CONCLUSIONS of a Meeting of the Cabinet held at Admiralty House, S.W.1., on Wednesday, 1st August, 1962, at 10.30 a.m.

Present:

The Right Hon. HAROLD MACMILLAN, M.P., Prime Minister
The Right Hon. R. A. BUTLER, M.P., First Secretary of State
The Right Hon. VISCOUNT HAILESHAM, Q.C., Lord President of the Council and Minister for Science
The Right Hon. REGINALD MAULDING, M.P., Chancellor of the Exchequer
The Right Hon. DUNCAN SANDYS, M.P., Secretary of State for Commonwealth Relations and Secretary of State for the Colonies (Item 1)
The Right Hon. Peter THORNEycROFT, M.P., Minister of Defence
The Right Hon. ERNEST MAPLES, M.P., Minister of Transport
The Right Hon. FREDERICK ERROLL, M.P., President of the Board of Trade
The Right Hon. MICHAEL NOBLE, M.P., Secretary of State for Scotland
The Right Hon. Sir EDWARD BOYLE, M.P., Minister of Education

The following were also present:

Sir JOHN HOBSON, Q.C., M.P., Attorney-General (Item 2)
Mr. JOHN TILNEY, M.P., Joint Parliamentary Under-Secretary of State for Commonwealth Relations (Items 3–8)

Secretariat:

The Right Hon. Sir Norman Brook
Mr. A. L. M. Cary
Mr. J. H. Waddell
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1. The Commonwealth Secretary said that there were two major questions of policy to be faced in the negotiations for constitutional development in Aden—the political implications of the proposed merger of Aden Colony with the Federation, and the safeguarding of the military bases and installations. On the first point it was known that a majority of the population of the Colony was opposed to the merger. The fact that it commanded support in the Aden Legislature was due to the fact that the elections had been held on a limited franchise and had been widely boycotted on that account, even by those entitled to vote. It must therefore be assumed that the merger would lead to unrest and possibly to disorder, which would have serious political repercussions in this country and in the United Nations. Nevertheless, the Government had now before them a request from the Aden Legislature that the merger should proceed and it had long since been decided that this would best serve, not only the interests of this country, but the interests of the population of Aden Colony itself and of the territories of the Federation. While he considered that the merger should go forward, he thought it right to warn the Cabinet that this might lead to serious political difficulties.

So far as the military base was concerned it was contemplated that after the merger Britain would retain sovereignty over Aden Colony and remain responsible for defence, foreign affairs and internal security in the territory as a whole. But it was not to be expected that this situation could long continue. Pressures would develop for the transfer of sovereignty and full responsibility to the new Federation, and on a favourable estimate it was unlikely that we could maintain our position in the Colony beyond the late 1960s. If the Colony was not merged with the Federation the process would be more rapid and independence for the Colony could probably not be delayed much beyond 1965.

Against this background there were two possible ways of preserving our defence interest. The first would be to retain, on the analogy of the sovereign base areas in Cyprus, British sovereignty over those limited areas of the Colony in which our defence installations were concentrated. The second would be to rely on a defence treaty with an independent Federation or to introduce into the instrument under which independence would be granted some form of words recognising the continuing interest of the United Kingdom Government in the defence installations. There were, in his view, strong arguments in favour of the first course; the retention of sovereignty would secure to us a clear legal right to the unrestricted use of the military installations. All recent experience suggested that reliance on a defence treaty or some alternative arrangement on the same lines would be less effective and that our position under such a treaty would be progressively weakened by political action. It was noteworthy that the President of Cyprus had welcomed the fact that the existence of the sovereign base areas made it possible for him to refuse to accept any responsibility for British activities within these areas.

The Minister of Defence said that, while he accepted the critical importance of maintaining the viability of our defence installations in Aden, he doubted whether that object would best be met by seeking to retain British sovereignty over limited areas of the Colony on the lines proposed. In the first place, there would be the greatest practical difficulty in so doing. Aden Colony was small and densely populated, and the military installations did not form a compact whole. To retain sovereignty over the airfield at Khormaksar for example would produce immediate difficulties about the civil use of Khormaksar and about such matters as access and services, e.g., water supplies and fuel storage. Another area over which it would be necessary to retain sovereignty lay across the trunk road linking
the two main centres of population in the Colony. Quite apart from these serious practical difficulties, for which experience in Cyprus provided no parallel, there would also be political objections. All the advice he had received was to the effect that a proposal at this stage to retain British sovereignty over defined military areas would make negotiations for a merger very much more difficult and would lessen rather than improve the prospects of a satisfactory settlement.

In discussion it was agreed that, in spite of the political consequences, negotiations for a merger of the Aden Colony with the Aden Federation should proceed on the lines already authorised.

The Prime Minister said that he would wish to discuss further with the Ministers concerned the question of retaining sovereignty over the military areas. It would be helpful to him if the Commonwealth Secretary, together with the Lord Chancellor and the Minister of Defence, could give further thought to the issues involved and to the relative advantages and disadvantages of the various courses open to us.

The Cabinet—

(1) Authorised the Commonwealth Secretary to proceed with negotiations for a merger of Aden Colony with the Aden Federation.

(2) Invited the Commonwealth Secretary, in consultation with the Minister of Defence and the Lord Chancellor, to give further thought to the maintenance of United Kingdom control over our present defence facilities in Aden and to report their conclusions to the Prime Minister.

2. The Cabinet considered a memorandum by the Home Secretary (C. (62) 131) about Dr. Robert Soblen, a United States citizen who had been convicted in the United States of espionage on behalf of Russia and sentenced to imprisonment for life. Pending his appeal, which was eventually dismissed, he had been released on bail and had made his way to Israel. He had been expelled from there as an illegal immigrant and placed on an aircraft bound for New York. He had arrived at London Airport in transit and in the ordinary course he would have been refused leave to land in this country; but, shortly before his aircraft landed, he had contrived to wound himself so seriously that it became necessary to remove him to hospital. Subsequently, a formal notice of refusal of leave to land was served on him and, when he had recovered from his injuries, he was removed to Brixton Prison until arrangements could be made for his departure. An application for habeas corpus was made on his behalf, but was rejected by the Divisional Court and by the Court of Appeal. Representations were now being made on his behalf by Members of Parliament, who had urged that, instead of being sent to the United States, he should be allowed to go to Czechoslovakia, which would be willing to receive him.

The Home Secretary said that Dr. Soblen's advisers had now decided not to try to obtain leave to appeal to the House of Lords on the habeas corpus issue, but to rely instead on political pressures for permission for him to proceed to Czechoslovakia. These pressures would be based on the argument that, apart from the self-inflicted wounds from which he had now recovered, Dr. Soblen was in an advanced stage of leukaemia and that it would be inhuman to compel a dying man to return to face imprisonment in the United States. It was in fact impossible to predict for how long Dr. Soblen would live, and there were no grounds for suggesting that he was unfit to travel. There were, however, other difficulties. Espionage was not an extraditable offence; and, if a man were refused leave to land under the Aliens Order, there was no obligation to send him to his country.
of origin. It could therefore be represented as unnecessarily harsh to take steps to ensure his return to the United States, instead of allowing him to go to Czechoslovakia. The Home Secretary said that, even so, on a balance of all the considerations, he recommended that Dr. Soblen should be sent to the United States.

Discussion showed that there was general support in the Cabinet for the course recommended by the Home Secretary. Dr. Soblen had been convicted of espionage on behalf of Russia, and his offence had been sufficiently serious to warrant a sentence of life imprisonment; and it would be offensive to public opinion, both in the United States and in this country, if he were now allowed to seek refuge in a country within the Soviet bloc. If he had not contrived to wound himself on arrival at London Airport, he would not have been allowed to remain here at all and would have continued on his journey to the United States. Now that he had recovered from these self-inflicted wounds, it was right that he should be required to resume his interrupted journey.

Further discussion followed on the method and timing of answering the representations made on his behalf by Members of Parliament. The Cabinet finally concluded that the balance of advantage was in favour of a statement in the House of Commons on 2nd August.

The Cabinet—

1. Agreed that Dr. Robert Soblen should be placed on an aircraft bound for the United States, and authorised the Home Secretary to make arrangements accordingly.

2. Invited the Home Secretary to announce this decision in a statement in the House of Commons on 2nd August.

3. The Cabinet had before them a memorandum by the President of the Board of Trade (C. (62) 130) on the import of cotton textiles from Pakistan.

The President of the Board of Trade said that, while India and Hong Kong had agreed to limit their exports of cotton piece goods and made-up goods and to introduce a new restriction on exports of yarn, Pakistan had refused to do so. India and Hong Kong had made it clear that their agreement depended on Pakistan's acceptance of similar limitations, and in default of any restriction on imports from Pakistan they would feel free to raise the level of their own imports. This would create a most difficult situation for the Government who were already fully committed, not only to the Lancashire industry but also to Parliament, to ensure that the existing level of imports would be maintained until the end of 1965. There would also be repercussions on the negotiations in Brussels for the United Kingdom's entry into the European Economic Community. He had therefore reached the conclusion that it would be necessary to impose quantitative restrictions on import of cotton textiles from Pakistan if she maintained her refusal to accept such restrictions voluntarily. This would be the first occasion on which we had restricted imports of manufactured goods from a sterling Commonwealth country. He had therefore thought it right to seek the Cabinet's authority.

In discussion the following points were made:

(a) The political consequences of this action would be serious. It would provoke complaint that India was receiving better treatment than Pakistan; it would weaken Pakistan's support of the Central Treaty Organisation and of the South-East Asia Treaty Organisation; and it would put a strain on Pakistan's relations with the
Commonwealth. It would be desirable to consult the High Commissioner in Pakistan about the terms of any communication to the Pakistan Government and of any public announcement of our intentions.

(b) While it would be essential by one means or another to restrict cotton imports from Pakistan to the agreed levels, it would be desirable to continue for the time being our efforts to achieve this voluntarily. The matter could if necessary be left open for discussion with the President of Pakistan when he came to London for the Meeting of Commonwealth Prime Ministers in September. In the meantime the Pakistan Government should be warned again that we might in the last resort have to consider the imposition of quantitative restrictions if agreement could not be reached voluntarily. The consequent delay in reaching agreement would involve a slight risk that imports of yarn from Pakistan might increase above the agreed levels, since the previous voluntary agreement about imports of yarn had expired on 1st July, 1962; but this must be accepted.

(c) The Governments of India and Hong Kong could be informed at once that the level of imports of cotton textiles from Pakistan would continue to be controlled but that a public announcement might be delayed until the end of September.

The Cabinet—

(1) Agreed that, if the Pakistan Government could not be persuaded voluntarily to restrict to the existing levels their exports of cotton textiles and yarns to the United Kingdom, the United Kingdom Government would themselves have to take steps to ensure, by one means or another, that imports from Pakistan did not exceed those levels.

(2) Invited the President of the Board of Trade to consider, in consultation with the Commonwealth Secretary, how this decision could best be conveyed to the Pakistan Government and how they could best be induced to accept it.

(3) Authorised the President of the Board of Trade to make it plain to the Governments of India and Hong Kong that, though a formal announcement might have to be delayed, means would be found of maintaining at their existing levels the import into the United Kingdom of cotton textiles and yarns from Pakistan.

4. The Cabinet had before them a memorandum by the Chancellor of the Duchy of Lancaster (C. (62) 129) reporting the result of further consideration by the Future Legislation Committee of the legislative programme for 1962–63.

The Chancellor of the Duchy of Lancaster recalled that, at their meeting on 19th July, the Cabinet had invited him to arrange for the Future Legislation Committee to consider further, in consultation with the Ministers concerned, a number of Bills for which it had not seemed practicable to provide an assured place in the legislative programme for 1962–63. He now proposed that the Bill on Children and Young Persons should be included in the main programme. Apart from the two small Bills to extend the scope of the Colonial Development Corporation and to amend provisions relating to Commonwealth Scholarships, there would not be room for more than one additional Bill and he had suggested in C. (62) 129 that this should be the Companies (Deposits) Bill. It might, however, be thought advisable to legislate about contracts of service earlier than had been intended. He would consider further with the Secretary of State for Scotland the scope of the Bill described as the Criminal
Justice (Scotland) Bill, for which a place had already been reserved in the programme. On this basis the Bills which would have to be omitted from the programme for the coming session were Administration of Justice (Funds in Court), Airports Authority, Public Libraries, Underground Parking and Severn Bridge Tolls.

In discussion there was general agreement that the Children and Young Persons Bill should be included in the main programme. It was suggested that the claims of Companies (Deposits) were stronger than those of Administration of Justice (Funds in Court), but before a decision was taken to include the former further consideration should be given to the possibility of a Bill to deal with contracts of service. The Companies (Deposits) Bill had already been drafted and it would be convenient that the Bill on contracts of service and (provided that the problem of funds in court could not be dealt with by means short of legislation) the Administration of Justice (Funds in Court) Bill should be drafted. Provisions should also be drafted to deal with legal aid in civil proceedings and further thought should be given to the possibility that these could be included in the same Bill with Scottish provisions on legal aid in criminal cases. It was not at present intended that the National Incomes Commission should be established on a statutory basis, but if legislation proved to be necessary for this purpose the programme would have to be adjusted to provide for it.

The Cabinet—

(1) Agreed to include in the legislative programme for 1962–63 the Children and Young Persons Bill, the Colonial Development Corporation Bill and the Commonwealth Scholarships (Amendment) Bill.

(2) Agreed to consider, when The Queen’s Speech on the Opening of Parliament was in preparation, whether the programme should include a Bill on contracts of service or the Companies (Deposits) Bill.

(3) Invited the Lord Chancellor, in consultation with the Chief Secretary, Treasury, to consider how far the objects of the Administration of Justice (Funds in Court) Bill could be secured without legislation, and to inform the Chancellor of the Duchy of Lancaster of the conclusion reached.

(4) Invited the Chancellor of the Duchy of Lancaster, in consultation with the Secretary of State for Scotland, to consider further the scope of the Criminal Justice (Scotland) Bill and in particular whether it should be confined to provisions on legal aid.

(5) Took note that the Chancellor of the Duchy of Lancaster, as Chairman of the Future Legislation Committee, would authorise the drafting of a Bill on contracts of service, and of provisions on the investment of funds in court and legal aid in civil proceedings.

5. The Cabinet had before them memoranda by the Chief Secretary, Treasury (C. (62) 117), on the forecast estimates for 1963–64 and (C. (62) 121) on the level of public service investment in 1963–64.

The Chief Secretary, Treasury, said that on the basis of present forecasts the estimates for 1963–64 stood at a total of £6,080 million. This represented an increase of about £500 million, nearly 8½ per cent on the preceding year. The Departmental programmes on which the present forecasts had been based would be subject to
detailed scrutiny in the normal way and some economies might be expected to result. But if any real impact was to be made on the estimates and if the economic policy of the Government required substantial reductions, special measures would be required. Among the larger increases included in the present forecasts were those for defence and for pay; the latter figure assumed that the recent award to the Civil Service would be reflected in the months to come in corresponding increases in public service remuneration generally.

In discussion it was the general view of the Cabinet that increases of the order now in prospect could only be justified against the background of a general expansion in the economy; it was still uncertain whether such an expansion could confidently be predicted; the present outlook was not wholly encouraging.

The Cabinet—

(1) Invited the Chancellor of the Exchequer to arrange for an examination of the forecast estimates for 1963–64 in the light of the general development of the economy over the period and to bring his conclusions before them for discussion at a later meeting.

The Chief Secretary, Treasury, said that, while it had been possible to secure large reductions in the proposals for public service investment originally submitted by Departments, the total increase above the level of investment for 1962–63 would probably be about 9 per cent. He recalled that the then Chancellor of the Exchequer, in a statement in February 1962, had said that under Government plans as they then stood the increase would be only about 6 per cent. There had, however, been certain changes in the political and economic situation since February which might justify the larger increase now proposed. Much of the increase would be concentrated in local authority housing, in minor works for school building, in the building of approved schools and remand homes and in miscellaneous local government expenditure.

The Chief Secretary, Treasury, said that in his own view it would be inadvisable to announce at this stage a decision to increase the level of public service investment next year. The fact that an increase had been authorised would become known in various ways; but, if his proposal were accepted, the total levels of investment next year would not become known until the publication of the normal White Paper in October or November. He should, however, inform the Cabinet that the Minister of Housing, who had been unable to be present, had expressed the view that it would be of advantage to announce immediately the decision to increase the level of housing investment next year.

In discussion there was general agreement that the levels of public service investment set out in the Chief Secretary’s paper should be accepted, but that no public announcement should be made. The figures would be published in the normal way at the end of October or November. The fact that so large a proportion of the increases would involve building work made it important to take every possible step to avoid overloading the industry in areas where there was already a large volume of building work in progress and to concentrate it so far as possible in areas of under-employment.

The Cabinet—

(2) Agreed that public service investment for 1963–64 should be at the levels and on the basis set out in C. (62) 121.

(3) Took note that the Prime Minister would arrange for the issue of a directive to the Ministers concerned about the allocation to particular areas of the country of the increased volume of building work which would result from this larger programme.
6. The Cabinet had before them a memorandum by the Minister of Education (C. (62) 128) on the problem of expanding the output of teacher training colleges.

The Minister of Education said that, despite the efforts made to reduce the size of school classes, there would probably be about two million children in over-size classes in primary schools in 1970. This represented a serious worsening of the present position, as contrasted with the improvement which the Government had hoped to achieve. There had been an unexpected increase in the birth-rate, and there was an increasing tendency toward early marriage among women teachers. Wastage from the latter cause amounted to about half the output of teacher training colleges, and the first means of increasing the number of teachers should be to encourage women teachers to return to the teaching profession after marriage. He proposed to investigate, by social survey, the obstacles which stood in the way of this. He also believed that, without reversing the decision to base teacher training on a three-year instead of a two-year course, it would be possible to obtain a larger number of teachers from the present training system. There was scope for concentration of the course and for extended use of the “sandwich” principle by alternating study and a higher proportion of teaching practice. There might also be scope for the employment of some form of sub-professional grade of teacher; if so, this would enable more efficient use to be made of those who were highly qualified. He thought it important, however, not to alienate the teaching profession and the universities and training colleges by reverting to a two-year course.

These measures would substantially increase the number of teachers available by 1970 but they would not meet the needs in full. The National Advisory Council on Teacher Supply had recommended the provision of a further 10,000 places in teacher training colleges. An expansion of that order would involve capital expenditure of £8–10 million and additional running costs of some £6 million a year. He would wish to examine further with the Chief Secretary, Treasury, the size and the timing of the expansion. But he believed that, unless he could accept in principle that some expansion of the teacher training colleges should take place, he would not obtain the co-operation of the profession in the other measures which he had outlined.

In discussion there was general agreement on the importance of increasing the supply of teachers. It would not be expedient to press for a reduction of the training period to two years, even for teachers of infant classes; and there seemed to be no escape from an expansion in the number of training college places.

In further discussion the following points were raised:

(a) The plan for expansion would have to be kept under careful review in the light of movements in the birth-rate.

(b) An examination of the obstacles to part-time teaching and to the re-employment of women teachers after marriage should be put in hand; and, since comparable problems arose in the nursing profession, the Health Ministers should be associated with any survey undertaken for this purpose.

(c) Much of the shortage of teachers affected classes for children between the ages of five and six. While there would be no advantage at present in proposing an alteration in the provisions governing the minimum age for compulsory education, the possibility of making some change at a more suitable time should be kept under review. It might be possible to make education voluntary below a given age or to provide that compulsory attendance should begin, not at the term immediately following the child’s fifth birthday, but at the next Michaelmas term.
(d) Although problems of teacher training in Scotland were somewhat different, the Secretary of State for Scotland should be kept in close touch with the studies to be put in hand in England and Wales.

(e) There might be some tactical advantage in ensuring that in discussions with educational authorities the Government's proposals about the expansion of teacher training colleges were linked with proposals about other main items of educational expenditure, such as the building programme and school meals and milk.

The Cabinet—

1. Accepted in principle that there should be some expansion in the programme for providing places in teacher training colleges in England and Wales.

2. Invited the Minister of Education, in consultation with the Chief Secretary, Treasury, to consider further the number of places to be provided and the timing of the programme.

3. Authorised the Minister of Education to proceed with the other measures to increase the supply of teachers, and to make greater use of teaching auxiliaries, set out in C. (62) 128.

4. Invited the Minister of Education, in consultation with the Chief Secretary, Treasury, and the Secretary of State for Scotland, to consider means of linking, in discussions with educational interests, the Government's proposals about training college expansion with proposals affecting other major items of educational expenditure.

7. The Cabinet had before them a memorandum by the Minister of Agriculture (C. (62) 127) about a proposal for a Private Bill to enable the Covent Garden Market Authority to rebuild the Market outside the Covent Garden area.

The Minister of Agriculture said that the Market Authority established by the Covent Garden Market Act, 1961, had now concluded that another site should be chosen for the Market and had asked him to consent to the promotion of a Private Bill in the coming session to give power to the Minister to designate a new site by the Special Order Procedure. He felt some sympathy with the Authority, who were anxious to avoid the loss of time which would result if they could not promote a Bill until a site could be specified. He was committed to giving his consent to a Bill based on proposals which had general support, but he did not regard this undertaking as obliging him to consent to a Bill which did not specify a new site. To do so would be inconsistent with previous decisions, which had made it plain that the Government intended Parliament to have a proper opportunity of considering the objections from private interests which any new site was likely to attract. In view of the difficulties which had arisen in proceedings on the Bill to establish the Authority, he had thought it right to inform the Cabinet of the possibility that rejection of the Authority's request might stimulate some public criticism.

In discussion there was general agreement that a decision to give consent to a Bill which foreshadowed the compulsory purchase of an unspecified site could not be defended in Parliament.

The Cabinet—

Invited the Minister of Agriculture to inform the Covent Garden Market Authority that he could not consent to the promotion of a Bill which did not specify a site for the Market.
8. The Cabinet had before them a memorandum by the Minister of Transport (C. (62) 125) on the report of the Advisory Committee under Lord Rochdale which had been appointed to examine the working of major docks and harbours in Great Britain.

The Minister of Transport said that the conclusions of the report were controversial, and the longer the Government delayed the announcement of their decisions the more pressure would be exerted by the interests concerned for special treatment and for subsidies. He was for this reason anxious to make rapid progress. Under the proposals summarised in his memorandum official discussions would be pursued during August and September, and would be followed by discussions with outside bodies as soon as the report had been published in the autumn. He would hope that decisions would then be taken on some of the recommendations and that a White Paper would be published embodying these. There would then be less scope for the mounting of a campaign against the Committee’s conclusions. He also sought the Cabinet’s authority to establish a National Ports Authority on a non-statutory basis: though it would have no power to compel action, it could make a useful preliminary contribution by collecting information and framing plans for subsequent execution by a statutory body.

In discussion it was suggested that after officials had considered the report, but before any discussions had taken place with outside authorities, the Minister’s proposals should be considered in more detail by the Economic Policy Committee. It would also be desirable for the Minister to keep in touch with the Secretary of State for Scotland on the implications of the report for Scotland.

The Cabinet—

(1) Approved the proposals outlined in C. (62) 125 for handling the Rochdale Report on docks and harbours.

(2) Invited the Minister of Transport to bring more detailed proposals before the Economic Policy Committee for consideration and approval before any discussions were held with outside authorities.

(3) Took note that the Minister of Transport would consult with the Secretary of State for Scotland on the economic and social implications of those recommendations in the report which concerned docks and harbours in Scotland.

Cabinet Office, S.W. 1.
1st August, 1962.

SECRET