CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W.1, on Monday, 1st February, 1965, at 11 a.m.

Present:
The Right Hon. HAROLD WILSON, M P, Prime Minister
The Right Hon. GEORGE BROWN, M P, First Secretary of State and Secretary of State for Economic Affairs
The Right Hon. LORD GARDINER, Lord Chancellor
The Right Hon. MICHAEL STEWART, M P, Secretary of State for Foreign Affairs
The Right Hon. SIR FRANK SOKSCHE, Q C, M P, Secretary of State for the Home Department
The Right Hon. WILLIAM ROSS, M P, Secretary of State for Scotland
The Right Hon. DOUGLAS JAY, M P, President of the Board of Trade (Items 1-6)
The Right Hon. ANTHONY CROSLAND, M P, Secretary of State for Education and Science
The Right Hon. DOUGLAS HOUGHTON, M P, Chancellor of the Duchy of Lancaster
The Right Hon. FRANK COUTS, M P, Minister of Technology
The Right Hon. FREDERICK LEE, M P, Minister of Power
The Right Hon. RICHARD CROSSMAN, M P, Minister of Housing and Local Government
The Right Hon. ANTHONY WEDGWOOD BENN, M P, Postmaster-General (Item 4)
The Right Hon. KENNETH ROBINSON, MP, Minister of Health (Item 4)
The Right Hon. R. J. GUNTER, M P, Minister of Labour
The Right Hon. FRED PEART, M P, Minister of Agriculture, Fisheries and Food
The Right Hon. BARBARA CASTLE, M P, Minister of Overseas Development

The following were also present:
The Right Hon. KENNETH ROBINSON, M P, Minister of Health (Item 4)
The Right Hon. ANTHONY WEDGWOOD BENN, M P, Postmaster-General (Item 4)
The Right Hon. ROY JENKINS, M P, Minister of Aviation (Item 6)
MRS. EIRENE WHITE, M P, Parliamentary Under-Secretary of State, Colonial Office (Item 5)

The Right Hon. EDWARD SHORT, M P, Parliamentary Secretary, Treasury

Secretary:
Sir Burke Trend
Mr. P. Rogers
Miss J. J. Nunn
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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 Prime Minister read to the Cabinet a letter from Lady Churchill, expressing, on behalf of herself and her family, her deep appreciation of the message of sympathy which the Cabinet had sent to her on the death of Sir Winston Churchill.

3. The Prime Minister said that the Prime Minister of Southern Rhodesia, Mr. Ian Smith, who had visited London for the funeral of Sir Winston Churchill, had called on him in the afternoon of Saturday, 30th January. Mr. Smith had clearly indicated that he regarded the respective views of the Governments of the United Kingdom and Southern Rhodesia as now virtually irreconcilable and that his main concern henceforward would be to seek some occasion on which he could plausibly maintain that provocative action by a third party justified Southern Rhodesia in making a unilateral declaration of independence. In the meantime he would endeavour, by implementing the existing procedure for amendment of the Constitution by means of a two-thirds majority in the Legislature, to alter the existing Constitution in an increasingly illiberal direction and so enable his Government to consolidate their position while ostensibly observing the letter of the Constitution. Mr. Smith had seen no merit in making a further attempt to ascertain whether the African population of Southern Rhodesia were genuinely anxious to embrace independence on the basis of the existing Constitution, on the ground that the African peoples were so unsophisticated and inarticulate that it would be unrealistic to seek to establish their views by any of the normal means of testing popular opinion. He had also shown that he resented our public statement of the constitutional and economic consequences which would be liable to follow any unilateral declaration of independence by Southern Rhodesia and that he was actively considering what counter-measures he could adopt in that eventuality. In particular, he appeared to have in mind the action which the Government of Southern Rhodesia might take to disrupt the copper industry in Zambia. It was therefore incumbent upon us to examine, as a matter of urgency, possible means of maintaining supplies of coal and power to the copper mines if these were denied by Southern Rhodesia and to consider by what methods we might most effectively exert economic pressure on Southern Rhodesia if it became necessary, in response to the pressure of international public opinion, to institute a virtual economic blockade of the Colony. At the same time we should make one further attempt to re-establish contact with the Government of Southern Rhodesia; and, since Mr. Smith had now rejected our proposal that a Parliamentary mission should visit the Colony and had indicated that discussions should preferably be...
conducted at Governmental level, it would be appropriate that a small mission, consisting of senior members of the Government, should now be despatched to Southern Rhodesia, on the understanding that they would be allowed right of access not only to the European community but to any representative spokesman of African opinion who was not in prison on a criminal charge. The Lord Chancellor and the Commonwealth Secretary might appropriately constitute a mission of this kind; and they might be accompanied by a representative of the Ministry of Overseas Development on the understanding that negotiations between the United Kingdom and Southern Rhodesia about financial and technical assistance might now be resumed, although their progress would inevitably, in the circumstances, be slow.

The Cabinet—

(1) Took note that the Prime Minister would arrange, as a matter of urgency, for an examination of possible means whereby we might ensure the continued supply of coal and power to the copper mines of Zambia, if these were denied by Southern Rhodesia and of the various ways in which we might, if necessary, exert economic pressure against the Colony.

(2) Agreed in principle that a Ministerial mission, consisting of the Lord Chancellor and the Commonwealth Secretary, should visit Southern Rhodesia in the near future.

4. The Cabinet considered a memorandum by the Minister of Health (C (65) 9) on cigarette advertising.

_The Minister of Health_ said that the current publicity about the danger of smoking cigarettes would be reinforced by an early announcement of a decision, foreshadowed by Labour Party spokesmen before the election, to prohibit the advertising of cigarettes on television. The prohibition would be imposed by the Postmaster-General in the exercise of his powers to issue directions to the Independent Television Authority. Measures in relation to other tobacco goods and to other advertising media were under consideration; but the Home Affairs Committee had agreed that it would be desirable to take this particular step without delay. It was proposed that an announcement should be made in reply to a Parliamentary Question on 1st February; and the Independent Television Authority and the Tobacco Advisory Board would be informed in confidence beforehand.

In discussion it was suggested that public concern about lung cancer had subsided to some extent and that it might be desirable to stimulate further public discussion of the problem before taking the relatively drastic step of prohibiting cigarette advertising on television. On the other hand both the public and the industry appeared to be expecting some action by the Government in the near future; and interest in the subject would be revived by current Government advertising on public transport and on television on the danger of
smoking cigarettes. Moreover the prohibition would not take effect for about three months after the announcement, because it was thought reasonable to allow time for existing contracts and stocks of advertising films to run out; and it would be unfortunate if the cessation of advertising were postponed still further. It would be important to lay emphasis on the need to restrain young people from acquiring the habit of smoking rather than to persuade older people to abandon it; and it would be necessary to stress the powerful influence which television advertising could exert on young people by associating cigarette smoking with attributes which they tended to admire. The impact of the proposed statement should be increased by quoting the rising number of deaths from lung cancer rather than the number of deaths which it was possible to attribute to cigarette smoking.

The Prime Minister, summing up the discussion, said that it was agreed that, despite the possible effect on the yield of the tobacco duties, cigarette advertising on television should be prohibited and that an announcement to that effect should be made in reply to a Parliamentary Question in the following week. In order to reinforce the impact on young people it would be useful to take some further initiative in the campaign in schools against smoking; and it would be desirable to stimulate discussion in the Press in advance of the announcement.

The Cabinet—
(1) Approved the proposals in C (65) 9, subject to further consideration, in the light of their discussion, of the statistics to be quoted in the statement in order to illustrate the danger of cigarette smoking.
(2) Invited the Lord President to consider how the interest of the Press in the problem of lung cancer might most effectively be stimulated in advance of the proposed announcement.
(3) Invited the Secretary of State for Education and Science to consider whether any further steps could be taken in schools to reinforce the campaign against cigarette smoking.

5. The Cabinet considered a memorandum by the Home Secretary (C (65) 12) about Commonwealth immigration.

The Home Secretary said that, despite the control over Commonwealth immigration which had been established in 1962, coloured Commonwealth citizens were now entering the country more rapidly than was consistent with their absorption into the community. The net intake during 1964 was 62,000, nearly 9 per cent higher than in 1960 when there had been no control. The demand for vouchers for employment, as an entitlement to admission, greatly exceeded the supply; and there was now substantial evasion of the control. The possibility of reducing the number of vouchers was being considered.
by the Commonwealth Immigration Committee; but in the meantime steps should be taken to reduce the scale of evasion. This might not be achieved without further legislation which would require Commonwealth citizens to deposit identifying particulars with the immigration authorities and to register with the police and would empower the Home Secretary to repatriate without criminal proceedings a Commonwealth citizen who had outstayed the period for which he had been admitted. The Committee had been of the opinion, however, that in the first instance an attempt should be made to reduce evasion by making fuller use of the existing legal powers; and it was proposed that a Parliamentary statement to this effect should be made in the terms of the draft annexed to C (65) 12.

The Lord President said that, in addition, the Committee would shortly consider complementary proposals about the means by which Commonwealth immigrants could more effectively be integrated in the community as a whole.

The Commonwealth Secretary said that the consultations with other Commonwealth Governments on the subject of immigration, which had been initiated by the Government on assuming office, had not proved fruitful. Those Governments should, however, be informed beforehand of the terms of the statement to be made by the Home Secretary.

Discussion showed general agreement that a statement should be made on the lines proposed. The following main points were made:

(a) Housing was the most serious aspect of the problem created by uncontrolled immigration. From this point of view no measures to promote the integration of immigrants in the community could be effective until the level of immigration had been substantially reduced.

(b) The possibility of enabling our High Commissioners in other Commonwealth countries to check the credentials of emigrants more effectively was already being examined.

(c) Members of the immigrant communities themselves might be enlisted in the police forces in order to strengthen the control of evasion.

(d) The statement should emphasise the considerable scale on which evasion was currently taking place.

The Cabinet—

(1) Agreed that the Home Secretary should make a Parliamentary statement about Commonwealth immigration on the lines indicated in the draft annexed to C (65) 12.

(2) Invited the Home Secretary to give further consideration to the wording of the draft statement, in consultation with the Ministers concerned and in the light of the points made in discussion.

(3) Invited the Commonwealth Secretary and the Parliamentary Under-Secretary of State, Colonial Office, to arrange for Commonwealth and Colonial Governments respectively to be informed of the statement shortly before it was made in Parliament.
6. The Prime Minister said that the Defence and Oversea Policy Committee had now concluded their examination of the defence aircraft programme. He proposed, subject to the Cabinet's approval, to announce the resultant decisions in the course of the Parliamentary debate on the following day on a Motion of Censure by the Opposition.

The Committee had had to consider, first, the heavy cost of the commitments which the Government had inherited from the previous Administration; second, the most realistic means of meeting our defence requirements in the years ahead; and, third, the impact of changes in policy on the aircraft industry, particularly in relation to the degree of dependence on other countries which we could contemplate.

The Committee had concluded that the P-1154 should be cancelled. Even on present estimates of cost, which all experience suggested would rise still further, this aircraft would be more expensive than the United States Phantom. Moreover, it was not likely to be available by the date when it would be required; and, even if the project were maintained, it would be necessary to buy foreign aircraft for an interim period at heavy cost. In place of the P-1154 it was proposed to buy a limited number of United States Phantom aircraft and, at the same time, to develop the P-1127. It was possible that orders for the P-1127 would be placed by other countries in Europe.

It was proposed to adopt the Comet as a replacement for the Shackleton II. It was also proposed that the HS-681 should be cancelled. This project was still in an early stage of development; but even on initial estimates of cost the United States C-130, which would adequately meet the operational requirements involved, would only cost one-third as much per aircraft. Moreover, the C-130 was fully developed and available immediately. Here again, therefore, an interim purchase would be avoided. The impact of this decision on Messrs. Short and Harlands, who were sub-contractors for the HS-681, could not be mitigated by further uneconomic orders, e.g., for additional Belfast aircraft; but the possibility of providing alternative employment at Messrs. Short and Harlands' works, e.g., on Phantom assembly, would be urgently examined.

The TSR-2 presented the most difficult problem. This aircraft had originally been estimated to cost a total of £325 million (including £90 million in respect of research and development), i.e., an average cost for 158 aircraft of £2·1 million. This estimate had now risen to a total of £750 million or approximately £5 million per aircraft, an increase which illustrated the uneconomic character of the manufacture of military aircraft in the United Kingdom. Nevertheless, cancellation of the TSR-2 would clearly create both political and industrial problems, particularly as regards the resultant redundancy among the design teams. The Committee had therefore considered a compromise solution, whereby only 50 TSR-2s would be ordered together with an equivalent number of the United States TFX aircraft.
But this had been shown to be both uneconomic and impracticable from the operational point of view. It would be less unrealistic to substitute the TFX completely for the TSR-2, particularly since, although substantial dollar expenditure would be involved, the United States Government had offered us generous financial terms which would substantially alleviate the burden on our balance of payments. Both aircraft, however, were still subject to considerable uncertainties. The TSR-2 was facing a number of production problems which were not yet solved; and it was not certain whether the TFX Mark I would be superseded by the TFX Mark II, the cost and capabilities of which were not known. In these circumstances the Committee had been forced to the conclusion that research and development in relation to the TSR-2 should be allowed to continue for a further few months at a cost of £4 million a month, and that the final decision should then be taken in the light of the additional technical information about both aircraft which would become available during the interval, the more detailed assessment of the economic implications of cancelling the TSR-2 which would now be put in hand and the results of the comprehensive review of our defence requirements which was already in train. In any event, however, it would be essential that the future of the aircraft industry should be reviewed in order that it need no longer be dependent on a small number of very expensive military aircraft but might be redeployed on a more economic basis. From this point of view the possibility of initiating research and development projects in co-operation with other countries, particularly the United States, France and perhaps Germany, should be investigated.

The Chancellor of the Exchequer said that, while he recognised the force of the arguments which had led the Committee to recommend that the decision on the TSR-2 should be postponed for a short period, the delay should not be allowed to involve us in a virtual commitment to complete this aircraft since it would then become impossible to achieve our objective of reducing the Defence Budget to £2,000 million at 1964 prices in 1969–70. In that event the basis on which the Cabinet had recently decided to deal with public sector expenditure over the next few years would be undermined. Moreover, it was clearly necessary, on broader economic grounds, to reduce substantially the size of the United Kingdom aircraft industry. In discussion it was suggested that the cancellation of all three aircraft might impose an unacceptable burden on the balance of payments and inflict irreparable damage on the valuable export capability of the United Kingdom aircraft industry. Moreover, a number of advanced technologists, who were at present employed in the design teams, might be compelled to seek alternative work in other countries. On the other hand the substitution of the TFX for the TSR-2 would not only provide a very substantial relief to the Exchequer but would also save resources to the value of some £1,300 million, which, if efficiently redeployed, should enable us to offset the dollar expenditure involved. On balance, however, it was agreed that it would be desirable to defer a final decision in respect of the TSR-2 for a limited period in order to provide time in which
it would be possible to assess more accurately the relative merits of the TSR-2 and the TFX and to consider in more detail the alternative research and development projects by means of which an economic aircraft industry could be maintained in the United Kingdom in the longer term.

The Cabinet—

(1) Agreed that the Comet should be adopted as a replacement for the Shackleton II.

(2) Agreed that the P-1154 and the HS-681 should be cancelled.

(3) Agreed that a decision on the TSR-2 should be deferred for a limited period.

(4) Took note that in this interval the comparative costs and capabilities of the TSR-2 and the TFX would be examined in relation to our defence requirements and to the economic implications of cancelling the TSR-2.

(5) Invited the Foreign Secretary, in consultation with the Chancellor of the Exchequer and the Secretary of State for Defence, to inform the United States Government of their conclusions.

(6) Took note that the Prime Minister would announce these decisions in the course of a Parliamentary debate on the following day.

7. The Cabinet considered a memorandum by the Secretary of State for Education and Science (C (65) 11) about the development of higher education.

The Secretary of State for Education and Science said that his predecessor had proposed to the Ministerial Committee on Social Services that an early announcement should be made that the Government had decided not to create additional universities in the next 10 years or to promote further institutions to university status, with the possible exception of an institution in the north-east of England; that the expansion of higher technical education should be promoted by encouraging the development of technological departments of existing universities and of the three specialised institutions, Imperial College, the Manchester College of Science and Technology and Strathclyde University, rather than by the creation of a special category of Special Institutions for Scientific and Technological Education and Research (SISTERS); that the objective of providing 390,000 places in higher education by 1973–74 was accepted; and that, as recommended by the Committee on Higher Education (the Robbins Committee), 122,000 of these places would be provided in colleges of education (111,000 in England and Wales) and 50,000 in technical colleges. A decision to allocate the
non-university places in this proportion would involve comparatively little fresh investment before 1970. Some members of the Committee on Social Services had thought that it was unwise to commit the Government to more than the general objective of providing 390,000 places in higher education until the study of public expenditure over the next five years had been completed. But it was important to announce the decisions about universities and SISTERs without delay in order to put an end to uncertainty about the Government's intentions; and it would be desirable to announce the proposal to provide 122,000 places in colleges of education at the same time partly in order to offset the negative impact of the first two decisions and partly in order to anticipate a recommendation which was expected to be made shortly by the National Advisory Council for the Training and Supply of Teachers that the objective of 111,000 places in training colleges in England and Wales should be replaced by one of 120,000. Moreover, the acceptance of the objective of 122,000 places was the least the Government could undertake in view of the promise in The Queen's Speech to give "particular priority to increasing the supply of teachers" and of the fact that even that figure would not enable classes to be reduced to a reasonable size by 1970.

In discussion attention was drawn to the difficulty of considering individual proposals for additional expenditure in isolation and in advance of the review of public expenditure as a whole in the period 1964-65 to 1969-70. The resources available to meet the demands of civil departments in this period would depend on the extent to which it proved possible to contain defence expenditure within the figure of £2,000 million proposed in the Annex to C (65) 10; and it would then be for the Government to consider the priorities to be established within the amounts available. It should not be assumed that they must accept the priorities and objectives adopted by the previous Administration, particularly where that Administration had not made provision for attaining the objectives in question. In view of these considerations, of possible demands for a further expansion of the universities and for the replacement of obsolete school buildings and of the risk of pressure to increase the number of places in technical colleges as well as in colleges of education, it might be wiser to confine the announcement to the decision on new universities and SISTERs and to indicate that the expansion of colleges of education would have to be further considered when the Government's review of their commitments was complete and it was possible to judge the share of the national resources which should be allocated to education.

On the other hand, while pressure was to be expected for the expansion of higher education of all kinds, there was a good case for giving priority to colleges of education, since ultimately both education and economic expansion depended on an increase in the number of teachers in the schools. Moreover, there was reason to think that the cost of expanding the colleges of education could be accommodated within the 30 per cent increase in educational expenditure which the Cabinet had accepted as an appropriate assumption on which to prepare the basic Departmental programme (CC (65) 5th Conclusions, Minute 3).
In discussion of the draft statement appended to C (65) 11 the following points were made:

(a) As a matter of presentation emphasis should be laid not on the Government's acceptance of the objectives adopted by the previous Administration but on the fact that, whereas that Administration had not allocated resources to the achievement of the objectives, the present Government intended to do so.

(b) In the paragraph referring to colleges of advanced technology a reference to the Heriot-Watt College should be substituted for the reference to Central Institutions in Scotland.

(c) At the end of the last paragraph the words "with particular reference to the need to increase the supply of scientists and technologists" should be added.

The Prime Minister, summing up the discussion, said that, since it would be inconvenient to defer an announcement of the Government's intentions until the completion of the review of public expenditure in the period 1964-65 to 1969-70, the Secretary of State for Education and Science should consider, in consultation with the Chancellor of the Exchequer and the Chancellor of the Duchy of Lancaster, how the proposed expenditure on the expansion of colleges of education could be accommodated, together with his other commitments, within his Department's basic programme, on the assumption that the increase in expenditure on education would be no more than 30 per cent during the five years in question. If this could be achieved, the Cabinet were prepared to authorise the Secretary of State for Education and Science to make a statement on the lines proposed in the Annex to C (65) 11, subject to further consideration of the drafting in the light of their discussion.

The Cabinet—

(1) Invited the Secretary of State for Education and Science to consider, in consultation with the Chancellor of the Exchequer and the Chancellor of the Duchy of Lancaster, how the proposed expenditure on the expansion of colleges of education could be accommodated, together with other commitments in the field of education, within a 30 per cent increase in educational expenditure in the period 1964-65 to 1969-70.

(2) Subject to Conclusion (1) above and to consideration of the points made in their discussion, approved the proposed statement on higher education annexed to C (65) 11.

Cabinet Office, S.W.1.
1st February, 1965.