the latter aircraft were not decisive.

In discussion the following points were made:

(a) An order for the Caribou would have been helpful to Anglo-Canadian relations. But the technical reasons for not placing such an order had been fully explained to the Canadian Minister of Defence Production; and it was to be hoped that, in spite of a decision not to order the Caribou, the Canadian maintenance contract with Scottish Aviation would be continued for as long as possible.

(b) The present estimates of cost suggested that the Herald would be cheaper than the Avro 748, but experience suggested that when detailed specifications were put to the firms the cost of the Herald would increase. Nevertheless, it would be difficult to accept the additional cost of the Avro 748 unless the compensating economy of cancelling the military order for the Rotodyne had been secured.

(c) The principal reason for preferring the Avro 748 to the Herald was to be found in the assurances publicly given at the time of the re-organisation of the aircraft industry that future Government orders would be concentrated upon the main groups (with exceptions which did not apply in the present case). The Secretary of State for Air said that particular care should be taken, in any public presentation of the decision, to avoid confirming suspicions that the Royal Air Force had been forced for political reasons to accept an inferior aircraft. After careful evaluation it seemed clear that of the two aircraft the Herald was the more likely to meet the requirements of the Royal Air Force. Other Ministers suggested that the comparative merits of the two aircraft were at least open to argument and could fairly be represented as evenly balanced; and against such a background the decision to choose the product of one of the major manufacturing groups could be justified on grounds of Government policy.
(d) There would be advantage in delaying for some days any public announcement of the decision to order the Avro 748 in order to give time for private discussion with the firms concerned.

The Prime Minister said that notwithstanding the arguments in favour of placing the order in Canada, it would not be right to choose a piston-engined machine such as the Caribou to be the future light cargo aircraft of the British forces. As between the Herald and the Avro 748 there did not appear to be enough difference in performance to justify a decision contrary to the weight of the industrial arguments.

The Cabinet—

(1) Agreed that no order should be placed for the Caribou.
(2) Agreed that the Avro 748 should be ordered rather than the Herald, in accordance with the declared policy of the Government to support the main groups in the aircraft industry.
(3) Authorised the Minister of Defence to announce their decision in the Statement on Defence, 1962.

The Cabinet had before them a memorandum by the Minister of Aviation (C. (62) 30) recommending cancellation of the Rotodyne project.

The Minister of Aviation said that the Chiefs of Staff had accepted that the purchase of the Rotodyne could not now be reconciled with the need for economy in the defence budget. Neither British European Airways nor the independent airlines were interested in the Rotodyne, because of its high cost and because traffic requirements would not enable its qualities to be fully exploited. Further progress with the Rotodyne would not be possible unless there were a demand at home, both civil and military, from which the possibility of sales abroad might be developed.

In discussion the point was made that cancellation of the Rotodyne would mean that the Army would be deprived for many years of any heavy lift aircraft with a range of 200 miles which was independent of forward airfields. On the other hand, the Avro 748 could be operated from short and relatively simple airstrips; while the Belvedere had a heavy-lift capacity as well as vertical take-off and landing. It would in any case be unrealistic to continue the project for the sake of an order of 12 aircraft for military purposes.

The Cabinet—

(4) Agreed that the Rotodyne project should be cancelled.

6. The Cabinet had before them a memorandum by the Home Secretary, the Secretary of State for Scotland and the Minister of Housing (C. (62) 26) recommending an announcement by the Government that they had accepted the need to have available a scheme for the dispersal in emergency of mothers and children and people in priority classes from major centres of population and that the details of the scheme would be worked out with local authorities.

The Home Secretary said that he and his colleagues had reached the conclusion that it would not be possible for the Government to continue to remain silent on this subject. To announce the abandonment of a policy of dispersal would be unacceptable to public and Parliamentary opinion; nor would it be right to deprive a future Government of the power to decide in a time of emergency whether or not dispersal should be carried out. The only alternative
was to proceed with the preparation of detailed plans. This would involve revealing to particular local authorities whether they were in reception, dispersal or neutral areas, and the details of those to be included in the priority classes. Objections to the plan would undoubtedly be raised when these facts became public knowledge, but the objections could be dealt with by saying that the plan as a whole was still under examination.

The Prime Minister said that he welcomed the abandonment of the term “evacuation”, which was misleading in the context of nuclear war. It was no longer true that the danger to individuals in the event of war would be greater in major centres of population than it was in rural areas; the object of dispersal was to secure better average chances of survival for the population as a whole by spreading them out more evenly through the country.

The Cabinet—

(1) Agreed that the Statement on Defence, 1962 should contain an announcement of the Government’s dispersal policy in the terms proposed.

(2) Took note that the Home Secretary, the Secretary of State for Scotland and the Minister of Housing would thereafter arrange for detailed discussions with local authorities.

The Cabinet had before them a note by the Minister of Defence (C. (62) 23) covering a revised draft of the Statement on Defence for 1962, and a further note by the Minister of Defence (C. (62) 24) outlining the strategic policy on which the statement had been framed.

The Minister of Defence said that the draft of the Defence White Paper now before the Cabinet embodied the amendments which the Defence Committee had approved at their meeting on 7th February. He had no further amendments to propose other than minor points of drafting with which he need not trouble the Cabinet.

The Chief Secretary, Treasury, suggested an amendment to paragraph 15 of the draft. In its present form, the paragraph might increase the difficulty of his negotiating position with the German Federal Government on support costs.

The Minister of Aviation said that the paragraph in the statement dealing with research and development created certain difficulties from his point of view; and he would discuss a revised version with the Minister of Defence.

The Cabinet—

Subject to amendment on the points noted in discussion, authorised the Minister of Defence to present to Parliament the Statement on Defence, 1962 in the form annexed to C. (62) 23.