CONCLUSIONS of a Meeting of the Cabinet held at Admiralty House, S.W. 1, on Thursday, 23rd May, 1963, at 10.30 a.m.

Present:

The Right Hon. HAROLD MACMILLAN, M.P., Prime Minister (Items 1–4)

The Right Hon. R. A. BUTLER, M.P., First Secretary of State (In the Chair, Items 5–10)

The Right Hon. LORD DILHORNE, Lord Chancellor

The Right Hon. HENRY BROOKE, M.P., Secretary of State for the Home Department (Items 1–5)

The Right Hon. IAIN MACLEOD, M.P., Chancellor of the Duchy of Lancaster

The Right Hon. CHRISTOPHER SOAMES, M.P., Minister of Agriculture, Fisheries and Food (Items 1–7)

The Right Hon. JOHN BOYD-CARPENTER, M.P., Chief Secretary to the Treasury and Paymaster General

The Right Hon. J. ENOCH POWELL, M.P., Minister of Health

The Right Hon. WILLIAM DEEDES, M.P., Minister without Portfolio

The following were also present:

The Right Hon. JULIAN AMERY, M.P., Minister of Aviation (Item 7)

Sir JOHN HOBSON, Q.C., M.P., Attorney-General (Item 5)

The Right Hon. THE EARL OF DUNDEE, Minister of State for Foreign Affairs

The Right Hon. MARTIN REDMAYNE, M.P., Parliamentary Secretary, Treasury

Secretariat:

Sir BURKE TREND
Mr. A. L. M. CARY
Mr. P. A. WILKINSON
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1. The Cabinet were informed of the business to be taken in the House of Commons in the following week.

2. The Minister of State for Foreign Affairs informed the Cabinet that the projected Conference of African States had now assembled at Addis Ababa. The tone of the initial proceedings suggested that it would provide opportunities for the expression of Pan-African and anti-colonialist sentiment which might well embarrass us in dealing with our problems in Africa.

The Minister of State for Foreign Affairs said that an abortive military rising had recently taken place in Turkey and that, although the Government appeared to have reasserted their control without undue difficulty, it was unfortunate that internal political tension should have been exacerbated in a member country of the North Atlantic Treaty Organisation.

The Minister of State for Foreign Affairs informed the Cabinet that the Government of Indonesia had recently promulgated a decree expropriating the United Kingdom and United States oil companies operating in Indonesia. We had joined the United States in protesting vigorously against this action; and the United States Government had indicated that they might withhold further aid from Indonesia in retaliation. There were some signs that the Government of Indonesia would be prepared to discuss the position in due course; but they did not appear disposed to make any immediate concessions to our representations.

The Minister of State for Foreign Affairs said that, in response to a request from the Government of Saudi Arabia, we had agreed to make available United Kingdom military advisers for training the National Guard, commonly known as the "White Army". This action, in which the United States Government concurred, should reinforce the régime in Saudi Arabia against internal dissension.

The Cabinet—

Took note of these statements by the Minister of State for Foreign Affairs.

3.* The Cabinet had before them:

(i) The text of a letter from Mr. Khrushchev in reply to the message about nuclear tests which the Prime Minister and the President of the United States, President Kennedy, had jointly sent to him on 24th April.

(ii) The text of a draft reply to this letter, which the Prime Minister had invited President Kennedy to endorse.

The Prime Minister said that, although Mr. Khrushchev's letter gave little indication that the Soviet Government were disposed to reach agreement on the subject of nuclear tests, it did not reject the possibility of further discussions between representatives of the Governments of the United Kingdom, the United States and the Soviet Union. He had therefore thought it right to invite President

* Previously recorded in a Confidential Annex.
Kennedy to consider a further joint message to Mr. Khrushchev, which would be designed partly to remove certain misconceptions which Mr. Khrushchev appeared to entertain about the scope and purpose of the proposed system of inspection of nuclear tests and partly to reaffirm the willingness of the Governments of the United Kingdom and United States to undertake further discussions in order to promote agreement on a treaty to prohibit nuclear tests. Mr. Khrushchev's reaction to this offer would depend, to some extent, on the value which he attached to the prospect of further discussions with the West in the light of his pending confrontation with the Communist Government of China about the ideological differences between China and the Soviet Union. But it would be in our interest to maintain our initiative, at least until the outcome of that confrontation was relatively clear.

The Cabinet—
Took note, with approval, of the statement by the Prime Minister.

4. The Prime Minister informed the Cabinet that the United States Government had recently asked us to participate in the multilateral nuclear force which it was proposed to create under the North Atlantic Treaty Organisation (NATO). As a result of his discussions with the President of the United States at Nassau in December 1962, we had undertaken to assign our V-bomber force to NATO; and arrangements had been made for the formal discharge of this commitment in the near future. We were under no obligation to make any further contribution to the NATO nuclear force. Moreover, the military value of the projected multilateral or mixed-manned element was open to serious question. The United States Government, however, attached political importance to this concept and we could not refrain from endorsing it in principle. But it would be to our advantage to defer for as long as possible a decision on the question whether we should contribute to a force of this nature.

The Cabinet—
Took note, with approval, of the statement by the Prime Minister.

5. The Cabinet had before them a memorandum by the Home Secretary (C. (63) 88) about the scope for amendment of the Public Order Act, 1936.

The Home Secretary said that, in the light of the Cabinet's earlier discussion of this question, he had considered, in consultation with the Attorney-General, the possibility of promoting legislation which would both increase the penalties for offences under Section 5 of the Act and would enlarge the scope of that Section by making it an offence to incite hatred of any section of the public, albeit without specific reference to racial hatred. The draft Bill appended to C. (63) 88 would achieve both purposes. He had discussed the proposed enlargement of Section 5 with Mr. Iremonger, M.P., who was promoting a Private Member's measure designed to make the incitement of racial hatred an offence.

Mr. Iremonger had indicated that he would be prepared to withdraw his own proposal and to support the alternative provision envisaged by the draft Bill. Others of the Government's supporters...
in the House of Commons, however, had indicated that they would feel bound to oppose it on the ground that it would represent an unwarrantable restriction of free speech. In these circumstances the wisest course might lie in introducing legislation which would be confined to increasing the penalties for offences as at present defined in the Act. The need for such an increase was urgent if the Government were not to be criticised for having insufficient power to deal adequately with any further outbreaks of violence which might occur at public meetings.

In discussion the following points were made:

(a) If the proposed amendment of Section 5 would not in fact strengthen the existing law, there would be no advantage in promoting it. If, however, it would enlarge the scope of the law to the extent that a speaker using words which were calculated to incite hatred but were not in themselves threatening, abusive or insulting would be guilty of an offence, it was very doubtful whether the Government would be well advised to appear to be seeking to impose this additional degree of restriction on freedom of speech.

(b) On the other hand, there was considerable and continuing public anxiety that the powers available under the present law were inadequate to deal effectively with deliberate attempts by groups of political extremists to stir up hatred of minority racial groups, particularly the Jewish community. If renewed violence of this kind broke out, it would be held that the Government, by failing to take additional powers to prevent the incitement of racial hatred, had contributed to this result and must take responsibility for it. As against this, however, the Government's decision should not be materially affected by the possibility that militant racial groups, whatever public sympathy they might enjoy, might take the law into their own hands. Moreover, powers for dealing with deliberate attempts to disrupt political meetings were already contained in the Public Meeting Act, 1908; and these powers would, if necessary, have to be used.

(c) A proposal to amend Section 5 of the 1936 Act on the lines suggested would be bound to be controversial. But the Parliamentary timetable would make it impossible to pass any additional controversial measure through all its stages before the Summer Recess.

The First Secretary of State, summing up the discussion, said that the balance of advantage at this stage appeared to lie in refraining from any attempt to amend Section 5 of the Public Order Act, 1936, and in confining the scope of new legislation to the proposed increase in the penalties both under that Act and under the Public Meeting Act, 1908. Nevertheless, it would be appropriate that the announcement of the Government's intentions in this respect, while avoiding any precise commitment for the future, should allow it to be inferred that the situation would be kept under close review and that, if further experience showed that the powers available under the Act of 1936 were insufficient to maintain public order, further legislation might have to be introduced at a later date.

The Cabinet—

(1) Authorised the Home Secretary to announce in Parliament that the Government would shortly introduce a Bill to increase the penalties for offences under the Public Meeting Act, 1908, and Section 5 of the Public Order Act, 1936, on the basis proposed in C. (63) 88.

(2) Invited the Home Secretary, in dealing with the associated question of an amendment to Section 5 of the Public Order Act, 1936, to be guided by the considerations indicated by the First Secretary of State in his summing up.
6. The President of the Board of Trade informed the Cabinet of the results of various recent international discussions affecting our overseas trade interests.

A meeting of the Council of the European Free Trade Association (EFTA) had taken place in Lisbon on 9th and 10th May. Agreement had been reached to abolish all internal tariffs by the end of 1966, some three years ahead of the date originally envisaged. There were minor exceptions in the case of Norway and Austria; but for practical purposes the member countries of EFTA would have created, by 1966, a mutual free trade area.

A meeting of Commonwealth Trade Ministers had taken place in London on 13th and 14th May. This had revealed a certain disparity of interests between the member countries of the Commonwealth, who were now tending to fall into three groups—the United Kingdom itself, which was a fully developed industrial economy; an intermediate group, consisting of the producers of temperate agricultural foodstuffs; and the less developed countries, whose economies were still largely dependent on tropical products. Nevertheless, the discussions had shown once again the strength of the ties of sentiment and tradition which underlay the Commonwealth relationship; and, although it had not been possible to establish a unified Commonwealth attitude towards the imminent discussions in relation to the General Agreement on Tariffs and Trade (GATT), the Commonwealth countries had agreed to provide each other, so far as possible, with mutual support.

The Ministerial meeting of the GATT had been held at Geneva from 16th to 21st May. The most important issue had concerned the principles which should govern the detailed negotiations on tariff reductions which were due to begin in May 1964. These discussions had revealed a sharp difference of approach between the United States and the member countries of the European Economic Community (E.E.C.). The United States had favoured the concept of linear reductions in tariffs; the E.E.C., on the other hand, had pressed for a larger reduction in high tariffs than in low tariffs. A compromise had finally been evolved which, while endorsing the principle of linear reductions, envisaged, as a simultaneous objective, the reduction of especially high tariffs which constituted genuine barriers to trade. To some extent this compromise had merely postponed the effective decision; and the issue of principle might arise again in the course of the detailed discussions which it would now be necessary to undertake. Nevertheless, it was satisfactory that a breakdown of the conference at the outset had been avoided, especially since the negotiations which now lay ahead were likely to be difficult and protracted. During those negotiations we must seek to promote action to help agricultural producers and to encourage the development of a more generous attitude towards the problems of the under-developed countries. Special machinery had now been established to consider whether any amendment of the present rules of the GATT might be justified in the interests of the trade of the less developed countries and to examine further measures to the same end.

In discussion it was suggested that, while most of the provisions of the Trade Agreement between the United Kingdom and Australia could be allowed to remain in force until the probable results of the discussions in the GATT could be seen more clearly, the provisions relating to cereal imports were now inconsistent with the Government's new agricultural policy, could not be renewed into the next cereal year and would probably have to be re-negotiated at an early date.

The Cabinet—

Took note of the statement by the President of the Board of Trade and of the points made in their discussion.
7. The Cabinet had before them a memorandum by the Chief Secretary, Treasury (C. (63) 87), about the export of arms to South Africa.

The Chief Secretary, Treasury, said that, of the three items at present in question, the 7·62-mm. ammunition would probably be used only for testing purposes. Equally, the 77-mm. high explosive ammunition was a normal requirement of the South African forces. The Strategic Exports Committee had therefore taken the view that the export of these two items would not be inconsistent with the Government's policy of refusing to supply arms which might be used by the South African Government to suppress civil disturbances.

The request for 3,500 .38 Smith and Wesson revolvers, however, presented more difficulty in relation to this criterion. The South African Government had rejected our informal suggestions that they should withdraw this request; and it now seemed likely that they intended to make it a test of our future intentions. The position was further complicated by the fact that the revolvers in question were of lease-lend origin; and the consent of the United States Government would therefore have to be obtained before they could be exported to South Africa.

In discussion the following main points were made:

(a) Although it would be desirable to ascertain informally whether the United States Government would agree to the export of the revolvers, it would be unwise to appear to be seeking to transfer to them the responsibility for the effective decision. The South African Government would be liable to retaliate by asking us to supply revolvers which were not of lease-lend origin; and we might incur, in relation to the United States, a moral obligation not to supply arms to South Africa which might be to our commercial disadvantage in other cases.

(b) It had been made clear to the South African Government in 1961 that they could not expect us to supply small arms and related ammunition, in view of the political risk that weapons of this kind could be used for the suppression of civil disturbances. It could be argued that we should continue to adhere to this declared policy. But, if the South African Government chose to make a test case of their current application for revolvers, we should need to weigh the importance of maintaining our previous policy against the danger of provoking retaliatory action by the South African Government which might jeopardise not only our defence facilities in South Africa but also the substantial orders for military equipment which we might otherwise hope to obtain from the South African Government.

(c) On the other hand, we should not lightly risk alienating African opinion in this matter, particularly since pressure for a ban on the export of arms to South Africa was mounting in the Security Council of the United Nations.

The First Secretary of State, summing up the discussion, said that, while there appeared to be no objection to the export of the first two items covered by the current application by the South African Government, the proposed export of revolvers raised issues which made it desirable that we should undertake a comprehensive review of our policy as regards the export of arms to South Africa. A decision on the export of the 3,500 revolvers in question must await the outcome of this review.

The Cabinet—

(1) Authorised the export to South Africa of 10,000 rounds of 7·62-mm. ammunition and 2,400 rounds of 77-mm. high explosive ammunition.

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(2) Took note that the First Secretary of State would advise the
Prime Minister to arrange for a review of the Government’s
policy on the export of arms to South Africa, with
particular reference to the request by the South African
Government for the export of 3,500 .38 revolvers.

(3) Invited the Minister of State for Foreign Affairs to ascertain
informally whether the United States Government would
be likely to raise objection to the export to South Africa
of revolvers of this type which were of lease-lend origin.

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Malaysia

8. The Commonwealth Secretary said that the recent discussions
with the Government of Malaya about the level of defence aid to be
provided by the United Kingdom had been inconclusive. With the
agreement of the Chief Secretary, Treasury, he had offered a
contribution of £15 million towards the capital expenses of the
Malayan defence programme up to 1966; but the Malayan
Government had not accepted this offer, which they claimed was
insufficient to enable them to provide for the defence of the Borneo
Territories after their forthcoming incorporation in Malaysia. They
were unwilling to contemplate the alternative course of curtailing their
development programme; and the United Kingdom therefore faced
the choice of either accepting a greater liability for the defence of
Malaysia or offering more generous defence aid. The Malayan Prime
Minister would probably expect to discuss the matter further with the
Minister of State, Colonial Office, who would be visiting Malaya in
the near future.

The Chief Secretary, Treasury, said that the offer of £15 million,
which exceeded the £12½ million authorised by the Cabinet, covered
the whole of the foreign exchange element in the Malayan defence
programme so far as purchases to be made in the United Kingdom
were concerned. The Malayan Government intended to spend a
further £3 million on purchases of defence equipment from other
countries; but there was no reason why the United Kingdom should
assume this additional liability. Malaya was the richest country in
South-East Asia; and any increase in our present offer of aid would
be liable to have serious repercussions elsewhere, particularly in India.

In discussion it was suggested that it might become essential to
offer some further measure of defence aid to Malaya. The military
threat which would face Malaysia, on its creation, would be liable to
be more grave than had been foreseen when the financial implications
of this constitutional change had been first considered. Moreover,
under present plans United Kingdom forces in Singapore would be
reduced as a result of the transfer to the Government of Malaysia
of responsibility for internal security; but, if the local forces were
not built up to the necessary level, these reductions might not be
secured. On the other hand, it would be premature to commit
ourselves, without further consideration, to any specific amount of
additional defence aid to be offered to Malaya; and, in so far as such
aid might eventually be given, it might be desirable to consider how
far it should be related to additional purchases in the United Kingdom.

The Cabinet—

Invited the Commonwealth Secretary and the Chief
Secretary, Treasury, to consider further, in the light of their
discussion, the extent of any additional defence aid that
might be offered to the Government of Malaya and to
arrange for the Minister of State for Colonial Affairs, during
his forthcoming visit to Malaya, to ascertain, without
commitment, the scope for further negotiation with the
Government of Malaya on this subject.

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9. *The Chancellor of the Duchy of Lancaster* said that the announcement that the British Broadcasting Corporation would shortly introduce a second television programme would be likely to lead to increased pressure from the Government's supporters in the House of Commons for the provision of similarly increased facilities for Independent Television. The fact that the imposition of the new levy on the Independent Television programme companies was expected to lead to a substantial decrease in the present level of their profits would add force to the view that a second independent television channel should be introduced at an early date. While no provision would be made in the Bill now before Parliament for the provision of such a channel, it would be desirable that the Postmaster-General should indicate in the course of debate that the Government would be prepared to give favourable consideration to its introduction in due course, if this appeared to be warranted by the demand.

The Cabinet—

Took note, with approval, of this statement by the Chancellor of the Duchy of Lancaster.

10. *The Minister of Transport* said that the Railways Board and the London Transport Board would shortly announce increases in the fares on public transport vehicles, both rail and road, for journeys to and from London. These increases, which were necessary on commercial grounds, would take effect on 23rd June, 1963. There would be no change in the fares for journeys of less than four miles; and the fares for journeys of more than intermediate length would also be unaffected. But fares for intermediate distances would be increased by about 10 per cent.

The Cabinet—

Took note of this statement by the Minister of Transport.

*Cabinet Office, S.W.1,*

*23rd May, 1963.*