1st Conclusions, Minute 1 - Meeting of Foreign Ministers in Moscow. (C.A.)


2 - Foreign Office Staff. (N.C.R.)

18th Conclusions, Minute 2 - Spain. (N.C.R.)

22nd Conclusions, Minute 3 - India: Draft Directive to Cabinet Mission. (C.A.)


43rd Conclusions, Minute 1 - Germany. (C.A.)

55th Conclusions - India: Constitutional Position. (C.A.)

59th Conclusions, Minute 3 - India: Constitutional Position. (C.A.)
MEETING OF FOREIGN MINISTERS IN MOSCOW

In the course of his account of the proceedings at the recent meeting of Foreign Ministers in Moscow, the Foreign Secretary referred to exchanges of views which had taken place on the following subjects in informal conversations with Marshal Stalin and M. Molotov:

(i) Marshal Stalin had referred to the suggestion, put forward at the first meeting of the Council of Foreign Ministers, that the Soviet Government might be invited to undertake trusteeship of Tripolitania. He had expressed regret that the United Kingdom Government had not felt able to support this suggestion, and suggested that we had distrusted their intentions in this matter. The Foreign Secretary had said that it was not a question of mistrust: we preferred to avoid competition with the Soviet Government in this area.

(ii) Marshal Stalin had spoken with sympathy and understanding of our policy towards India. He had referred to the dangers of a separatist movement in India, and he expressed the hope that India would remain within the British Commonwealth. It was clear that he was more apprehensive of trouble from India and the Far East than from the Balkans.

(iii) Both Marshal Stalin and M. Molotov had evidently feared that it might be our intention to incorporate Indonesia within the British Commonwealth. The Foreign Secretary had given them a clear assurance that we had no such designs. He had, however, explained that the Dutch had claims to these territories which we could not ignore and it was our policy to promote an amicable settlement between the Dutch Government and the Indonesian leaders. There had been a frank exchange of views, which should have removed any possible source of misunderstanding between ourselves and the Soviet Government on this question.
The Foreign Secretary said that he had tried, without success, to secure some agreement about the withdrawal of Allied troops from Austria. When he sought to raise this question, M. Molotov had evaded the issue by bringing forward allegations that the British military authorities were supporting Fascist elements in Austria. Similar charges had been made about the attitude of the British military authorities in Germany. The Foreign Secretary had disposed of these imputations against British Commanders, but he had not been able to bring the discussion back to the question of withdrawal of Allied troops from Austria.

The Foreign Secretary said that it was clear that the Soviet Government were not yet ready to discuss this question. It was his impression that they were anxious, for domestic reasons, not to bring any more of their troops back into Russia during the coming winter. The internal position in Russia was not, he thought, very satisfactory. War damage was extensive; and the administration were finding great difficulty in arranging for an industrial machine highly geared for war to be turned over to peace-time production. It was doubtful whether the Soviet authorities would be able to enforce in future the same rigid control over labour as they had exercised before the war. Food was also short, and from that point of view also the Soviet Government found advantages in keeping large numbers of troops in occupied territory.

It seemed likely, however, that the Soviet Government would wish to propose large-scale withdrawals of Allied forces of occupation, as a gesture, in connection with the proposed Peace Conference - possibly in the spring or early summer of 1946. If so, they would probably propose the simultaneous withdrawal of Allied Armies of occupation throughout the world - including the withdrawal of British troops from Greece and of United States troops from China.

In the discussion which followed the Foreign Secretary's statement, the following points were made:

(a) THE MINISTER OF HEALTH asked whether the Soviet Government were likely to relax their rule prohibiting foreign aircraft from flying over Soviet territory.

The Foreign Secretary said that he had raised this question with Marshal Stalin, who was quite adamant on the point. There was no doubt that the Soviet authorities were still highly reluctant to afford foreigners facilities for observing what was going on within Soviet territory. The country was, in fact, passing through a phase of great economic disturbance and difficulty. The Foreign Secretary said that it might be helpful to relations between the two countries if he made some public reference to the economic difficulties which confronted the Soviet Government at the present time.

(b) Reference was made to the attitude of France towards agreements reached at Three-Power Meetings.
THE FOREIGN SECRETARY said that he would have preferred that France should be associated with these discussions, and he hoped that there would be no regular meetings of the three Foreign Ministers after the meeting in Washington which had already been mooted. It must, however, be recognised that both the Russians, and to a lesser extent the Americans, were at present unwilling to treat France as a first-class Power; and the French did not improve the position by their tendency to make claims disproportionate to their present strength. The Foreign Secretary added that it was his policy to promote a closer understanding between this country and France, and that our diplomatic contacts with the French, from the Foreign Minister downwards, were close and cordial. It was, however, difficult to translate this understanding into terms of practical action. Thus, while we were anxious to resume commercial relations and the Chancellor of the Exchequer had agreed to set aside a substantial amount of currency for the purchase of French goods, the economic dislocation of France was so great that it was proving very difficult to promote a flow of trade. The French were also disposed, instead of building up their international position by a series of agreements on smaller issues on which agreement could readily be reached, to insist on raising major questions which were not yet ripe for international discussion, e.g. the control of the Ruhr.

Cabinet Office, S.W.1.
Discussions in the Security Council

In the course of the Cabinet's discussion about the proceedings in the Security Council on the situation in Indonesia, THE FOREIGN SECRETARY said that he suspected that the real objective of the Soviet Government was to secure a foothold in South-East Asia. If they succeeded in their demand for an independent enquiry into the conduct of British troops in the Dutch East Indies, this would be a precedent for demanding the appointment of a similar Commission of enquiry in India if disorders broke out there at the time of the constitutional crisis which was now approaching. As soon as we had overcome the immediate difficulties in the Security Council, we should consider very carefully how far the provisions of the United Nations Charter were likely to permit independent investigations into matters of dispute within territories over which we exercised sovereignty. We might find ourselves in difficulty in this respect by reason of the loose-knit organisation of the British Commonwealth: for, while the Soviet Government would not suggest that the Security Council could concern itself with matters of dispute arising within the United Kingdom, they might be able to maintain the contention that the Council could concern itself with disputes in British dependencies overseas. This was a possibility which the British Commonwealth must consider very seriously as soon as the First General Assembly of the United Nations Organisation was concluded.

The Cabinet should also consider the intentions of the Soviet Government. Their attitude towards Turkey
and Persia, their claims to former Italian Colonies in North Africa, and their attempt to secure the intervention of the Security Council in Greece all pointed to a desire to reduce British influence in the Mediterranean. This made it more than ever important that we should proceed without delay with the revision of the Egyptian Treaty; for a satisfactory Treaty with Egypt was the clue to continued British influence with the Arab States in the Middle East.

In the discussion which followed THE MINISTER OF HEALTH said that he doubted whether the prospects were quite so black as the Foreign Secretary suggested. The recent proceedings in the Security Council had enhanced British prestige in the eyes of the world, and the Cabinet were indebted to the Foreign Secretary for the skilful way in which he had handled these discussions. The Foreign Secretary had referred to the solidarity of Communists in all countries. The Minister had thought it significant, however, that in the recent proceedings in the Security Council the Polish representative, though a Communist, had expressed views contrary to those of the Soviet Delegation. He had other evidence that in countries bordering on the Soviet Union there were growing signs of distaste for some aspects of Soviet rule. It might be that the Communist wave in Europe was about to recede. We must not, therefore, allow Russian intransigence to drive us into an untenable position in foreign policy. The right course at the present time was to maintain our position and await developments. He himself believed that the foreign policy of the Soviet Government was influenced by the extent of their internal difficulties, both economic and social. There was no doubt that there was great internal stress in Russia to-day.

11th February, 1946
In connection with the discussion on the appointment of a Special Commissioner for South-East Asia (recorded in C.M.(46) 14th Conclusions, Minute 2) THE FOREIGN SECRETARY recalled the public criticism of recent diplomatic appointments and said that he was aware that some supporters of the Government were anxious to see more drastic changes made in the staffing of the Foreign Office and diplomatic posts abroad. It was not possible for him to make the sweeping changes which some critics desired; but he was taking steps to strengthen the staff, as opportunities arose. When Lord Killforth took up his new appointment as Special Commissioner for South East Asia, he would be replaced in Cairo by Sir Ronald I. Campbell. In Greece, he had asked the War Office to post General Scobie to another appointment and his place would be taken by General Crawford. Sir Rex Leeper would also be moved from Athens to another post. Mr. Le Rougetel was shortly to be moved from Bucharest. In Chungking there would be little political work for the time being, and he was taking this opportunity of sending out as our representative there a man with experience in the Consular Service who would be able to develop the commercial side of the work. Changes were also being made within the Foreign Office.

11th February, 1946
In addition to the points noted in C.M.(46) 18th Conclusions, Minute 2, the following points were made in the course of the Cabinet's discussion:

(a) THE MINISTER OF EDUCATION said that one of the Spanish Republicans who had been shot was a very good man, and his execution was a deliberate affront to Great Britain and France.

(b) THE MINISTER OF FUEL AND POWER said that, although we were on good terms with M. Salazar, there seemed to be some possibility of collusion between him and General Franco.

THE MINISTER OF STATE said that he would not be surprised if there were such collusion, though the Foreign Office had no evidence of it.

(c) THE MINISTER OF HEALTH referred to the revival of the influence of the Roman Catholic Church throughout Europe and particularly in Spain.

(d) THE MINISTER OF EDUCATION asked whether it was not possible to apply some effective sanctions against the Franco Government. Words alone would not secure its overthrow. Need we continue to supply Spain with oil?

(e) THE MINISTER OF STATE said that responsible Republicans in Spain were anxious that no steps should be taken which would precipitate civil war. Nor would they favour economic action which would penalise the mass of the Spanish people without causing much inconvenience to General Franco's immediate supporters.
They also doubted whether it was expedient that a Republican Government should come into power at the present moment, when it would have to face a serious food crisis for which the Franco Government should bear the responsibility.

(f) THE MINISTER OF HEALTH said that, while he agreed with much that the Minister of State had said, he would himself go further and point out that it would be a great spiritual reinforcement to Republican forces in Spain if they could be given some overt sign that this Labour Government in the United Kingdom were sympathetic towards them. In his view the Cabinet should consider what active steps could be taken by His Majesty's Government to assume the leadership among Socialist parties in Europe, especially in Spain.

Cabinet Office, S.W. 1.
INDIA

Draft Directive to Cabinet Mission

(Previous Reference: C.M. (46) 16th Conclusions, Minute 7)

The Cabinet had before them a memorandum (C.M. (46) 95) covering the draft of a directive to the Cabinet Mission to India.

The draft gave the Mission liberty to say that His Majesty's Government would be prepared to recommend to Parliament any constitutional arrangement for the granting of independence and self-government to India, provided that it incorporated the following cardinal points:

(a) Some form of protection must be included either by constitutional or treaty provision for the protection of religious and racial minorities.

(b) Satisfactory provision must be made for the defence of India and the Indian Ocean area.

(c) Paramountcy must not be handed over to an Indian Government.

(d) A satisfactory means must be devised for winding up the financial position of India and Great Britain arising out of the present regime.

THE SECRETARY OF STATE FOR INDIA said that the advice of the Chiefs of Staff was being sought on the point noted in paragraph (b) above. As regards (d), the financial settlement involved important issues. It would be necessary to provide amongst other things for the service of various loans, for the payment of civil and military pensions and for the disposal of India's accumulated sterling balances.

THE PRIME MINISTER explained that it would not be the duty of the Mission to enter into detailed discussion of these financial points.
which would be a matter for subsequent negotiation between the United Kingdom Government and the Succession Government in India. There could be no question of offering at this stage concessions on the financial side in order to secure a political settlement.

The Cabinet —

Invited the Prime Minister to issue a directive to the Cabinet Mission to India in the terms of the draft attached to C.P.(46) 96.

Cabinet Office, S.W. 1.
C.M.(46) 22ND CONCLUSIONS, MINUTE 6

Confidential Annex
(8th March, 1946 - 11.15 a.m.)

The Cabinet considered a memorandum by the Home Secretary (C.P.(46) 87) embodying the report of a Committee appointed by the Prime Minister to consider the revival of the supply and transport organisation, which in the period between the two wars had been held in readiness to operate under the Emergency Powers Act, 1920, for the purpose of maintaining essential services in times of widespread industrial disturbances.

The Committee had reached the conclusion that, if such an organisation were to be re-created, all sections of the community, including employers and trades unions, should be invited to "recognise that any such organisation must be the instrument of a national rather than a sectional interest, and that their co-operation would be necessary in its framing and, if the need should arise, in its operation". The Committee had therefore prepared a statement (annexed to C.P.(46) 87) of the principles which should govern the establishment of such an organisation; and they suggested that, if this statement of principles were approved by the Cabinet, the question of creating an organisation for these purposes should be taken up in confidence with representatives of employers and trade unions after Parliament had passed the Trade Unions and Trade Disputes Bill.

THE MINISTER OF HEALTH said that, although he had been a member of the Committee, he could not support its recommendations. He himself believed that the Government should make no such preparations in advance for maintaining essential services in the event of widespread industrial disturbances. An organisation on the lines of the Supply and Transport Organisation must, if it was to work efficiently, be elaborate and costly; and it would be impossible to prevent its existence from becoming known. The Government would, he thought, find it highly embarrassing to defend in Parliament their action in creating such an organisation. He would not himself be prepared to defend the use for these purposes of the regional organisation of the Ministry of Health. In any event he doubted whether it was practicable to prepare in advance plans for meeting a purely hypothetical situation. The right
organisation could not be framed until it was known what situation it would have to meet. Different types of organisation might be appropriate for different kinds of strike and in different parts of the country. In these circumstances, while he agreed that it was a responsibility of Government to see that essential services were maintained in the event of widespread industrial disturbances, he was strongly of opinion that no preparations for this purpose should be made in advance, and that the Government should rely on improvising arrangements at the last moment to meet the particular kind of situation with which they were faced.

There was general agreement that the Government must accept the responsibility for seeing that, in the circumstances contemplated by the Emergency Powers Act, 1920 (which might arise, not only from industrial disputes, but also as a result of action taken by political extremists), there was no widespread or lasting break-down of services essential to the public safety and the life of the community. Discussion then turned on the question whether preparations should be made in advance to enable the Government to discharge that responsibility.

On this point THE PRIME MINISTER said that he could not accept the argument that no plans should be made until the nature of the emergency was known. By that time it might be too late to make effective arrangements: and plans improvised in a hurry at the last moment were likely to contain the very defects which it was desired to avoid, e.g. in the choice of persons to assume positions of local responsibility in an emergency. He also cited the analogy of war preparations, which were made – and had to be made – against hypothetical contingencies. Finally, he pointed out that failure to make preparations in advance would increase the risk that at the last moment undue reliance would be placed on military assistance.

THE FOREIGN SECRETARY, THE FIRST LORD OF THE ADMIRALTY and other Ministers endorsed the views expressed by the Prime Minister. In the discussion, however, the point was stressed that these preparations need not be carried at present beyond the stage of a paper plan. Planning could be confined to senior officials in the Whitehall Departments mainly concerned: there need be no consultation with regional officials and no communication of plans to regional headquarters: and no persons outside the Government service need be brought into consultation at the present stage.

THE LORD PRESIDENT said that the preliminary work should include the preparation of draft Regulations to be made under the Emergency Powers Act, 1920.
Having agreed that some preparations must be made in advance to meet such an emergency, the Cabinet next considered whether it would be expedient to bring representatives of employers' organisations and trade unions into confidential consultation in the making of these preparations.

THE PRESIDENT OF THE BOARD OF TRADE said that, in making this proposal, the Committee had been influenced by the consideration that the creation of an organisation on the lines of the Supply and Transport Organisation would involve far-reaching consultations with officials of numerous Departments; that the preparations which were thus being made were likely to become known; and that, if the matter were raised in Parliament, an awkward political situation would arise unless the Government were able to say that they were acting in consultation with representatives of the employers' organisations and trade unions.

It was pointed out that, if planning were confined to the preparation of a paper scheme by a small number of senior officials in Whitehall Departments, there was no reason to fear any public disclosure. If, however, the Government were asked in Parliament whether they had made preparations to meet such an emergency, THE PRIME MINISTER said that he would himself be prepared to take the line that it was the duty of any Government to be prepared for such a contingency and he would not seek to conceal the fact that a paper scheme had been prepared. He would, however, decline to disclose the details of that scheme.

THE FOREIGN SECRETARY said that in his view it would be inexpedient to bring representatives of the employers or trades unions into consultation in the preparation of such a scheme. The trades unions would expect the Government to be ready to maintain essential services in an emergency; but if they were asked in advance to collaborate in devising an organisation for this purpose, they might regard this as an invitation to assist in building up a strike-breaking organisation. THE FIRST LORD OF THE ADMIRALTY supported this view. THE MINISTER OF LABOUR and THE SECRETARY OF STATE FOR SCOTLAND said that, although they had supported the recommendation made by the Committee, they were now opposed, on further reflection, to any advance consultation with the trade unions.

The Cabinet -

(1) Approved the first two paragraphs of the note annexed to C.P.(46) 87, as a statement of the general principles on which preparations should be made for maintaining in a civil emergency services essential to the public safety and the life of the community.
Agreed that such preparations should be made in advance; but directed that these should be confined to the preparation of a paper scheme by a small number of senior officials in the Whitehall Departments mainly concerned, that no communication of this scheme (whether by way of sealed instructions or otherwise) should be made to the regional headquarters of Government Departments, and that special care should be taken to reduce the risk of any public disclosure of these preparations.

Agreed that it was a responsibility of Government to operate any organisation required for maintaining essential services in a civil emergency; and decided that representatives of employers' organisations and trade unions should not be brought into consultation in advance, as contemplated in the third paragraph of the Statement annexed to C.R. (40) 87.

Invited the Home Secretary to arrange for further preparations to proceed in accordance with conclusion (2) above.

Cabinet Office, S.W.1.
GERMANY

(Previous Reference: C.M.(46) 36th Conclusions, Minute 3)

The Cabinet had a preliminary exchange of views on a memorandum by the Foreign Secretary (C.F.(46) 186) on future policy towards Germany.

THE PRIME MINISTER said that this memorandum posed the alternatives of continuing to work towards a unified (though federalised) Germany or seeking to promote the formation of a Western German State or States which would be a bulwark against the spread of Communist influence from the east. He did not at this stage seek final conclusions, but he wished to have a preliminary exchange of views with his Cabinet colleagues before these issues were discussed with the Dominion Ministers. His own view was that, both on general grounds and because we had not the resources necessary to organise the British zone of Germany as a stable separate unit, the Foreign Secretary was right in suggesting that the general dangers of splitting Germany were greater than those of continuing our present policy and that we might hope to avoid the dangers of excessive centralisation by encouraging political development along federal lines. He had recently received from the Deputy Military Governor of the Control Commission an appreciation, dated 5th May, of the effect of a further reduction or cessation of imports of food grains into the British zone. This appreciation (which was read to the Cabinet) showed the magnitude of the problems confronting our administration in Germany, and afforded a striking illustration of the economic and political difficulties with which we should be faced if we attempted now to build up Western Germany as a separate unit.

THE LORD PRESIDENT said that our acceptance of the conclusions of the Berlin Conference had put us in a very weak position. He believed that, as time went on, it would be generally recognised that the Berlin conclusions regarding Germany had been unsound. Meanwhile, the Russians were maintaining their zone as a closed area and denying to Western Germany a fair share of the food from the east; and the execution of the agreed policy for reparations and for the
reduction of the level of German industry, coupled with the inevitable food shortages, was creating conditions in our zone for which the blame was being laid at our door. He was in general agreement with the Foreign Secretary's view that we should continue to work towards a unified Germany, though there should be a much greater degree of decentralisation than in the past. He felt strongly, however, that in pursuing any such policy we must, while seeking to preserve good relations with the Russians, point out to them firmly and publicly the consequences of their policy. It was time that the Germans themselves and our other partners in the occupation of Germany should clearly understand where the fault lay. At the same time, we should adopt a more positive and progressive socialist policy in our zone, in both economic and social matters, so that the democratic forces in Germany should be encouraged and that we should stand out as the natural leaders of progressive democracy. He did not accept the view that a clash with Russia was inevitable and he felt that it would be possible for us, while recognising the dangers inherent in the present Russian policy and developing a livelier leadership in Europe, to keep the way clear for the re-establishment of more harmonious relations with the Soviet Union.

THE CHANCELLOR OF THE EXCHEQUER said that he was concerned about the present position in Germany. Both politically and economically we seemed to be getting the worst of both worlds. He believed that our financial liabilities might even be increased if the policy of a unified Germany were adopted, and he felt that this aspect of the matter would have to be considered before a final decision was reached. Apart from this, the arguments set out in paragraph 10 of C.P.(U6) 186 in favour of working towards a unified Germany seemed to him conclusive. He was strongly of opinion that we should avoid drifting into an anti-Soviet policy. He did not agree with the statement in paragraph 2 of C.P.(U6) 186 that "the danger of Russia had become certainly as great as, and possibly even greater than, that of a revived Germany", though he agreed with the statement in the following sentence that "the worst situation of all would be a revived Germany in league with or dominated by Russia". He hoped that any scheme for a unified Germany would provide for a large measure of decentralisation to Provincial Governments and for the establishment of the Ruhr as a separate province in which the industries would be owned by an international consortium.

THE MINISTER OF HEALTH said that the scheme favoured by the Foreign Secretary seemed to be based on the grant of considerable autonomous powers to the provinces, with a general tendency to restrict the powers of the centre to the least minimum necessary for its co-ordinating function. A constitution imposed by the
victorious Powers would be unpopular; and it was mistaken to suppose that we could establish and maintain a Federal system in Germany against the will of the German people. The fears expressed in C.P.(46) 186 with regard to Russia seemed to be exaggerated and insufficient recognition had been given to the fact that the influence of Russia inevitably weakened as it penetrated further to the west. He agreed with the Lord President that we should adopt a more positive and progressive policy in Germany and should back this up with suitable publicity. Above all, it should be recognised that in the end the German people would evolve their own political structure and that any attempt to impose on them conditions alien to their natural development would fail.

The Lord Chancellor said that, while he recognised the force of the arguments advanced by the Minister of Health, he was in general agreement with the conclusions reached in the Foreign Secretary’s memorandum. It was impossible in present conditions to determine our final policy. For the moment we must temporise. He agreed, however, that more vigorous steps should be taken to publicise the British case.

The Minister of Fuel and Power said that it was difficult to reconcile our two aims of preventing the revival of Germany as a military power and encouraging the growth of a vigorous democratic system in Germany. There would also be some difficulty in reconciling a federal political system with a unified economic system. On balance, however, he saw no alternative to the line suggested by the Foreign Secretary, short of abandoning our zone in Germany. Russian interests in other parts of the world would probably limit their penetration into western Europe.

The Secretary of State for War said that if the proposal for a unified though federated Germany were accepted as our aim, we should have a stronger case to put to the world. Though it was attractive to contemplate the early withdrawal of British troops from Germany, he himself believed that we should have to maintain an Army of occupation there for some years if we were to maintain conditions favourable to the establishment of a strong social democracy in Germany.

The Parliamentary Under-Secretary of State for Foreign Affairs pointed out that any apparent inconsistencies in the policy suggested in C.P.(46) 186 were due to the need to steer a course among the conflicting aims and policies in Germany. Thus, the French had always opposed political unification, while the Russians were in practice failing to carry out the agreement for economic unification. He did not believe that publicising our case would suffice to remedy this situation unless we could secure more satisfactory economic conditions, and he attached
great importance to our insisting that Russia should treat Germany as an economic unit. In the last resort, we might for this purpose have to suspend the operations for reducing the level of German industry in our zone which we had undertaken in accordance with the Berlin Agreement. With regard to the point made by the Minister of Health, he was sure that the Foreign Secretary had no intention of seeking to impose a constitution on Germany against the will of the German people.

THE CHANCELLOR OF THE DUCHY OF LANCASTER said that he was in general agreement with the Foreign Secretary's suggestion, provided that in carrying out any scheme of unification account was taken of the views of the German people themselves. He thought it important, however, to avoid any scheme under which the central administration would consist of purely co-ordinating bodies without effective control, or the separate provinces would remain under the control of the separate Zone Commanders, since in either case there could be no prospect of building up an effective central administration.

Cabinet Office, S.W. 1.
The Cabinet had before them a note by the Secretary (C.F. (46) 217) covering telegrams from the Cabinet Mission and the Viceroy giving their appreciation of the situation which might arise in India if agreement could not be reached on the basis of the proposals put forward on behalf of His Majesty's Government.

The Cabinet Mission believed that a crisis in the negotiations would be reached between the 5th and 15th June. They were not without hope of reaching agreement with both parties on all the points at issue, since they believed that a majority of the Working Committee of Congress desired to reach a peaceful settlement. They thought it necessary, however, that some plan of action should be prepared against the contingency of a failure to reach agreement. Such a breakdown might occur because the proposals of His Majesty's Government were rejected (i) by the Muslim League, or (ii) by Congress, or (iii) by both. The Mission contemplated that, in the first event, an interim Government would be formed which would include representatives of Congress, some representatives of minorities and a proportion of seats reserved for the Muslim League but filled for the time being by officials or non-League Muslims. In the second event, the position would be much more serious; and an attempt to form a central Government might give rise to widespread opposition by Congress which would lead to serious disorders. In the third event, viz. if the scheme were rejected by both Congress and the Muslim League, the Cabinet Mission would return home at once. Before doing so, however, they would issue a statement announcing that the search for a solution would be continued, that meanwhile they were returning for consultation with His Majesty's Government and that the Viceroy would be re-opening negotiations shortly. Such a statement might hold the situation for long enough to enable the position to be fully reviewed in London and for instructions to be sent to the Viceroy regarding the basis of a new approach to the problem. It was possible, however, that such a statement would fail to hold the situation and that the Viceroy would soon be faced with open opposition from Congress which might develop into a struggle similar to, but more widespread and better organised than, that of 1942. The Mission therefore thought it essential that the Viceroy should have from His Majesty's Government an indication of the policy which they should adopt in that event. They also thought it desirable that they should have this policy in their minds before they embarked on their final discussions with Congress and the Muslim League.
The Mission outlined the alternative policies which might be adopted in the situation envisaged in their message. First, an attempt might be made to maintain the existing form of Government for a further period and to suppress any widespread opposition sponsored and directed by Congress. The Mission considered that our military and civil resources in India were insufficient to enable us to enforce such a policy of repression; and that such a policy would mean an end of political progress in India for a long period, during which Government would have to be carried on by executive councils of officials both at the centre and in the provinces. They also believed that such a policy would be unacceptable to the supporters of His Majesty's Government in the United Kingdom. They therefore felt unable to recommend this course.

Secondly, we might decide to withdraw entirely from India as soon as widespread opposition developed. This would produce administrative chaos, famine and civil war. It would cause general consternation throughout the British Commonwealth; and the Mission considered that we should not adopt this course unless the sheer necessities of the situation forced us to do so.

A possible variation of this plan would be to announce our intention to withdraw from India by a certain date, e.g. 1st January, 1947, and to attempt in the interval to arrange with the political Parties for a phased withdrawal— which would give them time and opportunity to organise their own administration. This plan would alienate Muslim opinion, both in India and throughout the Middle East, and might provoke civil war in India. If that occurred we should have failed to secure our main objective of averting administrative chaos. The President of the Board of Trade was disposed to favour this alternative; but he had been prevented by illness from taking part in the discussions leading up to the formulation of this appreciation. The other two members of the Mission recommended that this modified plan of withdrawal should be rejected.

Thirdly, the suggestion had been made that His Majesty's Government, with the concurrence of the principal Parties in India, should submit the Indian problem for decision by the United Nations or some international arbitrator. This course was not recommended by the Mission.

Having rejected the alternatives summarised above, the Mission and the Viceroy both recommended that in the situation envisaged the best course would be to allow the six Hindu provinces of Madras, Bombay, Central Provinces, United Provinces, Bihar and Orissa to become self-governing in every respect, but to maintain for the time being the existing constitution in the remainder of British India, and the existing relations with certain of the Indian States. This would mean in effect granting independence to Southern and Central India and maintaining the existing position in North-West and North-East India. An attempt would be made to persuade Congress and the Muslim League to accept this plan and to co-operate in its orderly execution, so as to gain time to carry out the division of the Indian Army, the necessary arrangements for communications and other administrative arrangements consequent on this division of India. The six Hindu provinces would then proceed to set up their own group Government which, when formed, would take over responsibility within its area for all central subjects including foreign affairs, defence and communications. In the remainder of British India the present constitution would remain in force.
but the Provinces would be encouraged to determine their own constitutions with due regard to minority rights. During this interim period we should encourage co-operation between Northern India and the rest of India in the hope that feeling in favour of an Indian Union would grow.

The Mission asked, on two grounds, that they should be informed at once of the preliminary reactions of the Cabinet towards these proposals. First, their handling of the next phase of their discussions with the Party leaders, beginning soon after 5th June, would depend to some extent on the policy which His Majesty's Government were likely to adopt in the last resort. Secondly, a dangerous situation might arise quite suddenly and it might then become necessary for prompt action to be taken, with little time for consultation with His Majesty's Government in London, as any hesitation might endanger the lives of Europeans in India.

The Cabinet first discussed, in consultation with the Chiefs of Staff and Field Marshal Auchinleck, the military implications of the proposals put forward by the Cabinet Mission. The following is a summary of statements made by FIELD MARSHAL AUCHINLECK in reply to specific questions put to him by various members of the Cabinet.

The success of the proposed withdrawal from Hindustan would depend very largely on the attitude of Congress towards this plan. If their co-operation were secured, the withdrawal could be spread over a substantial period, say, three years, and it might then be carried out without undue dislocation. If their co-operation were withheld, however, the movement would become an operation of war and it was impossible to predict precisely how it would be achieved. Plans had been made for collecting Europeans, Anglo-Indians and Indians needing protection into centres where they could be protected by British troops, and for removing them gradually to the ports whence they could be evacuated either to the United Kingdom or to Pakistan. Even if the co-operation of the Congress leaders were secured, there would be some disorder and anti-European demonstrations which would necessitate the introduction in certain areas of these special arrangements for the protection of Europeans.

The Indian Army contained both Hindus and Muslims, and for the most part they were not segregated into separate units. Up to now it had been possible to rely on the loyalty of the Indian Army. Active steps had been taken to explain to the Army the nature of the proposals made on behalf of His Majesty's Government for enabling India to secure her independence; and so far the Army had in the main stood firm against communal influence. If, however, Congress finally rejected the proposals of the Cabinet Mission, it would be unwise to continue to rely on the Hindu element in the Indian Army, which would then be subject to strong political influence. And, if it became necessary to proceed to a division between Hindustan and Pakistan, Hindus would inevitably have to be released from the Army and transferred to Hindustan. As the Hindus and Muslims were not segregated in separate units, the process of regrouping would be protracted; and it would be several years before an efficient Muslim Army could be created.
If Congress withheld their co-operation, communications in Hindustan would be paralysed; and the British elements in those provinces would be faced with the alternatives of fighting their way out or waiting until they could be extricated. For this reason the plans provided for maintaining control over key airports, so as to permit evacuation by air to the airports. If all European administrators were withdrawn from Hindustan, the railways could still be operated—though with substantially less efficiency.

In the circumstances envisaged it was likely that the Muslims would welcome a British decision to remain in Northern India. The Muslims would expect to be attacked, possibly within five years, by Hindustan; and they would also expect Hindustan to invite foreign intervention in Northern India. The Cabinet were informed, in this connection, that there were already indications of slightly increased concentrations of Soviet troops to the north of Afghanistan; and there was also some evidence that Soviet agents were moving southward through Persia. It was likely that the tribes on the North-West frontier would take advantage of any weakness in the Indian contingents on the frontier due to the disorganisation arising from the separation of Hindus and Muslims in the Indian Army. On the other hand these Muslim tribes might refrain from causing trouble which would embarrass the Muslim Government of Pakistan.

If it became impossible to rely on the Indian Army, British troops in or within easy reach of India would not suffice to maintain law and order throughout India. In particular, it would be impossible to control with British troops alone all the munitions dumps and factories throughout India. The most that could be done with British troops would be to garrison the ports and certain key areas. On the other hand the immediate despatch of British reinforcements to India would not be likely to deter Congress from provoking disorder; at this stage it was likely to have an irritant, rather than a sedative, effect. The purpose of obtaining reinforcements would be, not to avoid trouble, but to restore the situation when trouble had broken out. For this purpose as much as four or five divisions might be required. Strengthening of the British air forces in India would be of little value for this purpose; for, although aircraft could be used in the last resort to attack demonstrators, they were of no value for the purpose of protecting lives and property.

The Chief of the Imperial General Staff said that these appreciations by the Cabinet Mission and the Viceroy raised very serious issues and the Chiefs of Staff would wish to have further time in which to consider them. It was necessary to assess the reactions, not only within India, but also on Indian troops serving outside India, in Burma, Malaya and the Netherlands East Indies.

As regards British reinforcements for India, two brigades were available in Malaya and one in Palestine. If, however, further reinforcements were required, they could be provided only at the cost of reducing our military security in other areas, e.g. Palestine or Greece.
The Chiefs of Staff would like to have a further opportunity for careful study of the military implications of the alternative courses set out in the appreciations annexed to C.F.(46) 217 and also their effects on our military commitments in other parts of the world. When they had completed their study of these questions they would wish to submit a considered appreciation to the Cabinet.

The Chiefs of Staff and Field Marshal Auchinleck then withdrew from the meeting. The Cabinet proceeded to discuss the political aspects of the questions raised in C.F.(46) 217.

Discussion showed that the Cabinet shared the dislike of the Cabinet Mission for both of the extreme courses outlined in paragraphs 7 and 8 of their telegram, viz. repression of a mass movement sponsored and directed by Congress or withdrawal from the whole of India. In particular, they took the view that having regard to current difficulties in Palestine and Egypt, it was important to avoid any course which could be represented as a policy of "scuttle". This would provoke very strong reactions in this country and in the Dominions and would have a most damaging effect on our international position.

The Foreign Secretary said that such a policy would greatly weaken his position in the forthcoming negotiations in Paris.

The Cabinet did not favour the proposal in paragraph 9 of the telegram that we should announce our intention to withdraw from India by a specific date. In general, the Cabinet felt that if the Mission's proposals were rejected it would be a mistake to give any appearance of weakness. To do so might well precipitate the troubles which we wished to avoid. The suggestion was made that we should take the following line: we were anxious to give India her independence and had put forward a plan to enable her to achieve it; unfortunately the people of India could not agree among themselves on a plan for independence; we could not, in these circumstances, allow a situation to develop in which there would be chaos and famine; accordingly we must retain our responsibilities until the Indians were able to agree on a plan; in the meantime our proposals remained open.

There was strong support for this proposal, which would involve maintaining the existing form of Government. It was realised, however, that the extent to which it would be possible to follow such a policy must depend on the Indian reaction to it. If in fact it evoked widespread resistance, the policy would have to be modified, if only because it would involve very substantial reinforcement of our troops which we should have great difficulty in finding. But would there in fact be widespread resistance necessitating repression of the type which neither the Mission nor the Cabinet favoured? It was difficult to predict the Indian reaction, but was there not a powerful element in Congress which would resist a course leading to chaos and anarchy and throw their weight against the more irresponsible sections of Congress?
The Cabinet saw substantial difficulties in the positive proposal made by the Delegation in paragraphs 12 to 22 of their telegram, that the six Hindu provinces should be allowed to become self-governing in every respect while the existing constitution continued in the remainder of British India and the existing relationship was maintained with certain of the States. Under such a proposal we should, in fact, be giving to the Muslim League the Pakistan which we had so far resisted. There would be little guarantee of fair treatment for the minorities in the Hindu provinces. It would also undoubtedly take time for the new group Government of the Hindu provinces to become effective and meanwhile the administration of the present central subjects, particularly communications, might well become chaotic.

THE PARLIAMENTARY UNDER-SECRETARY OF STATE FOR INDIA suggested, as a possible alternative, that a short Bill might be passed through Parliament under which a provisional Government with practically Dominion powers would be established in India based on representation from the Provincial Legislatures. He recalled that under the 1935 Act the Federal Legislature was to be elected by the eleven Provincial Legislative Assemblies. It had not, in fact, proved possible to bring the Federal Legislature into being. Under the Bill which he now suggested, the eleven Provincial Assemblies would, as under the Federal constitution, be empowered to elect a central Legislature with a fair representation of communal elements. It in its turn would then elect, by a process of proportional representation, a central Ministry composed in fixed communal proportions. This Ministry would hold office during the interim period while a further search was made for a permanent settlement of the problem. Such an arrangement would both give the Indians self-government and gain time for a permanent solution.

THE PRIME MINISTER asked that a written statement of this proposal should be submitted to the Cabinet.

In general, the Cabinet felt that it was difficult to take firm decisions as to the means of meeting a situation which had not yet arisen and which seemed in fact to be several moves ahead. They thought that, if there were a breakdown, it would be very desirable that they should have an opportunity of discussing matters with members of the Cabinet Mission before final decisions were taken. They noted that the Mission considered that the situation might be held long enough to allow of this. It seemed unlikely that either Muslims or Congress would be so irresponsible as to rush matters to a sudden crisis. There might even be advantage in the short delay which would be involved while the Mission came home to discuss matters with their colleagues.

Other points made in the discussion were as follows:-

(a) We must remember that the administrative machine in India was now extremely weak. There were very few Europeans in the administrative services and those who remained were tired and perhaps dispirited. The process of handing over to Indians had been going on a long time and the loyalty of the Indians in the civilian services was bound to be tempered by thoughts for their future when we had left the country.
(b) We must at all costs avoid a situation in which we had to withdraw from India under circumstances of ignominy after there had been widespread riots and attacks on Europeans. It must be clear that we were going freely and not under compulsion.

(c) For economic, military and political reasons alike, we could not face a situation which involved committing British troops to long series of operations in India.

(d) THE FOREIGN SECRETARY said that at some point it would be well to take the United States Government into our confidence. It was agreed, however, that it would be preferable not to make any approach to them until the situation was a little clearer.

(e) We could not exclude the possibility that in certain circumstances the situation in India might be brought before the United Nations as one which might affect the peace of the world.

The Cabinet —

(1) Agreed to resume their discussion of these issues at a later meeting when the Chiefs of Staff had completed their appreciation of the military implications of the possible courses.

(2) Invited the Parliamentary Under-Secretary of State for India to submit a memorandum containing a study of the implications of the positive proposals made by the Cabinet Delegation in paragraphs 12 to 22 of their memorandum. This memorandum should also set out the alternative proposal which he had outlined in the course of the discussion.

(3) Invited the Foreign Secretary, in consultation with the Parliamentary Under-Secretary of State for India, to arrange for a memorandum to be circulated showing in what circumstances the situation in India might be brought to the attention of the United Nations.
INDIA THE PRIME MINISTER summarised to the Cabinet the latest developments in the negotiations in India as set out in recent telegrams from the Cabinet Mission and the Viceroy (INDEX 70-7). It had not so far proved possible to get both the Muslim League and the Congress Party to agree on the composition of an interim Government, and, since the situation was worsening through the prolonged delay, it had been decided that the Viceroy should issue invitations to join an interim Government to five members of the Muslim League, five members of the Congress Party, one scheduled caste Indian (Congress), one Sikh, one Parsee and one Indian Christian. The announcement that these invitations had been issued, which had been made on the previous day, had made it clear that if the members of the two main parties or of one of them were unwilling to accept the invitations, an interim Government would be formed which would be as representative as possible of those willing to accept the statement of 16th May. Though the first Hindu reactions to the announcement seemed favourable, there was reason to fear that the Congress Party would make difficulties about accepting the invitations. It was possible that, to ease these difficulties, the Viceroy might be pressed to include Sarat Bose in place of one of the other Congress representatives. There were objections to his inclusion on account of certain of his past activities, and the Viceroy and the Mission had therefore sought guidance on whether, if this point was pressed, the Viceroy should yield.

In discussion, there was very warm appreciation of the untiring efforts of the Mission and the Viceroy to bring the negotiations to a successful close; and the view was expressed that, though the outstanding difficulty must not be minimised, there were good grounds for believing that both Hindus and Musalmans would be most reluctant to see a complete breakdown of the negotiations. While realising to the full the objections to the inclusion of Sarat Bose in the interim Government, the Cabinet felt that it would be a mistake to jeopardise the successful conclusion of the negotiations simply on this account.

The Cabinet—

(1) Invited the Prime Minister to seek the approval of His Majesty to Sarat Bose's appointment to the interim Government if the Congress Party should press for this.
The Cabinet then discussed the note by the Secretary (C.F. (46) 229) setting out the conclusions of the Defence Committee on an appreciation by the Chiefs of Staff of the military implications of the possible courses of action in the event of a breakdown of the negotiations.

This appreciation, which was annexed to C.F. (46) 229, concluded that a policy of withdrawal into Pakistan would not only fail to safeguard our strategic interests but would inevitably lead to civil war in India, a situation which would be completely unacceptable on military grounds. A policy of remaining in the whole of India and firmly accepting responsibility for law and order would result, if the Indian Army remained loyal, in an acceptable military commitment and would safeguard our long-term strategic interests. If the Indian Army did not remain loyal, as might happen if the situation was not handled firmly, it might be necessary, if we were not to abandon India ignominiously, to provide five British divisions as reinforcements, with the consequent abandonment of commitments in the Middle East, Greece, Italy and Germany, and with serious effects on our import and export programmes and on the demobilisation scheme.

The Defence Committee had endorsed these conclusions and had invited the Chiefs of Staff to prepare plans to meet the situation if we adopted a policy of remaining in the whole of India and the Indian Army did not remain loyal. They had also invited the Minister of Transport to prepare plans for the early evacuation of British women and children from India and had agreed in principle that no further women and children should be embarked for India from this country.

The Prime Minister said that the Defence Committee had taken the view that it would not be desirable to take any overt action at the moment to reinforce our troops in India. Even if such action were taken it would be impossible for the reinforcements to reach India in time, should the situation take a serious turn in the near future; while the news that reinforcements were being sent might precipitate the crisis we sought to avert.

The Cabinet were impressed by the seriousness of the military implications of both the courses of action discussed by the Chiefs of Staff. It was pointed out, however, that the latest developments gave some grounds for hope that the situation would not now turn out in such a way as to make either course necessary.

The Cabinet —

(2) Took note of the conclusions of the Defence Committee on the appreciation of the situation by the Chiefs of Staff as set out in C.F. (46) 229.
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THE PARLIAMENTARY UNDER-SECRETARY OF STATE FOR INDIA recalled that the Defence Committee had agreed in principle that no further women and children should be embarked for India while the present situation existed. Some 250 women and children had already booked passages to sail for India before the end of June. It would be difficult to cancel these passages and the Viceroy had now said that he did not think it necessary to prevent these women and children from sailing.

The Cabinet -

(3) Agreed that, until the situation was clearer, no further action should be taken to prevent women and children sailing from the United Kingdom for India.

The Cabinet next considered a memorandum by the Secretary of State for Foreign Affairs (C.P. (46) 222) regarding the possible effect upon foreign relations of developments in India. The memorandum set out the circumstances in which the situation could be referred to the United Nations Organisation on the initiative of either a foreign government or the Government of the United Kingdom or India. The conclusion reached was that such a reference would have serious repercussions on our prestige and would not, so far as could be seen, bring any practical help either to us or to India. Accordingly the intervention of the United Nations Organisation should be avoided or, if proposed by another Power, be resisted. The memorandum also concluded that any appearance that we were abandoning our position in India without a solution would immediately weaken our world position. Equally, the premature withdrawal of British forces from Germany, Italy, Greece or the Middle East, or the withdrawal of Indian forces from Indonesia, would weaken most seriously our influence in those areas.

In discussion it was pointed out that paragraph 16 of C.P. (46) 222 was not meant to suggest that we should at this stage communicate to the United States Government the hypothetical courses of action which we had under consideration, but merely that we should inform them, once we had decided on a particular course of action.

The Cabinet -

(4) Took note of C.P. (46) 222.
The Cabinet then discussed the memorandum by the Parliamentary Under-Secretary of State for India (C.P. (46) 321) outlining a possible constitution which would give India, pending the working out of her permanent constitution, an interim Government elected by a federal legislature and with the maximum statutory independence of control by Whitehall.

The Parliamentary Under-Secretary of State for India explained that the proposals were put forward as a course which might be worth considering, as an alternative to a return to the present regime, if the present negotiations broke down over the composition of the interim Government. The main feature of the proposals would be a federal legislature consisting of a single chamber composed of some 250 members elected by the provincial legislatures and of a maximum of 125 members from the States. The federal Ministry would be appointed by the Governor General after election by the federal legislature, arrangements being made to ensure a proper proportion between the various communities. The powers of the Central Government would be based on the federal list and concurrent list in the Government of India Act, 1935, but the provincial legislatures would be able to withdraw from the federal legislature any item in either list other than defence and external affairs and the means to execute them.

The proposals would involve the passage of a short Bill through Parliament in this country.

In discussion it was pointed out that the scheme was based on the assumption that both the major communities would be willing to help run it. Would there in point of fact be any assurance that they would do so? It was also felt that difficulties would arise if some but not all provinces withdrew a subject from the federal legislature. In the case of currency or customs, for instance, this would be bound to cause trouble. In any event it was felt that it would be well to obtain the views of the Cabinet Mission in India before pursuing the proposals further.

The Cabinet —

(5) Took note of C.P. (46) 231.