152 - Effect on Colonial Exports of Relaxing United Kingdom Import Restrictions. Memorandum by the Secretary of State for the Colonies.

153 - Members' Salaries. Note by the Prime Minister.

154 - Cost-of-Living Allowance for Industrial Workers in Gibraltar. Memorandum by the Minister of State for Colonial Affairs.

155 - Indo-China. Note by the Secretary of the Cabinet.


158 - King George VI Memorial. Memorandum by the Minister of Works.

159 - Portuguese Possessions in India. Memorandum by the Secretary of State for Commonwealth Relations and the Minister of State.

160 - Recruitment of Ukrainians into the Mixed Service Organisation. Memorandum by the Minister of State.

161 - United Nations Disarmament Commission Sub-Committee. Memorandum by the Secretary of State for Foreign Affairs.

162 - Possible Increases in Rates of Pensions and Benefits. Memorandum by the Minister of Pensions and National Insurance.

163 - Fuel Policy. Memorandum by the Minister of Fuel and Power.

164 - British Honduras. Memorandum by the Secretary of State for the Colonies.

165 - Transfer of the High Commission Territories. Memorandum by the Secretary of State for Commonwealth Relations.

166 - Report of the Royal Commission on Capital Punishment. Memorandum by the Secretary of State for the Home Department and Minister for Welsh Affairs and the Secretary of State for Scotland.

167 - Future Arrangements for Sugar. Memorandum by the Minister of Food.

168 - Transfer of the High Commission Territories. Memorandum by the Secretary of State for Commonwealth Relations.

169 - Togoland under United Kingdom Trusteeship. Memorandum by the Secretary of State for the Colonies.

170 - Fuel Policy. Memorandum by the Chancellor of the Exchequer.

171 - Opencast Coal. Memorandum by the Secretary of State for Scotland and the Minister of Agriculture and Fisheries.

172 - Air Operations in Kenya. Memorandum by the Secretary of State for the Colonies.
C.(54)  173 - United Kingdom Association with the European Coal and Steel Community. Memorandum by the Secretary of State for Commonwealth Relations.

174 - United Kingdom Association with the European Coal and Steel Community. Memorandum by the President of the Board of Trade.

175 - Apostolic Delegate in the United Kingdom. Memorandum by the Minister of State.

176 - Statement on Civil Defence Plans. Note by the Secretary of State for the Home Department and Minister for Welsh Affairs.

177 - The Geneva Conference. Memorandum by the Secretary of State for Foreign Affairs.

178 - The Far East. Note by the Secretary of State for Foreign Affairs.

179 - Saudi Arabian Frontier Dispute. Memorandum by the Minister of State.

180 - The Rate of Housing Subsidies. Memorandum by the Minister of Housing and Local Government.

181 - Future Defence Arrangements with Iraq. Memorandum by the Minister of State.

182 - Disposal of Land Acquired Compulsorily for Public Purposes. Memorandum by the Secretary of State for the Home Department and Minister for Welsh Affairs.

183 - Crichel Down - Sir Andrew Clark's Report. Memorandum by the Minister of Agriculture and Fisheries.

184 - Expenses of Members. Memorandum by the Chancellor of the Exchequer.

185 - Expenditure on the Overseas Information Services from 1955 Onwards. Memorandum by the Secretary of State for the Home Department and Minister for Welsh Affairs.

186 - Oil-Flaring at Marchwood Power Station. Note by the Minister of Fuel and Power.

187 - Egypt. Memorandum by the Minister of State.

188 -

189 - The Quebec Agreement. Note by the Secretary of the Cabinet.

190 - Indo-China. Note by the Secretary of State for Foreign Affairs.

191 - Expenses of Members. Memorandum by the Lord Privy Seal.

192 - Expenses of Members. Memorandum by the Chancellor of the Exchequer.

193 - Transfer of the Cocoa Islands to Australia. Memorandum by the Secretary of State for Commonwealth Relations and the Secretary of State for the Colonies.

194 - Unrest on the Railways. Note by the Minister of Labour and National Service.
Memorandum by the Minister of State.

196 - South-East Asia. Note by the Secretary of State for Foreign Affairs.

197 - Trieste. Memorandum by the Minister of State.

198 - Compensation to Ministers of the Crown Injured or Killed on Duty. Memorandum by the Chancellor of the Exchequer.

199 - Indo-China. Note by the Secretary of State for Foreign Affairs.

200 - Reorganisation of the Colonial Service. Note by the Secretary of the Cabinet.
CABINET

RELATIONS WITH THE UNITED STATES

Note by the Prime Minister

I feel it my duty to circulate to certain of my colleagues these three very private letters exchanged between President Eisenhower and myself.

W. S. C.

10 Downing Street, S.W. 1,
21st April, 1954.
The White House, Washington,  
February 9, 1954.

Dear Winston,

Recent reports that you have been on the firing range personally testing the merits of the new Belgian rifle would indicate that you are again in the very best of health. Needless to say, your friends here greet such indications with great joy.

My official reports from Berlin are not quite so discouraging as would be expected after reading some of the Molotov outbursts in the daily press. I grow weary of bad manners in international relationships. When abuse grows so flagrant as to include insult, false charges and outright vituperation, I sometimes wonder whether we help our own cause by allowing the world to believe us meekly ready to sit quietly under such attacks for no other apparent reason than a desperate hope for a crumb of concession out of the propaganda feast the enemy enjoys at our expense.

The free nations’ case must be better understood by the entire world—including ourselves. More and more I come to the conclusion that the salvation of liberty rests upon the unremitting effort of all of us to establish a solidarity among ourselves that in major objectives and purposes will remain firm against any assault. Such an association of free nations must be expanded as widely as possible, even to include very weak nations when those weak nations are exposed directly or indirectly to the threats and blandishments of the Soviets. We are deeply concerned of course with Indo-China, Iran and Egypt. But the entire Moslem World, India and Southeast Asia, as well as our European friends, are all important to us!

Such an association of nations must have clear political, economic and military objectives of its own; while avoiding all belligerence in its attitude, it must still be so firmly confident of its own security that it will have no reason to worry about the possibility that the stupid and savage individuals in the Kremlin will move against us in any vital way.

At the very best, of course, to produce such an association of nations will require the finest of leadership. To this we, the larger nations, must contribute. We must be generous, understanding, determined, and always faithful to our pledges. Tactics will vary. In some areas and on some subjects, we will have to use cajolery, in others firmness. In some situations, some particular one of the principal countries of the coalition should take the lead in the conduct of negotiations; in others, another will have to assume the burden.

Of one thing I am certain. If we could get real unity of understanding and basic purpose among a few of the principal nations of the free world—including, of course, West Germany—it would not be long until the common security of us all was vastly improved and the material fortunes of our countries would be advanced markedly and continuously.

The problem, of course, is to achieve much more than mere paper agreement. Our consortia must rest solidly upon a common understanding of the Russian menace and in the clear conviction that only through unity, stubbornly maintained in the face of every inconsequential point of argument and difference among us, can these great things be achieved.
Of course there is no real reason for writing you such a letter as this. Not only do you understand these things better than I—in many instances I have absorbed my ideas from you. But I've been thinking a bit of the future. I am sure that when history looks back upon us of to-day it will not long remember anyone of this era who was merely a distinguished war leader, whether on the battlefield or in the council chamber. It will remember and salute those people who succeed, out of the greatness of their understanding and the skill of their leadership, in establishing ties among the independent nations of the world that will throw back the Russian threat and allow civilisation, as we have known it, to continue its progress.

Indeed, unless individuals and nations of our time are successful—soon—in this effort, there will be no history of any kind, as we know it. There will be only a concocted story made up by the Communist conquerors of the world.

It is only when one allows his mind to contemplate momentarily such a disaster for the world and attempts to picture an atheistic materialism in complete domination of all human life, that he fully appreciates how necessary it is to seek renewed faith and strength from his God, and sharpen up his sword for the struggle that cannot possibly be escaped.

Destiny has given priceless opportunity to some of this epoch. You are one of them. Perhaps I am also one of the company on whom this great responsibility has fallen.

With warm personal regard,

As ever,

IKE.

The Rt. Hon. Sir Winston Churchill,
K.G., O.M., C.H., M.P.,
The Prime Minister,
London.

Personal.

Most Secret and Confidential

My dear Friend,

Thank you for your letter. I am honoured by the kind personal things you say.

There is no difference between us upon the major issues which overhang the world, namely, resistance to Communism, the unity of the free nations, the concentration of the English-speaking world, United Europe and N.A.T.O. All these will and must increase if we are to come through the anxious years and perhaps decades which lie ahead of hopeful but puzzled mankind.

On the day that the Soviets discovered and developed the Atomic Bomb the consequences of war became far more terrible. But that brief tremendous phase now lies in the past.

March 8, 1954.
An incomparably graver situation is presented by the public statements of Mr. Sterling Cole at Chicago on February 17. I have discussed these with my expert advisers. They tell me that the 175-ft. displacement of the ocean bed at Eniwetok Atoll may well have involved a pulverisation of the earth's surface three or four times as deep. This in practice would, of course, make all protection, except for small Staff groups, impossible. You can imagine what my thoughts are about London. I am told that several million people would certainly be obliterated by four or five of the latest H Bombs. In a few more years these could be delivered by rocket without even hazarding the life of a pilot. New York and your other great cities have immeasurable perils too, though distance is a valuable advantage at least as long as pilots are used.

Another ugly idea has been put in my head, namely, the dropping of an H Bomb in the sea to windward of the Island or any other seaborne country, in suitable weather, by rocket or airplane, or perhaps released by submarine. The explosion would generate an enormous radio-active cloud, many square miles in extent, which would drift over the land attacked and extinguish human life over very large areas. Our small size and density of population emphasises this danger to us.

Mr. Cole further stated that Soviet Russia, though perhaps a year behind the United States, possessed the know-how and was increasing its production and power of delivery (or words to that effect). Moreover after a certain quantity have been produced on either side the factor of "over-taking," "superiority," &c., loses much of its meaning. If one side has five hundred and the other two hundred both might be destroyed. A powerful incentive to achieve surprise would be given to the weaker—what about Pearl Harbour. His natural fears would prey upon his moral and spiritual inhibitions (if indeed he was so encumbered).

When I read Mr. Cole's widely reported speech, I was surprised that its searing statements attracted so little comment. The reason is that human minds recoil from the realisation of such facts. The people, including the well-informed, can only gape and console themselves with the reflection that death comes to all anyhow, sometime. This merciful numbness cannot be enjoyed by the few men upon whom the supreme responsibility falls. They have to drive their minds forward into these hideous and deadly spheres of thought. All the things that are happening now put together, added to all the material things that have ever happened, are scarcely more important to the human race. I consider that you and, if my strength lasts, I, cannot flinch from the mental exertions involved.

I wondered, pondering on your letter, whether this was the background which had forced you to express yourself with such intense earnestness. I understand, of course, that in speaking of the faith that must inspire us in the struggle against atheistic materialism, you are referring to the spiritual struggle, and that like me, you still believe that war is not inevitable. I am glad to think that in your spirit, as in mine, resolve to find a way out of this agony of peril transcends all else.

I entirely agree with Mr. Cole's remark that in this matter "It is more sinful to conceal the power of the atom than to reveal it." This would not of course mean one-sided imparting of secret knowledge. But perhaps we have now reached,
or are reaching, the moment when both sides know enough to outline the doom-laden facts to each other.

Of course I recur to my earlier proposal of a personal meeting between Three. Men have to settle with men, no matter how vast, and in part beyond their comprehension, the business in hand may be. I can even imagine that a few simple words, spoken in the awe which may at once oppress and inspire the speakers might lift this nuclear monster from our world.

It might be that the proposals which you made at Bermuda and which are accepted by the Soviets for parleys on this subject, could without raising the issue formally give a better chance of survival than any yet mentioned. The advantage of the process you have set in motion is that it might probe the chances of settlement to the heart without at the same time bringing nearer the explosion we seek to escape.

Yours very sincerely,

WINSTON S. CHURCHILL.

TOP SECRET

The White House, Washington,
March 19, 1954.

Dear Winston,

I have pondered over your letter. You are quite right in your estimate of my grave concern at the steady increase in methods of mass destruction. Whether or not the specific possibilities of devastation that you mention are indeed demonstrated capabilities, the prospects are truly appalling. Ways of lessening or, if possible, of eliminating the danger must be found. That has been my principal preoccupation throughout the last year.

It was after many weeks of thinking and study with political and technical advisers that I finally reached the conclusions which we talked over at Bermuda and which were embodied in my eighth of December address to the United Nations Assembly. As you are well aware, that plan was designed primarily as a means of opening the door of world-wide discussion—with some confidence on both sides—rather than as a substantive foundation of an international plan for the control or elimination of nuclear weapons. But honest, open technical discussions on an internationally supported plan to promote peaceful uses of this new science might lead to something much more comprehensive.

Since last December, we have been following up this matter as actively as its technical character permits. Foster had two or more talks with Molotov when they were at Berlin. We have a draft plan which, after consultation with your people and those of two or three other countries, will, I expect, be transmitted to the Soviet Union through diplomatic channels, as agreed, probably next week.

While there have been some indications that the Soviets might want to confuse the issues with extraneous political matters, on the whole it is encouraging that they so far seem prepared to accept businesslike procedures.
In its entirety the problem is one of immensity and difficulty, as you so graphically stated. But I repeat that I deem it important to make a beginning in an exchange of views, which as you suggest, could open up new and more hopeful vistas for the future.

I doubt whether the project on which we are engaged would, at this moment, be advanced by a meeting of heads of government. In fact, I can see that such a meeting might inject complications. From our side, there is the question of France, which is very delicate at the moment. The Soviets have indicated that, if there were oral conversations, they would want to bring in the Chinese Communists.

My impression is that matters are in a reasonably good way, but that they require constant concern and vigilance and, I hope, frequent and intimate personal exchanges of views between the two of us.

With warm regard,
As ever,
IKE.

The Right Hon. Sir Winston Churchill,
K.G., O.M., C.H., M.P.,
The Prime Minister,
The Chief Minister of Jamaica will be leading a deputation to London in May to discuss various matters relating to Jamaican exports. In anticipation of this visit, I wish to draw the attention of my colleagues to the effect on some Colonial producers (mainly, but not only, in the West Indies) of our recent and contemplated relaxations of import restrictions. As the balance of payments of the sterling area improves and restrictions can no longer be justified by the need to protect our external financial position, some Colonial producers, particularly in the poorer territories such as the West Indies, are being faced with competition which they are ill-equipped to withstand. If such producers lose their place in the markets of the United Kingdom the political consequences, especially in Colonies such as British Honduras, where constitutional problems are already causing difficulty, could be very grave indeed.

2. I do not wish to imply that the relaxation of import restrictions is not justified or that it is generally harmful to the Colonies. Indeed, in this context it is misleading to speak of a "Colonial" interest as such. Moreover, the argument cuts both ways. We have consistently adopted the policy that import restrictions by Colonial Governments can only be justified on balance of payments grounds and have fore that very reason incurred criticism from United Kingdom industries over the relaxation of Colonial restrictions on Japanese trade. The benefits of multilateral trade to the sterling area as a whole are obvious and a freer economy suits the interests of many (perhaps most) Colonial producers. There are, however, some Colonial industries which are being hard hit by the return to normal trading conditions, and they are for the most part in Colonies which can ill afford loss of revenue and income and which are politically sensitive. I shall mention here three current examples, but we must assume that there will be others from time to time:

(a) As a result of import restrictions the Jamaica cigar industry had a virtual monopoly of the United Kingdom market from 1940 to 1951. Increasing quotas for Cuban cigars have been given as a result of the Anglo-Cuban trade agreements of 1951 and 1953.

(b) Since the war the United Kingdom has been short of bananas and it is now proposed to license freely imports from non-dollar, non-sterling sources. The West Indian producers, particularly those in Jamaica, who are just recovering from the effects of hurricanes in the years after the war, believe that a sudden return to competition in the United Kingdom market will prejudice the recovery of their industry and spoil their chances of expansion.
The import of surplus citrus from the United States under Section 550 of the Mutual Security Act is in a rather different category, since import restrictions are being relaxed not in consideration of our balance of payments but in consideration of defence aid. Despite the safeguards on which we have insisted, citrus producers in British Honduras, Jamaica, Trinidad, the Windward Islands and Cyprus see this arrangement as a first step to restoring the United States' citrus trade to its pre-war position in the United Kingdom's markets, and since they have long been concerned by the effect of United States and other export subsidies, they consider that the most important of the few markets they have left is now being put in jeopardy.

3. These three commodities affect Jamaica and these are the main reasons which have inspired the Government of that Colony to send the delegation already mentioned in order to seek protection for Jamaican exports, though no doubt the discussions will in fact cover a wider field than this (e.g. sugar). Moreover, we must expect criticism of our policy not only from the Colonies concerned but in Parliament. We shall be told that the United Kingdom was in favour of Government purchases and long-term contracts when they enabled us to get scarce supplies cheaply, but that we are not prepared to look after Colonial producers now that supplies are more plentiful and prices are lower. We may be able to answer these criticisms in individual instances, but unless we do something to temper the wind to these producers who may be in difficulty as a result of our policy, we shall not find it easy to counteract the criticism that we are careless of the interests of Commonwealth producers as a whole.

4. As improvements in the balance of payments of the sterling area justify further relaxation of restrictions on imports into the United Kingdom, so too we must continue to ensure that the Colonies also benefit by greater freedom to import non-sterling (particularly dollar) goods. In theory we can make a lot of the argument that our policy of using import restrictions solely to protect the balance of payments is followed consistently in both directions of trade. But unless the Colonies see a corresponding increase in their authorised dollar and other non-sterling expenditure the argument crumbles away.

5. There are few means of providing direct protection for the Colonial producers. Government purchase and long-term contracts cannot easily be reconciled with a return to freedom or with the Government's trading policy. Import controls which, during and since the war, have protected Commonwealth producers must disappear as prosperity returns. The United Kingdom has no legislation for countervailing and anti-dumping duties which might be used to protect Colonial exporters against subsidised competitors.

6. There remain only direct financial assistance by Her Majesty's Government and Imperial Preference. Some of the industries which may be adversely affected by the return to freedom have been started with the encouragement of Her Majesty's Government in order to diversify Colonial economies. Some of them may not be highly competitive but they will need some help, at least for a time, if they are to get the capital for improved plant and to acquire enough technical experience to develop standards comparable to those of established industries elsewhere. It may sometimes be advisable to assist them to improve their efficiency and their marketing.
standards from United Kingdom funds. At the moment I have no precise proposals on this point to put forward, but I should like my colleagues to know that I shall have this point in mind in considering the future of the Colonial Development and Welfare arrangements (C. (53) 167).

7. The Imperial Preference system is often ineffective because some of the duties are specific and have remained unchanged for many years although the prices of commodities have risen substantially in the meantime. For instance, the preferential margin on cigars is now less absolutely than before the war, although the full duty is more than three times as high as it then was; the duty on bananas has remained unchanged since 1932, although the price is about 2½ times what it was then; and the duty on fresh citrus is the same as it was before the war, although prices are almost 3 times as high (there is no duty on canned citrus).

8. The terms of the "no new preference" rule of the General Agreement on Tariffs and Trade as at present applied preclude the increase of specific duties to restore their former ad valorem incidence. The Agreement is to come up for review by the Contracting Parties later this year, and Departments are now considering what changes in it we should endeavour to secure.

9. I am giving further consideration to this whole problem and may find it necessary to submit recommendations to my colleagues on it at a later stage. There will, naturally, be full interdepartmental consultation about the line to be taken in dealing with the delegation from Jamaica.

O.L.

Colonial Office, S.W.1.

23rd April, 1954.
MEMBERS' SALARIES

NOTE BY THE PRIME MINISTER

I circulate for the information of my colleagues a letter addressed to me by a Conservative Member of Parliament.

W. S. C.

10 Downing Street, S.W. 1,
23rd April, 1954.

Right Hon. Sir Winston Churchill,
C.H., O.M., M.P.,
10 Downing Street, S.W. 1.

My dear Prime Minister,

I venture to write to you about M.P.s' expenses in order to put three points which were not mentioned at last night's meeting of the 1922 Committee.

Having been very close to this controversy since it began I have been in a favourable position to assess public opinion and I am certain that whilst there is general opposition to an increase in Members' salaries there is also a very strong feeling that it is unjust to expect Members to pay away such a high proportion of their present salary in expenses. The general view is that, as a salary, £1,000 p.a. is adequate but that the State should bear our legitimate expenses.
Secondly, may I point out that the suggested subsistence allowance is open to one very serious objection. It would go to all who qualify for it however wealthy some of them may be and it would be denied to those who fail to qualify, however needy some of them might be.

To make my third—and last—point I must appear to grind a personal axe. I hope you will forgive me.

I am the son of a builder’s labourer who bequeathed to me nothing more than the ability to take hard knocks—a legacy which I do not undervalue.

More by hard work than any other merit I have met with a certain degree of success and when I first entered the House just over four years ago I was the head of my own small, but prosperous business. My income was between £3,000 and £3,500 p.a.

Since then, as a direct result of the fact that my duties as an M.P. have forced me to neglect my business, my income has steadily declined. During the year ending March 31st, 1954, for which I have just seen the figures, my income has been "NIL."

I will not burden you with a list of the unpleasant but inevitable consequences. I realise what happens to me—as an individual—is of no importance to the Conservative Party. But I submit that what happens to me—as representing a type—is of the utmost importance, both to the Party and to the Country.

I am convinced that the future of the nation depends upon the continuance in power of a Conservative Government; I am equally certain that the Conservatives cannot remain in power without men like me to hold seats like mine.

Nothing the Government now decides to do about this issue will be in time to save me. I must abandon all political ambitions and get back to the job of earning my living and supporting my family. But please don’t let this happen to all of us. I pray that you will do what you can to make it possible for some of us to continue to serve our country through our Party.

Should this letter bear the fruit I hope it will, I shall then have served some useful purpose—if only that of an unfortunate example to be avoided in the future.

Yours respectfully,

(Signed)
CABINET

COST OF LIVING ALLOWANCE FOR INDUSTRIAL WORKERS IN GIBRALTAR

Memorandum by the Minister of State for Colonial Affairs

The unskilled industrial worker in Gibraltar receives 40/- a week as basic wage, plus 48/- cost-of-living allowance if he is a Gibraltarian but only 24/- if he is a Spaniard. Upwards of 8,000 Spaniards cross the frontier daily to work. 2,400 are employed by the Service Departments. The Colonial Government employs 400. The remainder work for the City Council and private employers.

2. The 50 per cent differential in cost-of-living allowances was fixed arbitrarily in 1943 when the allowance, which was then at a much lower rate, was first introduced. When arrangements were made in 1947 to link the allowances with the Gibraltar cost-of-living index the 50 per cent differential was maintained and was applied to all variations in the allowances. This procedure was justified on the general ground of the differences believed to exist between living costs in Spain and Gibraltar. These differences, however, were never precisely determined.

3. We have twice in recent years relied on the argument that living costs differ in replying to diplomatic protests by the Spanish Government about the existence of the differentials. The topic has, however, remained in the forefront of Spanish agitation over Gibraltar and continues to be the subject of representations by the Spanish Consul-General in Gibraltar and by the "Syndicate" which operates within Spain as the officially sponsored trade union organisation for Spanish workers in Gibraltar. (It cannot legally operate in Gibraltar but in practice it is necessary to have dealings with it.)

4. The Gibraltar Government has reconsidered the whole question and has come to the conclusion that this discrimination between locally engaged Spanish and Gibraltarian workers doing the same work is indefensible in principle and that, whatever the motives of Spanish agitation, it is important that Gibraltar should put herself in a morally sound position in relation to her Spanish workers. In this they have the support of the City Council, the majority of private employers and the trade unions within Gibraltar, which consist mainly of Gibraltarians. In accordance with their normal practice of attempting to maintain a common front among official employers they have therefore sought the agreement of the Service Departments to abolish the differential.
5. In March, at the request of the Service Departments, a comparison was made of consumer prices in Gibraltar and Spain, based on the articles comprised in the Gibraltar cost-of-living index. This indicated that the cost-of-living in the adjacent area of Spain was the same as, if not slightly higher than, in Gibraltar. Even assuming that the Spanish worker always had the best of both worlds by buying every article in the cheaper market, the advantage to the Spaniard would be no more than 14/- a week; and this figure ignores certain factors not susceptible of precise mathematical analysis e.g. travelling costs of Spanish workers to and from Gibraltar and differences in rent and accommodation standards which offset any such advantage.

6. In spite of that the Treasury and the Service Departments maintain that a differential is justified and can be defended: that the figures produced do not provide grounds for abolition or even reduction of the differential; and that the onus of justifying the differential does not rest on the employers. The cost of abolition of the differential to the Service Departments is estimated at about £150,000 annually.

7. While the need for economy in defence expenditure is fully recognised, I cannot agree with the view of the Treasury and the Service Departments. On the contrary, it seems to me that we are faced here with valid arguments both of principle and of fact which Her Majesty's Government, as a good employer, are obliged to consider and which, in our own interests, we should be most unwise to ignore. I must therefore press that the differential should be abolished. It is clearly desirable that a decision should be taken before the Queen's visit to Gibraltar on 10th May.

(Intld.) H.H.

Colonial Office, S.W.1.

27TH APRIL, 1954.
CABINET

INDO-CHINA

NOTE BY THE SECRETARY OF THE CABINET

I circulate, for the information of the Cabinet, a record of two emergency meetings of Ministers which were held at 10, Downing Street, on Sunday, 25th April, 1954, to consider an American proposal for Anglo-American military intervention in Indo-China.

The Prime Minister presided over both these meetings. At the first, at 11 a.m., the following attended: Foreign Secretary, Home Secretary, Minister of Defence, Colonial Secretary, Secretary of State for War, Secretary of State for Air, Minister of State, First Sea Lord, Chief of the Imperial General Staff and Chief of the Air Staff.

The second meeting, at 4 p.m., was attended by: Foreign Secretary, Minister of Defence, Colonial Secretary, Minister of Housing, Minister of State, First Sea Lord and Chief of the Imperial General Staff.

(Signed) NORMAN BROOK.

Cabinet Office, S.W. 1,
27th April, 1954.

RECORD OF FIRST MEETING

The Foreign Secretary said that, while he had been in Paris for the meeting of the North Atlantic Council, the United States Secretary of State, Mr. Dulles, had initiated a number of conversations about the military situation in Indo-China. He had reported the gist of the conversations in Paris telegrams No. 257, No. 262 and No. 267; but the proposals which Mr. Dulles was putting forward were of such importance that he had thought it right to return to London for personal consultations before going on to the Geneva Conference. He had discussed the position with the Prime Minister immediately on his return, and they had both felt that such of their colleagues as were immediately available should be brought together at this emergency meeting so that they might have an opportunity of expressing their views before the Foreign Secretary went to Geneva.

The Foreign Secretary said that the military situation in Indo-China was extremely grave. It now seemed inevitable that the French garrison at Dien Bien Phu would be overwhelmed, or compelled to surrender. Mr. Dulles evidently feared that this would be promptly followed by the collapse of all French resistance throughout Indo-China; and, in order to avert this, he favoured some dramatic gesture of Anglo-American intervention in Indo-China. He had originally been
thinking in terms of action by United States air forces for the relief of Dien Bien Phu; but he had now been persuaded that this could not in fact save the garrison there. Though he still favoured early air action he now envisaged it as a means of rallying French and Viet Namese morale elsewhere in Indo-China with a view to preventing a general collapse. Military intervention in Indo-China could not be authorised by the United States Administration without the approval of Congress; and Mr. Dulles believed that Congress would be more likely to accord this approval if the intervention were undertaken on a joint-Anglo-American basis. His specific proposal was, therefore, that the United States and United Kingdom Governments should jointly give an assurance to the French that they would join in the defence of Indo-China against Communist aggression; and that, as an earnest of their intention to carry out this assurance, there should be some immediate military assistance, including participation by token British forces.

Mr. Dulles believed that an Anglo-American initiative of this kind would have a powerful moral effect in rallying the anti-Communist forces in Indo-China. He also seemed to believe that military intervention by air forces alone could make an effective contribution towards retrieving the local military situation. The Foreign Secretary said that he could not share either of these beliefs, and had done his best to make this plain in his conversations with Mr. Dulles. He was doubtful whether such intervention would have any substantial effect in rallying public opinion in Indo-China. He was certain that it would not be welcomed by nationalist opinion in South-East Asia generally. As for the military results, the limited measures which the Americans were contemplating would not, in his opinion, achieve any substantial results. Admiral Radford, the Chairman of the United States Joint Chiefs of Staff, who was with Mr. Dulles in Paris, was thinking solely in terms of attack by land-based or carrier-borne aircraft. This would have to be limited in the main to attacks on the supply columns and lines of communication of the Viet-minh troops, and was not likely to have any appreciable effect on their efficiency. Admiral Radford had not contemplated the possibility of sending ground forces into Indo-China. In fact, however, the “war” in Indo-China was a widespread insurrection, comparable to the situation with which we had originally been confronted in Malaya; and no military aid to the French could be fully effective unless it included the provision of ground troops.

The Foreign Secretary said that the French had at first showed little enthusiasm for Mr. Dulles’ proposals. In particular, they had not asked us for any military help—though they had said that they would be grateful for any that we might feel able to provide. This had strengthened his view that the Americans should be discouraged from taking precipitate action on the lines envisaged by Mr. Dulles; and he had done his best to point out the dangers of this course and the limited advantage which it seemed likely to bring to the French. Finally, he had indicated that it was most unlikely that the United Kingdom Government would feel able to associate themselves with such an American initiative, and that he would certainly need to consult his colleagues in London before he could express any final view on Mr. Dulles’ proposal.

The Foreign Secretary said that, after reflecting further on the matter and discussing it with the Prime Minister, his recommendation to his colleagues was that they should decline to give any immediate undertaking to afford military assistance to the French in Indo-China. It now seemed inevitable that large parts of Indo-China should fall under Communist control, and the best hope of a lasting solution lay in some form of partition. Our object should therefore be to strengthen the negotiating position of the French at the Geneva Conference. Their position would not be strengthened by a premature military intervention which would soon be seen to have been ineffective. On the contrary, he thought that France’s Allies could at the moment make a better impression on the Chinese if they left them to guess what action they might subsequently take to help the French in Indo-China. He therefore suggested that, in his further discussions on this subject at Geneva, he should be guided by the following principles which he submitted for the approval of his colleagues:

1. We do not regard the London communique as committing us to join in immediate discussions on the possibility of Allied intervention in the Indo-China war.

2. We are not prepared to give any undertakings now, in advance of Geneva, concerning United Kingdom military action in Indo-China.

3. But we shall give all possible diplomatic support to the French delegation at Geneva in efforts to reach an honourable settlement.
4. We can give an assurance now that if a settlement is reached at Geneva we shall join in guaranteeing that settlement and in setting up a collective defence in South-East Asia, as foreshadowed in the London communiqué, to make that joint guarantee effective.

5. We hope that any Geneva settlement will make it possible for the joint guarantee to apply to at least the greater part of Indo-China.

6. If no such settlement is reached we shall be prepared at that time to consider with our Allies the action to be taken jointly in the situation then existing.

7. But we cannot give any assurance now about possible action on the part of the United Kingdom in the event of failure to reach agreement at Geneva for a cessation of hostilities in Indo-China.

8. We shall be ready to join with the United States Government now in studying measures to ensure the defence of Siam and the rest of South-East Asia including Malaya in the event of all or part of Indo-China being lost.

In discussion the following points were made:

(a) French morale was undoubtedly at a low ebb. If the garrison at Dien Bien Phu were overwhelmed or compelled to surrender, it was very likely that the French Government would fall. It might be succeeded by a neutralist Government. And, if after the fall of Dien Bien Phu the French abandoned the struggle in Indo-China, their position in Africa might well be undermined and their prestige as a world Power would be seriously impaired.

(b) These considerations should not, however, lead us into an unjustifiable military adventure in Indo-China. If we could have assisted in rescuing Europeans from Dien Bien Phu, this would have been an operation which could have been justified to British public opinion. This, however, was not a feasible operation. Indeed, the consensus of military opinion was that the fall of Dien Bien Phu could not be prevented by any Anglo-American air attack which could be mounted within the next few days. The Chiefs of Staff agreed that air operations could not now have any appreciable effect on the outcome of the battle for Dien Bien Phu.

(c) A general assurance of Anglo-American military assistance in the defence of Indo-China was bound to lead to our committing ground forces in this theatre. And, in view of the history of the campaign, it seemed likely that very substantial forces might be required over a long period. The Chiefs of Staff expressed the view that it was quite unrealistic to suppose that effective assistance could be given to the French in Indo-China by naval and air forces alone. It was recalled that, at the outset of their intervention in Korea, the American military authorities had similarly believed that the South Koreans could be effectively supported by naval and air action alone.

(d) It seemed likely that the air action which Admiral Radford had in mind would not be confined to Indo-China. It was known that Admiral Radford had for some time held the view that Chinese support of Communist insurrections in other countries of Asia should be checked by vigorous military action against the Chinese mainland, e.g., blockade of the Chinese coast and air attack on military targets in China. He believed that direct military action could be taken against China without drawing the Soviet Union into the conflict. The Foreign Secretary said that he rated very much more highly the risks of such a course of military action. He considered that anything like open war with China might well involve the Soviet Union and lead to a third world war.

(e) The Foreign Secretary said that while he was in Paris he had taken the opportunity of discussing Mr. Dulles' proposals with the Canadian and Australian Ministers for External Affairs. Mr. Pearson fully shared his view that immediate military intervention in Indo-China would be ineffective locally and would be ill received by world opinion. Mr. Casey was less clear in his views: the spread of Communism throughout South-East Asia concerned Australia more nearly than Canada: but there seemed to be a good prospect that the Australian Government would support the response which we were proposing to make to Mr. Dulles' initiative.

The Prime Minister, summing up this part of the discussion, said that we should clearly be ill-advised to encourage the Americans to take precipitate military action in Indo-China. The effects of a Communist triumph at Dien Bien Phu would be grave and far-reaching. It would be greeted throughout Asia as a notable triumph of Communism over capitalism, and of Asians over Europeans.
Within Indo-China opinion among the Viet Namese would at once become more unsympathetic towards the French, and the local situation would certainly become much more grave. At a later stage serious threats of Communist encroachment would develop in Siam and Burma and ultimately in Malaya. But, grave though these consequences were, it did not follow that they could be averted by precipitate military action on the lines envisaged by the Americans. Therefore, he strongly recommended that the policy of the United Kingdom Government should be founded on paragraphs 4, 6 and 8 of the draft directive which the Foreign Secretary had put before his colleagues.

In discussion of this draft directive, the following further points were made:

(i) In the measures for the defence of South-East Asia, which were contemplated in paragraph 8 of the draft directive, our primary role would be the defence of Malaya. It should be made clear to the Americans that we could not be expected to carry this out effectively if we were compelled to dissipate our resources in other parts of the area, e.g., Siam. It was desirable that the Americans should make themselves responsible for any military assistance which might have to be given to Siam.

(g) Communist control of Indo-China would reduce the rice supplies available for the free countries of South-East Asia. The Colonial Secretary undertook to put in hand an immediate study of this problem, including the possibility of acquiring some of the surplus supplies of rice which were now available.

(h) If Communist encroachment spread from Indo-China to Siam, Burma and Indonesia, it would in the long run become much more difficult for us to maintain our position in Malaya. That situation was not, however, likely to arise for some time to come.

(i) The Americans were, however, disposed to exaggerate the immediate difficulties which we should encounter in Malaya. The Colonial Secretary and the Minister of Defence undertook to supply the Foreign Secretary with up-to-date information on the political and military situation in Malaya, for use in his further discussions at Geneva.

(j) If Indo-China passed under Communist control and Siam were threatened, increasing importance would attach to our military plans for sealing off Malaya against infiltration from the north. The Foreign Secretary and the Chiefs of Staff were authorised to disclose these plans in confidence to the United States authorities, in the course of their further conversations on Indo-China, and to enlist their support for them.

The Meeting—

Agreed that the United Kingdom Government should not associate themselves with any immediate declaration of intention to afford military assistance to the French in Indo-China; and invited the Foreign Secretary, in his further discussions on this question at Geneva, to be guided by the principles embodied in paragraphs 1–8 of the draft directive set out above.
Later in the day, a further meeting was held to review the situation in the light of a communication which the French Ambassador in London had made to the Foreign Secretary after the end of the morning meeting.

At the morning meeting the Foreign Secretary had referred to a letter which Mr. Dulles was thinking of sending to the French Foreign Minister in reply to a suggestion by the French military commander in Indo-China that nothing but an attack by American air forces could save the garrison at Dien Bien Phu. Mr. Dulles had been proposing to reply that, according to his military advice, such air intervention could not at this juncture save the garrison. He had intended, however, to add that there was no military reason why the fall of Dien Bien Phu should materially and vitally alter the military situation in Indo-China; and that, if early action were taken to establish a system of collective defence for South-East Asia, the position in Indo-China could be held by the collective action of the free nations having vital interests in the area. The letter would conclude with an offer of closer and more vigorous combination with France and a call to the French to show the resolution and the will required to enable them to overcome their present difficulties.

The Foreign Secretary said that soon after the end of the morning meeting he had learned that this letter had been delivered to the French Foreign Minister; its text was reproduced in Paris telegram No. 274. The French Ambassador in London had copied the letter and of M. Bidault's reply (Paris telegram No. 275). The reply dealt solely with the question of immediate military intervention at Dien Bien Phu. It repeated the view of the French military advisers that the garrison could still be saved by a massive intervention by American aircraft. In addition, however, M. Massigli had informed the Foreign Secretary of an oral communication made to the French Ambassador in Washington on behalf of the United States Government. In this it was suggested that an immediate declaration should be made, on behalf of the Governments of the United States, the United Kingdom, France, the Philippines and the Associated States in Indo-China, proclaiming the common will of the signatories to check the expansion of Communism in South-East Asia and to use "eventual military means" for this purpose. The French Government had been urged to do everything in their power to persuade the United Kingdom Government to join in such a declaration and to co-operate forthwith in Washington in the preparation of a draft of the proposed declaration. They had been informed that, once he was assured that the United Kingdom Government would associate themselves with such a declaration, President Eisenhower would be prepared to seek Congressional approval for military intervention in Indo-China, and that it was possible that United States naval aircraft might be able to launch an attack by 28th April on the forces now besieging Dien Bien Phu. M. Massigli had strongly urged that the United Kingdom Government should at once indicate their willingness to join in making a declaration on the lines proposed.

The Foreign Secretary said that he was disturbed by the tactics followed by the Americans in making this indirect approach to the United Kingdom Government through the French. Though a long conversation had been held with the French Ambassador in Washington, no corresponding communication had been made to Her Majesty's Ambassador there. We were being pressed to join in a general declaration of readiness to fight Communism in South-East Asia in order to support a request to Congress for authority to employ naval air forces of the United States in an air strike against the besiegers of Dien Bien Phu. The proposal for this air strike was evidently based on Admiral Radford's conviction that the time was ripe for the Western Powers to show that they were ready to take direct military action to check the ambitions of Communist China in South-East Asia. Admiral Radford had admitted that naval aircraft could not intervene effectively in the actual battle at Dien Bien Phu, as the forces on either side were now so closely interlocked that direct air attack on the besiegers was no longer feasible, and he had recognised that the air strike could be made only against "second-line targets." It was evident that in this phrase he included, not only supply lines to the besieging forces, but also airfields in China.

The Foreign Secretary said that Ministers had no authority from Parliament to support such a direct military intervention in Indo-China. Nor would the action proposed have the approval of the United Nations. Action on the lines
contemplated by Admiral Radford would mean that United States air forces wouldecome engaged in direct hostilities with China. If the United States began to
wage open war against China, there was a grave risk that the Soviet Union would
feel obliged to intervene. This action might therefore be the first step towards
a third world war.

In discussion the Chiefs of Staff confirmed the view that the proposed inter­
vention by American naval air forces could not be effective in saving the garrison
at Dien Bien Phu.

The Prime Minister said that what we were being asked to do was in effect to
aid in misleading Congress into approving a military operation which would
itself be ineffective and might well bring the world to the verge of a major war.
He had no doubt that this request must be rejected. He considered that the Foreign
Secretary should proceed to Geneva, as planned, and should tell Mr. Dulles and
M. Bidault that our military advice gave us no confidence that the fortress of
Dien Bien Phu could be effectively relieved by air intervention of the kind now
proposed. In any event we ourselves had no air forces which could assist in such
an operation. In his further conversations the Foreign Secretary should be guided
by the directive which Ministers had approved at their first meeting earlier in the
day.

The Meeting—

Reaffirmed the decision taken at the meeting earlier that day, and
authorised the Foreign Secretary to reject the specific request that the
United Kingdom Government should associate themselves with an
immediate declaration of intention to check the expansion of Communism
in South-East Asia and to use “eventual military means” for that
purpose.
29th April, 1954

CABINET

COST OF LIVING ALLOWANCE FOR INDUSTRIAL WORKERS
AT GIBRALTAR

Memorandum by the First Lord of the Admiralty

Living conditions in Spain are not the same as living conditions in
Gibraltar which has long had the advantage of being part of the British
Commonwealth. The Spaniards we are talking about live in Spain but work
in Gibraltar. It is Spain - not Gibraltar - which settles the pattern of
their domestic existence. We do not accept the statement that it costs
the Spanish workmen as much to live as it does those in Gibraltar. The
Spaniards can buy in whatever market is cheaper whether in Spain or
Gibraltar. The Spaniards undoubtedly get local produce cheaper in Spain
than it can be obtained in Gibraltar. Furthermore there is no doubt that
the standard and cost of housing is appreciably higher in Gibraltar.

2. If we give way on this there is no doubt that the Spaniards will be
able to live at a higher standard than Gibraltarians. The Spanish manipula-
tion of the exchange rate alone ensures this. Goods coming into Gibraltar
from Spain have to be paid for at a higher rate than the ordinary rate for
exchanging pesetas. But there are other things as well. When the
Gibraltarians find themselves worse off than the Spaniards over the border
they will feel themselves shabbily treated unless they get an extra allowance.
Then all the fuss about discrimination would be started up again.

3. The Colonial Office do not define the principle they are invoking.
They seem to hold that in no circumstances should any local entrants get
less for the same work than any other employed in the same place. In
fact, however, in the peculiar circumstances of Gibraltar there are two
rates to be considered, the Spanish rate and the Gibraltarian rate. There
can be nothing wrong in paying Spanish rates to the workers who live in
Spain. The positive evidence that we are not undercutting the Spanish
rate lies in the situation described in the report received in 1950 when we
were told that "our Vice-Consulate in La Linea is besieged by Spanish
workers wishing to obtain employment in Gibraltar".

4. When the Foreign Office and Colonial Office raised this with
Ministers we were ready to put forward a compromise. Prices in Spain
have gone up recently and no one will say that 24/- a week is exactly the
right difference. We were going to suggest the Spaniards should get 9/-
a week more, making the difference 15/- a week.

5. Whatever is decided, surely nothing should be said till after the
Queen's visit. First, it cannot appear as anything except appeasement. If
we are blackmailed by Spain into giving way on one issue another will soon
take its place. Second, it is surely wrong to involve the monarchy in a pay and allowances question. Thirdly, what does it make the British Government look like as employers if it needs the visit of the Queen to make them alter a thing like this?

J. P. L. T.

Admiralty, S. W. 1.

27th April, 1954.
take its place. Second, it is surely wrong to involve the monarchy in a pay and allowances question. Thirdly, what does it make the British Government look like as employers if it needs the visit of the Queen to make them alter a thing like this?

Admiralty, S. W. 1.

27th April, 1954.

J. P. L. T.
PROVISIONAL LEGISLATIVE PROGRAMME: 1954–55 SESSION

MEMORANDUM BY THE LORD PRIVY SEAL

The Future Legislation Committee have examined the proposals of Departments for legislation in the 1954–55 Session and have invited me to seek on their behalf the Cabinet's approval of a provisional programme based on the annexed lists, in which Bills have been classified as follows:

A.—Bills which appear to be essential.
B.—Bills which will become essential in certain circumstances.
C.—Bills which should probably be included in the programme.
D.—Bills to enable emergency powers to be dispensed with.
E.—Bills from which a few might be selected for inclusion in the programme.
F.—Bills which might be left for a later session.
G.—Scottish Bills.
H.—Bills suitable for Private Members.

Within each list Bills are shown in alphabetical order. Consolidation Bills are not included.

Approach to the programme

2. In formulating proposals for a provisional programme the Committee have borne in mind that the next may well be the last session of the present Parliament and that it is, therefore, desirable to frame the programme with a view to affording some relaxation of the Parliamentary pressure to which our supporters have been continuously subject since the present Government took office. Furthermore, the session may well be rather shorter than earlier sessions of the present Parliament, not only through the possible absence of a resumption after the 1955 summer recess, but also if the volume of legislation to be completed during the present session should make it necessary to defer the opening of the new session until rather later in the autumn than has been customary in recent years. Both these considerations suggest a special need to avoid overloading the programme.

Proposed Programme

3. On the assumption that all the Bills in List A and most of those in List B will prove unavoidable and that those in List C should be included in the programme, there is unlikely to be time for more than one of the following major Bills (or groups of Bills) from List E:

- Closing Hours of Shops
- Health, Welfare and Safety of Agricultural and Forestry Workers
- Health, Welfare and Safety in Non-Industrial Places of Employment
- Health, Welfare and Safety of Railway Workers
- Local Government Organisation and Finance
- Road Traffic

(See C. (54) 122 and 128)
(See C. (54) 111 and 120)

To these should perhaps be added Betting, Gaming and Lotteries which, although it may not be of comparable size, would be likely to prove a difficult and contentious measure. The Cabinet's choice from among these will help to determine
whether any and, if so, how many other Bills from List E can be accorded a place in the programme.

Bills to Enable Emergency Powers to be Dispensed With

4. The Committee did not overlook the political and other advantages of dispensing altogether with the whole structure of emergency powers in the lifetime of the present Government—an objective to which the Home Secretary has already drawn the attention of the Home Affairs Committee (H.A. (54) 6th Meeting, Minute 2). They were informed that some six or more Bills in addition to those at present shown in List D might well be required to enable this objective to be achieved in full and they noted that a number of the measures which would be involved would be likely to cause difficulty with Government supporters and prove generally controversial. They recognised that, if the Government should decide to pursue this objective, it would have to be assumed that there would be room for no other measures in the programme apart from bare essentials, if, indeed, the full objective could be attained even on that assumption. It appeared to the Committee likely that, if the Cabinet should decide against pursuing this objective, the Home Secretary would press for the inclusion in the programme of some at least of the Bills included in List D—for example, those to replace the land and water powers, which have already been approved in principle by the Home Affairs Committee—as a further instalment in the gradual process of dispensing with emergency powers.

Scottish Legislation

5. It was also the Committee's view that experience with Scottish Bills during the present Session made it desirable that special attention should be given to the load which the proposed programme for next session would impose upon Scottish Ministers and the Scottish Grand Committee. To facilitate this the Scottish Bills have been listed separately (List G). It seems unlikely to be possible to make time available for more than the three Bills in parts (b) and (c) of that List.

Bills suitable for Private Members

6. In submitting a list (List H) of Bills suggested as suitable for handing to Private Members successful in the ballot for Private Members Bills, the Committee invited me to draw the attention of those of my colleagues concerned to the need for approval of the policy of such Bills to be sought and obtained by the same procedure as for proposed Government Bills.

Summary of Recommendations

7. On the Committee's behalf I invite the Cabinet to approve a provisional programme for the 1954-55 Session comprising:

(i) List A Bills;
(ii) Such of the Bills in List B as events may render essential;
(iii) List C Bills;
(iv) Whatever proportion of List D Bills the Cabinet may consider to be desirable;
(v) One of the major Bills, or groups of Bills, from List E specified in paragraph 3 above (if the Cabinet should decide against a major legislative effort to dispense with emergency powers) and possibly one or two other selected Bills from this List;
(vi) The Scottish Bills shown under (b) and (c) in List G.

The drafting of such measures will thereby be enabled to proceed, as opportunity offers, subject to policy having been duly approved in each case.

8. At the same time I must ask my colleagues to refrain from making public promises of legislation on the strength of the inclusion of any Bill in whatever provisional programme may be approved by the Cabinet. Authority to make such promises should continue to be sought in respect of each proposed measure in the normal way.

H. C.

Gwydyr House, S.W. 1.
29th April, 1954
ANNEX

PROPOSED LEGISLATION: 1954-55 SESSION

<table>
<thead>
<tr>
<th>Department</th>
<th>Subject</th>
<th>Approx. No. of Clauses (if known)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.—BILLS WHICH APPEAR TO BE ESSENTIAL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>War Office</td>
<td>*Army and Air Force (Annual)</td>
<td>...</td>
<td>Will be required in the absence of major legislation to implement the recommendations of the Select Committee.</td>
</tr>
<tr>
<td>War Office</td>
<td>*Army and Air Force</td>
<td>Possibly 5 bills</td>
<td>Will be required as soon as the Select Committee reports. Controversial.</td>
</tr>
<tr>
<td>Transport</td>
<td>British Transport Commission (Borrowing)</td>
<td>1</td>
<td>To increase the Commission's borrowing powers. To be passed by 31st December, 1954. Uncontroversial.</td>
</tr>
<tr>
<td>Colonial Office</td>
<td>Colonial Development and Welfare</td>
<td>...</td>
<td>To inaugurate a new development period for the five years—1st April, 1955 to 31st March, 1960.</td>
</tr>
<tr>
<td>Treasury</td>
<td>Expiring Laws Continuance</td>
<td>...</td>
<td>To be passed by 31st December, 1954.</td>
</tr>
<tr>
<td>Treasury</td>
<td>Finance</td>
<td>...</td>
<td></td>
</tr>
<tr>
<td>Treasury</td>
<td>Isle of Man (Customs)</td>
<td>...</td>
<td></td>
</tr>
<tr>
<td>Home Office</td>
<td>National Service Reservists (Civil Defence Training)</td>
<td>...</td>
<td>To enable selected National Service Reservists to be given Civil Defence training.</td>
</tr>
<tr>
<td>Housing</td>
<td>New Towns (Money)</td>
<td>2</td>
<td>The whole of the present authorised sum is expected to have been committed by spring, 1955.</td>
</tr>
<tr>
<td>Home Office</td>
<td>Northern Ireland: Salary and Emoluments of Governor</td>
<td>6</td>
<td>The Governor has reported that the emoluments are insufficient to support the essential requirements of the Office. Controversial.</td>
</tr>
<tr>
<td>Housing</td>
<td>Rating and Valuation</td>
<td>30</td>
<td>To bring the revaluation into force in April 1956; to provide a new basis for assessing gas undertakings, &amp;c. Will be ready for introduction at the start of the Session.</td>
</tr>
</tbody>
</table>

B.—BILLS WHICH WILL BECOME ESSENTIAL IN CERTAIN CIRCUMSTANCES

Agriculture          | Agriculture—                                    | ...                               | If Ministers decide on the imposition of levies on certain agricultural commodities (e.g., wheat) to offset the burden on the Exchequer of subsidies to farmers. To obtain the necessary permanent powers to implement the guarantees of price and market to farmers in the form in which they are now developing. * By Easter 1955. |
| Agriculture         | (1) Levies                                     |                                   |                                                                         |
|                     | (2) Guarantee of Prices and Markets            |                                   |                                                                         |

* One or other of these will be required but not both.
## B.——BILLS WHICH WILL BECOME ESSENTIAL IN CERTAIN CIRCUMSTANCES (continued)

<table>
<thead>
<tr>
<th>Department</th>
<th>Subject</th>
<th>Approx. No. of Clauses</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury</td>
<td>Civil Contingencies Fund</td>
<td>1</td>
<td>Will be required only if it is necessary to vary the present limit of the Fund. To be passed by 31st December, 1954.</td>
</tr>
<tr>
<td>Foreign Office</td>
<td>German Conventions</td>
<td>3</td>
<td>Required as soon as the Bonn Conventions are brought into force.</td>
</tr>
<tr>
<td>Commonwealth Relations Office</td>
<td>Indian Pensions</td>
<td>20</td>
<td>If India’s prior agreement is obtained. May be required as a result of the quinquennial review.</td>
</tr>
<tr>
<td>Pensions and National Insurance</td>
<td>Industrial Injuries</td>
<td>Medium</td>
<td>If the Government agree to enter into a contractual relationship with the European Coal and Steel Community, it is likely that the Iron and Steel Act will have to be amended.</td>
</tr>
<tr>
<td>Supply</td>
<td>Iron and Steel Act, 1953 (Amendment)</td>
<td>8</td>
<td>If plans are evolved for the protection of the Jute industry. Controversial.</td>
</tr>
<tr>
<td>Materials</td>
<td>Jute Industry</td>
<td>Short</td>
<td>If not passed in the present Session.</td>
</tr>
<tr>
<td>Pensions and National Insurance</td>
<td>National Insurance</td>
<td>Major</td>
<td>If not passed in the present Session.</td>
</tr>
<tr>
<td>Colonial Office</td>
<td>Overseas Resources Development</td>
<td>Short</td>
<td>If not passed in the present Session.</td>
</tr>
<tr>
<td>Commonwealth Relations Office</td>
<td>Pakistan (Consequential Provision)</td>
<td>2</td>
<td>Its timing will depend on the date on which the Pakistan Republican Constitution is introduced.</td>
</tr>
<tr>
<td>Treasury</td>
<td>Public Works Loans</td>
<td></td>
<td>If the demands on the Public Works Loans Board make a new Bill necessary.</td>
</tr>
<tr>
<td>Lord Chancellor’s Office</td>
<td>South Lancashire Criminal Courts</td>
<td></td>
<td>If not passed in the present Session.</td>
</tr>
</tbody>
</table>

## C.——BILLS WHICH SHOULD PROBABLY BE INCLUDED IN THE PROGRAMME

<table>
<thead>
<tr>
<th>Department</th>
<th>Subject</th>
<th>Approx. No. of Clauses</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Office</td>
<td>Civil Defence</td>
<td>Short</td>
<td>To implement the undertaking given by the Home Secretary and the Secretary of State for Scotland on 15th March, 1953, to the Local Authority Associations to amend s. 3 of the Civil Defence Act, 1948 to provide for reimbursement in certain circumstances of expenditure on capital works.</td>
</tr>
<tr>
<td>Colonial Office</td>
<td>Cocos Islands (Transfer)</td>
<td>Short</td>
<td>To transfer the Cocos Islands to Australia.</td>
</tr>
<tr>
<td>Trade</td>
<td>Copyright</td>
<td>20</td>
<td>Instructions have already been sent to Parliamentary Counsel. The Post Office have an interest in this Bill as it will cover television broadcasting.</td>
</tr>
<tr>
<td>Lord Chancellor</td>
<td>County Court Jurisdiction</td>
<td></td>
<td>To increase the jurisdiction of County Courts and so avoid the long delays in disposing of civil actions. Considered to be urgent. Might be included if the South Lancashire Criminal Courts Bill is passed in the present Session.</td>
</tr>
</tbody>
</table>
## C.—BILLS WHICH SHOULD PROBABLY BE INCLUDED IN THE PROGRAMME (continued)

<table>
<thead>
<tr>
<th>Department</th>
<th>Subject</th>
<th>Approx. No. of Clauses (if known)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and Scottish Office</td>
<td>Dentists</td>
<td>35</td>
<td>Is ready for introduction at the start of the Session.</td>
</tr>
<tr>
<td>Transport</td>
<td>Road Traffic (Public Service Vehicle Licensing)</td>
<td>Short</td>
<td>On the assumption that this cannot now be introduced during the present Session.</td>
</tr>
<tr>
<td>Agriculture</td>
<td>Rural Wales</td>
<td>12</td>
<td>To give effect to paragraph 3 of the White Paper on Rural Wales (Cmd. 9014) to enable the Ministry to contribute to the cost of improvement of certain unclassified and unadopted roads. Politically desirable.</td>
</tr>
<tr>
<td>Trade, Post Office</td>
<td>Television (Film Quota)</td>
<td>7</td>
<td>If it should be decided to impose a statutory control on imported films used for television.</td>
</tr>
</tbody>
</table>

## D.—BILLS TO ENABLE EMERGENCY POWERS TO BE DISPENSED WITH

### (i) To replace the land and water powers

<table>
<thead>
<tr>
<th>Works</th>
<th>Acquisition and Use of Land</th>
<th>The Home Affairs Committee (H.A. (54) 6th Meeting) approved in principle the preparation of legislation to deal comprehensively with the eight emergency regulations dealing with land and water. Controversial.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post Office</td>
<td></td>
<td>Ditto</td>
</tr>
<tr>
<td>Defence</td>
<td></td>
<td>Ditto</td>
</tr>
<tr>
<td>Fuel and Power</td>
<td></td>
<td>Ditto</td>
</tr>
<tr>
<td>Agriculture</td>
<td></td>
<td>Ditto</td>
</tr>
<tr>
<td>Housing</td>
<td>Requisitioned Houses</td>
<td>6</td>
</tr>
<tr>
<td>Works</td>
<td>Tube Shelters (hybrid)</td>
<td>6</td>
</tr>
<tr>
<td>Housing and Scottish Office</td>
<td>Water</td>
<td>10</td>
</tr>
</tbody>
</table>

### (ii) To replace miscellaneous emergency powers

<table>
<thead>
<tr>
<th>Treasury</th>
<th>Aliens (Amendment)</th>
<th>To replace D.R. 60D (if it cannot be done administratively).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>Cereals Deficiency Payments</td>
<td>To enable the Ministry to operate Deficiency Payments Schemes. Necessary if the Supplies and Services Act, 1945 comes to an end.</td>
</tr>
<tr>
<td>Treasury</td>
<td>Exchange Control</td>
<td>To replace Regulation 2A of the Defence (Finance) Regulations.</td>
</tr>
<tr>
<td>Trade</td>
<td>Inventions and Designs</td>
<td>On the assumption that the Bill at present, in the House of Lords will be abandoned a shorter and less controversial Bill may be necessary.</td>
</tr>
<tr>
<td>Food</td>
<td>Livestock Deficiency Payments</td>
<td>To enable the Ministry to operate Deficiency Payments Schemes. Necessary if the Supplies and Services Act, 1945, comes to an end.</td>
</tr>
<tr>
<td>Supply, Materials</td>
<td>Ministry of Supply Act, 1939 (Amendment), &amp;c.</td>
<td>If the Supplies and Services Act, 1945, comes to an end during the Session, a Bill to amend the Ministry of Supply Act, 1939, and to replace certain other powers will be needed.</td>
</tr>
<tr>
<td>Food</td>
<td>Sugar Industry Reorganisation</td>
<td>To regulate the British Sugar Corporation. Will be essential unless S.6 of the Emergency Laws Act, 1946, is renewed. Might be included in a larger Bill dealing with the whole sugar industry. Such a Bill would be complex and controversial.</td>
</tr>
<tr>
<td>Department</td>
<td>Subject</td>
<td>Approx. No. of Clauses</td>
</tr>
<tr>
<td>------------------</td>
<td>---------------------------------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Housing</td>
<td>Air Pollution</td>
<td>10 to 20</td>
</tr>
<tr>
<td>Foreign Office</td>
<td>Anglo-Italian Consular Convention</td>
<td>Short</td>
</tr>
<tr>
<td>Home Office</td>
<td>Betting, Gaming and Lotteries</td>
<td>20</td>
</tr>
<tr>
<td>Home Office,</td>
<td>Closing Hours of Shops</td>
<td>30</td>
</tr>
<tr>
<td>Scottish Office</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel and Power</td>
<td>Electricity (Amendment)</td>
<td>20</td>
</tr>
<tr>
<td>Home Office</td>
<td>Fire Services Act (Amendment)</td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>Foot and Mouth Disease</td>
<td></td>
</tr>
<tr>
<td>Treasury</td>
<td>Friendly Societies</td>
<td>30</td>
</tr>
<tr>
<td>Fuel and Power</td>
<td>Gas Industry (Headquarters Staff)</td>
<td>1</td>
</tr>
<tr>
<td>Agriculture</td>
<td>Health, Welfare and Safety of Agricultural and Forestry Workers</td>
<td>35</td>
</tr>
<tr>
<td>Scottish Office</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour</td>
<td>Health, Welfare and Safety of Railway Workers</td>
<td>15</td>
</tr>
<tr>
<td>Home Office</td>
<td>House of Commons Disqualification</td>
<td></td>
</tr>
<tr>
<td>Transport and</td>
<td>Licensing (Airports)</td>
<td>2</td>
</tr>
<tr>
<td>Scottish Office</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department</td>
<td>Subject (in alphabetical order)</td>
<td>Approx. No. of Clauses (if known)</td>
</tr>
<tr>
<td>------------</td>
<td>---------------------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Housing</td>
<td>Local Government Organisation and Finance</td>
<td>50</td>
</tr>
<tr>
<td>Home Office</td>
<td>Northern Ireland (Miscellaneous Provisions)</td>
<td>15</td>
</tr>
<tr>
<td>Transport</td>
<td>Oil Pollution</td>
<td>20</td>
</tr>
<tr>
<td>Transport</td>
<td>Road Traffic</td>
<td>50</td>
</tr>
<tr>
<td>Food</td>
<td>Slaughter-houses Siting</td>
<td>20</td>
</tr>
<tr>
<td>Treasury</td>
<td>Trustee Investments</td>
<td>6</td>
</tr>
<tr>
<td>Health and Admiralty</td>
<td>Yarmouth Naval Mental Hospital</td>
<td>...</td>
</tr>
</tbody>
</table>

**F.—BILLS WHICH MIGHT BE LEFT FOR A LATER SESSION**

<table>
<thead>
<tr>
<th>Department</th>
<th>Subject (in alphabetical order)</th>
<th>Approx. No. of Clauses (if known)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td>Air Corporations (Exchequer Grants)</td>
<td>10</td>
<td>To replace Sections 13-17 of the Air Corporations Act, 1949, which expires on 31st March, 1956. Controversial.</td>
</tr>
<tr>
<td>Transport</td>
<td>Aircraft Mortgages and Registration</td>
<td>20</td>
<td>Uncontroversial. Pressure from aircraft industry.</td>
</tr>
<tr>
<td>Various</td>
<td>Charitable Trusts</td>
<td>Several Bills</td>
<td>To amend various Acts as a result of the Nathan Report (Cmd. 8710).</td>
</tr>
<tr>
<td>Home Office</td>
<td>Civil Defence (shelters in new buildings)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade</td>
<td>Companies</td>
<td>14</td>
<td>To permit the issue of shares of no par value (controversial) and to amend the accounts and audit provisions of the 1948 Act.</td>
</tr>
<tr>
<td>Transport</td>
<td>Damage by Foreign Aircraft to Third Parties</td>
<td>?12</td>
<td>Uncontroversial.</td>
</tr>
<tr>
<td>Foreign Office</td>
<td>Diplomatic Immunity (Reciprocal Provisions)</td>
<td></td>
<td>To implement the 3rd Conclusion of the Somervell Committee on Diplomatic Immunity (Cmd. 8469).</td>
</tr>
<tr>
<td>Home Office and Scottisch Office</td>
<td>Employment of Children in Enter-tainments</td>
<td>20</td>
<td>Interested organisations are anxious that there should be no further delay in giving effect to the Report of the Bateson Committee.</td>
</tr>
</tbody>
</table>
### BILLS WHICH MIGHT BE LEFT FOR A LATER SESSION (continued)

<table>
<thead>
<tr>
<th>Department</th>
<th>Subject</th>
<th>Approx. No. of Clauses (if known)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Office</td>
<td>Geneva Conventions</td>
<td>13</td>
<td>To ratify the 1949 Geneva Conventions for the protection of war victims. The Foreign Office are anxious that it should be passed as soon as possible.</td>
</tr>
<tr>
<td>Home Office and Foreign Office</td>
<td>Genocide</td>
<td></td>
<td>To enable Her Majesty’s Government to accede to the Genocide Convention.</td>
</tr>
<tr>
<td>Lord Chancellor</td>
<td>Law Reform</td>
<td></td>
<td>To give effect to the recommendations of the Lord Chief Justice's Committee on civil liability for damage done by animals and to reform the civil law in certain other respects.</td>
</tr>
<tr>
<td>Lord Chancellor</td>
<td>Local Land Charges</td>
<td></td>
<td>To give effect to the report of the Stainton Committee. Authority to prepare a Bill has already been given (H.A. (53) 5th Meeting).</td>
</tr>
<tr>
<td>Transport</td>
<td>Maritime Conventions</td>
<td>10</td>
<td>Desirable and uncontentious.</td>
</tr>
<tr>
<td>Admiralty</td>
<td>Naval Discipline</td>
<td></td>
<td>Will be required as a result of the Select Committee’s report. Controversial.</td>
</tr>
<tr>
<td>Health and Scottish Office</td>
<td>Opticians</td>
<td>40</td>
<td>To provide for Opticians a central body analogous to the Dental Council under the Dentists Bill.</td>
</tr>
<tr>
<td>Home Office</td>
<td>Petroleum Act (Amendment)</td>
<td>6</td>
<td>To transfer responsibility for the licensing of large petroleum installations from local authorities to the Home Secretary. Uncontentious.</td>
</tr>
<tr>
<td>Home Office</td>
<td>Police Negotiating Machinery</td>
<td></td>
<td>To give effect to the recommendations of the Oaksey Committee.</td>
</tr>
<tr>
<td>Treasury</td>
<td>Post Office Savings Bank and Trustee Savings Bank Amendment</td>
<td>30</td>
<td>To make new provision for staff of Trustee Savings Banks. Might be combined with the Trustee Savings Bank (Mutual Assistance) Bill.</td>
</tr>
<tr>
<td>Housing</td>
<td>Public Health (Miscellaneous)</td>
<td>60</td>
<td>To make general in a Public Act a number of provisions now included in many local Acts. Could probably be ready by end-January 1955, but could wait till a later Session. Mainly uncontentious.</td>
</tr>
</tbody>
</table>

### G.—SCOTTISH BILLS

(a) Bills which appear to be essential

NIL

(b) Bills which will become essential in certain circumstances

<table>
<thead>
<tr>
<th>Subject</th>
<th>Approx. No. of Clauses (if known)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and Drugs (Scotland)</td>
<td>64</td>
<td>If not passed in the present Session.</td>
</tr>
<tr>
<td>Herring Industry</td>
<td>3</td>
<td>May be required to provide for further grants to the Herring Industry after 31st March, 1955.</td>
</tr>
</tbody>
</table>
### G.—SCOTTISH BILLS (continued)

**C. Probable Bill**

- **Crofters** ... ... ... ... 40 If the Government adopt the recommendations of the Taylor Commission.

**D. Bills to enable emergency powers to be dispensed with**

- **NIL**

**E. Bill which might be included in the Programme**

- **Valuation and Rating (Scotland)** 35 Will be required if the Government decide to implement the recommendations of the Sorn Committee which is expected to report in the summer. Expected to be very controversial.

**F. Bills which might be left for a later Session**

- **Education** ... ... ... ... 15 To remove anomalies and difficulties which have arisen under the Education (Scotland) Act, 1946 as amended in 1949.

- **Land Drainage** ... ... ... ... 35 To compel the carrying out of arterial drainage works. Controversial in a non-party sense.

- **Libraries** ... ... ... ... 3 To remove certain restrictions in existing legislation governing the Public Libraries system. Might be combined with the Education Bill.

- **Poaching of Deer** ... ... ... 20 To prevent poaching of deer and to implement the recommendations about a close season which may be made by the Maconochie Committee.

### H.—BILLS SUITABLE FOR PRIVATE MEMBERS

**Agriculture** ... ... A Bill to enable a local authority to pay a lump sum out of the general rates to a drainage board in lieu of the collection by the Board of individual drainage rates in part of the local authority's area.

**Transport** ... ... A Bill to change the "hours of darkness" for lighting-up purposes. If the Road Safety Committee recommends a change and it is not covered by the Road Traffic Bill.

**Treasury** ... ... Imperial War Museum. To deal with the lending powers of the Museum and to revise the provision as to the appointment of Trustees.

**Home Office and Scottish Office** A Bill to enable children who are the subject of a Court Order and have been removed from Scotland to England or vice versa to be returned to the country to which they belong.

**Home Office** A Bill to relieve ratepayers in non-county boroughs with separate Commissions of the Peace from their existing liability to contribute to the county rate in respect of the cost of petty sessions, quarter sessions and the probation service. Would affect the incidence and not the amount of the expenditure by local authorities.

**Housing** ... ... Local Government (Land Transactions). To implement some of the recommendations of the Local Government Man-power Committee.

**Housing** ... ... New Streets. To limit the scope of the New Streets Act, 1921, and to remove certain difficulties.
KING GEORGE VI MEMORIAL

MEMORANDUM BY THE MINISTER OF WORKS

A plan and photograph will be exhibited in the Cabinet room to illustrate the scheme to place the King George VI Memorial overlooking the Mall between Nos. 2 and 3 Carlton Gardens.

2. The Memorial Fund Committee decided in 1952 that a statue of His late Majesty in a noble setting in London should form part of the National Memorial, and a Sub-Committee was set up under the chairmanship of the then Lord Mayor, Sir Leslie Boyce, to select the site and the memorial. After several sites had been considered the present one was approved by the Queen.

3. Mr. William McMillan, R.A. was selected to be the sculptor for the statue, which with Her Majesty's agreement will be in bronze, and will depict the late King standing in undress naval uniform with the Garter mantle. Mr. Louis de Soissons, R.A. was appointed as architect. The site and the proposals for the memorial itself have the approval of the Royal Fine Art Commission.

4. My approval under the Public Statues Act, 1854 is also necessary before the King George VI Foundation can formally submit the final scheme to the Queen, and it seems right that I should give it.

D. E.

Ministry of Works, S.E. 1.
3rd May, 1954.
CABINET OFFICE
RECORD COPY
COPY NO. 65

CABINET

PORTUGUESE POSSESSIONS IN INDIA

Memorandum by the Secretary of State for Commonwealth Relations and the Minister of State

We think it desirable to consult our colleagues on certain recent disturbing developments concerning the Portuguese possessions in India.

Indian Attitude to Foreign Possessions in India

2. Both Portugal and France retain certain possessions in India. The Government of India resent this and wish to secure the incorporation of these territories in the Indian Union, though they have stated that they intend to use peaceful methods only. They have recently increased pressure on the foreign territories. In the Portuguese territory of Goa especially the campaign has taken the form of economic and administrative harassment by means of frontier control together with intensive propaganda, organised demonstrations and the formation by various private individuals of so-called volunteer bands for the "liberation" of Goa. The French Government have never refused to negotiate a settlement with the Indians, on the basis of a referendum in their territories, and have not sought external intervention in their dispute with India. The Portuguese Government, on the other hand, have always flatly rejected all Indian claims to the Portuguese possessions in India and do not admit that there is any ground for Indo-Portuguese negotiations over them.

Portuguese Request for Support

3. The Portuguese Ambassador in London and the Portuguese Foreign Minister have on two recent occasions drawn the Foreign Secretary's attention to the situation and, after referring to the Anglo-Portuguese Treaties and the North Atlantic Treaty, have asked Her Majesty's Government for

(a) Their good offices with the Indian Government to secure a reduction of tension.

(b) An assurance of Her Majesty's Government's support, should the Portuguese find it necessary to bring the matter to the North Atlantic Council under Article IV of the North Atlantic Treaty.

The Portuguese Foreign Minister stated that he quite understood our difficulties and did not expect us to do the impossible but that it would be of great value to the Portuguese people to know that they could count upon our doing whatever we could to help.
Treaty Position

4. Her Majesty's Government may be caused great embarrassment in view of India's membership of the Commonwealth and of the treaty links of Her Majesty's Government with Portugal:

(a) Under the Anglo-Portuguese Treaty of 1373 and subsequent Treaties as confirmed by the Secret Anglo-Portuguese Agreement of 1899 there is a clear obligation on Her Majesty's Government in the United Kingdom to defend Portuguese overseas territory.

(b) Under Article IV of the North Atlantic Treaty Portugal would clearly have the right to require consultation with the other members of the Organisation on the ground that a threat existed to the territorial integrity of a Portuguese possession, whether part of Metropolitan Portugal or of the overseas territories for whose international relations the Government of the Metropolitan territory are responsible. At the recent meeting of the North Atlantic Council the Portuguese Minister for Foreign Affairs mentioned the situation in Goa without requesting any specific action. (Article V of the Treaty which deals with action including the use of armed forces to be taken as a result of an armed attack against one of the Parties could not be invoked because Goa lies outside the North Atlantic area).

Indian Misapprehensions about the Legal Position

5. The United Kingdom High Commissioner in New Delhi has recently received requests from the Indian authorities for clarification of the Treaty position. In recent public statements Mr. Nehru has, however, said that neither the North Atlantic Treaty nor the Anglo-Portuguese Treaties are relevant to Goa and in a recent Aide Memoire to the High Commissioner in Delhi the Indian Government asked Her Majesty's Government to confirm this view.

Effect on United Kingdom Colonial Possessions

6. There is an obvious parallel between Goa and such British possessions as Hong Kong, Gibraltar and the High Commission Territories; it would therefore be dangerous for us to show any sympathy for the Indian Government's contention that they have an intrinsic right to these settlements.

Recommendations

7. It is inconceivable that Her Majesty's Government could agree to take military action against a fellow-member of the Commonwealth, and we must not raise false hopes in the Portuguese. On the other hand the Indians should not be allowed to remain under any misapprehension about the Treaty position. We therefore propose that in giving to the Indians the clarification which they have requested the United Kingdom High Commissioner should be instructed

(a) to draw the attention of the Indian Government to the relevant provisions of the various Anglo-Portuguese Treaties and the position of Her Majesty's Government under Article IV of the North Atlantic Treaty, making it clear that, technically, circumstances could arise in which the Portuguese Government could legally invoke these Treaties with respect to Goa;
(b) to refer to the Indian Prime Minister’s repeated public assurances that he intends that any settlement with the Portuguese should be by peaceful means;

(c) to say that Her Majesty's Government assume that the Indian Government do not therefore contemplate any action which could give the Portuguese Government reasonable grounds for claiming a casus foederis;

(d) to explain that, if the Portuguese Government were to claim a casus foederis, it would put both the United Kingdom and the Indian Governments in an extremely embarrassing position.

8. When the Portuguese Ambassador is informed that we have spoken to the Indian Government and of any assurances which the Indian Government may give he might be told

(a) That we hope it will preclude the need to bring the matter before the North Atlantic Council.

(b) That, in any event, our own advice would be not to bring the matter before the Council, since, so far from helping Portugal, it would further incense India.

(c) That there are limits to the extent to which we can assist in a dispute with a fellow-member of the Commonwealth but that we shall always be prepared to use our influence in any way possible to reduce tension.

SWINTON
S.L.

3rd May, 1954.
RECRUITMENT OF UKRAINIANS INTO THE MIXED SERVICE ORGANISATION

MEMORANDUM BY THE MINISTER OF STATE

The Foreign Secretary wished his colleagues to be consulted about a recent request of the Commander-in-Chief, Northern Army Group, to be allowed to recruit Ukrainian displaced persons in the British Zone of Germany into the Mixed Service Organisation (M.S.O.). He considered this request before leaving London for Paris and Geneva and his views are set out in this memorandum.

2. The M.S.O. consists of nearly 8,000 men employed by the Army on various auxiliary services, such as transport. Unlike the German Service Organisation (G.S.O.) which consists only of Germans, it is composed wholly of non-Germans, mainly Poles and also some Balts. It makes an important contribution to the man-power of our forces, which will be even more important after the Bonn Conventions come into force and the G.S.O. later disappears. Its support would also be of the greatest value during the first days of any hostilities before our units could be reinforced. It is at present about 10 per cent. under strength and its numbers are still falling. If its strength is not maintained, the Northern Army Group’s operational plans will almost certainly be affected. The Ukrainian displaced persons are the only important source from which new recruits can come. Because of our man-power shortage, there is no prospect of making good the deficiency from British sources.

3. The objections to recruiting these Ukrainians are: —

(a) There may be a sharp Soviet reaction if we recruit persons whom the Russians regard as Soviet nationals.

(b) There might be criticism from the French since many Ukrainians in Germany served during the last war in an S.S. Division in France.

4. For the following reasons, however, the above objections do not seem overriding: —

(a) We have already recruited Poles and Balts into the M.S.O. Although the former are in a somewhat different category from the Ukrainians, the latter are just as much Soviet citizens in the eyes of the Russians.

(b) The Americans already employ individual Ukrainians in the United States army on various labour tasks. This has not produced any Russian outburst.

(c) Apart from protesting and making as much propaganda as possible out of the issue, it is hard to see what effective counter-action the Russians could take.

(d) Her Majesty’s Embassy in Paris say that the S.S. Division in which some of the Ukrainians may have served did not acquire any special notoriety.

5. The recruits will, of course, be screened as fully as possible, but we cannot now establish the full war-time records of the former S.S. members so completely as to be certain of excluding really unsuitable persons.

46105
6. This is a matter in which military requirements must be weighed against political disadvantages. If we agree to the proposal there is a danger of criticism in Parliament and from the Russians. But the military considerations are very weighty and are reinforced by the fact that we have been criticised in the North Atlantic Treaty Organisation for failing to provide sufficient support troops for our forces in Germany. The Foreign Secretary, in agreement with the Minister of Defence and the Secretary of State for War, has therefore concluded that military requirements should prevail.

7. In these circumstances the Foreign Secretary proposes to agree to the recruitment of the Ukrainians on the understanding that—

(a) the matter is given the minimum of publicity;
(b) the most effective screening safeguards are adopted to ensure so far as possible that persons with unsavoury records are excluded.

S. L.

*Foreign Office, S.W. 1,*

*3rd May, 1954.*
7th May, 1954

CABINET

UNITED NATIONS DISARMAMENT COMMISSION SUB-COMMITTEE

MEMORANDUM BY THE SECRETARY OF STATE FOR FOREIGN AFFAIRS

In its resolution of 28th November, 1953, the General Assembly requested the Disarmament Commission to consider setting up a sub-committee of “the Powers principally involved” which should seek in private an acceptable solution of the disarmament problem and report to the Commission as soon as possible, in order that the latter in its turn might report to the General Assembly and the Security Council not later than 1st September, 1954. At Berlin the four Foreign Ministers agreed that their Governments should exchange views in accordance with the Assembly resolution, i.e., in the sub-committee.

2. The Disarmament Commission was reconvened on 9th April at the request of the United Kingdom representative, supported by his United States and French colleagues, and at its third meeting on 19th April, once again on United Kingdom initiative, the Commission set up the sub-committee mentioned above. The sub-committee is to meet in London on or about 13th May. It is composed of the Soviet Union, United States, United Kingdom, France and Canada, the Minister of State being the United Kingdom representative. The Disarmament Commission rejected a Soviet proposal that the sub-committee should comprise also representatives of India, Czechoslovakia and Communist China, but M. Vyshinsky has reserved the right to revert to this question later.

3. The sub-committee is to report to the Disarmament Commission by 15th July.

WESTERN POLICY IN THE DISARMAMENT SUB-COMMITTEE

4. Preliminary discussions are to be held in London with United States, French and Canadian representatives on 10th and 11th May. We have proposed to those three Governments that Western policy should take the following lines.

5. The Western Powers should take as their basic position the proposition that the prohibition of all atomic and hydrogen weapons and all other weapons of mass destruction is, and always has been, acceptable to them on two conditions:

   (i) that the prohibition of the use, manufacture and possession of atomic and other similar weapons is accompanied by simultaneous and major reductions in conventional weapons and armed forces to agreed levels, and carried out to an agreed time-table;

   (ii) that there must be agreement about the setting up of machinery for supervising and enforcing the prohibition and reductions. Enforcement measures must not be subject to a veto.

6. The object of the Western Powers would be to direct discussion towards consideration of the two conditions outlined above, where we should be on safe ground. In the course of such discussions it should be possible to obtain clarification of the Soviet Government's attitude towards the basic principles of disarmament which the United Nations have laid down in the past as necessary to any acceptable disarmament programme, and to show that the Soviet Union, not the Western Powers, are responsible for the lack of progress over disarmament.
7. The kind of questions to which we should hope to secure an answer would be:

(i) Whether there is agreement that disarmament should cover both conventional and novel types of weapons.

(ii) Whether it is agreed that there should be agreed measures of disclosure and verification of existing levels of armaments and armed forces on which the reductions can be based.

(iii) Whether it is agreed that the object of disarmament should be not only to abolish the more obnoxious forms of warfare but to remove the disparity between the armaments and armed forces of the major world Powers by means of a programme of balanced reductions.

(iv) Whether there is agreement that States must be prepared to give facilities to the Control Organ sufficient to enable it to guarantee that evasions shall be detected, even if this entails some derogation from the normal concept of State sovereignty.

(v) Whether there is any agreement on the enforcement procedure, e.g., whether a procedure can be devised which avoids the use of the veto.

8. The United States authorities have stated that they agree with this policy, but will have some slight modifications and some additions to suggest. The French authorities have also stated that they are in general agreement with our proposals. The Canadians have said that the United Kingdom proposals are broadly acceptable but they have not yet completed their study of them.

9. I think that my colleagues will wish to know the line which I have authorised the Minister of State to follow in the preliminary discussions with our allies and subsequently in the sub-committee's meetings.

A. E.
11th May, 1954

CABINET

POSSIBLE INCREASES IN RATES OF PENSIONS AND BENEFITS

Memorandum by the Minister of Pensions and National Insurance

On 13th April the Cabinet invited me to submit, (C.C. (54) 28th Conclusions, Minute 5) after consultation with the Chancellor of the Exchequer, an outline of the following alternative schemes -

(1) an interim scheme, dealing only with benefit rates and contributions, which could be put into force in January, 1955, consistent with any recommendations that the Phillips Committee were likely to make;

(2) an interim scheme, to come into force in June, 1955, dealing not only with benefit rates and contributions but with some of the matters now under consideration by the Phillips Committee.

2. I have consulted the Chancellor of the Exchequer and we both agree that the best course would be to introduce a single scheme at a later stage incorporating any acceptable recommendations from the Phillips Committee rather than to announce an interim scheme immediately, to be followed by a further scheme not long afterwards. If we can get at least an interim report from the Phillips Committee by November it should be possible to legislate early in 1955 in the light of the Committee's recommendations and to bring a new scheme into operation in the summer of 1955.

3. If the choice were for an interim scheme for operation by the end of this year, the decision would have to be made at once because it takes at least six months to get the necessary new pension order books and stamps printed and brought into use. Owing to the rush at my offices in the early months of the year from sickness benefit claims, I could not undertake the heavy work of introducing new rates of pensions during the latter part of December or the months of January to April.

Interim Scheme for Operation by the End of the Year

4. For this purpose all that is possible is a simple raising of the main national insurance rates; I suggest from 32s. 6d. to 37s. 6d. a week for a single person and from 21s. 6d. to 23s. 6d. for a wife, making 61s. for a married couple compared with 54s. now, with appropriate increases in other rates. This would more than compensate for the increase in the official cost of living and retail prices index since 1946. It would not alter the conditions of the scheme and would not be
inconsistent with any likely findings of the Phillips Committee; nor would it prejudice the statutory review of benefit rates which I shall have to make following the Government Actuary's Quinquennial Report later this year.

5. There would of course be pressure to increase war pensions and industrial injuries benefits at the same time as national insurance benefits, and I think we should have to make corresponding changes. I propose that the basic war pension and industrial injuries disablement pension for 100 per cent disability should go up from 55s. to 65s. a week, with appropriate adjustments in other rates. I do not think it necessary to suggest any change in the rate of family allowances.

6. These increases in insurance benefits would call for the following increases in weekly contributions -

<table>
<thead>
<tr>
<th>Man</th>
<th>Woman</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed</td>
<td>1s. 3d.</td>
</tr>
<tr>
<td>Self-employed</td>
<td>1s. 0d.</td>
</tr>
<tr>
<td>Non-employed</td>
<td>8d.</td>
</tr>
</tbody>
</table>

+ Shared with employer and including the increase in industrial injuries insurance contribution.

7. The Exchequer supplement to national insurance contributions under the two schemes, which was reduced by over £30 millions a year in 1951, would be increased by about £9 millions a year. The Chancellor of the Exchequer stated in C. (54)139 that there would be a further potential burden upon the Exchequer by loss of revenue from tax allowances on the higher contributions; the Inland Revenue estimates that this would amount to about £11 millions a year so far as the cost was not passed on to the consumer. The Exchequer would also bear the whole cost of the war pensions increase estimated at about £10 millions a year. On the other hand there would, it is estimated, be a saving to the Exchequer of about £17 millions in expenditure on national assistance; as the Chancellor stated in C. (54)139 there would no doubt be pressure to raise the national assistance scale, but there has already been a generous increase in that scale; and, so long as the cost of living remains stable, I see no justification for a further increase.

8. I estimate that my proposals would cost the National Insurance Fund about £72 millions a year, rising to £105 millions a year by 1967 and to £120 millions by 1977. Against these sums the additional yield in contributions and Exchequer supplement payable to the Fund would be at a constant rate of between £60 millions and £65 millions. At the outset the income of the Fund (including the additional contribution receipts) would be sufficient to meet the increased outgoing, but in a year or two, as has always been contemplated, a deficiency would begin to open up between the income and expenditure of the National Insurance Fund. This deficiency is estimated with existing rates to reach £274 millions a year by 1967 and £417 millions a year by 1977, and my proposals would increase that deficiency by £41 millions by 1967 and by £56 millions by 1977. (The invested balances of the National Insurance Fund and the Reserve Fund now amount to over £1,400 millions). The increased cost to the Industrial Injuries Fund would be about £6 millions a year at the outset, which would be more than covered by the additional contributions mentioned in paragraph 6.
Interim Scheme for Operation in the Summer of 1955

9. I understand that the Treasury have consulted Sir Thomas Phillips and that he is unable at present to indicate the nature of the recommendations his Committee may make regarding the future of retirement pensions. We hope that at least an interim report may be forthcoming by November so that decisions about legislation could be reached early in the new year. One possibility is that the Committee will recommend some raising of the minimum pension age at which retirement pensions would normally become payable in future. If public opinion can be brought to accept a higher conventional minimum age of retirement we shall have to consider the most acceptable method of bringing it about, but I do not think there is any point in my trying to develop proposals along these lines until we see what the Phillips Committee are going to recommend.

10. I ought also to remind my colleagues that by the end of the year the Government Actuary will have made his Quinquennial Report on the finances of the National Insurance Fund and the adequacy of the contributions now charged. I shall then be required, as Minister, to review the rates of benefit to be paid in future and under the terms of the Act I must conduct this review in relation

"(a) to the circumstances at the time of insured persons in Great Britain, including in particular the expenditure which is necessary for the preservation of health and working capacity; and

(b) to any changes in those circumstances since the rates and amounts of benefit were laid down by this Act or any Act amending it and to the likelihood of future changes."

I do not think that I can at this stage anticipate the proposals that I may have to make following the review.

Unemployability Supplement

11. The Cabinet approved in principle on 3rd March an increase of 10s. a week in the rate of "unemployability supplement" payable to war pensioners, and in the rate of allowance payable to men whose industrial injuries render them permanently incapable of work; and they asked the Chancellor of the Exchequer and myself to decide when the increases should be announced. The Chancellor and I feel that it would on the whole be unwise to introduce this limited improvement at the present moment and that it would be better to defer it for possible incorporation in the later scheme.

O.P.

Ministry of Pensions and National Insurance,

W.C.Z.

11th May, 1954.
CABINET

FUEL POLICY

MEMORANDUM BY THE MINISTER OF FUEL AND POWER

On 6th October, 1953, the Cabinet appointed a Committee under the Chancellor of the Exchequer to formulate and submit for their consideration proposals for a comprehensive Government policy on coal (C.C. (53) 55th Conclusions, Minute 4). At this Committee's request I now submit my proposals to the Cabinet.

2. By the time that atomic energy is available to carry a significant share of the fuel and power load, we may hope to have a smaller, highly mechanised and much more efficient coal mining industry that will be far better able to meet the demands of our fuel economy. But until then, and certainly for the next ten years, we shall have to do our best with the other means at our disposal to remedy the chronic shortages and other difficulties that have afflicted coal ever since the war.

3. During the next few years our coal policy should aim at the following objectives:

(a) Coal exports on at least their present scale and abolition of domestic coal restrictions—which soon will be the last survivor of war-time rationing.
(b) An end as soon as possible to opencast coal mining on good agricultural land.
(c) The creation as soon as possible of a special reserve of coal of from 5 to 10 million tons as an insurance against the continuing threat of a fuel crisis.

4. Before the war an extra 50 million tons of coal could be obtained if necessary by drawing on a reserve of 150,000 unemployed miners. Then the spur of unemployment and low wages kept shift output high and absenteeism low. But fear of poverty and of unemployment no longer operates. We must continue the most determined efforts to secure by better leadership, labour relations and organisation a change of spirit in the industry. I am in constant touch with Sir Hubert Houldsworth, the Chairman of the National Coal Board (N.C.B.), on these matters and one result is that the Board are now inquiring into their present organisation with the assistance of a small high-powered Committee drawn from outside the industry and presided over by Dr. Fleck, Chairman of I.C.I. The Committee are going about their work with great thoroughness and are not likely to produce their report before the end of the year. In the meantime I shall continue to press upon the Board the extreme importance of improving the morale and performance of the industry, but I suggest that there is also action of various particular kinds that we should take.

5. Production could be increased if more men were available in the right places. The worst, though not the only, shortages are in South Wales, Yorkshire and the West Midlands and in the two of these three areas where production could most quickly be increased there is strong competition for labour from other industries. Great efforts are anyhow needed to keep pace with the wastage of 60,000
miners a year over the industry as a whole, and while some improvement tends to follow wage increases we cannot nowadays count on getting a net increase of more than a few thousand miners in any year. This year, indeed, manpower has consistently been at a lower level than last year (it is at present 6,700 lower), and I think we shall do well if we make good this deficiency.

6. For higher coal output we must therefore chiefly rely on greater productivity and, as a means to this end, on capital investment. This is going on, but new mine sinkings and major reconstruction schemes take from 7 to 10 years to come to fruition and in the short term we cannot reasonably expect an annual increase of more than 2 per cent. (i.e., 4 million tons of coal). Even this assumes that open-cast mining is maintained at a high level, that uneconomic pits are kept in production and that Saturday working continues. So far this year we are failing to get anything like this 4 million ton rate of increase, and unless there is soon a significant improvement we may have to face a prospective shortage of 3 million tons before the end of the year and provide against it by further imports additional to the 1 million tons that I have already asked the Chancellor of the Exchequer to authorise. Sir Hubert Houldsworth has convinced the miners' leaders that more must be done and the Miners' Executive have now sent an appeal to all coalfields urging the need for greater effort; this is being followed by a delegate conference in London. The position will need careful watching over the next few weeks with a further review at the end of June.

7. Looking further ahead, I believe that if industrial demand continues to grow we must expect the estimated increase in coal output of 4 million tons to be absorbed each year by an increase in consumption. Until the industrial recession of 1952 consumption was increasing by about 4 million tons a year and so far this year the increase is running well above that figure.

8. Thus, if nothing further is done, we are likely to find ourselves in two or three years' time in much the same position of general coal stringency that has existed ever since the war. At present the stranglehold of the miners can be absolute. By a three weeks' strike in the winter, which they could well afford, they could bring our whole economy to a standstill. By less extreme measures, for example, by a slowing down of Saturday working, they could land us, with the balance so finely adjusted, in extreme difficulties. The Saturday shift is a purely voluntary surrender by the miners of the five-day week, which is theirs by right under the existing wage agreements. Although the National Union of Mineworkers are politically opposed to the present Government and would be within their rights in refusing to extend the Saturday working agreement, year by year they have agreed to it. But the responsible leaders may not always be able to carry the day.

9. A general coal stoppage would have disastrous consequences which neither we nor any other Government could avert. But there are certain new policies that I wish to recommend which would at least protect us against the consequences of a "go-slow" (e.g., on Saturday working) and would at best bring the achievement of our other objectives into sight. These policies are designed, first, to use coal to better advantage and, secondly, to increase our total fuel supplies.

Better Use of Present Coal Supplies

10. Within the general shortage of coal, there is a special shortage of certain kinds of coal, in particular, the carbonisation coals used by the steel and gas industries, and large coal used by the railways and the householder; and both these kinds of coal are of special value to our export trade. The price mechanism can be used to shift some of the demand from the scarcer to the more plentiful coals and, under arrangements approved by the Government, a move has been made in this direction by weighting the recent increase in the price of coal more heavily against the scarcer kinds of coal.

11. The main consumer of large coal is the householder, and here the process of price differentiation has been carried still further by widening the price differences between the higher and the lower grades of house coal. But there is the special difficulty that the lower grades of house coal contain a higher proportion of small coal, and the older fire grates do not burn this smaller coal satisfactorily. The householder's proper course is to install one of the modern improved fire grates which will burn it quite well. I believe that with some special inducement and appropriate publicity many householders can be persuaded to install new
grates this summer, but without an inducement they will not. I am, in these circumstances, personally in favour of offering a subsidy of say £1 a new grate for a period of one year, at a total cost probably not exceeding £1 million.

12. It has been suggested that this subsidy might be linked with our policy for cleaning the atmosphere, since coke, the only kind of smokeless fuel that can at present be made available in quantity, can be burned in the improved grates, but not satisfactorily in the old ones. I would be ready to limit the subsidy to grates installed in the "foggy" areas (to be defined by the Committee under Sir Hugh Beaver) where the establishment of smokeless zones is most desirable and I am considering this possibility with the Minister of Housing.

13. The railways come next to the householders as important consumers of large coal. Our present locomotives cannot burn small coal economically but the railways are providing useful savings of large coal by electrification, by the use of diesel engines and, more important in the short term, by the use of small coal made up into briquettes. The railways are expecting to burn this year all the briquettes (estimated at about 1 million tons) that the existing briquette-making capacity can provide for them. They are willing to take more briquettes provided they are of suitable quality. This increase will entail, first, the release by the British Electricity Authority (B.E.A.) of certain special qualities of Welsh coal used at power stations and, secondly, the construction by the National Coal Board of additional briquette-making capacity. The substitution of other kinds of coal would cost the B.E.A. 20s. to 30s. a ton more, mainly on account of additional transport charges, and the N.C.B. would lose 25s. a ton on the briquettes, with a chance, too, that some of the new plant—costing £5 millions for an additional 2 million tons capacity—may become obsolete in a few years if other methods of briquetting are devised. Looking at the matter narrowly from their own industrial point of view neither industry would embark on this programme, but bearing in mind our need for large coal and the loss of £2 a ton that the N.C.B. are at present incurring on imports, I consider that these changes would be in the public interest and that the real cost of the switch would be small. I would propose, therefore, to require the N.C.B. and the B.E.A. to make these changes.

Oil to Increase Total Fuel Supplies

14. While the policy outlined in the preceding paragraphs will improve the balance of our existing supplies, in particular by reducing the demand for scarce large coal, it will not increase our total supplies, which, if nothing more is done, will remain in the precarious balance already described. Since we estimate that growing consumption will absorb the whole of the 4 million tons increase in production that we expect each year, we can only look for a further increase in fuel supplies from either the use of more oil or the import of foreign coal. There is a clear balance of payments advantage in using more oil rather than imported coal and now that we have great oil refineries in the United Kingdom, I am sure that our policy should turn increasingly to oil. Without deliberate action on our part, however, we cannot hope for a faster development of the use of oil than is at present going on and we should, I think, take action at points where Government pressure or persuasion can be exerted. For practical purposes this field is limited at the present time to the nationalised industries—railways, gas works, and power stations.

15. If the railway coal-oil conversion programme, halted in 1947 owing to shortage of oil supplies, had still been operating, its extension now would have been one way of obtaining further supplies of coal. By providing a direct release of large coal, it would also have rendered unnecessary the rather complicated process now proposed for the release of small coal by the power stations to be made into briquettes for the railways. I understand, however, that the Transport Commission would be very reluctant to undertake a new conversion programme without a subsidy from the Exchequer to meet the new capital expenditure on oil depots and conversion of locomotives, together with the operating loss on the use of oil, which is estimated at about £1 a ton of coal saved. For this reason I would not at this stage press that course upon the Minister of Transport.

16. Thus we are left with the gas and electricity industries. I propose to ask the gas industry to press on with large-scale experiments for the use of oil in place of carbonising coal. They should not need much urging, for it is increasingly clear that with the rising price of coal their best means of countering the

46165
grates this summer, but without an inducement they will not. I am, in these circumstances, personally in favour of offering a subsidy of say £1 a new grate for a period of one year, at a total cost probably not exceeding £1 million.

12. It has been suggested that this subsidy might be linked with our policy for cleaning the atmosphere, since coke, the only kind of smokeless fuel that can at present be made available in quantity, can be burned in the improved grates, but not satisfactorily in the old ones. I would be ready to limit the subsidy to grates installed in the "foggy" areas (to be defined by the Committee under Sir Hugh Beaver) where the establishment of smokeless zones is most desirable and I am considering this possibility with the Minister of Housing.

13. The railways come next to the householders as important consumers of large coal. Our present locomotives cannot burn small coal economically but the railways are providing useful savings of large coal by electrification, by the use of diesel engines and, more important in the short term, by the use of small coal made up into briquettes. The railways are expecting to burn this year all the briquettes (estimated at about 1 million tons) that the existing briquette-making capacity can provide for them. They are willing to take more briquettes provided they are of suitable quality. This increase will entail, first, the release by the British Electricity Authority (B.E.A.) of certain special qualities of Welsh coal used at power stations and, secondly, the construction by the National Coal Board of additional briquette-making capacity. The substitution of other kinds of coal would cost the B.E.A. 20s. to 30s. a ton more, mainly on account of additional transport charges, and the N.C.B. would lose 25s. a ton on the briquettes, with a chance, too, that some of the new plant—costing £5 millions for an additional 2 million tons capacity—may become obsolete in a few years if other methods of briquetting are devised. Looking at the matter narrowly from their own industrial point of view neither industry would embark on this programme, but bearing in mind our need for large coal and the loss of £2 a ton that the N.C.B. are at present incurring on imports, I consider that these changes would be in the public interest and that the real cost of the switch would be small. I would propose, therefore, to require the N.C.B. and the B.E.A. to make these changes.

Oil to Increase Total Fuel Supplies

14. While the policy outlined in the preceding paragraphs will improve the balance of our existing supplies, in particular by reducing the demand for scarce large coal, it will not increase our total supplies, which, if nothing more is done, will remain in the precarious balance already described. Since we estimate that growing consumption will absorb the whole of the 4 million tons increase in production that we expect each year, we can only look for a further increase in fuel supplies from either the use of more oil or the import of foreign coal. There is a clear balance of payments advantage in using more oil rather than imported coal and, now that we have great oil refineries in the United Kingdom, I am sure that our policy should turn increasingly to oil. Without deliberate action on our part, however, we cannot hope for a faster development of the use of oil than is at present going on and we should, I think, take action at points where Government pressure or persuasion can be exerted. For practical purposes this field is limited at the present time to the nationalised industries—railways, gas works, and power stations.

15. If the railway coal-oil conversion programme, halted in 1947 owing to shortage of oil supplies, had still been operating, its extension now would have been one way of obtaining further supplies of coal. By providing a direct release of large coal, it would also have rendered unnecessary the rather complicated process now proposed for the release of small coal by the power stations to be made into briquettes for the railways. I understand, however, that the Transport Commission would be very reluctant to undertake a new conversion programme without a subsidy from the Exchequer to meet the new capital expenditure on oil depots and conversion of locomotives, together with the operating loss on the use of oil, which is estimated at about £1 a ton of coal saved. For this reason I would not at this stage press that course upon the Minister of Transport.

16. Thus we are left with the gas and electricity industries. I propose to ask the gas industry to press on with large-scale experiments for the use of oil in place of carbonising coal. They should not need much urging, for it is increasingly clear that with the rising price of coal their best means of countering the
competition of oil (as well as of electricity) is by using oil themselves. By 1956
the experimental plants, costing about £1 million in all, should be saving carbon­ising coal at an annual rate of nearly \( \frac{1}{2} \) million tons.

17. The time is not yet ripe for any large-scale conversion of the power
stations to oil, first, because at present prices oil generally involves an operating
loss of about 30\%, a ton of coal saved and, secondly, because the coal is small coal
and there is no point in releasing much more of it than can be briquetted into a
saleable substitute for large coal. The largest quantity of coal that in the first
instance I suggest we should seek to save by this method is 3 million tons. Oil
burning to release this quantity of coal would not impose any serious burden on
the electricity industry. 1 million tons represents the coal which would otherwise
have gone to a power station that is being constructed at Marchwood, and the
Esso Company say that the proximity of Marchwood to their refinery at Fawley
would enable them to supply oil at prices competitive with coal. The Company
are now in direct negotiation with the B.E.A. and, unless the Minister of Housing
feels that the risk of atmospheric pollution involved is too great, arrangements
could be concluded in the near future.

18. The remaining 2 million tons represent the special Welsh coal to be
withdrawn from power stations for briquetting, and here, too, the cost of oil will
be much the same as that of any new supplies of coal brought in from other
coalfields. To meet any strategic objections to the use of oil, I would propose
that the B.E.A. should arrange for all these stations to be "dual-fired" and
capable of burning coal as an alternative to oil. The new capital investment of
£3 to £4 millions will not be large in relation to the electricity industry's annual
investment of £150 to £200 millions, and if the price of coal continues to rise in
relation to the price of fuel oil this may in any event prove to be a good investment.
Alteration of their plans will cause some inconveniences to the B.E.A. but, if they
should be reluctant to embark on oil-firing to this extent, I would propose to
require them to do so.

19. Thus, by the greater use of oil we might by 1956 begin to be adding to
our coal supplies at a rate of an extra 34 million tons of coal a year. This does
not seem much of a result for the trouble and expense to which we should be
putting the B.E.A. and the N.C.B., but marginal tonnages can be of vital
importance. These 34 million tons a year would enable us:

(i) to abolish domestic coal restrictions—not only unpopular but also
expensive to run: they cost the Exchequer over £1 million a year and
require the employment of 4,000 whole and part-time officials; or
(ii) to add £17 millions or so to our export trade; or
(iii) to meet the wishes of the Agricultural Ministers by stopping opencast
working on the best agricultural land; or
(iv) to build up over eighteen months a special reserve of 5 million tons of
coil—an even smaller reserve would have prevented the coal crisis of
1947, which put the unemployed figure up to 2 millions and cost the
country £200 millions in lost exports.

We shall in due course have to decide which of these courses is to be preferred,
but I suggest that we defer decision until towards the end of the year, when we shall
know more of the coal outlook. The important thing now is to get on with the
steps needed to use more oil.

Opencast Coal

20. The scale of opencast mining will inevitably be declining from 12 million
tons last year to 10 millions in 1956. Moreover, the figure for 1956 is likely to be
still further reduced by the concessions that we shall be forced to make next year
when legislation replaces the Defence Regulations. Indeed, the opencast problems
arising for this latter reason may have to be solved by the use of oil on a much
greater scale than is at present contemplated—for example, by converting loco­
motives from coal to oil.

21. But the Agricultural Ministers are pressing for an immediate decision
about opencast, and in particular that we should forthwith ban opencast working
on all first-class agricultural land. In theory this would involve a loss of 1½ million
tons of coal from about 1,000 acres of land in Lancashire between now and 1956.
In practice the real loss would be greater and the programme would be seriously damaged if leading contractors, such as Wimpeys and McAlpines, had to be told to clear out of Lancashire.

22. The extent of this additional loss must necessarily be a matter of conjecture, for it depends on the reaction of the contractors, many of whom would feel they were no longer justified in spending money to maintain their machines or acquire new plant if opencast working were curtailed in this way. At the lowest I would estimate the additional loss on this account at about 5 per cent. of output, that is to say ½ million tons a year, or 1½ million tons between now and 1956—making, with the loss in Lancashire, a total loss by 1956 of 3 million tons. But the N.C.B. have made an independent investigation and Sir Hubert Houldsworth has informed me that in his view the loss would not be less than 10 per cent. of output, bringing the total loss by 1956 up to 4½ million tons.

23. Even the lower figure of 3 million tons would be a serious matter, for to replace it we should need to import 3 million tons of coal costing at present prices £20 millions. Surely an import figure of £20 millions is out of all proportion to the agricultural value of the 1,000 acres or so in Lancashire that we are now considering? For these reasons I hope that the Cabinet will agree that there should at the present time be no further ban on opencast working.

Conclusions

24. After prolonged consideration and discussion with the nationalised fuel and power industries, I am convinced that we cannot reasonably expect coal production to increase in the short term at a faster rate than consumption is rising, namely 4 million tons a year. Thus, apart from regular imports of coal, there is no practicable short-term way of relieving the stringency of the coal situation except by injecting more oil into our fuel economy. We must choose either to adopt this oil policy or to continue the previous Government's policy of drift. There is no third possibility for the next few years.

25. Accordingly I propose, if the Cabinet approve, that the following steps be taken:

(i) The N.C.B. to be required to build the plant needed to make another 2 million tons of railway briquettes from small coal.
(ii) The Gas Industry to be asked to press on with large-scale experiments in the use of oil in place of carbonsing coal.
(iii) The B.E.A. to be required, first, to arrange for oil-firing at Marchwood (subject to consideration of the risk of atmospheric pollution); secondly, to release for the manufacture of briquettes the special qualities of Welsh coal used at the power stations; and, thirdly, to convert those stations to dual-firing with oil or coal.
(iv) If the Chancellor of the Exchequer and the Minister of Housing agree, the introduction this summer of a small subsidy for one year on improved grates installed in "foggy" areas.

26. In the light of progress made with these plans, we might consider further before the end of the year what priority should be given to our various objectives: the increase of exports, the abolition of home restrictions, the relaxation of opencast mining and the establishment of a special coal reserve.

G. L.

Ministry of Fuel and Power, S.W. 1.
14th May, 1954.
The People's United Party (P. U. P.) have gained an overwhelming victory in the elections held on 28th April, and won 8 out of the 9 seats. There was a very high poll, averaging over 70 per cent of the electorate, and the P. U. P. won 64 per cent of the votes cast. The P. U. P. thus have a majority of one in the Legislative Assembly, which will consist of a nominated Speaker (who has neither an original nor a casting vote), 3 officials, 3 nominated unofficials and 9 elected members.

2. We have now to consider whether to go on with the second stage of the constitutional plan. This involves the reconstitution of the Governor's Executive Council, so that it will consist of 3 ex-officio members and 6 members elected by the Legislative Assembly - 4 from among the elected and 2 from among the nominated members. (This means that 4 P. U. P. members will be elected to the Executive Council.) The Executive Council will become the principal instrument of policy and the Governor will be required, except in an emergency, to act in accordance with its advice. The elected members, however, will not be designated Ministers or be given administrative charge of Government Departments.

3. The Governor proposes to appoint as nominated members of the Legislative Assembly 3 substantial citizens who can be relied upon to oppose any extreme measures sponsored by the P. U. P. Of these, 2 will have to be elected to the Executive Council and these members may be expected to vote with the 3 officials on any crucial issue. This will place the P. U. P. in a minority of one, and even if through illness or some other cause the voting was even the Governor as Chairman still retains a casting vote. It should thus be possible to carry on day-to-day administration without yielding to P. U. P. pressure and without recourse to the use of the Governor's reserve powers in the Executive Council.

4. I consider that the P. U. P. members can do relatively little harm in the Executive Council. Their presence there gives some chance, though it does not guarantee, that Government measures will be accepted by the Legislative Assembly without the constant use of the Governor's reserve powers. I do not think that we can very well deny the promised reconstitution of the Executive Council. To do so would precipitate an immediate crisis and we should be open to criticism for not having given the P. U. P. a chance to co-operate. The Governor strongly argues that we should go ahead as planned, and I agree. I consider, however, that:-
(a) The P. U. P. leaders must first give definite and satisfactory assurances that they are prepared to co-operate in working the constitution. The Governor is confident that these assurances will be forthcoming.

(b) Representatives of the unofficial members of the Executive Council (not exclusively of the P. U. P. members) should be invited to visit London soon, accompanied by the Governor if he thinks this desirable for talks on the future progress and development of the Colony. This would give an opportunity of testing the willingness of the P. U. P. to co-operate and of reinforcing the Governor's efforts to win them over to a responsible attitude.

5. It is possible, perhaps even probable, that sooner or later the P. U. P. leaders will prove intransigent and that the constitution will break down. If that is so, and it becomes necessary to take action to substitute some other form of constitutional machinery, we shall be on strong ground to face criticism, having given the P. U. P. a fair chance to co-operate.

6. British Honduras is a country the size of Wales with a population of only 70,000. The real problem of the Colony is its economic development. I feel that the political situation has been unduly played up in the Press, and we should try to put it in its true perspective.

7. I recommend that subject to receiving the assurances referred to in paragraph 4(a) I should announce in the House of Commons that the planned second stage of the constitution will go ahead.

O. L.

Colonial Office, S. W. 1.

15th May, 1954.
18th May, 1954

SECRET
CABINET OFFICE
RECORD COPY
COPY NO. 60

CABINET

TRANSFER OF THE HIGH COMMISSION TERRITORIES

Memorandum by the Secretary of State for Commonwealth Relations

At the end of last week I heard from the same secret source that gave us timely notice before of Dr. Malan's intentions that Dr. Malan was about to instruct his High Commissioner here to enquire whether the United Kingdom Government will be prepared to open discussions at Ministerial level at Pretoria in the middle of August about the transfer of the Territories. I understand Dr. Malan's idea is that the Union delegation should consist of Havenga, Donges, the Minister of the Interior, and Verwoerd, Minister for Native Affairs; the last two are strong advocates of the apartheid policy.

2. The High Commissioner has now asked to see me. I shall tell him that I must consult the Cabinet. I am informing my colleagues at once so that we may agree the reply I should give. This memorandum is based on the assumption that the High Commissioner will present Dr. Malan's proposal as set out in paragraph 1. If the High Commissioner should offer some variant of that proposal, I will inform my colleagues before the Cabinet meets.

3. Dr. Malan is of course basing himself on the resolution passed by both Houses of the Union Parliament last April in the following terms:

"That this House resolves that the transfer to the Union of the Government of Basutoland and the Bechuanaland and Swaziland Protectorates, to be administered in accordance with the terms and conditions embodied in the Schedule to the South Africa Act, 1909, or such other terms and conditions as may be agreed upon between the two Governments concerned, should take place as soon as possible. This House consequently urges that, with this end in view, immediate steps should be taken towards the resumption of the negotiations between the said two Governments at the stage reached at the outbreak of the war in 1939."

4. In my letter to Dr. Malan of 1st April, which was written to him before he tabled his resolution, and which the Cabinet approved, I said:

"Our Government could not agree to the transfer of the Territories at the present time. Moreover, if a request for transfer is publicly made by the Union Government, either by tabling a resolution or by some other official statement, it would be impossible for the Government of the
United Kingdom to avoid declaring their attitude. We would be immediately questioned in Parliament; and we would be bound to make our position plain. It would therefore be fruitless to embark on any negotiations as proposed in the draft resolution, because it would be clear to everyone in both countries that negotiations on transfer could lead to no practical result."

Notwithstanding this, Dr. Malan proceeded with his resolution.

5. Dr. Malan hurried on his debate in the House of Assembly; and the Prime Minister and I made our statements in Parliament while the resolution was being debated in the South African Lower House. (Hansard, 13th April.) We both stated categorically that transfer could not be entertained at the present time. The Prime Minister added his hope: "that Dr. Malan and his Government, with whom we have hitherto happily co-operated on so many problems we share in common, will not needlessly press an issue on which we could not fall in with their views without failing in our trust".

I said in my statement: "that so far as relations between the administration of the Territories and the Union authorities are concerned, these are, I believe, working very well. There is close co-operation over a wide range of practical matters, trade, transport, agriculture, health (human and animal), and development generally. These are the practical things that make for increasing goodwill between the Union and the Territories. All these practical matters of day-to-day collaboration have gone on and developed irrespective of any question of transfer".

6. If Dr. Malan wished to send a Minister here or to instruct his High Commissioner to talk to us, I do not think we could refuse, though we should again make it plain that any discussion on the main issue would be fruitless at the present time. We should have to add that it is wholly unrealistic to talk of resuming "negotiations" at the stage reached where they left off in 1939. A great deal has happened since then, and Dr. Malan’s native policy has changed the whole climate. But I am sure we ought not to send a Minister to South Africa to discuss a matter which the United Kingdom Government has stated publicly and categorically they cannot entertain. If we did so our action would be entirely misunderstood, and we should put ourselves in a most embarrassing position both here and in South Africa.

7. I am sure Dr. Malan does not want his Ministers to talk about practical co-operation. If he asked about that, the answer should be that these are practical administrative matters, which are and should continue to be the subject of regular discussion and collaboration between the High Commissioner and his representatives in the Territories and South African Ministers and officials on the spot. But the object of any discussions which Dr. Malan would initiate would be "Transfer".

8. I have been in consultation with our High Commissioner about Dr. Malan’s purpose in pressing on with this matter when he knows he can only court a rebuff. I think the reason is this. Provincial elections take place in the four Provinces of the Union in July and August. In the Cape and the Transvaal political Parties are fairly evenly divided. In those Provinces the coloured voter theme is wearing rather thin;
and Dr. Malan may want a new and more popular cry. Provincial Councils elect a large part of the Senate. If Dr. Malan could sweep the Provincial Councils, he might have a dissolution and then get the two-thirds majority he wants in a new Parliament. He might even make the Republic an issue at the election, though I think that is less likely, for he has always said that if he put the Republic issue at all he would put it as a special subject; and Havenga told me that on a secret plebiscite he believed a considerable majority would be against a Republic.

9. None of these considerations deflect me from the advice I have given in this memorandum. I have no doubt that Dr. Malan expects a refusal and he would probably welcome this for local reasons. The High Commissioner advises that our reply should be on the general lines of my letter of 1st April, which he says would not be easy to exploit locally, though no doubt Dr. Malan would do his best. The High Commissioner says that any reference to the need for consultation with the native population of the Territories would be seized upon as the best means of inflaming not only the Nationalists but a large number of English-speaking South Africans as well. I think the High Commissioner’s appraisal is wise, and I propose that our answer should be that it would be fruitless to open discussions on a subject on which the United Kingdom Government have stated that they could not agree at the present time.

SWINTON

Commonwealth Relations Office, S. W. 1.

17th May, 1954.
CABINET

REPORT OF THE ROYAL COMMISSION ON CAPITAL PUNISHMENT

MEMORANDUM BY THE SECRETARY OF STATE FOR THE HOME DEPARTMENT AND MINISTER FOR WELSH AFFAIRS AND THE SECRETARY OF STATE FOR SCOTLAND

We submit our conclusions on the recommendations of the Royal Commission on Capital Punishment.

The Terms of Reference

2. The terms of reference of the Commission were as follows:—

"To consider and report whether liability under the criminal law in Great Britain to suffer capital punishment for murder should be limited or modified, and if so, to what extent and by what means, for how long and under what conditions persons who would otherwise have been liable to suffer capital punishment should be detained, and what changes in the existing law and the prison system would be required; and to enquire into and take account of the position in those countries whose experience and practice may throw light on these questions."

The Commission was precluded from considering whether capital punishment should be retained or abolished. They were in effect required to consider whether any practicable half-way house could be found between the existing law, under which every person convicted of murder (except a person under 18 or an expectant mother) must be sentenced to death, and the abolition of the death penalty.

The Commission were also asked to consider whether any change should be made in the method of execution and to examine some subsidiary questions which did not strictly fall within their terms of reference.

The Major Recommendations

3. The most important recommendations are the three following:—

(a) that the statutory age limit below which the sentence of death may not be imposed should be raised from 18 to 21;

(b) that in all other cases the jury should be given discretion to decide whether there are such extenuating circumstances as to justify substituting the sentence of imprisonment for life for the sentence of death; and

(c) that the test of criminal responsibility laid down in England by the McNaghten Rules should be wholly abrogated and that the jury should be left to determine, unfettered by any formula, whether at the time of the act the accused was suffering from a disease of the mind or mentally deficient to such a degree that he ought not to be held responsible.

Of these recommendations, the first and the third are not unanimous. The second is put forward in qualified terms, falling short of a clear recommendation. The three recommendations are considered in paragraphs 4-11 below.

Raising the Age Limit

4. The Commission recommend the raising of the age limit by a majority of one (six to five). The recommendation is based mainly on the view that persons under 21 cannot be regarded as fully mature, and, however heinous their crimes, are often capable of reformation. The minority express the view that
where a murder is committed by a youth of 19 or 20 who has a criminal record and shows no apparent signs of special immaturity or instability, there is no sufficient reason for exempting him from the scope of the death penalty, and they consider that it would be dangerous and inopportune to raise the age limit at a time when crimes of violence on the part of persons between 17 and 21 are so prevalent.

We agree with the minority.

**Vesting of Discretion as to Sentence in the Jury**

5. The Commission say that "the outstanding defect of the law of murder is that it provides a single punishment for a crime widely varying in culpability"; that this "rigidity" is at present mitigated mainly by the use of the Prerogative of Mercy, a method in their view open to criticism; and that they have, therefore, sought for some other method of doing what is now done by the exercise of the Prerogative.

6. The Commission reject proposals for the division of murder into two degrees, on the ground that it is impossible to frame a satisfactory definition of murder in the first degree, "because no legal definition can cover all the multifarious considerations, relating to the offender as well as to his crime, which ought to be taken into account (and are at present taken into account by the Secretary of State) in deciding whether the supreme penalty should be exacted in each individual case." With this conclusion we agree.

7. The Commission argue that the only practicable way of limiting the present liability to suffer capital punishment would be to leave the present scope and definition of murder unaltered and to "give either to the Judge or to the jury a discretion to decide in each particular case, in the light of all the information before the court, whether the sentence of death is appropriate, and, if it appears to them that it is not, to impose or to recommend a lesser punishment." They reject the proposal that such a discretion should be given to the trial judge; and conclude that the alternative of entrusting such a power to the jury is said to work well on the whole in the countries where it has been adopted, that if it were adopted in Great Britain a workable procedure could be devised, and that it is "the only practicable way of enabling the courts, instead of the executive, to take account of extenuating circumstances so as to correct the rigidity which is the outstanding defect of the existing law." They add:

"We recognise that the disadvantages of a system of 'jury discretion' may be thought to outweigh its merits. If this view were to prevail, the conclusion would seem to be inescapable that in this country a stage has been reached where little more can be done effectively to limit the liability to suffer the death penalty, and that the issue is now whether capital punishment should be retained or abolished."

8. This recommendation was the subject of a debate in the House of Lords on 16th December, 1953. It was attacked by the late Lord Simon and by Lord Samuel, Lord Waverley, the Lord Chief Justice, Lord Oaksey, Lord Tucker and Lord Asquith. It was supported by Lord Templewood and Lord Chorley. The objections raised to the Commission's proposal were that it was inconsistent with the traditional conception of the functions of the jury and that it would impose on them a responsibility which they were not equipped to discharge and which it was not fair to ask them to bear.

The Commission themselves recognised that the disadvantages of the proposal might be held to outweigh its merits; and we have no doubt that it ought to be rejected. We see no reason to think that any change in the existing law and practice is required.

**Criminal Responsibility**

9. Three members dissociated themselves from the recommendation that in England the M'Naghten Rules should be abrogated, on the ground that, while the Rules were in some respects inadequate, it had not been shown that some criterion was not needed. The advantage of a formula was that it served to limit the arbitrary element and to promote uniformity, as well as to help the jury to decide between conflicting views, and that to have no rule at all would be to leave the decision on which a man's life often depended to the uncertain variations of ethical standard and emotional reaction which might influence the minds of members of a jury. These members thought that the objections to the M'Naghten Rules as they
now stood would be substantially met by the adoption of a formula which the majority of the Commission regarded as a second best to dispensing with a formula altogether, namely that

"the jury must be satisfied that, at the time of committing the act, the accused, as a result of disease of the mind (or mental deficiency), (a) did not know the nature and quality of the act, or (b) did not know that it was wrong, or (c) was incapable of preventing himself from committing it."

They suggested that if this formula was unacceptable as a substitute for the M'Naghten Rules a committee including members of the legal and medical professions should consider this matter anew.

10. As Home Secretary I have no doubt that the minority were right in considering that in England some formula is essential. The Commission themselves recognised that the theoretical defects of the M'Naghten Rules led to little hardship or injustice in practice, and my conclusion is that, in view of the difficulty of framing a satisfactory amendment of the Rules and the division of opinion among the Commission, no advantage would be gained by disturbing the present position. If it should prove that there is strong pressure for amending the law in this respect, I think that the best course would be to adopt the suggestion of the minority and appoint an expert committee, including doctors and lawyers, to examine the problem, but I am not anxious to pursue this suggestion.

11. The Commission also recommend that the tests of insanity on arraignment (or, in Scotland, of insanity in bar of trial) and of insanity as a defence should make no distinction in law between mental deficiency and insanity. It is true that in both England and Scotland the position of a mental defective charged with a capital offence is not entirely clear under the existing law. In practice, however, a person of gross mental defect would, in England, be found insane on arraignment or guilty but insane, or, if convicted, would probably be reprieved, while in Scotland he would be likely to benefit by the doctrine of diminished responsibility and be convicted of culpable homicide. Whatever the verdict of the court, the result would ordinarily be that he would be removed to a State institution for mental defectives. We therefore see no urgent need for amendment of the law on this point. Existing statutory definitions in England and Wales of mental defectiveness may be affected by the recommendations of the Royal Commission on the law relating to mental illness and mental deficiency.

Minor Recommendations

12. Our colleagues should also be aware of some of the less important recommendations of the Commission which are set out in the Appendix. Of these recommendations all except four would require legislation. Of these four, (d) is being put into effect as far as possible, although there are some practical difficulties: proposals have already been approved for the provision in England of an institution on the lines of that proposed in (f); (i) does not call for any immediate action; and (k) is being considered with the local authorities concerned.

Conclusions

13. The three major recommendations of the Commission are all unacceptable. The minor recommendations include some useful amendments of the law (although we are doubtful about (b) and (e)), but we are against introducing legislation now to give effect to them—it would be something of an anti-climax to introduce a Bill dealing with nothing but comparatively minor points, the way would be open to amendments embodying the less acceptable recommendations, and controversy about the death penalty itself would be revived.

14. We think, however, that it may be necessary before long to find time for a debate on the Commission's Report. If there is such a debate, we suggest that the Government spokesman should not announce that the Government have rejected the main recommendations but should take the line that the Government feel grave doubts about accepting these recommendations, but in coming to a final conclusion will wish to take account of the views expressed by Parliament. It should be borne in mind that if there is a debate there is bound to be a discussion on whether capital punishment should or should not be continued, notwithstanding that this question did not come within the terms of reference of the Royal Commission.

D. M. F.

J. S.

18th May, 1954.
MINOR RECOMMENDATIONS OF THE COMMISSION

(a) The abolition of the doctrine of "constructive malice" in English law, with the proviso that principals in the second degree and accessories before the fact to felony should remain liable to be convicted of murder if the principal in the first degree is so liable.

(b) Amendment of the law relating to provocation, to provide that, where the jury consider that the accused was deprived of self-control by such provocation as might have so deprived a reasonable man, the nature, as distinct from the degree, of the provocation should be immaterial; it should be open to the jury to return a verdict of manslaughter notwithstanding that provocation may have been by words alone. The Commission consider that any such legislation should apply also to Scotland.

(c) Under the existing law in England the survivor of a suicide agreement is guilty of murder. The Commission recommend that the law should be amended to provide that any person who aids, abets, or instigates the suicide of another person should be guilty only of that offence, not of murder, and should be subject to a maximum sentence of imprisonment for life. No change is recommended in Scotland, where neither suicide nor attempted suicide is a criminal offence.

(d) In England and Wales the mental state of every prisoner charged with murder should be examined by two doctors, one usually an outside psychiatrist and the other an experienced prison doctor. No change is recommended in the existing practice in Scotland.

(e) The judge, both in England and Scotland, should be given power to raise the issue of insanity, if it has not been raised by the defence and he considers that the trial of this issue would be in the interests of justice.

(f) The Commission support the proposal to establish an institution for the detention and treatment of psychopaths and other prisoners who are mentally abnormal, though not insane. They recommend that similar provision should be made in Scotland.

(g) The wording of the sentence of death, both in England and Scotland, should be shortened.

(h) The term "imprisonment during Her Majesty's Pleasure" should be substituted for "imprisonment for life" in order to bring the wording of the sentence into conformity with its reality.

(i) The Commission conclude that neither electrocution nor the gas chamber has on balance any advantage over hanging as now carried out in this country. They say that the method of lethal injection presents too many difficulties at present, but recommend that its practicability should periodically be examined.

(j) The Commission recommend that a notice should no longer be posted on the prison gate before and after execution, but that instead press notices should be issued.

(k) The Commission recommend that in Scotland the prison authorities, rather than the magistrates, should undertake preliminary arrangements for executions, should appoint the assistant (but not the principal) executioner, and should make arrangements for burial.
18th May, 1954

CABINET

FUTURE ARRANGEMENTS FOR SUGAR

Memorandum by the Minister of Food

On 13th May the Economic Policy Committee approved the proposals made in my memorandum E.A.(54) 61 for carrying out our obligations under the Commonwealth Sugar Agreement and for the future of the British Sugar Corporation.

2. I have reason to believe that these proposals, which are designed to make it possible to end direct state trading in sugar, will be acceptable in principle to Commonwealth sugar producers and to refiners and other members of the sugar trades in this country. As, however, they involve the establishment of a Sugar Board and the conversion of the British Sugar Corporation - the monopoly processor of sugar beet - from a private company to a company controlled by statute, I think that my colleagues should know of the matter at this stage.

3. It might be argued that both the proposed Sugar Board and the altered status of the British Sugar Corporation provide awkward precedents, bearing in mind the threat of nationalisation of the sugar refining industry at the time of the last General Election. It is however agreed by all concerned, including Tate and Lyle, that some such organisation as a sugar board is essential to the restoration of free conditions with the Commonwealth Agreement in being, and the present position of the British Sugar Corporation is recognised to be highly anomalous. Moreover nothing can alter the fact that when the Ministry of Food ceases to be the sole importer of sugar the purchase and refining of both home-grown and imported sugar will be returned to the hands of highly protected monopolies. We shall not obscure this fact by attempting to ignore it and, in my view, we are more likely to secure general approval, and a settled future for the sugar industry, by offering a compromise solution which will avoid the extremes of partisanship on both sides. This is what my proposals are designed to achieve.

G. LL.-G.

Ministry of Food, S.W.1.

18th May, 1954.
18th May, 1954

CABINET

TRANSFER OF THE HIGH COMMISSION TERRITORIES

Memorandum by the Secretary of State for Commonwealth Relations

The South African High Commissioner called on me this morning and gave me Dr. Malan's proposal as set out in paragraph 1 of C. (54) 165. I said that I must consult the Cabinet. Dr. Geyer asked if I could tell him personally what I thought our reactions would be. I recalled that in my original letter to Dr. Malan I had said that any negotiations on transfer at this time must be fruitless. As, however, Dr. Malan had raised the issue of transfer, the United Kingdom Government had been compelled to state clearly that they could not contemplate transfer at the present time. I felt pretty sure that the reaction of the Cabinet would be not only that a visit of a United Kingdom Minister to South Africa could serve no useful purpose as there was really nothing to negotiate about, but that such a visit would be misunderstood in both countries and would do much more harm than good.

2. Dr. Geyer then asked what would be our reaction if instead of asking a United Kingdom Minister to come to South Africa, Dr. Malan suggested sending a Union Minister here. I said my reaction would be much the same, if the South African Minister's visit was announced as being for the purpose of discussing transfer. This led me to make the following suggestion. Why not let the whole question of transfer die down now? Later on, say in November, Dr. Malan might send a senior Minister, accompanied by his Minister of Defence, to talk with the Foreign Secretary and other Ministers here about the whole field of world affairs, including defence; in fact those subjects in which the Prime Minister and I had said in our statements in Parliament that we had so much common interest. This would be very natural. Foreign Ministers and other senior Ministers from other Commonwealth countries were constantly here for such discussions. We had had no such talks with South African Ministers since the Coronation. Such a visit would be natural and helpful. Dr. Geyer was much attracted by this suggestion.

3. I then said to Dr. Geyer that if our answer to Dr. Malan's proposal was what I anticipated, I presumed Dr. Malan would wish to make that public. To my surprise Dr. Geyer said, speaking purely personally, he was not so sure. I at once said that it would be an admirable solution if Dr. Malan could take the line that, while he had felt bound to make his position plain in his Parliament and get it endorsed by their Resolution, and that while the United Kingdom Government had equally made their position plain, no useful purpose could be served by attempting to carry the matter further at the present time. A Ministerial visit in November would then be all the more natural and acceptable.
4. Dr. Geyer always speaks to me very frankly; and I know that he was against Dr. Malan raising the transfer issue publicly. I think, therefore, he may be taking too favourable a view of Dr. Malan's reactions. But even if Dr. Malan states publicly that he had proposed a visit of a United Kingdom Minister to discuss transfer and that we had declined the invitation, that would not be too bad: it would, at any rate, bring this tiresome issue to an end for the time being. It would in no way preclude the visit of Union Ministers towards the end of the year for general talks. On the contrary, such a visit would show that our relations continued close and friendly, and that would be all to the good.

5. Dr. Geyer said that he would not report this conversation to his Government except to say that he had carried out his Prime Minister's instructions, and that I had said I must consult the Cabinet.

SWINTON

Commonwealth Relations Office, S.W.1.

13th May, 1954.
Togoland under United Kingdom Trusteeship

Memorandum by the Secretary of State for the Colonies

Togoland under United Kingdom Trusteeship is a narrow landlocked strip of territory on the eastern border of the Gold Coast with a population of about 400,000. Since it came under British control in 1914 it has been administered as an integral part of the Gold Coast; this arrangement now rests on Article 5 of the Trusteeship Agreement which reaffirms the provision in the earlier League of Nations Mandate that the Administering Authority shall administer the territory in accordance with his own laws as an integral part of his territory. By virtue of this arrangement the Trust Territory has fully shared the constitutional and political progress of the Gold Coast.

2. On 28th April the Minister of State for Colonial Affairs informed Parliament of the constitutional changes in the Gold Coast approved by the Cabinet on 16th September, 1953 (C.C.(53) 52nd Conclusions, Minute 3) and made the declaration about the grant to the Gold Coast at the appropriate time of self-government within the Commonwealth agreed by the Committee on Commonwealth Membership on 23rd September, 1953.

3. The new Gold Coast constitution formally preserves the responsibility of the United Kingdom Government as the Administering Authority for Togoland. It makes the Governor responsible in his discretion for Togoland and provides that any functions relating to Togoland exercised by Gold Coast Ministers shall be subject to the Governor's directions.

4. When self-government is granted to the Gold Coast it will become impossible for the United Kingdom Government to discharge their responsibilities under the present Trusteeship Agreement for Togoland. To do so, they would need to take special measures to exercise in Togoland an authority separate from that of the Gold Coast Government. After 40 years of common administration Gold Coast and Togoland affairs are so closely mingled that the separate administration of this inland territory would be against both the interests and, almost certainly, also the wishes of its peoples. It would create an administration which could not effectively administer the territory and would therefore destroy the hope of any further progress in realising the aims of the Trusteeship System.

5. Since the Gold Coast constitution of 1951 the United Nations have drawn increasing attention to the sharp difference between theory and practice in responsibility for the administration of Togoland. When the time comes to fulfil the promise of self-government for the Gold Coast, it will be necessary either to revise or to terminate the...
Trusteeship Agreement for Togoland. As the Gold Coast is likely to look for self-government within the next two to four years, and as the United Nations will probably require about two years to reach a final conclusion on the future of Togoland, we must start considering now what that future should be.

6. Togoland under United Kingdom Trusteeship cannot stand alone. It is too small and poor and it has close economic and ethnic ties west and east with neighbouring territories. Its Northern Section is peopled by the same tribes as the Northern Territories of the Gold Coast with which it is wholly assimilated. The only possible future for the Northern Section is integration with a self-governing Gold Coast.

7. The position in the Southern Section is more complicated. Out of a population of over 220,000 nearly 150,000 belong to the Ewe tribe. About 400,000 Ewes live in the south-eastern corner of the Gold Coast Colony and a slightly larger number in the southern part of Togoland under French Trusteeship. The Ewes have no close tribal system and during the inter-war years there was easy communication between the two mandates. The economic difficulties of the war and the boundary restrictions imposed when French Togoland came under Vichy France awoke a political demand for Ewe unity which has been a persistent embarrassment to the French and ourselves in the United Nations. The demand has sometimes been for the unification of British and French Togolands and sometimes for the creation of an Ewe State including the Ewe speaking part of the Gold Coast.

8. Unification of the two Togolands would solve nothing. The tribes of the Northern Section of British Togoland would be artificially cut off from their kinsmen in the Northern Territories of the Gold Coast; the Ewes in the Southern Section would be united with those in French Togoland, but cut off from those in the Gold Coast. The creation of an Ewe State might meet the emotional demand for Ewe unity but it would be unacceptable both to France and to the Gold Coast, which would lose a large slice of Gold Coast territory. It would also rule out the Volta River Hydro-Electric Scheme.

9. We have had no sure means of gauging the strength of the demand for Ewe unity in the Southern Section of British Togoland, which probably has substantial minority support, but the rapid advance of the Gold Coast towards self-government has won much Ewe sympathy and Ewe spokesmen have frequently declared their aim to be Ewe unity within, or as a partner with, a self-governing Gold Coast. The French well know that Ewe sentiment is directed against them rather than against us and we have often had to go to great lengths to reassure them that the United Kingdom is not encouraging Ewe intransigence as a means of obtaining authority over French Togoland.

10. After the long association of British Togoland with the Gold Coast the Gold Coast Government look for its integration with the Gold Coast when the Trusteeship Agreement is terminated. United Kingdom support for this Gold Coast attitude was pledged in June, 1951 in a private talk in London between the then Parliamentary Under-Secretary of State for the Colonies, Mr. T. Cook, and Dr. Nkrumah. Gold Coast Ministers realise that there must be clear majority support in Togoland for integration before the United Nations will agree to it. They have therefore made it a major issue in the General Election to be held under the new constitution on 15th June, which will be the first real trial of strength between the Government party and the all-Ewe movement.
11. Article 76(b) of the United Nations Charter says that a basic objective of the Trusteeship system is to promote "the progressive development (of the Trust Territories) towards self-government or independence as may be appropriate to the particular circumstances of each territory and its peoples and the freely expressed wishes of the people concerned". Integration with the Gold Coast is the only satisfactory objective for British Togoland in its particular circumstances. It would continue undisturbed the administrative arrangements of the last 40 years, it would, I believe, meet the wishes of a majority, probably a substantial majority, of the whole population, it would fulfil the reasonable expectation of the Gold Coast Government and it would be welcomed by the French. It would not prevent a future self-governing Gold Coast from seeking to draw the Ewes of French Togoland into its orbit but it would help France to deal direct with the Gold Coast over this issue without the intervention of the United Nations on behalf of British Togoland. Clearly the inhabitants must be consulted before a decision is reached between the United Nations and the Administering Authority, but with the north solid for integration and sentiment in the south increasingly tending that way, majority opinion is not in serious doubt. Our tactics will however depend to some extent on the results of the General Election.

12. I therefore propose that the United Kingdom Government should:

(a) Inform the United Nations that, as, under the Trusteeship Agreement, British Togoland has been administered as an integral part of the Gold Coast, other arrangements for its administration must be made when the Gold Coast becomes self-governing;

(b) inform the United Nations that British Togoland, owing to its situation and resources, could not be administered as a separate Trust Territory without great hardship to its inhabitants, or with any prospect of realising the aims of the Trusteeship system, so that it would not then be possible for the United Kingdom Government to continue responsible for its administration;

(c) inform the United Nations of the view of the United Kingdom Government that when the Gold Coast becomes self-governing the basic objectives of the Charter in respect of British Togoland would best be fulfilled by its integration with the Gold Coast, which would involve termination of its trusteeship status;

(d) invite the United Nations to consider future arrangements for British Togoland, and before reaching conclusions, to ascertain the wishes of its inhabitants by whatever method seems most satisfactory, including if necessary the holding of a plebiscite.

13. Before they were communicated to the United Nations the United Kingdom proposals would first be discussed with the French as part of the routine Anglo-French exchanges on Colonial questions of mutual concern. Some Member States, while in favour of integration, may wish to press for a plebiscite to bring French Togoland also into the Gold Coast or may wish to defer integration until the future of
French Togoland is also to be decided. To achieve this they may propose either Gold Coast trusteeship or joint United Kingdom/Gold Coast trusteeship of British Togoland for a further limited period. If this occurs we must reaffirm our intention to terminate the trusteeship when the Gold Coast becomes self-governing and persuade the Gold Coast to reply to any United Nations enquires that they similarly expect a decision on integration forthwith. We must discuss these various possibilities with the French.

14. Finally certain Commonwealth Governments, other Administering Authorities (including the United States) and some other friendly Member States would be informed of the United Kingdom proposals shortly before these were sent to the United Nations and a statement would be made in Parliament.

15. It may be that the United Nations, while agreeing to the integration of British Togoland with the Gold Coast, will propose that, because of the inexperience of the Gold Coast Government, that Government should continue to report to the United Nations on Togoland for a limited period. If this is proposed, the United Kingdom Delegation would work for its rejection.

16. I invite my colleagues to approve the action proposed in paragraphs 12 to 15. I am confident that our proposals will be acceptable to the United Nations and will ultimately result in the integration of British Togoland with the Gold Coast. But should unforeseen obstacles to integration arise, I will consult my colleagues again.

17. The Minister of State has seen this paper and agrees with it.

O.L.

Colonial Office, S.W.1.

18th May, 1954.
MEMORANDUM BY THE CHANCELLOR OF THE EXCHEQUER

I am entirely at one with the Minister of Fuel and Power as to the seriousness of the situation, but I have doubts about the means he proposes to employ, both as to their adequacy and their justification. I sum up my views in paragraph 16 below.

2. The proposals in the Minister of Fuel and Power’s paper (C. (54) 163) amount to a release of 3½ million tons of good coal by importing and substituting 1½ million tons of fuel oil. To do this:

(a) some gas works are to install oil-burning instead of coal-burning plants to save ¾ million tons of large coal;

(b) the railways are to substitute briquettes for 3 million tons of large coal. To make briquettes the National Coal Board (N.C.B.) is to be directed, against its commercial judgment, to install briquetting plant (capital investment £5½ millions), which it is admitted will stand a good chance of being obsolescent within a few years of its installation and product of which will, in any event, have to be heavily subsidised (30s. per ton) by the coal industry to make the briquettes competitive in price;

(c) but, as there is no spare small coal to feed the briquetting plants, the British Electricity Authority (B.E.A.) is to be persuaded to install dual firing at some of its stations at a capital cost of £5–£6 millions and an operating loss of up to 30s. to 35s. per ton of coal released;

(d) to enable the process to start we are to import nearly 2 million extra tons of fuel oil which might cost £6 millions in dollars.

3. These proposals are not in tune with the economic policies which we are following with success in other fields. In contrast to our general policies of freeing markets, we are still holding down the price of coal to a level which does not reflect either its marginal cost or its scarcity. We are not making proper use of the price mechanism.

4. The Minister of Fuel and Power wishes to give directions to the B.E.A. and the N.C.B. to undertake additional investment and to follow policies which are against their commercial judgment and will involve them in losses. He is only able to operate these uneconomic controls because the industries are nationalised. But one of our strongest arguments against nationalisation has been that it would lead to just this type of undesirable interference by the Government. Such action can hardly redound to our credit, particularly as the savings of coal that will finally result will be comparatively small.

5. Nevertheless, the situation is so serious that I realise that some unorthodox methods may have to be used. I am therefore prepared to accept those proposals of the Minister of Fuel and Power which do not clearly involve heavy commercial losses: the gas industry should be encouraged to press on with the use of oil; and the B.E.A. should be encouraged to convert the Marchwood power station to oil burning. These two proposals would eventually save a total of 1½ million tons of coal a year. The remaining proposals for converting power stations to oil and for forcing the N.C.B. to produce briquettes are so uneconomic that I think we must reject them.
Prices

6. Our recent decision to widen the price differentials was a step in the right direction, and I suggest that we should be prepared to carry this policy further. As to consumption, it will be generally accepted that price increases in general make users more careful; indeed we expect the recent changes in relative coal prices to alter demand from dearer to cheaper coal. There is plenty of evidence that coal is used wastefully and uneconomically on a very large scale indeed, and it would be contrary to all experience to suppose that price changes would not help. The Coal Board furthermore works a number of mines at a substantial loss, and a private industry in similar circumstances would feel impelled to put up the price.

7. I understand the political difficulty of moving too fast and far in this direction, but the trouble is that, unless and until we make more use of the price mechanism, our difficulties on coal do not look like being cured. In particular I do not see how there can be any question of abolishing rationing until we are prepared to see prices go up to the point of holding a balance between supply and demand. I fully share the Minister’s wish to abolish this last major system of rationing. But rationing is the accompaniment of prices which are kept artificially low. Although we are getting rid of food rationing, we are at the same time letting prices find their proper level; we do not get rid of it by uneconomic interference.

Production

8. I am in complete agreement with the Minister of Fuel that we must continue to press for better leadership and more capital investment in the mines, but that it would not be realistic to hope for very quick results from either, disappointing though the gains have been so far. On man-power, however, I think that he is unduly cautious when he says that “we cannot nowadays count on getting a net increase of more than a few thousand miners in any year.” I think that we must maintain a continuous and energetic recruiting drive until we have at least got back to the figure of 720,000 wage earners on the colliery books, reached in 1949, 1952 and 1953, and I propose that this should be our immediate target.

Fuel Economy

9. I do not agree with the proposal to force the N.C.B. to subsidise briquette consumption by the railways. The better way to coal saving by the railways would be by extending electrifications, as this actually saves coal, rather than transferring the demand from one type to another. I therefore suggest that Sir Brian Robertson, the Chairman of the British Transport Commission, should be urged to expedite and enlarge railway electrification plans. The immediate contribution to the coal situation would not be large, but it would be an increasing one and the test should be that the investment is fully justifiable on commercial grounds in the long run.

10. In industry there is great scope for further fuel saving. The Productivity Team on Fuel Conservation, in their recent report, estimated that 30 million tons of coal could be saved each year without impairing any services; and, more particularly, that the efficiency of industrial steam-raising plant could be raised by 10 per cent. by known means in the short term, saving between 5 and 10 million tons of coal a year. Investment expenditure would be involved; but such expenditure would be much more profitable, both from the point of view of coal saving and commercially, than the investment expenditure involved in the Minister’s proposals.

11. Why then is there not more investment in fuel saving equipment? It is partly because of our price policy; if prices were higher, there would be more fuel saving. Taxation of industry is always put forward as a disincentive and I hope that the new system of investment allowances will be helpful on this aspect. But in many cases one must conclude that it is also due to inertia or inefficient management. Financial resources should not be in question here because the first instalment of industrial loans for fuel saving, made available by the Government on commercial terms, has not been taken up. However, I was impressed by the case made out by the Minister of Fuel and Power that comparatively small additional capital investment could result in significant savings of coal at no long-term cost to the firms concerned, and in most cases at a considerable profit in a short period. Since firms, for whatever reason, have not shown themselves willing to take up these loans (and I think we should have some explanation for the
apparent failure of the existing loans scheme), I suggest that the Ministry of Fuel and Power should consider what means there are to induce firms which continue to use fuel wastefully to take up the loans which are available. If the Ministry of Fuel and Power considers that there are other and better means of forcing the pace on fuel economy, even if legislation is involved, these should be looked into. There is apparently considerable support on a nation-wide basis for smoke abatement which means considerable interference with the freedom of the industrialist to burn fuel as he likes, and I cannot believe that a properly presented scheme for enforcing fuel economy would not also win popular support.

Subsidy on Household Grates

12. Now for the proposal to introduce a short-term subsidy on the modern kind of domestic fire. I am firmly of the opinion that a very strong case needs to be made for every Government subsidy: I do not feel that this case is a strong one.

13. The cheaper kind of fire which would attract the greater part of the subsidy mentioned in paragraph 11 of C. (54) 163 is only more efficient than the old-fashioned grate when it is burning coke. I agree with the Minister of Fuel and Power that we want to see more of these fires installed. But last year, without subsidy and before the differences in price between large and small coal were extended, over one million of these cheaper improved fires were taken up. Under the pressure of wider differential prices for coal, the householder has an extra incentive to install this type of fire at his own expense. It would, therefore, be indefensible in my view to spend a large part of the £1 million suggested by the Minister on improved fires which were going to be installed in any case without a subsidy.

14. The more limited proposal (paragraph 12 of C. (54) 163) that there should be a subsidy for one year confined to improved grates installed in the “foggy” areas is, I understand, still under consideration with the Ministry of Housing, in so far as it is presented as an “anti-smog” measure. But would adequate supplies of smokeless fuels be available? And at what prices compared with those of coal? Would subsidising the new domestic fires in these areas carry an implication that industrial users should also be subsidised as regards their fuel plant and equipment?

Opencast Coal

15. Our aim is to have “a forward plan for opencast mining which would do the least harm to agricultural interest.” I hope we can spare the best agricultural land unless there is a very strong case indeed that the sacrifice of 13 million tons of coal in the next three years would be intolerably damaging to the economy. I am not convinced that there are not better ways of making good this loss, or that any of the additional losses resulting from a reduction in confidence among contractors need arise.

16. To sum up:—

(a) The British Electricity Authority and the Gas Council should be encouraged to increase their consumption of oil in those cases where they agree that the use of oil would be commercially justifiable.

(b) We ought not to “direct” the nationalised industries, against their commercial judgment, to engage in uneconomic activities of the kind proposed in C. (54) 163.

(c) The policy of letting prices find their proper level should be extended in the case of coal as opportunity offers.

(d) There should be a drive to recruit more miners.

(e) The Minister of Transport should urge the British Transport Commission to produce plans for further railway electrification.

(f) The Minister of Fuel and Power should consider whether it is feasible to induce or enforce fuel economy in cases where coal is being wasted unnecessarily.

(g) There should be no Government subsidy on the general run of improved grates.

R. A. B.

Treasury Chambers, S.W.1,
18th May, 1954.
MEMORANDUM BY THE SECRETARY OF STATE FOR SCOTLAND AND THE MINISTER OF AGRICULTURE AND FISHERIES

We, recognise the difficulties of coal supply to which the Minister of Fuel and Power draws attention in C. (54) 163. But we do not consider that they outweigh the agricultural objections to his proposal that there should be no further ban on opencast working at the present time.

2. Farmers have had to endure opencast mining since 1941. They loyally accepted it as a war-time expedient. But now, nine years after the end of the war, they are becoming more and more hostile to its continuation. At their last Annual General Meeting, the National Farmers' Union of England and Wales passed by a large majority a resolution strongly opposing opencast working on good land.

3. We recognise, however, that opencast production must continue during the next few years, and that a high proportion of the land to be worked will be good agricultural land. This will be difficult enough to justify to the farmers. But if our best land is now taken, the confidence of the farming industry will be seriously shaken. The Minister of Fuel and Power proposes that more than 1,000 acres of first-class land should be taken in Lancashire alone during the next three years. Such a programme would in our view be incompatible with our agricultural policy of maintaining food production while securing lower unit costs of production.

4. We feel bound therefore to press for:

A.—A ban on the working of all first-class land in Great Britain as classified under the Land Utilisation Survey.
   (i) This would involve a direct loss of about 1½ million tons of coal over the next three years (about 150,000 tons in 1954 rising to 700,000 tons in 1956).
   (ii) The whole of this loss would be in Lancashire. We appreciate that the coal supply position in this county is difficult and that about half its total requirements have to be brought in by rail from other parts of the country.

B.—Acceptance of the principle that sympathetic consideration will be given to the exemption from opencast working of a small amount of the best land not classified as first-class in the Survey.
   (i) This is no more than a necessary corollary to A above. The Land Utilisation Survey is on too large a scale to be entirely accurate as regards small areas. It would be difficult to defend a policy which exempted land in East Lothian and Lancashire but allowed opencast working on land of broadly comparable quality in, for example, the East Neuk of Fife, Northumberland and Flintshire. The existing ban on working in East Lothian is based not upon reference to the Survey (which does not show the whole of the banned area to consist of highest-class land) but upon a field-by-field assessment by technical officers.
(ii) It could be left to us to raise with the Minister of Fuel and Power any individual cases of outstanding agricultural importance which merit sympathetic consideration on this basis. Such cases would naturally have to be considered not only on their agricultural merits but also in relation to available coal supplies. But we are convinced that, if the Minister of Fuel and Power were able to agree to the exemption of some of the most important agricultural sites in areas other than East Lothian and Lancashire during the next year or two, it would make it a good deal easier to reconcile farming opinion to the continuance of opencast production on good land.

5. Even with restrictions as proposed under A and B the opencast programme will still include much really good land. In view of the difficulties of coal supply, we are prepared to stand up to the inevitable criticisms from the farmers.

6. We think it is desirable that there should be an early announcement of the Government's policy on this question.

Conclusion

7. We ask our colleagues to agree that there will in future be restrictions on the working of the best agricultural land in Great Britain on the basis indicated in paragraph 4.

J. S.
T. L. D.

21st May, 1954.
25th May, 1954

CABINET

AIR OPERATIONS IN KENYA

Memorandum by the Secretary of State for the Colonies

The Kenya authorities wish to extend the scope of their air operations. Air attacks on Mau Mau terrorists in the prohibited areas in Kenya have been carried out by Piper Pacer and Harvard aircraft since April, 1953, and by Lincoln bombers since November, 1953. A flight of Vampire aircraft fitted with rockets and 20 mm. cannon was also used during April, 1954.

2. At the end of last December, General Erskine reported that the continued employment of air forces in Kenya was justified as they were the only effective weapon available for attacking certain important targets in the forests. Their withdrawal would leave comparatively safe areas for gang hide-outs and would have an adverse effect on the morale of security forces and civilians.

3. The use of these aircraft has been defended in Parliament on the grounds:

(a) that aerial attack is confined to the Prohibited Areas, mainly the Aberdare and Mount Kenya forests, which are well-known zones and which cannot be entered without a permit; the risk to "innocent" persons is therefore negligible;

(b) that only clearly identified and specific targets are attacked; and

(c) that operations are authorised by G. H. Q., East Africa Command.

4. General Erskine and the Acting Governor of Kenya now recommend that Piper Pacer and Harvard aircraft should be permitted to drop small 20 lb. anti-personnel bombs in close support of security forces outside the Prohibited Areas. I append a copy of a telegram from the Acting Governor on the subject.

5. The main reasons for this proposal are:

(a) terrorist gangs in the reserves have gone to earth in comparatively small areas of wooded or thick country which it is difficult to penetrate on foot without suffering casualties;

(b) although terrorists can be spotted from the air it is not easy to direct fire from the ground on to them;
(c) gangs have been able to lie up and eventually disperse and many opportunities to inflict casualties on them have consequently been missed;

(d) the present restrictions benefit terrorists and result in needless casualties to security forces and home guards.

6. Bombing would only be undertaken at the request of the Commander on the ground and no bombing would take place if there was any foreseeable danger of injury to innocent persons. There is little difference in principle between the use of mortars (which are already permitted) and the use of small anti-personnel bombs.

7. The Secretary of State for War and the Secretary of State for Air (who has consulted the Air Officers Commanding Middle East and Aden) are in agreement with the proposals. The latter would stipulate that air action should only be undertaken at the request of the Commander on the ground when in contact with the target.

8. There is little doubt that the use of light aircraft to drop 20 lb. bombs on terrorist gangs outside the Prohibited Areas will be attacked by certain Members of Parliament, especially if there is any unfortunate accident in which members of the security forces or the civilian population are injured. On the other hand we know from interrogation of "General China" that the terrorists are aware of the present restrictions and deliberately take refuge in the Reserves in order to avoid being bombed.

9. I think we should authorise the Kenya authorities to go ahead on the understanding that we shall review the decision in, say, three months' time in the light of the results achieved. I should be glad to know whether my colleagues agree.

O.L.

Colonial Office, S. W. 1.

24th May, 1954.

APPENDIX

TELEGRAM DATED 24TH APRIL, 1954, FROM THE ACTING GOVERNOR OF KENYA TO THE SECRETARY OF STATE FOR THE COLONIES

Air Action Against Terrorists.

Hitherto aerial attack on terrorist targets has been confined to prohibited areas.

2. There has been a trend in recent operations for large gangs to move about the reserve comparatively openly. As a result of ground forces' action these gangs have frequently gone to earth in comparatively small areas of wooded or thick country in special areas which it is
difficult to penetrate on foot without suffering casualties. Action in which Lord Wavell was killed was case in point. In these circumstances mortar fire is permissible but not always successful. Terrorists can usually be spotted but it is not easy to direct fire from the ground on to them. Commander-in-Chief considers we are missing many good targets by not bombing them from the air.

3. Legal view here is that, on the principle that reasonable force may be used to repel force, and having regard to the fact that aircraft are increasingly being shot by terrorists, aerial attacks on terrorists as in paragraph 4 would be justified providing:

(a) terrorist target can be identified with virtual certainty;

(b) the effect of attack can with virtual certainty be confined to the terrorist target; and

(c) the force used is the minimum required to achieve the object of the operation.

4. War Council has strongly recommended that in the circumstances described above in non-prohibited areas we should be permitted to drop small 20 lb. anti-personnel bombs from the air. We propose that this bombing should be confined to:

(a) light aircraft (Pacers) which fly slowly, carrying four 20 lb. bombs each, and can place their bombs with extreme accuracy; and

(b) Harvards which have the same characteristics but carry eight 20 lb. bombs and are armed with one machine gun. We do not recommend that Harvards should be authorised to use their guns.

5. Air action would only be undertaken at the request of the Commander on the ground and no bombing would take place if there were any foreseeable danger of injury to innocent persons. We feel that such use of small anti-personnel bombs is in no way different from the use of mortars. Present restrictions benefit terrorists and result in needless casualties to Security Force and loyalists.

6. I shall be grateful for your agreement to this proposal.
At their meeting on 7th April (C.C. (54) 27th Conclusions, Minute 3) the Cabinet agreed that a Ministerial Committee "should formulate and submit to the Cabinet instructions to the United Kingdom delegation which would negotiate with the President of the High Authority the form of the United Kingdom's association with the Authority". This Committee, over which I presided, has held three meetings, as a result of which a wide area of agreement has been reached on the instructions to be given to our negotiators; this is summarised below.

### Visit of M. Monnet

2. It is hoped that it will be possible to defer the visit of M. Monnet until about 18th June, so that the President of the Board of Trade will be able to take part in the discussions. The Minister of Supply, the Minister of Fuel and Power and a Treasury Minister will also wish to take part. It is considered that the ideal arrangement would be for the Foreign Secretary to preside at the meetings, or at least to launch the proceedings, but should this prove impossible other arrangements will have to be made.

3. There is no intention, either on the part of M. Monnet or on our part, that the initial discussions should take the form of a detailed technical negotiation. We should hope to exchange our ideas on the form which closer association should take, after which M. Monnet would go away to think over our proposals; and detailed negotiations by officials would follow.

### United Kingdom objectives in the discussions

4. For political reasons we wish to secure as close a form of co-operation with the High Authority, in both coal and steel, as we are able without forfeiting the support of the United Kingdom industries concerned. We therefore favour an empirical approach to the details of a closer association, by seeking to secure co-operation through the discussion of common problems in a Council of Association, on which both the Iron and Steel Board and the National Coal Board would be represented. The setting up of such a Council should be our immediate objective in the forthcoming talks with M. Monnet. Details of how it might be composed and of the sort of problems which it might handle are set out in Annexes 1 and 2 to this paper; but until we have heard M. Monnet's views we should wish to keep the details fluid.
Conduct of the discussions

5. In his letter of 24th December to the Head of the United Kingdom Delegation to the European Coal and Steel Community (E.C.S.C.) (Appendix A to C. (54) 20), M. Monnet suggested that the following should be the essential points in the negotiations for the establishment of closer ties between the E.C.S.C. and the United Kingdom:

(i) an association between markets by virtue of the reduction, and if possible the elimination, of reciprocal protective measures, and the institution of rules which each party undertakes to respect;

(ii) a procedure for common action;

(iii) joint institutions responsible for watching over the operation of the system, for preparing common action and for taking decisions reached in common agreement.

It is therefore certain that he will raise at an early stage the possibility of common markets, or failing that, of a reduction in tariffs. It is also clear that he envisages the Council of Association as the continuing machinery required to oversee agreements reached on matters of substance and to extend the area of co-operation between the E.C.S.C. and the United Kingdom.

6. On the first point, the Committee are agreed that, because of the opposition of the National Coal Board, the Iron and Steel Board and the Engineering Advisory Council (who might be expected to be the beneficiaries from a common market for steel) we cannot contemplate joining a common market in either coal or steel. On the question of steel tariff, we should take the line with M. Monnet that we are prepared to negotiate a reduction, if this can be agreed on mutually advantageous terms. We should point out that the negotiation of the tariff would be a matter for the United Kingdom Government, but that we should have to carry the industry with us; and that we should not wish to defer the setting up of a Council of Association until this negotiation, which may take from six to twelve months, was completed.

7. On this last point, however, we are not unanimous. The President of the Board of Trade, while accepting the general line proposed, feels strongly that it would be a mistake to set up the proposed Council of Association before a mutually acceptable reduction of the steel tariff has been negotiated.

8. On the other matters for collaboration, we should emphasise the importance of solving these empirically, and for this reason we should wish first to set up a Council of Association which would among other things enable the United Kingdom Boards concerned to meet the High Authority across the table to thrash out questions of common concern. We regard this as the only way of securing the co-operation of the industries in solving the problems of closer association. By agreeing to set up a Council of Association at an early stage in the negotiations and to remit to it a wide range of problems on which we regard agreement as both desirable and possible, we should also hope to secure political advantages which might be lost if we embarked on a prolonged initial negotiation on points of substance. In Annex 2 to this paper there are a number of important problems which we would remit to the Council.
Summary of recommendations

9. Accordingly the majority of the Committee recommend:

(a) That exploratory discussions should start with M. Monnet
on about 18th June with the aim of reaching as close a
form of association with the E.C.S.C., as we can get
with the support of the coal and steel industries.

(b) That our objective should be to reach agreement to set
up a Council of Association with the E.C.S.C., composed
as suggested in Annex I.

(c) That in the discussions we should refuse to enter a common
market for coal or steel, but should express our willingness
to negotiate a reduction in the steel tariff, if this can be
agreed on mutually advantageous terms.

(d) That we should seek to secure the co-operation of the coal
and steel industries in negotiating in the Council of
Association as wide a range of agreement with the
E.C.S.C., as possible on the problems outlined in Annex 2.

SWINTON

Commonwealth Relations Office, S. W. I.

24th May, 1954.
ANNEX 1
THE COMPOSITION OF A COUNCIL OF ASSOCIATION

The precise form of the joint institution will have to be determined after the exchange of views with M. Monnet, but the following outline might serve as a basis for discussion.

2. In order that matters proper to the Government's sphere of responsibility can be reserved for decision and/or negotiation by the Government the Council might consist of two tiers. The top tier should on the United Kingdom side be wholly governmental consisting of Ministers with officials as alternates according to circumstances and on the High Authority's side of M. Monnet and Members of the Authority. The lower tier should consist of two parallel groups, one for coal and one for steel, each of which would contain, on the United Kingdom side, Government representatives (i.e. officials) and representatives of the National Coal Board and the Iron and Steel Board respectively. The High Authority might be represented by senior officials. These groups could meet jointly if necessary to consider matters of concern to both the coal and steel interests.

3. It would be part of the function of the top tier to act as a steering body for the two working groups on the lower tier. In this way it should be possible to organise and divide the work according to the respective responsibilities of the parties.

4. Matters arising out of the association which are more appropriate on the Community's side to the Council of Ministers than to the High Authority could be discussed either:

   (a) by arranging meetings outside the Council of Association between United Kingdom Ministers on the one hand and the Council of Ministers on the other; or

   (b) by broadening the Council of Association for some of its meetings, so that it consists, on the Community's side, not only of the High Authority but also of representatives of the Council of Ministers.

5. Questions such as the location of the Council and the relationship to it of the permanent United Kingdom Delegation to the High Authority in Luxembourg will need further consideration in the light of the decisions on the Council's functions and composition.
POSSIBLE FUNCTIONS OF A COUNCIL OF ASSOCIATION

1. Consultation with a view to possible co-operation on the following matters could come within the purview of a Council of Association:

(a) Questions affecting trade in coal and steel between the United Kingdom and the Community.

(b) Action on supplies and prices in times of surplus and scarcity. Consultation might take place when either party contemplated temporary measures designed to deal with difficulties of the market.

(c) Price policy. Although the pricing powers of the High Authority, the National Coal Board and the Iron and Steel Board are not identical, there is scope for consultation both about the methods of price fixing and general price policy. In relation to prices (and supplies) in third markets, care will have to be taken not to give the appearance of ganging up against third countries; the Commonwealth and Scandinavia have shown themselves particularly sensitive on this point.

(d) Supplies of raw materials; and in particular, the import and export of scrap, and scrap prices including equalisation arrangements; also the development of sources of raw materials abroad.

(e) General objectives in regard to modernisation, the long-term planning of production, and the expansion of productive capacity, but without obligation to consult on individual development projects.

(f) The study of market and price trends.

(g) Forecasts of production, consumption, imports and exports.

(h) The training of workers, and general safety measures.

(i) The encouragement of technical and economic research.

2. The following are matters in which the High Authority has certain responsibilities but about which we should not wish to have any specific obligation to discuss:

(a) Re-employment of workers. An obligation to consult on this subject could only result in continuous pressure on the United Kingdom to take surplus labour from the Community countries. This is best dealt with bilaterally on a Government basis, when all classes of workers can be considered.

(b) Improving the living and working conditions of the labour force. An obligation to discuss labour conditions would inevitably involve wage questions which in this country are traditionally the province of collective bargaining.
(c) Common definition of skilled jobs and conditions of qualification for workers. This arises from the surrender of sovereignty by the E.C.S.C. member countries and is not appropriate if we are not joining the common market.

(d) Transport. The essence of the Community's Treaty provision is the principle of non-discrimination through declared transport rates. To accept this would involve reversal of the policy of the recent Transport Act which gives freedom to fix rates without publication and on a competitive basis.

3. In some of the matters dealt with in paragraph 1, international discussions already take place, particularly in the Coal and Steel Committees of the Economic Commission for Europe and the Organisation for European Economic Co-operation. This need not preclude our having an arrangement to discuss them with the E.C.S.C., but it will face these other organisations with problems of adjustment in preventing overlapping and in re-assessing what distinctive interests remain to be dealt with by them. From the political point of view this requires careful handling so as to prevent any undesirable weakening of existing international organisations.

4. The High Authority does not have complete powers in respect of all the matters for joint consultation suggested in paragraph 1. Where they have not, we should in general be prepared for the High Authority to act as the agent of the Governments of the six member countries if those countries so desire; but we might wish to be free to discuss some aspects of our association direct with the member Governments where, for example, some reciprocal concession we wanted for a concession on our part did not come within the competence of the High Authority.
CABINET

UNITED KINGDOM ASSOCIATION WITH THE EUROPEAN COAL AND STEEL COMMUNITY

Memorandum by the President of the Board of Trade

In the discussions in the Ministerial Committee I have dissented from the recommendation that, when we see M. Monnet for exploratory talks next month, we should propose to exclude from the scope of the initial negotiations the question of reducing our tariff on imported steel and that we should let this question stand over to be dealt with, along with other matters such as investment and price policy, in the proposed Council of Association between us. Nor do I consider it wise to agree to enter into Association before certain important points of principle have been negotiated with the High Authority. I think it may be helpful to my colleagues if I explain briefly the principal reasons for my dissent and the broad lines on which I think we should handle these matters.

2. Of course it is not necessary for us to go to the length of abandoning all protection for our industry or of making substantial concessions unilaterally. To abandon our traditional policy of protection for the steel industry would obviously be a very serious step for us to take, and M. Monnet himself does not suggest this as an essential condition of association. But I am convinced that it is not practical to hope for any enduring collaboration between our steel industry and the steel industry of Western Europe unless we are prepared to negotiate a reduction of the high tariff (about 25 per cent) that we have against European steel to something like the moderate level (on average about 12 per cent) of the European tariffs against our steel. So long as we have this artificial obstruction to divide us it is simply not to be expected that there could be a healthy, enduring and effective relationship between us in such matters as prices, investment, third markets or any of the other issues which would make up the day-to-day business of a Council of Association.

3. Secondly, I am sure, too, that it would be a tactical mistake to establish the Council of Association before the tariff issue had been settled. Our strongest bargaining card vis-à-vis the High Authority is their desire to get us into an association with them, and if we gave this away in advance we should be in a weak bargaining position in any subsequent negotiations. Moreover, if we entered into an association with the major issues unresolved, our representatives would be exposed to persistent "nagging" on these matters (we have had experience of this in the Organisation for European Economic Co-operation) and the cumulative effect might well be to worsen, rather than to improve, our relations with the Schuman countries.
4. For these reasons I think that the Official Working Party was quite right to put to Ministers the various ways in which we might negotiate on the steel tariff and the associated problems of safeguarding our industry from Continental dumping. I think that we should now make up our minds on the form of tariff reduction which would be most acceptable to us and the form of safeguard which would seem likeliest to serve our purpose. The time for actual negotiations on this will be, not when we see M. Monnet next month, but at a subsequent meeting for which we should arrange when we see M. Monnet. But we must make up our own minds, before we see M. Monnet and plan for further talks or negotiations with him, how we are going to play our hand on this tariff question which, as I have said, is in my judgment integral to any agreement to provide for institutional co-operation between us.

5. To sum up, I recommend my colleagues to agree that we should now proceed as follows:

(1) When we see M. Monnet we should arrange with him the basis on which talks should take place in respect of

(a) a reduction in the steel tariff on mutually advantageous terms;

(b) the form of Association with the High Authority;

(2) if these arrangements are acceptable, we should then open negotiations on the tariff;

(3) on the completion of these negotiations, and not sooner, we should establish a formal association with the High Authority.

P.T.

Board of Trade, S.W.1.

24th May, 1954.
The Vatican have informed H. M. Minister at the Holy See that the Pope intends to offer the post of Apostolic Delegate in the United Kingdom to Archbishop O'Hara, the present Nuncio in Dublin, in succession to Archbishop Godfrey, who has been promoted to the See of Liverpool. Monsignor O'Hara is an American citizen.

2. The Vatican explained to H. M. Minister that, although the first Apostolic Delegate had been a British subject, they did not wish to set a precedent in this respect. They proposed to announce the appointment soon after 29th May but desired Her Majesty's Government to have advance notice in case some circumstances of which they were unaware might render the appointment undesirable.

3. We have good reports of O'Hara. The Foreign Secretary, who has been consulted at Geneva, is not enthusiastic about an Irish-American but thinks that we could clearly not object to the appointment. It is proposed therefore to inform H. M. Minister at the Vatican that Her Majesty's Government have no comment to offer.

S.L.

Foreign Office, S. W. 1.

25th May, 1954.
CABINET

STATEMENT ON CIVIL DEFENCE PLANS

NOTE BY THE SECRETARY OF STATE FOR THE HOME DEPARTMENT AND MINISTER FOR WELSH AFFAIRS

I attach for the consideration of the Cabinet the draft of a statement on civil defence plans, which I propose to make in the House of Commons on Friday, 28th May.

D. M. F.

Home Office, S.W. 1.
24th May, 1954.

As I have already indicated to the House, the implications of our recent increase of knowledge about the effects of the hydrogen bomb were immediately made the subject of study from the Civil Defence aspect. It must be some time before this study is completed. In the meantime I have in consultation with my colleagues tried to extract the most important results apparent from a preliminary examination.

2. The Prime Minister has stated that the coming of the hydrogen bomb makes the threat of a world war less and not more likely. But if the danger of war has receded it is also largely because we have been strong and Civil Defence is an important part of our preparations and our strength. Unless all possible steps are taken to minimise the effects of air attack, to succour the injured and to relieve the homeless, the morale of the civil population could not be sustained and that of the Armed Forces might suffer. Our predecessors made a start with the development of a civil defence organisation and it is our clear duty to continue with all practicable measures.

3. This does not mean that we propose to embark on a large new programme involving increased expenditure. What has, however, become incumbent on us is to revise our plans in the light of our present knowledge and to reshape them to meet the new danger and this may involve superseding some of our plans by others of a different kind. I do not want to minimise the possibilities, but greatly exaggerated stories have been put about and it has even been suggested, for example, that a single bomb could destroy the whole of Britain. If we compare the actual area of destruction of a hydrogen bomb with that of an atom bomb, the picture is, of course, a formidable one but not one which justifies a defeatist attitude. From ground-zero the radius for total destruction with the atom bomb was about 3 miles, of very serious damage about 6 mile, and of lighter damage about 1½ miles. The corresponding figures for the Eniwetok bomb of 1952 were estimated to be 1½ and 10 miles. On any foreseeable facts, there would be few, if any, probable targets where, even if the bomb were delivered on the centre, there would not be marginal areas where much could be done by an efficient civil defence organisation.

4. Apart from structural damage, account must be taken of the danger from radio-active contamination. Alarming accounts have been published regarding this. It is true that there would be very heavy contamination in the immediate neighbourhood of a bomb landing on or near the ground, but the publicity that
the radio-active hazard has received results largely from skin injuries to some
Japanese fishermen in the Pacific downwind from the explosion and beyond the
range of the blast. That incident demonstrates the need for knowledge and
emphasizes the necessity for civil defence training. Indeed, the simplest precaution
even taking shelter below deck level) would probably, I understand, have been
sufficient to protect these men. The technical and organisational problems
involved in creating a proper system of precautions are being studied as a matter
of urgency and instructions will be issued as soon as this study has been completed.
There can be no doubt that with good civil defence casualties would be greatly
reduced.

5. Whatever may emerge from the completion of our study of these and
other aspects of the civil defence problem, these points are clear:—

(i) It is still essential to have local Services of trained and organised men and
women to deal with the consequences of attack, and in particular to
assist those who are trapped, injured or rendered homeless and to
fight fires. It will be impossible to build up sufficient war-time Services
unless we maintain and reach our peace-time establishments. We are
barely two-thirds of the way.

(ii) Therefore we intend to press on with the recruitment and training of the
Civil Defence Corps, the Auxiliary Fire Service and the National
Hospital Service Reserve.

(iii) We believe that it is vital that there should be greater co-operation
between the Industrial Civil Defence Service and the local authority
Services. The new developments make it necessary to consider the
whole area and not merely to concentrate on the industrial front.

(iv) Dispersal clearly has a greatly increased relative importance. The plans
already made for evacuating the priority classes need to be revised.
Particular attention must be given to the dispersal of stocks and equip­
ment and to our emergency and mobile feeding organisations and this
may involve giving other measures a lower priority. With the shift of
emphasis to dispersal there goes an increased importance for the work
of women in Civil Defence.

(v) The training manuals will be revised and the training syllabuses adjusted
as quickly as possible. In the meantime the standard system of training
hitherto presented is still sound: in fire-fighting, or welfare, or rescue
it makes little difference whether the fire has been started or a person
trapped or another rendered homeless by the hydrogen bomb, the
atomic bomb or conventional weapons. Those who have done, or are
doing, this training will not find it wasted.

(vi) Local services are necessary, but not enough. It will be necessary to place
an even greater emphasis than hitherto on a mobile organisation, based
so far as possible outside the main areas of population but available to
help them. The plans for the creation of trained reserves for services
in Mobile Columns which were announced in the Defence Debate on
2nd March will be brought into operation as soon as possible.

(vii) Our operational organisation will be improved and changes will be made
in the machinery of control for the purpose of giving effect to the
principle of mobility and securing closer liaison with the Armed Forces.

6. In all these matters we must neither minimise nor exaggerate the problem.
What we have to do is to assess the risk carefully and pay the whole of what seems
to us a reasonable insurance premium against the risk. And we must remember
too that we are all in this together. We cannot think only of our own danger or
our own safety. If our neighbour’s defences are neglected or ineffective, our own
are less secure. In all emergencies, whether in war or in such peacetime disasters
as the East Coast floods, we must be able to call on trained help from the
neighbouring towns and districts.

7. The further examination of the points I have mentioned and of other
measures such as warnings, communications and shelter are in the first instance
being undertaken by the Civil Defence Joint Planning Staff. Local authorities and
others concerned will be given any necessary guidance as to these measures for
which they are responsible. In the meantime, it is their clear duty to proceed with
the measures which they have been asked to undertake. I have no doubt that we
can rely on their co-operation in this work.
THE GENEVA CONFERENCE

MEMORANDUM BY THE SECRETARY OF STATE FOR FOREIGN AFFAIRS

Objectives
Our objectives are:
(a) Positively.—To give the Geneva Conference a chance of success without doing grave damage to Anglo-United States relations.
(b) Negatively.—Not to lose the chance of making defensive arrangements with the United States for South-East Asia at the proper stage.

Difficulties
2. The main difficulty is that the United States Government may want to “go ahead” without the United Kingdom unless we are prepared to follow their lead. By going ahead they have so far in mind—
(i) intervention in Indo-China;
(ii) a South-East Asia Defence Pact (S.E.A.T.O.);
(iii) an appeal by Siam (and perhaps by Cambodia and Laos) to the United Nations for peace observation teams to be sent out.

Risks
3. (i) A decision to intervene in Indo-China depends on the French answers to the United States questions. It is most unlikely that the present French Government, which is only there on sufferance, will agree to continued, let alone increased, effort in Indo-China. This risk is therefore not great. In any event we are not the obstacle; we only ask to be kept informed. It is possible, although our Military Attaché in Paris thinks it unlikely, that the French will suffer further military disaster in the Delta within the next week or two. If so, this is more likely to lead to a French decision to evacuate and the fall of the present Government than to an acceptance by the present Government of the conditions for American intervention.

(ii) Until the outcome of Geneva is clearer, a South-East Asia Defence Pact could be spoiled by premature action by the United States Government to fix membership and determine the scope. We should try to hold the United States back by persuading them to start with Five-Power Staff Talks and by showing our readiness for speed and to high-level representation (e.g., General Sir G. Templer).

(iii) The Siamese appeal for peace observation teams would be unwise but, if it becomes necessary to demonstrate that we are not dragging our feet, it is a concession that we could perhaps make in order to obtain our way over (iii), which is cardinal. In any event we could not prevent Siam appealing to the United Nations if she wished. It is, however, important to stop Laos and Cambodia from doing so until we see the outcome at Geneva.

Conclusion
4. The risks to our double objectives are not unduly great, provided we can obtain two to three weeks’ grace.

A. E.

Foreign Office, S.W. 1,
25th May, 1954.

46206
THE FAR EAST

NOTE BY THE SECRETARY OF STATE FOR FOREIGN AFFAIRS

I circulate for the information of my colleagues the annexed minute by Mr. W. D. Allen, Under-Secretary in charge of Far Eastern Affairs in the Foreign Office, concerning a conversation between General Bedell Smith and M. Molotov at Geneva on 22nd May, 1954.

A. E.

Geneva,
27th May, 1954.

GENERAL BEDELL SMITH'S TALK WITH M. MOLOTOV

The United States Delegation showed me last night their record of the conversation which took place after dinner on Saturday night 22nd May. The general atmosphere seems to have been similar to that which prevailed when the Secretary of State had dinner with M. Molotov. The United States record described M. Molotov as being completely at ease and relaxed and friendly. The conversation seems to have been frank and useful.

On Indo-China M. Molotov agreed that the situation in Cambodia and Laos was different from that in Vietnam but he maintained that the Governments of the first two countries had effective control over little more than one half of their territories. After M. Molotov had referred to the apparent warlike intentions of the United States, General Bedell Smith said that the United States wanted peace in Indo-China but would not be prepared to associate itself with what it regarded as capitulation to aggression.

On Korea M. Molotov had said that he thought the two halves of the country would take some time to learn to live together and appeared quite reconciled to the continued division of the country. General Bedell Smith referred to the history of the United States' effort in Korea as proof of the pacific intentions of the United States. He said that the United States could easily have avoided American casualties and shortened the war by carrying on more intensive and widespread operations. But it had deliberately refrained from doing so in order to avoid the risks of a Third World War. On the other hand, those who wished to deal with the United States must understand that they would not be prepared to make any sacrifice of important principles and that compromise required concessions by both sides.

M. Molotov more than once referred to China as a young country, implying that it was excitable and had yet to learn restraint. But China, like Russia, needed above all a period of peace to devote herself to internal reconstruction.

General Bedell Smith referred to the imprisonment of Americans in China and M. Molotov showed himself well-informed on the subject and immediately referred to the Chinese students retained in the United States, adding that some settlement of this mutual problem ought to be possible.

There was also some discussion about colonialism. General Bedell Smith pointed out that talk of this kind was completely out of date now that India, Pakistan, Burma, Indonesia and the Philippines had all been given their independence.

W. D. ALLEN.
28th May, 1954

SAUDI ARABIAN FRONTIER DISPUTE

Memorandum by the Minister of State

In C. (54) 59 I explained the proposition which H.M. Ambassador had been instructed to put to the Saudi Government about the pre-conditions of arbitration.

2. The Saudi reply, while accepting the proposition as a basis for discussion, raised various points to which we could not agree. But before we could answer it King Saud suggested that we should attempt to negotiate a settlement of the dispute instead of taking it to arbitration. This we agreed to try to do, but it quickly emerged that the Saudis were prepared to offer no compromise that we could possibly accept. We therefore reverted to arbitration as a solution.

3. At that point (on 23rd May), we heard from the State Department that Aramco (the American oil company operating in Saudi Arabia) were about to comply with a Saudi request to move prospecting parties into the areas in dispute between Abu Dhabi and Saudi Arabia.

4. The facts about these areas are that in 1935 King Ibn Saud claimed certain territory; in 1936 a British oil company obtained an option (subsequently converted into a concession) from Abu Dhabi in territory not claimed by King Ibn Saud; in 1948 their prospecting began to show signs of success; and in 1949 the Saudis claimed a much wider region, embracing much of the likely oil areas and including those where the Iraq Petroleum Company were working. Throughout this dispute we have taken the line that, until someone else could be shown to have a better claim, the Iraq Petroleum Company must stay where it is and that Aramco had no right to encroach.

5. It was accordingly made clear to the State Department and to the Saudi Government that we would not permit Aramco parties to enter the disputed areas and that, if they attempted to do so, they would be intercepted and put back again into Saudi Arabia. The Americans were warned, moreover, that our Levy posts had instructions to use firearms, as a last resort, if the intruders did not stop. We also urged the Americans to make representations to the Saudi Government against an ill-considered manoeuvre which could only set back the chances of a peaceful settlement.

6. We have now heard from the United States Embassy that their Ambassador at Jedda has been instructed to express to the Saudis the "strong objection" of the United States Government to the use of a United States Company and United States nationals in so delicate a situation, and
that his Government consider that the proposed incursion would be most unhelpful at this juncture. Our latest information is that the Aramco party, who had planned to enter the area on 27th May, have postponed their entry until 29th May.

7. Full instructions have been issued to our Levy posts on the manner of dealing with any incursion, and it is hoped that both the Political Agent, Trucial States, and Brigadier Baird, Military Adviser to the Political Resident, will be on the spot should trouble occur. They are being warned that every effort to carry out their instructions by peaceful means should be made before stronger measures are taken.

8. Unless we repel this incursion, the confidence of the rulers whom we protect will be further shaken.

S.L.

Foreign Office, S.W.1.

28th May, 1954.
THE RATE OF HOUSING SUBSIDIES

Memorandum by the Minister of Housing and Local Government

C. (54) 111 ("Operation Round-up"), which is now under consideration by a Cabinet Committee, includes proposals for an alteration of the structure of housing subsidies. These are long-term proposals which will involve legislation. However, the recent alteration in monetary rates and a probable further reduction in the rate of interest on loans to local authorities from the Public Works Loan Board, which the Chancellor of the Exchequer is considering will warrant a general reduction of the rates of the various housing subsidies.

2. Such a general reduction can be made by Order laid in draft and requiring affirmative resolution of the House of Commons, after consultation with the local authorities. The opportunity is timely because the subsidies are reviewed annually in a White Paper which is presented to Parliament on 30th June.

3. The present general standard subsidy is £26.14.0. If, when this figure was settled in 1952, the rate of interest had been 3½ per cent (the probable new rate), and not 4½ per cent, the figure would have been £21,18. 0. Account must now be taken of changes in building prices, of the average size of Council houses and of earnings. But I hope in the negotiations to secure a rate of £22.1.0. or thereabouts, and in any event not higher than £24, with corresponding reductions in the other subsidies.

4. The Chancellor of the Exchequer concurs.

5. I shall be glad to have authority to proceed on these lines.

H.M.

Ministry of Housing and Local Government,
S.W.1.

28th May, 1954.
31st May, 1954

CABINET

FUTURE DEFENCE ARRANGEMENTS WITH IRAQ

Memorandum by the Minister of State

The Foreign Office have been considering, in consultation with the Chiefs of Staff, the desirability of inviting the Iraqi Government to discuss revised arrangements for mutual defence in the light of:

(i) a revised strategic concept of a forward strategy for the defence of the Middle East;

(ii) the fact that the Anglo-Iraqi Treaty of 1930 is due to expire in 1957, and that we shall in all probability be subject to pressure from the Iraqis to revise it before then.

United Kingdom strategy

2. The revised concept of a forward strategy for the defence of the Middle East in a major war is based on the power of the United Kingdom and its allies to inflict on the enemy at the outset of hostilities such damage by air attack as would, we hope, reduce the land threat to Iraq to manageable proportions. Our intention is "to deploy north-eastwards with the object of holding the enemy land forces as far forward as practicable, if possible in the passes leading from Persia to Iraq". In view of these plans, we should be able to convince the Iraqis that effective mutual defence arrangements can be worked out provided that there is adequate co-operation between our forces and, in particular, that the Iraqi air bases are capable of being immediately and effectively used by the R.A.F. in the event of war.

Anglo-Iraqi Treaty

3. The Treaty of 1930, under which we occupy the air bases at Habbaniya and Shaiba, expires in 1957, and either side has been entitled to ask for its revision since 1952. Article 11 provides that "the high contracting parties will, at the request of either of them, conclude a new treaty which will provide for the continued maintenance and protection in all circumstances of the essential communications of His Britannic Majesty".

4. The Treaty, being a survival of the Mandatory period, is not popular in Iraq, and successive Iraqi Governments have been under strong pressure to secure its abrogation and the return of the air bases to Iraqi ownership. In view of the fate of the Portsmouth Treaty (a revision of the present Treaty, signed in 1948, but rejected by the Regent of Iraq
after serious riots in Bagdad), no Iraqi Government is likely to be willing to negotiate a new formal treaty granting the United Kingdom military facilities in Iraq. Nevertheless, it seems likely that we should have a good chance of obtaining in practice the essential facilities we require in order to defend Iraq and strengthen the flank of the North Atlantic Treaty Organisation, if we take an early opportunity of inviting the Iraqis to examine with us our mutual defence requirements in the light of United Kingdom strategic plans and on the basis of returning Habbaniya and Shaiba to Iraqi ownership.

5. Further arguments for taking the initiative with a view to replacing the Treaty by other arrangements are:

(i) The Iraqis are likely to make a formal request to us for the abrogation of the Treaty and the return of the bases as soon as there is an outcome to our negotiations with Egypt, and perhaps before. If we fail to reach agreement with Egypt, it is doubtful whether the Iraqi Government would offer us facilities of a kind which the Egyptians had refused in the Canal Zone.

(ii) In view of United States interest in the "northern tier" of Middle Eastern states, as shown in the Turco-Pakistan Pact and the agreement for United States military aid to Iraq, the Iraqis and others may get the idea that we are leaving it to the Americans to make the running in that part of the world, unless we ourselves take steps to put our military relations with Iraq on a footing acceptable to both sides.

Facilities we should attempt to secure in Iraq

6. H.M. Ambassador at Bagdad regards it as a political sine qua non that the bases should be returned to Iraqi ownership and that we should give up the right to station operational units permanently in Iraq, though they might be admitted for long training periods. Subject to this condition, the facilities which we should hope to secure may be listed as follows:

(i) Regular visits by R.A.F. squadrons to Habbaniya and Shaiba, so contrived that there should normally be one R.A.F. squadron in Iraq available for defence or training purposes.

(ii) The provision of British technicians to maintain the bases in such a way that they would immediately be available for full operational use in war. It remains to be seen whether the Iraqis would agree to the retention of British uniformed personnel for this purpose; if not, it might be possible to make arrangements for the maintenance of the bases by civil contractors, as is being done in Libya.

(iii) Pre-stocking of supplies and equipment in Iraq for the land and air forces that we intend to deploy there at the outbreak of war.
(iv) Transit and staging facilities for R.A.F. aircraft through Iraq in peace-time.

(v) Standardisation of equipment and co-ordination of British and Iraqi operational and logistic planning in peace-time for the defence of Iraq in war.

(vi) The wide range of facilities that an ally would normally expect in the event of war or threat of war.

Method and timing of approach to Iraqi Government

7. H.M. Ambassador suggests that, after he has cleared the way with the King and Crown Prince of Iraq, we should propose to the Iraqi Government (or perhaps only to the Prime Minister) that military representatives of the two sides should hold secret discussions with a view to working out arrangements for mutual defence. When agreement has been reached on the military level, Her Majesty's Government should consult with the Iraqi Government (or perhaps with a specially appointed all-party delegation) as to the form in which the agreement should be embodied. Instead of a formal treaty, there might, for example, be a declaration by the two Governments announcing the termination of the Treaty and the return of the bases, and indicating (without a specific time-limit) the revised arrangements for the maintenance of the bases, R.A.F. visits for training purposes, etc. H.M. Ambassador considers it important that our military representatives at the proposed talks should be in a position to furnish a clear statement of their detailed requirements as outlined in paragraph 6 above; and that we should adopt a forthcoming attitude over the financial implications of the transfer of the bases.

8. The timing of our approach is affected by the present political situation in Iraq. The present caretaker Government propose to hold elections on 9th June, and the resulting Government would no doubt wish to take stock of their position before being ready to start a major negotiation with us. H.M. Ambassador thinks, however, that if it is decided definitely to start talks with the Iraqis on the above lines, it might be desirable for him to give the Crown Prince a hint of our intention before the elections, so that he is aware of the desirability of choosing a Prime Minister strong enough to get the resulting arrangements through Parliament. H.M. Ambassador does not expect that the military talks could begin before about November, since in October the Iraqi military representatives who would be required to take part in the talks will be attending the annual manoeuvres.

Recommendation

9. I recommend that:-

(i) We should decide in principle to approach the Iraqi Government on the lines of paragraphs 6 to 8 above, and that H.M. Ambassador should be authorised to give the Crown Prince a hint of our intentions before the June elections.
At a suitable moment, for example when the military discussions begin, we should inform the United States Government of our intentions and impress on them once more the importance of their respecting our predominance in Iraq and backing our efforts to secure facilities essential to the general defence of the West.

S. L.

Foreign Office, S. W. I.

29th May, 1954.
Introduction

In my Memorandum C. (54) 16 I submitted, on behalf of the Committee of Ministers on the Crichel Down case, the following recommendations on the procedure which should be followed in the disposal of agricultural land acquired compulsorily for public purposes but no longer required by the Government:

(a) that no statutory right of pre-emption should be accorded to former owners of such land;

(b) that steps should in future be taken administratively to secure that former owners or their successors in title, if they could be traced without undue difficulty, should be notified that it was proposed to sell the land and be given an opportunity of buying it in competition with other prospective purchasers.

The Cabinet, at their meeting on 18th January (C.C. (54) 3rd Conclusions, Minute 7), deferred a decision on these recommendations and invited the Committee to give further thought to the practical possibilities of according to former owners some form of pre-emptive opportunity.

2. The Committee have given this matter prolonged and exhaustive examination but have deferred submission of their recommendations until they could be considered in the light of the report of the Crichel Down Public Enquiry, which the Minister of Agriculture is now circulating to the Cabinet as C. (54) 183.

The Majority View

3. The majority of the Committee reached the conclusion that the Government ought to recognise that former owners and their successors may have a moral claim to recover their land when the Government no longer requires it, and that the procedure followed by Departments for disposing of land should be designed to enable them, so far as possible, to do so. They accordingly reached agreement on the terms of a proposed public announcement of a modification of present Government policy to secure this object. This proposed announcement is reproduced in the Appendix to this memorandum.
The Minority View

4. At least two of our colleagues entertain serious doubts about the justification for a change of Government policy on the lines suggested. The Lord Chancellor is apprehensive about the consequences of bringing into operation, by means of an undertaking to Parliament and administrative arrangements only, a system of pre-emption in respect of state-owned land of a kind for which over a period of many years it has proved impracticable to provide by statute. Both he and the Financial Secretary, Treasury, moreover, feel grave doubt about the propriety of selling without statutory authority state-owned land at a price lower than the maximum price which such land could command in the open market, and the Financial Secretary has felt compelled to reserve fully the Chancellor of the Exchequer's position in regard to any such arrangement.

5. On this latter aspect of the matter it was the view of the majority of the Committee that, if former owners were to be given a genuine opportunity to recover their land, it followed that the Government must be ready to sell it to them at a price to be fixed by the District Valuer, and that such an arrangement was entirely defensible on the ground that the same method was being adopted for determining the price at which the land should be sold as had earlier been used for determining the price at which it should be compulsorily acquired.

Recommendation

6. Subject to the reservations recorded in paragraph 4 above, the Committee recommend that at an appropriate time a statement of future policy on this matter should be made on the Government's behalf on the lines of the appended draft.

D.M.F.

Home Office, S.W.1.

31st May, 1954.

APPENDIX

DRAFT STATEMENT

The Government have had under review the policy hitherto followed with regard to the disposal of agricultural land which was acquired compulsorily or under threat of compulsion and which is no longer required for Government purposes.

2. The Government recognise that the former owner and his successors may have a moral claim to be considered as purchasers of such land. The Government will seek to ensure that in future those with such claims will have an opportunity to buy the land. This decision cannot apply where the land has already been disposed of and will not apply to certain categories of land of which details are annexed.

3. In the ordinary way there should be no difficulty in carrying out this policy. The procedure will normally be for an announcement to be made that the land is to be disposed of and by this and other means it is hoped that those who have such claims will become aware of the fact that the land is to be sold. If the responsible Minister concludes that a
claim is well-founded, he will offer the land to the claimant at the price assessed by the District Valuer as the current market price.

4. This policy will be followed both where the land compulsorily acquired was the whole, and where it was part, of an estate. In carrying out this policy regard will be had to the obligations placed upon the Minister of Agriculture by the Agriculture Act, 1947 and upon the Secretary of State for Scotland by the Agriculture (Scotland) Act, 1948.

ANNEX

EXCEPTED CATEGORIES OF LAND

(i) Airfields and land with buildings, other than agricultural buildings, on it, except where the buildings or other development are of little value and cover only a small proportion of the land.

(ii) Land which was acquired within three years after it had been publicly offered for sale by the person from whom it was acquired.

(iii) Land acquired through the National Land Fund Procedure.

(iv) Land which at the time of disposal is wanted by a local authority for a purpose for which compulsory purchase powers could be used.

(v) Land acquired by the Board of Trade in Development Areas, for sale for private industrial development.

(vi) Small strips of land.

(vii) Small parcels left over from the land which has been acquired e.g. for trunk roads.

(viii) Land which was previously in a number of small plots.

(ix) Land acquired by the Minister of Agriculture under Sections 16, 84 and 85 of the Agriculture Act, 1947 and acquired under the similar provisions of the Agriculture (Scotland) Act, 1948.

(x) Land acquired by the Forestry Commission which is surplus to afforestation needs and which was included in a purchase at the request of the former owner.
Handling of the Report

8. I have told the House of Commons that I expected to publish the Report shortly; and, in reply to a Supplementary Question, that I hoped very much that it would be before Whitsun. There has also been a demand for a Debate on Friday morning on the assumption that the Report would be published on Thursday.

9. My colleagues and I consider that a short Debate so soon after the publication of the Report would not satisfy the House; in order to avoid two Debates, we consider that the best course would be to publish the Report on the day the House resumes (15th June) and to arrange a Debate as soon as possible thereafter, in the course of which I could make the proposed statement about future policy and also announce our decision on the Crichel Down land.

10. The Report is in some respects inaccurate and is regarded by a number of those criticised as unfair to them. The criticisms of the Agricultural Land Commission are particularly severe. We agreed that when announcing in the House the publication of the Report I should make a brief statement on the lines of the attached draft.

T.L.D.

Ministry of Agriculture and Fisheries,
S.W.1.

31st May, 1954.

---

DRAFT

Statement by the Minister of Agriculture and Fisheries

Sir Andrew Clark's Report on the Crichel Down Enquiry is published to-day and is now available in the Vote Office.

Sir Andrew Clark states in Conclusion 25 of his Report that "there was no trace in this case of anything in the nature of bribery, corruption or personal dishonesty". The Enquiry has thus achieved my main purpose, which was to deal with any rumours and suggestions of this kind.

The Report contains criticisms of the actions and conduct of the Agricultural Land Commission and of a number of individuals. So far as those criticised are persons (and most of them are) for whose conduct I am answerable as a Minister of the Crown, the responsibility rests with me. That responsibility I wholly accept.

I have naturally given to those who are criticised an opportunity of commenting on those parts of the Report which referred to them. Having read the comments and explanations I have received, I must in fairness say that I have formed a more favourable view of the actions taken by the officers concerned than appears in the Report. I do not, of course, dispute that mistakes and errors of judgment were made; and steps have been taken, so far as possible, to see that these do not happen again. In view of the nature of the errors themselves and of
The public way in which they have been exposed, I am satisfied that no further action by me in relation to them is necessary or would be appropriate. I continue to have full confidence in the Agricultural Land Commission.

The Government will shortly make a statement on the disposal of the land in question at Crichel Down, and also a statement of general policy on the disposal of land purchased compulsorily for public purposes.

The Government are most grateful to Sir Andrew Clark for his valuable services in conducting the Enquiry, without fee.
CABINET

CRICHEL DOWN - SIR ANDREW CLARK'S REPORT

Memorandum by the Minister of Agriculture and Fisheries

Copies of Sir Andrew Clark's Report have been circulated as Appendix I to GEN. 451/14.

2. I have discussed the Report with my colleagues who are members of the Crichel Down Committee and I set out our views.

The Future of Crichel Down

3. The Home Secretary is submitting separately a paper (C. (54) 182) on future policy for the disposal of land acquired compulsorily for public purposes. This paper recommends that previous owners (and certain successors in title) should be given an opportunity of buying back their land; but that this should not apply retrospectively. In the case of the Crichel Down land, the decision to sell it to Crown Lands was taken twelve months ago, and a tenant has been in occupation since last Michaelmas and has a legal right to remain. We can only sell the land back if the tenant is willing to give up his tenancy, receiving reasonable compensation. All the indications so far are that he would be unwilling to do this.

4. In the circumstances, my colleagues and I consider that the present position cannot be disturbed.

Commander and the Hon. Mrs. Marten's Costs

5. Counsel for Commander and Mrs. Marten asked at the Enquiry that their costs should be refunded to them and in his Report Sir Andrew Clark says that Commander Marten was fully justified in the circumstances in pressing for a Public Enquiry.

6. The payment of Commander and Mrs. Marten's costs would help to counter any accusation that they were being unfairly treated, if the land was not returned to them. On the other hand, there is no precedent for the payment of costs; an undesirable precedent would be created; and to pay costs might suggest that they had established a moral claim. Their Solicitors were told beforehand that there was no provision for the payment of costs.

7. The costs would probably be of the order of £3,000 to £4,000.
The attached proof copy of Sir Andrew Clark's Report is circulated for convenience of reference in substitution for the copy circulated as Appendix I to Gen. 451/14.

Cabinet Office, S. W. 1.

1st June, 1954.
MINISTRY OF AGRICULTURE AND FISHERIES

PUBLIC INQUIRY

ordered by the Minister of Agriculture into the disposal of land at
CRICHEL DOWN

Presented to Parliament by the Minister of Agriculture and Fisheries
by Command of Her Majesty,

, 1954

LONDON
HER MAJESTY'S STATIONERY OFFICE

Cmd.
To The Right Honourable Sir Thomas Dugdale, Bt., M.P.

Sir,

I was appointed by you on 6th November, 1953, with the following terms of reference:—

"To enquire into the procedure adopted (a) in reaching the decision that land at Crichel Down should be sold to the Commissioners of Crown Lands; (b) in the selection of a tenant by them; and the circumstances in which those decisions were made, but excluding from the enquiry all questions of governmental policy and, in particular, any question of whether preferential treatment should have been given to any applicant on the ground of previous ownership or occupation of the land."

I have now the honour to submit my Report which I propose to divide into two Parts:

1. Factual Narrative.
2. Conclusions.

2. In accordance with my terms of reference I duly held a Public Inquiry at the Corn Exchange, Blandford, into the circumstances in which it was decided to sell 725 acres of land at Crichel Down to the Commissioners of Crown Lands and the procedure adopted in coming to such decision, and also into the method adopted in selecting a tenant for the land and the circumstances surrounding such selection. The Inquiry opened at 10.30 a.m. on Wednesday, 21st April, and the hearing lasted for 7 working days, ending at 1 p.m. on Wednesday, 28th April.

3. I heard the oral evidence of 28 witnesses and examined in detail a large number of letters, minutes and other documents. A list of the witnesses is set out at Annexures 1 and 2 to this Report. I am satisfied that all relevant documents were fully disclosed and that (with two exceptions hereinafter mentioned) all persons who could have materially assisted me in the Inquiry were present and gave evidence before me.

Having heard the evidence and examined the documents I find the facts to be as follows:—

1. FACTUAL NARRATIVE

4. In or about the year 1937 some 725 acres of land at Crichel Down in the County of Dorset (hereinafter called "Crichel Down") were compulsorily acquired by the Air Ministry for use as a bombing range at a total cost to the Government of £12,106 including compensation for injurious affection.

5. At the time of such acquisition 328 acres (hereinafter called the "Crichel Area") formed part of a farm on the late Lord Alington's Crichel Estate which at all material times was occupied by Mr. Robin Harding and his nephew Mr. John Harding (hereinafter called "the Hardings") as tenant farmers. 382 acres (hereinafter called the "Strange Area") formed part of Mr. Farquharson's Langton Estate and were being farmed as part of Launceston Farm which was originally occupied by Mr. Jim Strange and his brother as tenant farmers, and was later purchased by them when the Langton Estate was broken up in 1940. The remaining 15 acres (hereinafter called the "Hooper Area") were owned and farmed by the late Mr. Hooper as part of Manor Farm which is at present owned by the Trustees of his will and farmed by his son Mr. Hugh Hooper. At that time approximately
114 acres of the Crichel Area, 56 acres of the Strange Area and the whole of the Hooper area were under cultivation. The remainder of Crichel Down was typical chalk downland used mainly for sheep grazing.

6. After the land was acquired by the Air Ministry cultivation necessarily ceased and the land deteriorated rapidly becoming covered in places with gorse and infested with rabbits.

7. After the War Crichel Down ceased to be used as a bombing range and in 1949 it was decided that the Air Ministry no longer required to retain it. It was then decided that the land should be transferred to the Ministry pursuant to Section 88 of the Agriculture Act, 1947. The requisite order under that Section formally transferring the land to the Ministry was never in fact made; but in anticipation that such order would be made in due course the Ministry assumed the control and management of Crichel Down in January 1950.

8. The Ministry in accordance with normal practice handed over the management of Crichel Down to the Agricultural Land Commission (hereinafter called "the Land Commission"), a body corporate established by Section 68 of the Agriculture Act, 1947 for the express purposes of managing and farming land vested in the Ministry. The Land Commission have no power to buy or sell land, but may grant tenancies which are not normally to be more than a year to year tenancy. Although the Land Commission was responsible for the management of the land, they in fact were advised by and carried out their executive functions through the medium of the Lands Service. The Lands Service is an integral part of the Ministry, to which it acts as technical advisers and its officers are all civil servants. In this case, the Lands Service in turn carried out their executive functions through the medium of the Dorset Agricultural Executive Committee (hereinafter called "the Agricultural Committee").

9. Some confusion is liable to be caused between the Land Commission and the Lands Service by reason of the fact that officers of the Lands Service are called Land Commissioners. To avoid this I refer to them hereinafter as "Land Service Officers".

10. In December, 1949, Colonel Norton-Fagge (who was the Land Service Officer for Somerset and Dorset), anticipating the handing over of Crichel Down to the Ministry, wrote to the Dorset County Agricultural Officer, a Mr. Ferris, asking for advice as to how the land should be dealt with. On 10th December 1949 Mr. Ferris replied stating that he was fairly certain that each of the farmers who had previously farmed Crichel Down would be willing to take over the parts formerly attached to their respective farms and work the land. Mr. Ferris went on to say that he was quite sure that this would be a better method of dealing with the land than by attempting to farm it as one holding. In March 1950 the Agent for the Crichel Estate wrote to the Ministry asking for an opportunity to negotiate for Crichel Down if it should be for sale, and Colonel Norton-Fagge replied that it was not then possible to give any definite reply. On the 1st April, 1950, the Minister made an Order under Section 68 of the Agriculture Act, 1947, placing Crichel Down under the control of the Land Commission. At this time part of the land was being cultivated by the Hardings and also by Mr. Strange under some nebulous arrangement with the Air Ministry, but they had no tenancy and paid no rent. The land had no water supply of its own, but water was obtained under a licence from the Crichel Estate from the Estate reservoir.
11. Early in May, 1950, Colonel Norton-Fagge inspected Crichel Down accompanied by his immediate superior, Mr. Hole, who was the Provincial Chief Officer of the Lands Service. As a result of this inspection Colonel Norton-Fagge made a written report which was sent to the Land Commission. In this report Colonel Norton-Fagge suggested three possible ways of dealing with the land, namely:—

(a) By letting in blocks to neighbouring farmers.
(b) By division into two or more independent fully equipped holdings.
(c) By the formation of a single fully equipped holding.

He discarded (b) as being unsuitable and economically unsound, and there can be no doubt that he was right in so doing. He advised, contrary to the view previously expressed by Mr. Ferris, that (c) would be the best solution, and estimated the cost of equipping the land at £18,500, and that so equipped a rent of £2 per acre should be readily obtainable. He stated that the objection to (a) was that the adjoining farmers might be disinclined to deal satisfactorily with the centre of the land; when cross-examined as to this he admitted that it was pure guesswork on his part and not based on any information he had received or any enquiries he had made. He agreed that the farmers concerned were all first class farmers. He went on to make recommendations as to temporary arrangements for reclamation and cropping, pending equipment of the land as a single unit which were in fact substantially implemented. There are no material inaccuracies in the facts set out in this report, save that the value of the land was placed at £7,500, as to which see later. The whole report was expressly subject to satisfactory arrangements being made for an adequate supply of water. This was in fact subsequently obtained by agreement with the Crichel Estate who provided a water supply from the estate reservoir.

12. On 20th June, 1950, the Land Commission resolved that one of their members, Mr. Bourke, should inspect Crichel Down as soon as possible. Mr. Bourke duly visited Crichel Down on 11th August, 1950, and reported in writing to the Land Commission. He recommended that the Agricultural Committee should farm the land and carry out reclamation work until Michaelmas, 1951, and that thereafter the land should be equipped as a single unit and let. He stated that he had discussed the matter with Colonel Norton-Fagge and considered the proposals in his report to be quite sound and adequate and recommended that they be adopted. He placed the estimated cost of equipment at £20,000, and the value of the land at £7,500. He estimated the rent obtainable at 35s. per acre which, he said, after allowing for depreciation and repairs would show a net return of 2¼ per cent. on capital outlay. When cross-examined as to the value of the land he admitted that he did not know where he had got the figure of £7,500 from, and that it was nothing more than a rough guess. In fact it was a mere arbitrary figure which appeared in the Ministry books for audit purposes and had been repeated in Colonel Norton-Fagge's report. It is clear from the evidence before me that the true value of the land unequipped and unrestricted was at least £20,000. Even apart from this mistake, however, it should have been clear even at this stage that from a purely financial aspect the proposal to equip Crichel Down as a single unit was probably unsound.

13. On 16th August, 1950, the Land Commission formally resolved that the proposals to equip Crichel Down as a single unit, subject to slight modification, be approved in principle. The next day Mr. Edwards, who was the Chief Technical Officer to the Land Commission, wrote to Colonel
Norton-Fagge notifying him of the decision and stating that the economics of the proposal did not show up very well, even at a rent of 35s. to 40s. per acre.

14. By October, 1950, the Land Commission’s proposals for dealing with Crichel Down began to be known in the neighbourhood and from then onwards applications were received from time to time by the Lands Service, either direct or through the Agricultural Committee, from a number of farmers desirous of being considered as tenants. Among the earliest applicants was a Mr. C. T. Tozer, a member of a well known farming family at Woodyates, with whom I shall have to deal more fully later in this report. There were some 13 or 14 applicants in all, and the Lands Service acting as agents for the Land Commission, answered them all in more or less similar form, stating that the property was not at that time being offered to let but their names had been recorded and that as soon as the property was available for letting they would be sent particulars; the tenancy it was stated would be advertised for tender in the public Press and any application they might then make would be carefully considered. Among the applicants was a Captain D. W. Taylor, who offered to rent the land as it was and erect any necessary buildings himself.

15. On 28th August, 1951, Mr. Lofthouse, who had succeeded Colonel Norton-Fagge as Land Service Officer for Somerset and Dorset, wrote to Mr. Hole pointing out that the water supply was then secure (an agreement for water supply had in fact been entered into with the Criohel Estate in June 1951) and saying that all now seemed ready to advertise for a tenant and asking for authority to proceed. To this Mr. Hole replied that the Chairman of the Land Commission, Sir Frederick Burrows, considered the farming of Crichel Down by the Agricultural Committee was very satisfactory, and that Mr. Edwards felt that the decision to advertise should be deferred for the time being. In September Mr. Lofthouse wrote to one of the applicants stating “I have on record a great many persons who are definitely interested and must be given an opportunity to make an offer... I regret therefore that I must not negotiate with you in advance of any of the other offers”.

16. On 31st October, 1951, a full dress inspection of Crichel Down by the Land Commission took place. Sir Frederick Burrows (the Chairman), Mr. Watson Jones (a member), Mr. Edwards (Chief Technical Officer and Land Agent) and Mr. Smith (Secretary) were present as representing the Land Commission, and were accompanied by Mr. Ferris, Mr. Hole, Mr. Lofthouse and other officers of the Lands Service in an advisory capacity. The arrangements for equipping Crichel Down as a single self-contained unit were then settled and it was agreed that certain local farmers, including the Hardings, should be, and subsequently they in fact were, consulted as to the details of siting the buildings and of the necessary equipment generally. It was also decided that the Agricultural Committee should continue to farm the land until Michaelmas, 1952, as from which date the tenancy should be offered for tender.

17. On 25th May, 1952, Captain Taylor wrote to Mr. Lofthouse making a firm offer to rent Crichel Down unequipped as it then stood at a rental of £2,000 per annum (i.e. approximately £3 per acre) subject to review every three years with adjustment for provision by the Land Commission of any buildings or other assets and in the light of then existing conditions. From a purely financial point of view this was in marked contrast to and on the face of it appeared considerably more attractive than the Land Commission’s proposal to spend approximately £20,000 in equipping the land.
with a view to obtaining a rental after it had been equipped of £2 per acre (i.e. approximately £1,400).

18. It is a little strange to see the way in which this offer was dealt with. On 5th June, 1952, Mr. Lofthouse forwarded Captain Taylor’s letter to Mr. Hole with a covering letter in which he stated that as it was a serious offer he felt bound to put it up, but recommended adhering to the original plan. On 13th June, 1952, Mr. Hole forwarded Captain Taylor’s letter to the Land Commission with a covering letter asking them to confirm that the Commission had no intention of letting without first equipping the land, and strongly recommending them NOT to do so. On 20th June, 1952, the Land Commission replied that they were not prepared to let the land without equipment, and Captain Taylor’s offer was duly turned down.

19. There was some suggestion both in the correspondence and in the evidence that Captain Taylor would not have been a satisfactory tenant in any event, but it was clear that the real reason for turning down his application was that it had already been decided as a matter of policy that it was desirable in the interests of food production to equip Criohel Down as a single self contained unit before letting it, and accordingly, as Sir Frederick Burrows himself stated, Captain Taylor’s offer was never given any serious consideration. Meanwhile on 26th May, 1952, the Agent to the Criohel Estate, Major Seymour, wrote to Mr. Lofthouse referring to the previous letter from the Criohel Estate of 24th March, 1950, asking for information as to the present situation and asking whether it would be possible to buy back the Criohel Area in order that it might be restored to the Hardings’ farm to which it originally belonged and of which he contended it formed an important integral part.

20. Mr. Lofthouse forwarded the letter to Mr. Hole with a covering letter in which he stated that he had heard that the Criohel Estate would be willing to purchase the whole of Criohel Down. He stated his belief (which the evidence showed to be correct) that the Estate intended to add any land acquired to the Hardings’ farm, and that no fixed equipment would be necessary as existing buildings would be adequate. He further stated that the Hardings were first class farmers and there was no doubt that if the land was sold to the Criohel Estate it would be well farmed. The evidence showed that this view was fully justified. Mr. Hole forwarded both letters to the Land Commission under a covering letter stating that he had not gone into the merits of the proposition as he imagined the Commission would not wish to recommend the Minister to sell the property. Mr. Edwards stated in evidence that he never pursued the matter any further as he thought the Ministry had no power to sell land. Sir Frederick Burrows stated in evidence that the proposal was never investigated or considered, presumably for the same reason.

21. It appears difficult at first sight to see how such a misconception could ever have arisen in view of the provisions of Section 90 of the Agriculture Act, 1947, which expressly empowers the Minister (inter alia) to sell any land acquired by him in such manner as he may think expedient for the purpose for which the land was acquired (in this case, of course, agriculture) and for any other purpose provided it appears to him expedient so to do having regard to the use proposed to be made of the land. It had, however, been the fixed policy of the Socialist Government never to sell any land that had been acquired by the Government, whether compulsorily or otherwise, except under very special circumstances, and presumably this policy had become so firmly established that many civil servants were under the impression that there was no power to sell. No notification of any change in this
policy was received by any of the permanent staff of the Ministry until some time in the summer of 1952, when, according to the evidence of Sir Reginald Franklin, the Minister first expressed his view that if possible a number of properties acquired by the Ministry ought to be sold. Then for some reason, which I find it difficult to understand in face of the unusually clear wording of Section 90 of the Agriculture Act, 1947, which I should have thought made it plain (not only to a lawyer but to any intelligent layman) that the Minister had a complete discretion to sell any land which he had acquired if he came to the conclusion that it was expedient so to do, the Minister was advised by the legal department of the Ministry that there were grave doubts whether he had any power to sell land acquired by him. As a result of this advice the opinion of the Law Officers of the Crown was obtained on this question; but it was not until November, 1952, that their opinion was received, stating clearly that the Minister had the requisite power.

22. On 10th June, 1952, Mr. Smith, the Secretary to the Land Commission, replied to Major Seymour's letter of 26th May, stating that it had been decided to equip Crichel Down as a single self-contained unit and when this had been done to advertise it for letting in accordance with the usual practice. Mr. Smith went on to say that although the management of Crichel Down had become the responsibility of the Land Commission, the freehold was still owned by the Air Ministry and so far as the Commission were aware there was no intention of transferring it to the Ministry of Agriculture and Fisheries. How Mr. Smith (and presumably the members of the Land Commission) could have been in complete ignorance of the decision to transfer Crichel Down to the Ministry, especially in view of the Order of the Minister dated 1st April, 1950, vesting the management of the land in the Land Commission under Section 68 (1) (a) of the Agriculture Act, 1947, as being land vested in the Minister or for the management or farming of which he had become responsible, is again difficult to appreciate. Unfortunately Mr. Smith is abroad and was unable to attend the Inquiry to explain this and other matters. As a result of this letter Lieut. Commander Marten (whose wife had succeeded to the Crichel Estate on the death of her father Lord Alington) wrote to Mr. Crouch, the Member of Parliament for the Wimborne Division of Dorset, asking him to take up the matter with the Minister on his behalf, pointing out that the Crichel Area had been compulsorily acquired from Lord Alington, that it formed an important and integral part of one of the farms on the Crichel Estate, and setting out his objections to the proposals to equip and let Crichel Down as a single self-contained unit. On 13th June, 1952, Mr. Crouch forwarded Lieut. Commander Marten's letter to Mr. Nugent, Parliamentary Secretary (Commons) to the Minister. As a result Mr. Nugent directed that a report should be obtained from the Land Commission as to the desirability of selling the Crichel Area back to the Crichel Estate, he, of course, being then aware from Lieut. Commander Marten's letter that this area had been acquired under compulsory powers.

23. On 14th July, Mr. Payne, an Assistant Secretary at the Ministry, wrote to Mr. Smith asking for the necessary report. It further appears from his letter that Mr. Nugent's private secretary had sent direct to Mr. Smith the correspondence with Mr. Crouch and Lieut. Commander Marten, so that Mr. Smith must also have been aware that the Crichel Area had been acquired under compulsory powers.

24. On 15th July, 1952, Mr. Smith wrote to Mr. Hole calling for the requisite report and saying "I think what the Commission must do is to give the Minister a considered opinion on the whole question of sale versus
equipment as one unit”. He also asked for a plan showing the previous ownerships of Crichel Down, and information as to what sort of people the previous owners are “and (if you are able to form a view without approaching the people concerned) whether they would be willing and able to buy back their various portions”. Mr. Hole passed this on to Mr. Lofthouse to report. In his letter he asked Mr. Lofthouse to “obtain all further information you can without, of course, approaching the various owners”. This it will be noted is an extension of the ban on approaching previous owners originally imposed by Mr. Smith. Mr. Hole also expressly directed Mr. Lofthouse “to obtain from the Air Ministry Land Agent information as to whether the land was purchased voluntarily or compulsorily”.

25. Mr. Lofthouse was about to go on leave and handed over the matter to a young and comparatively inexperienced subordinate, Mr. Brown, with instructions to prepare the necessary report. The instructions given by Mr. Lofthouse to Mr. Brown were, according to the evidence given by Mr. Brown, which I entirely accept, somewhat extraordinary in the circumstances. Mr. Brown was told (for no apparent reason) that “the job was extremely confidential” and that on no account was he to approach the Hardings or any of the previous owners or anyone else connected with the land. He was also forbidden to inspect the Hardings' land or anybody else’s holding, and was to rely exclusively on such information as he “could get from the office organisation”. In this respect he was further told only to consult Mr. Ferris, and any further information was only to be obtained from the office files. In fact no office files were available to him except the Agricultural Committee file (which when produced and examined contained nothing of any relevance to his subsequent report) and certain farm survey statistics of the various farmers in the neighbourhood. He was never told to consult the Air Ministry Land Agent as to whether the purchase had been voluntary or compulsory and was never shown Mr. Hole's letter to Mr. Lofthouse in which such inquiry was directed. This is all the more strange since he was supplied with Mr. Smith’s letter to Mr. Hole. This was the first report Mr. Brown had ever been called upon to make and, in view of the conditions referred to above, he was left to make it almost entirely in the dark. I cannot do better than quote his own words “I had to work completely in the dark. I was working completely blindfolded apart from what Mr. Ferris could tell me”. Under these circumstances it is hardly surprising to find that his report, when made, was riddled with inaccuracies. Although he was never instructed to favour one view more than another, and I am satisfied that he did his best to make a perfectly fair and unbiased report, he started with the knowledge, which he had had for the past 15 months, that the Land Commission’s accepted policy was to equip and develop the land as one unit, and that all his superiors were extremely keen on the project. Under these circumstances it would have been expecting too much of human nature to suppose that, however unconsciously, a very junior official such as Mr. Brown would not approach his task with at least a leaning in favour of supporting his Department's already settled policy.

26. On 7th August, 1952, Mr. Brown sent his draft report to Mr. Hole, and at the same time sent a copy to Mr. Lofthouse. The report starts by stating that Crichel Down was purchased by the Air Ministry in 1940. In fact it was compulsorily acquired in 1937, as is abundantly clear from the Conveyance of the Hooper area. I mention this for two reasons, first because it may explain a later error as to the condition of the land when it was taken over, and secondly because Mr. Brown stated that he relied exclusively on the Conveyances for his information as to the circumstances in
which the land was acquired. 1940 is in fact the date of the actual conveyances themselves.

27. The report states that the whole area (with the exception of some 114 acres) was at the date of purchase virgin downland in a very rough condition, covered with much scrub and gorse, infested with rabbits and used as a sheep run. The statement that the land was covered with much scrub and gorse and infested with rabbits was quite untrue, though such may well have been the position in 1940, which was 3 years after the Air Ministry took it over. A statement that as far as could be ascertained the land had never been under plough before was also incorrect in fact, though of course Mr. Brown had no means of discovering that fact. There was at least another 72 acres of arable land in addition to the 114 acres mentioned in the report, and large areas were fenced, watered, and used for grazing cattle. Mr. Brown stated quite frankly that he was under the impression that the whole down had been just an open stretch, apart from the 114 acres he mentioned.

28. The report states that the Hooper area was purchased compulsorily, but that the Crichel and Strange areas were acquired voluntarily by agreement. Mr. Brown said in evidence that he came to this conclusion by looking at the conveyances. Having examined the conveyances, I am satisfied that it is quite reasonable and understandable that anyone, having no other source of information available, should have come to such a conclusion. The Hooper conveyance makes it clear on the face of it that it is made in pursuance of a compulsory purchase, the other two conveyances do not, and are in a form which is much more consistent with a voluntary purchase. This mistake was particularly unfortunate as it is clearly one of great importance, as was generally admitted, and it would never have occurred if Mr. Hole’s direction to make enquiries of the Air Ministry Land Agent had been communicated to Mr. Brown and carried out. The report continues with a statement that the prices paid by the Air Ministry give an indication of the condition of the land at the time of purchase and show that the two larger owners were not unwilling to part with it at a low price. This again is quite untrue, and the early correspondence, which was not available to Mr. Brown and could only have been discovered by an application to the Air Ministry Land Agent, makes it quite clear that in fact they strenuously resisted the compulsory acquisition of their land, but without avail.

29. In the report, Mr. Brown states that he understands that the Land Commission’s policy is to equip the land as a single unit at a cost of approximately £20,000, and in evidence he stated that this policy had been well known to him since he joined the Land Service some 15 months previously, and that he agreed with it. He also states that if Crichel Estate should obtain possession of the Crichel Area it would almost certainly be added to the Hardings’ farm, the buildings of which are inadequate for the existing acreage. The statement that the Hardings’ buildings were inadequate for the existing acreage was incorrect, and in direct contradiction of the view expressed by Mr. Lofthouse in his letter of 27th May, 1952, to Mr. Hole, in which he stated that if the Crichel Area was added to the Hardings’ farm no new equipment would be necessary and there would be a properly balanced unit between buildings and acreage. Mr. Brown was never shown a copy of this letter, and had never seen the Hardings’ buildings, and he said that he based his statement on what he was told by Mr. Ferris. He also states that the Hardings already had 170 acres of rough downland which could well be reclaimed before they were given any more land. This figure, which Mr. Brown obtained from obsolete records, was inaccurate. The total amount of unreclaimed land on the Hardings’ farm at that time being about 60 acres, which they were then in the course of, or about to commence, ploughing up.
Later in the report, Mr. Brown states that the Crichel Estate are much more interested in the Crichel Area than they are in some of the land at present in their ownership. This statement was quite unjustified, and it was common ground throughout the Inquiry that the whole of the Crichel Estate is and always has been very well farmed. He goes on to say that the opportunity presented by these 726 acres of bare land is an unparalleled one for the erection of a modern farming unit on a scale which will be of interest and example to the farming community for many miles around. In evidence he said that the Land Service were responsible for advisory work and that this was a very unusual opportunity to show what could be done and that he was really enthusiastic about the idea.

30. Finally in his report Mr. Brown came to the conclusion that if the Crichel Area was sold back to the Crichel Estate it would not be possible to equip the remainder of Crichel Down as a self-contained unit, and that therefore the choice lay between either selling back the whole of Crichel Down to the previous owners or other adjoining owners or else proceeding with the scheme to equip the whole as one self-contained unit. The evidence clearly showed that these were in fact the only two practical alternatives, apart from letting the land as bare land without equipping it. He stated that he felt certain that the neighbouring farmers would be willing to buy back the land but that difficulty might well be experienced over price. The possibility of difficulty over price was of necessity pure guesswork on his part and was not based on any enquiry he had made or information he had received. He concludes by expressing the view that, as only rough off-lying land attached to large farms was taken and all but 15 acres of that by agreement, there was no case for a sale of the Crichel area or any other part of the land, and the best course was to go ahead with the existing scheme. After the errors in his report had all been pointed out to him, Mr. Brown stated in evidence that had the true facts been fully before him he would still have come to the same conclusion. The point, however, is that those who had subsequently to come to their own conclusion on his report might have come to a different conclusion if the facts had been correctly stated in it.

31. Mr. Brown further stated that Mr. Ferris had seen his draft report and fully concurred in it. When his attention was drawn to Mr. Ferris's letter of 10th December, 1949, expressing a directly contrary view, he said he had never seen that letter, but he was quite satisfied that Mr. Ferris had entirely revised his original opinion. It was, therefore, particularly unfortunate that Mr. Ferris declined to give any evidence at the Inquiry, although (I was informed) he had been requested to do so both by the Ministry and by Lieut.-Commander Marten and was still living and working in the neighbourhood. It would have been of great assistance to know exactly why Mr. Ferris had completely changed his opinion as to the best method of dealing with the land, and also how he came to approve the inaccuracies in Mr. Brown's report, some at least of which ought to have been evident to him.

32. On 10th August, 1952, Lieut.-Commander Marten wrote direct to the Minister saying that the Crichel Estate would be willing to buy the whole of Crichel Down if this would assist in overcoming any objection to the resale of the Crichel Area alone, but it appears that the Minister was already aware of that fact.

33. On 3rd August, 1952, Mr. Watson-Jones, a farmer member of the Land Commission, inspected Crichel Down accompanied by Mr. Ferris. He said in evidence that his primary object was to see whether, if the Crichel
Area was sold back to the Crichel Estate, the remaining land could be satisfactorily equipped as a single unit. On 13th August, he made a written report to the Land Commission in which he said that if the Crichel Area was sold it would seriously interfere with existing plans to farm Crichel Down and he considered that it should be retained. His report goes on to say that Crichel Estate have no farm buildings reasonably near this area. When it was pointed out to him in cross-examination that the Hardings’ farm buildings are within a few hundred yards of Crichel Down he said that what he meant was that there were no farm buildings reasonably near the centre of the land. He also stated that he was convinced Mr. Ferris had abandoned the view expressed by him in his letter of 10th December, 1949.

34. On 13th August, 1952, Mr. Hole sent Mr. Brown’s report to the Land Commission with a covering letter in which he expressed his own views to the following effect:—

(a) If Crichel Down is equipped as a single unit greater production of crops and livestock is likely.

(b) The cost of equipping will be in the order of £20,000 and he very much doubts if the increase in production would justify such a heavy outlay on the short term view—whether it would do so on the long term view depends on the future prosperity of agriculture.

(c) If the Crichel Area was sold back the remaining land could not be equipped as a single unit.

(d) All the adjoining owners are competent farmers who would probably be quite pleased to have their land back.

Mr. Hole ends by saying that although the proposal to create one fully equipped farm is most attractive from many points of view the high cost of doing so makes him wonder whether the project should be undertaken.

35. Sir Frederick Burrows stated that this letter was never passed on to the Ministry, though Mr. Brown’s report was.

36. On 20th August, 1952, the Land Commission held a meeting at which Mr. Hole’s letter and Mr. Brown’s report were considered, and as a result of that meeting Mr. Smith wrote to Mr. Payne at the Ministry setting out the Land Commission’s view to the effect that, if the Crichel Area was sold, it would not be possible to develop the remainder of the land as a self-contained unit and therefore the only course reasonably open would be to offer the remainder back to the previous owners. The evidence showed that this advice was undoubtedly sound. The letter then went on to state other factors which it was suggested the Minister might wish to have in mind. These were apparently taken from Mr. Brown’s report and were substantially incorrect in the following respects:—

(a) It was stated that both the Crichel and Strange areas were acquired by agreement, although as noted above Mr. Smith (who signed the letter) must at least have known that Lieut.-Commander Marten had specifically stated that the Crichel Area was acquired compulsorily. Mr. Smith unfortunately was not available to explain this.

(b) It was stated that there were still 170 acres of rough unimproved downland on the Crichel Estate adjacent to the S.E. boundary of the Crichel Area.

(c) It was stated that the buildings on the Hardings’ farm were inadequate for the existing acreage.
(d) It was stated that if the Strange Area was sold back there was no doubt in the Land Commission's view that it would not be fully and efficiently used, but would tend to go back to a sheep run. There appears to have been nothing on which such an opinion could have been based, and it is contrary to the view expressed by Mr. Hole and to the accepted fact that Mr. Strange was a first class farmer.

37. In the penultimate paragraph of the letter Mr. Smith says, "Finally, I would say that the purchase and equipment of the Crichel property as one unit would be a satisfactory proposition from the financial point of view...". This appears to be the personal view of Mr. Smith rather than a view taken by the Land Commission. It is somewhat strange that Mr. Smith, who apparently is not an agricultural expert but merely the Secretary to the Commission, should take upon himself to express such a view to the Ministry in face of Mr. Hole's letter which contains a grave warning to the contrary—which warning was never passed on to the Ministry.

38. The Land Commission's final advice to the Minister is "that the whole area should be retained and equipped as a unit in the interests of full and efficient production".

39. It is to be noted that no mention was made in this letter of Captain Taylor's offer to rent the land unequipped at a rent of £2,000 per annum, nor was the existence of such an offer ever brought to the notice of the Ministry.

40. In September, 1952, a policy letter was drafted by Mr. Payne at the Ministry for Mr. Nugent to send to Mr. Crouch, based on the recommendations of the Land Commission. Mr. Nugent, however, wished to make further enquiries and the letter was not sent though the draft was later used as the basis of a subsequent letter in March, 1953, with which I deal later. At the instigation of Mr. Nugent further enquiries were made by Mr. Payne through the Lands Service, as a result of which Mr. Hole wrote to Mr. Payne on 14th October, stating (inter alia) that if Crichel Down was resold to previous owners he would expect to get a total of £25,480 for the land. It would appear from the evidence that this was an over-estimate and that the true value of the land in its then condition was probably about £21,000.

41. On 15th November, 1952, at the request of the Minister, Lord Carrington, Parliamentary Secretary (Lords) to the Ministry, visited Crichel Down for the purpose of inspecting the land and reporting direct to the Minister. Lord Carrington was accompanied by Mr. Ferris but he did not visit any of the adjoining owners or inspect any of the adjoining land. For some reason which I did not appreciate he seemed to think it would have been improper for him to do so. Before going to inspect the land Lord Carrington had read Mr. Brown's report and he stated that he assumed the statements of fact in it to be true for the purposes of his own report.

42. On 19th November, 1952, Lord Carrington reported the result of his inspection in writing to the Minister. In it he stated that from the agricultural point of view he felt convinced that Crichel Down should be equipped and farmed as a single unit. He then gave five reasons for that view, but they all appear to be based on the disadvantages of selling the Crichel Area and retaining the remainder, and none of them really touches the question of the advisability of selling the whole.

43. On 11th December, 1952, Mr. Wilcox, an Under-Secretary at the Ministry, wrote to Mr. Hole stating that Lord Carrington had advised that if Crichel Down was to be sold, it should be sold as one unit and not split
up, and asking for advice as to whether if sold as one unit it would be better to sell the bare land or to equip it as a self-contained unit before sale. On the 16th December, Mr. Hole replied reducing his original estimate of the value of the bare land from £25,000 to £20,000, which from the evidence appears to have been substantially correct, and that after expending an estimated figure of £22,500 in equipping Crichel Down it might be expected to realise about £41,000 with vacant possession or £31,000 with a sitting tenant paying a rent of 43s. 6d. per acre.

44. Mr. Hole’s letter was given careful consideration at the Ministry. Sir Reginald Franklin, Deputy Secretary to the Ministry, expressed the view that the interests of food production could best be served by equipping the land and selling with vacant possession by private treaty to some person selected as a good farmer. Mr. Manktelow, the Principal Finance Officer suggested very naturally that from a financial point of view it would be better to sell the land in its present condition, but said that he would not press this if provision of equipment before sale was considered desirable on the grounds of food production policy so long as it was sold with vacant possession. He further stated that he would prefer a sale by auction to ensure getting the best price and to disarm financial criticism. Mr. Nugent stated that equipping the land was right in the interests of production but some thought would be needed to justify selling the equipped holding at a loss. The legal department advised quite correctly that it would not be possible in law, on a sale of the bare land, to impose an effective obligation on the purchaser to equip the land or to farm it as one unit.

45. It is at this stage that the Commissioners of Crown Lands (hereinafter called “Crown Lands”) first come upon the scene, and it is necessary to appreciate their organisation. There are three Commissioners, namely a Permanent Commissioner and two ex-officio Commissioners. The Permanent Commissioner at all material times was Mr. Eastwood, who was first appointed in October, 1952, having previously been an Assistant Under-Secretary of State in the Colonial Office, where he dealt with tropical agriculture, apart from which he had no special agricultural knowledge or experience. The two ex-officio Commissioners are the Minister of Agriculture and the Secretary of State for Scotland for the time being. The Commissioners never meet as a body and their business is conducted by the Permanent Commissioner, who refers at his discretion on matters of major policy to the Minister or, in the case of land in Scotland, to the Secretary of State for Scotland. Crown Lands own at the present time some 370,000 acres of land and are under a statutory obligation to invest any moneys in their hands in the purchase of land, Treasury sanction being necessary to any expenditure. Their estates are managed in some cases by a local full time staff of their own, and in others by local firms of Estate Agents employed on a part time basis for the purpose of the terms of written agreements, which vary from case to case, and who are known as Crown Receivers.

46. On 8th January, 1953, Mr. Wilcox met Mr. Eastwood and they lunched together at a Club of which they were both members. Crown Lands had at that time a large amount of money available for investment and Mr. Wilcox told Mr. Eastwood about Crichel Down, suggesting that it might be a suitable property for Crown Lands to acquire. Mr. Wilcox made it clear that the property would have to be equipped and farmed as a single unit, but at that stage it was not known whether the Ministry would equip it prior to the sale or whether Crown Lands would be required to undertake to equip it themselves if they bought it.
47. Crown Lands already owned the Bryanston Estate in Dorset which was managed by Messrs. Sanctuary and Son, a firm of Estate Agents at Bridport, as Crown Receivers under the terms of an agreement dated 6th March, 1951.

48. On 18th January, 1953, Mr. Wilcox wrote to Mr. Eastwood saying that he thought the Ministry would prefer to transfer the land to Crown Lands as bare land in its present state. On 24th January, Mr. Eastwood inspected Crichel Down accompanied by an employee of Sanctuary and Son. On 3rd February, Mr. Thomson, a partner in Sanctuary and Son, who had meanwhile inspected Crichel Down himself wrote a full report to Mr. Eastwood, in which he set out his own scheme for equipping the land with his estimate of cost which amounted to £40,000—which was nearly double the Land Commission estimate. He assumes the land would be acquired for £15,000, making the total expenditure £55,000, which he frankly states seems to him much too high for a farm of that kind. He states that the absolute maximum rent would be £2,100 (£3 per acre) and that he would have great difficulty in getting it, and taking a long term view he would probably have to be content with a rent of £1,400, which would give a capital value of about £30,000. He concludes by advising that Crown Lands ought not to consider the purchase of the land unless it can be acquired for a good deal less than the price originally suggested, and even then Crown Lands should not commit themselves until they had about two months in which to find a suitable tenant and agree with him a minimum rent. The next day Mr. Thomson wrote again (after consulting Mr. Middleton of the Lands Service) saying that he could make economies in his estimate for equipping Crichel Down but that Crown Lands should not consider buying the land unless they could get it for £15,000.

49. On 16th February, 1953, a meeting took place at the Ministry between Mr. Wilcox and Mr. Eastwood at which Mr. Hole, Mr. Thomson and certain other gentlemen were present. The conclusions reached were that it would cost about £32,000 to equip Crichel Down and Crown Lands could do nothing until they had ascertained what rent a tenant would be prepared to pay. It was agreed that if, as a result of a meeting the next day between the Minister and Sir Frederick Burrows, the Minister was prepared to authorise a sale, Mr. Thomson would then be authorised to start local inquiries as to the rent obtainable and if these were satisfactory Mr. Thomson, Mr. Hole and the District Valuer should meet on the site and endeavour to agree a price for the sale of Crichel Down as bare land.

50. It is to be noted that on-one at this meeting, except Mr. Hole, was aware that a number of applications had been received by the Lands Service for tenancies of Crichel Down, and that the applicants had been told that their applications would be considered and that in due course it was proposed to advertise the tenancy for public tender. Mr. Hole never mentioned this at the meeting.

51. After the meeting Mr. Thomson told Mr. Eastwood that he had a possible tenant in mind, namely Mr. Tozer. Mr. Thomson did not know that Mr. Tozer had already made several applications to the Lands Service for a tenancy of Crichel Down and had him in mind solely because he had applied for the tenancy of a farm on the Bryanston Estate in January, 1951, which had already been let and was no longer available. Mr. Thomson's only personal knowledge of Mr. Tozer was that he had met him in the Spring of 1948 when Mr. Thomson was negotiating the purchase of an estate on which Mr. Tozer was a tenant of one of the farms. Mr. Thomson said he had spent a lot of time going over Mr. Tozer's farm and formed the
opinion that he was a very good farmer. Mr. Thomson's partner knew something of the Tozer family, however, as the firm of Sanctuary and Son (in which Mr. Thomson was not then a partner) had acted as advisory agents to the Pitt-Rivers Estate from 1925 to 1935, and the Tozer family were at that time tenant farmers on that estate.

52. On 17th February, 1953, Sir Frederick Burrows saw the Minister who informed him of the proposal to sell Crichel Down unequipped to Crown Lands. Sir Frederick agreed to the proposal but asked that a firm decision might be made within two months, since if the land was not to be sold the Land Commission would have to proceed with equipping it as speedily as possible so that it could be let at Michaelmas. Sir Frederick stressed that the Land Commission were most anxious to avoid having to continue to farm Crichel Down themselves after Michaelmas. Neither the Minister nor Sir Frederick were aware of the existing applications for tenancies. Mr. Wilcox duly informed Mr. Eastwood of the two months' time limit.

53. On 19th February, 1953, Mr. Eastwood telephoned Mr. Thomson authorising him to start looking for a suitable tenant but giving him clear instructions that no definite arrangements were to be made until the whole scheme had been referred to Mr. Eastwood and approved by him. Mr. Thomson at once telephoned Mr. Tozer and asked him if he would be interested in the tenancy. Mr. Tozer was interested, and Mr. Thomson went to see him on 22nd February. At that meeting Mr. Thomson explained his ideas for equipping the farm, and asked Mr. Tozer if he would be willing to take a tenancy of it when it was equipped at a rent of £3 per acre. Mr. Tozer said he wanted to discuss it with his father and brother and would let Mr. Thomson know later. On 27th February, Mr. Tozer wrote to Mr. Thomson saying that he would very much like to go forward with the proposition.

54. On 2nd March, 1953, Mr. Nugent wrote to Mr. Crouch explaining the position. The letter was drafted by Mr. Wilcox from the draft prepared by Mr. Payne in September, 1952, which has been previously mentioned. The letter states that the buildings on Hardings' farm would not be adequate if the Crichel Area was added to the farm, and that there were still some 170 acres of rough land on the farm which could well be reclaimed. In fact even the 60 acres, which were rough land in September, had by then been ploughed up. These inaccuracies not unnaturally annoyed Lieut. Commander Marten when the letter was sent to him by Mr. Crouch, especially as no enquiries had ever been made of the Hardings or the Crichel Estate with regard to these matters.

55. On 11th March, 1953, Mr. Middleton, who had succeeded Mr. Lofthouse in December, 1952, as Land Service Officer for Somerset and Dorset discovered for the first time the file containing the previous applications for tenancies and thereupon wrote to Mr. Hole pointing out that if Crown Lands should finally decide to purchase Crichel Down the existing applicants for tenancies might feel that the Ministry had broken faith with them and asking whether Crown Lands should be told of the position and sent a list of applicants.

56. Mr. Hole replied that the situation was awkward since it was not known whether Crown Lands would definitely buy the property or not and all that Mr. Middleton could do would be to send the list of applicants to Mr. Thomson and ask him if he would consider any of them. This Mr. Middleton did on the 19th March, stating that in most cases applicants had been promised that they would have an opportunity to tender and that letting
would be by public tender. He further suggested in his letter that Mr. Thomson should give this some thought before making definite arrangements with Mr. Tozer.

57. Mr. Thomson replied the next day saying he would pass the letter on to Crown Lands and adding that if the sale went through there was no doubt that Mr. Tozer would get the farm, but asking Mr. Middleton to treat this as confidential until matters were finally settled.

58. Mr. Thomson admitted in evidence that at the time of writing this letter he had already made up his mind that, if Crown Lands purchased Crichel Down, Mr. Tozer and no-one else was going to get the tenancy. He was unable to give any satisfactory explanation of why he asked Mr. Middleton to treat this as confidential.

59. On the same day Sanctuary & Son (i.e. Mr. Thomson) wrote to Crown Lands enclosing Mr. Middleton's letter but not a copy of Mr. Thomson's reply. In this letter they stated that it was rather late in the day for the information to be given to them as they had already spent a great deal of time with Mr. Tozer, and in view of the rent of £3 per acre which he was prepared to pay they very much hoped the sale would go through. In fact all that had been done with Mr. Tozer was to visit some five or six farms in the vicinity for the purpose of seeing what sort of equipment would be necessary.

60. On 23rd March, Mr. Eastwood replied and I quote verbatim from this letter:—

"I quite appreciate that you have gone too far with Tozer to make it easy to give the land to anybody else and I am not suggesting that we should, in fact, do so. But I think it would be well that you should ask Middleton to send you particulars of all those who have applied for the land and exactly what promises have been made to them. You may then be able to judge whether any of them are likely to have been serious competitors and we can then decide, in conjunction with the Ministry of Agriculture, what if anything we need to do, at least to appear to implement the promises made to them. Meanwhile I do not think you need hold up your discussions with Tozer or recommendations to us on this account."

Mr. Eastwood admitted that he had not made any inquiry and did not know at all how far Mr. Thomson had gone with Mr. Tozer when he wrote this letter. Mr. Eastwood sent a copy of this letter and the correspondence leading up to it to Mr. Wilcox.

61. On 25th March, Mr. Wilcox replied and again I quote verbatim from his letter:—

"It is of course a pity that Middleton did not let Thomson have earlier information about the promises given to various farmers on behalf of the A.L.C. that they would be given an opportunity for tendering if it were being let by the Agricultural Land Commission. Clearly if you buy a property then you are in no way bound by these promises, and I appreciate it may be too late for Thomson to go back on anything he may have arranged provisionally with Tozer but I am very glad that you asked Thomson to get hold of the list of names from Middleton so that we can consider whether there is anything that could be done with a view at any rate to appear to be implementing any past promises. I imagine that you and Thomson for your part will be anxious to avoid doing anything that may leave a bad taste in the
minds of any of the disappointed applicants, which might, e.g., prejudice your chance of getting them as tenants for other of your properties on your Bryanston Estate at some future date.”

At the time Mr. Wilcox wrote this letter his immediate superior at the Ministry, Sir Reginald Franklin, was away on urgent work connected with the floods in East Anglia, and Mr. Wilcox took upon himself to write this very important letter without consulting any higher authority. Mr. Nugent told me in evidence that if he had seen it he would not have allowed it to be sent.

62. Mr. Eastwood not unnaturally took the statement “Clearly if you buy a property then you are in no way bound by these promises” as being express authority from the Ministry to go ahead and disregard the previous applicants.

63. In fairness to Mr. Wilcox I should say that I am not entirely satisfied that he realised at the time of writing the letter the full significance of these words, though he readily admitted in evidence that they bore that implication and that such a decision ought clearly to have been referred to higher authority. He also admitted that the idea of doing something to appear to be implementing promises which there was no intention to implement was so improper that it ought never to have been considered for a moment.

64. It may be that this was more a case of failing to give proper consideration to what he was writing, than of any deliberate intention to devise some scheme to mislead the other applicants. It is to be noted that the relevant passage in the letter is quoted almost verbatim from Mr. Eastwood’s letter to Mr. Thomson. I found Mr. Wilcox a very nervous witness and not very clear in his explanations, but I am satisfied that he was doing his best to be frank and to tell the truth.

65. In fact the applicants were never informed of the true position, but nothing was ever done by the Ministry to mislead them.

66. On 26th March, 1953, Mr. Thomson replied to Mr. Eastwood saying that, in view of the distance he had gone with Mr. Tozer and because of his suitability, he did not think anyone else should be allowed to think that they had any chance of renting Crichel Down, and suggesting that a tactful letter be written to the various applicants turning down their offers. This advice unfortunately was not followed, and the strange thing is that after expressing this perfectly correct view Messrs. Sanctuary & Son received on 18th May 1953 a new application for a tenancy of Crichel Down from a Mr. Longman, which was forwarded to them by Mr. Middleton with a request that they would give him a proper reply, and on the next day Sanctuary & Son wrote to Mr. Longman stating that if Criohel Down was acquired by Crown Lands his application would be considered with the others which had already been received. Mr. Thomson admitted in evidence that they had no intention of considering Mr. Longman’s application or any of the other applications if Crown Lands acquired Crichel Down, as both he and Mr. Eastwood had already made up their minds that Mr. Tozer was to have the tenancy. He was quite unable to give any explanation as to why such a letter was written to Mr. Longman, and merely said that it was the usual common-form letter to write, an explanation which I could not accept. Mr. Thomson’s evidence generally and his attitude in the witness box was unsatisfactory. He was obviously a man accustomed to having his own way and strongly resented anyone questioning anything that he had done or querying any decision that he had come to or advice that he had given.
67. On 1st April, 1953, Messrs. Sanctuary & Son wrote a long letter to Crown Lands giving a revised detailed estimate of the cost of equipping Crichel Down, amounting to a total expenditure of £34,632. This estimate included the following item—"Fees and expenses. Minimum...£2,160". Mr. Thomson explained that this represented Messrs. Sanctuary & Son's scale fees as Architects and Surveyors in respect of the planning and supervision of the work, calculated at 6 per cent. on the cost. He said the word "minimum" was inserted because 6 per cent. is the minimum scale fee allowed under the R.I.B.A. Scale of Professional Charges. A print of the R.I.B.A. Scale was put in evidence, and shows that 6 per cent. is the fixed fee for an architect employed on new work if the contract or order exceeds £4,000. Mr. Thomson then said the word "minimum" was used because he might have charged separately for each item, and on individual items under £4,000 the fee could be scaled up to a maximum of 10 per cent. for small items, and "minimum" meant he was not going to charge in this way. It is to be noted that the R.I.B.A. Scale expressly provides that the charge may be reduced to 5 per cent. in the case of extensive works of a simple character which involve repetition of units. It is also to be noted that 6 per cent. on the total expenditure (excluding of course the fee itself) amounted to £1,950 and that £150 was estimated travelling expenses. It is at least very doubtful whether Sanctuary & Son would be entitled to charge travelling expenses in addition to the R.I.B.A. Scale fee. The items on which the fee was charged included inter alia the following:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two Dutch Barns</td>
<td>2,000</td>
</tr>
<tr>
<td>Electricity</td>
<td>600</td>
</tr>
<tr>
<td>Roads</td>
<td>3,150</td>
</tr>
<tr>
<td>Fencing</td>
<td>1,500</td>
</tr>
<tr>
<td>Gates</td>
<td>300</td>
</tr>
<tr>
<td>Water Supply</td>
<td>1,811</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£9,361</strong></td>
</tr>
</tbody>
</table>

Mr. Thomson admitted that an architect would not normally be employed or entitled to charge a fee in respect of any of the above items.

68. Under Messrs. Sanctuary & Son's contract with Crown Lands their remuneration is fixed at 10 per cent. on all moneys received by them on account of rents and such fees as may be mutually agreed upon for any work carried out by them and not covered by their commission. The Treasury had agreed that Messrs. Sanctuary & Son should receive the R.I.B.A. Scale fee for any new buildings or improvement work they undertook on behalf of Crown Lands.

69. Mr. Eastwood stated that he had tacitly accepted and would have authorised payment of the estimated fee of £2,160 on the assumption that it was the correct minimum R.I.B.A. Scale fee. In fairness to Mr. Thomson it must be clearly stated that the figure of £2,160 was only an estimate, and it may well be that when the the claim for fees was finally put forward it would have been correctly calculated.

70. Meanwhile on the 27th March, 1953, Lieut.-Commander Marten had had an interview with Mr. Nugent at the Ministry. Mr. Nugent said that the most important part of that meeting was that Lieut.-Commander Marten made an entirely new proposal that he should himself be allowed to become
the tenant of the whole of Crichel Down and farm it from his existing holding as one of his own farms. He explained exactly how this could be done with little or no new permanent equipment, and Mr. Nugent promised him that the proposal would be carefully considered. Mr. Nugent said that he was quite unaware at the time of this interview that Crown Lands were contending that they were already committed to Mr. Tozer and would not be prepared to consider any other tenant. As this fact was of course well known to Mr. Wilcox it is strange that Mr. Nugent was not apprised of it before he saw Lieut.-Commander Marten, but it is quite clear that he was not; and Mr. Wilcox could not explain why not. Mr. Nugent subsequently saw the Minister about Lieut.-Commander Marten’s new offer and then learnt of the position with regard to Crown Lands. On 16th April, he wrote to Mr. Crouch saying that the sale to Crown Lands was the right course and that it was too late to go back on it now. He did not, however, explain that Crown Lands had already decided on a tenant.

71. On 21st April, Lieut.-Commander Marten wrote to the Minister direct saying that he felt the Minister could not have had a fair presentation of the facts. As a result, on 5th May, 1953, the Minister had a private meeting with certain Members of Parliament at which Mr. Crouch was present. The position was fully explained to them by the Minister—as appears from Mr. Crouch’s letter to the Minister of 5th May, 1953, but the Minister regarded the meeting as confidential and no evidence was given as to what took place at it.

72. On 24th April, 1953, a meeting took place on Crichel Down between the District Valuer, Mr. Hole, and Mr. Thomson, at which a price of £15,000 for the bare land subject to an obligation to equip it as a self contained unit was agreed and approved by the District Valuer. It was clear from the evidence that this was a fair price if the land was burdened with the obligation to equip it, though if it had been sold free from such obligation it would have been worth probably about £21,000.

73. On 25th April, Sanctuary & Son reported the result to Crown Lands strongly recommending the purchase of the land at the agreed price of £15,000, and saying that if offered back to the original owners it would fetch about £21,000 adding “Please do not let the Ministry know this”. Since to use Mr. Eastwood’s own words “The money will only be transferred from one public or quasi-public pocket to another” it is a little difficult to see why Sanctuary & Son were so anxious that the full facts should not be disclosed to the Ministry. In point of fact however, the Ministry must already have been well aware that they could get a substantially higher price than £15,000 by selling back to the original owners.

74. On 14th May, 1953, Lieut.-Commander Marten wrote to Crown Lands saying that he would like to buy Crichel Down if an opportunity occurred and if Crown Lands decided not to buy themselves he would be grateful if they would let him know so that he could again approach the Ministry. This letter was never answered.

75. On the same day Mr. Eastwood wrote to Mr. Wood at the Treasury asking for Treasury approval to the purchase of Crichel Down by Crown Lands at the price of £15,000 and to the expenditure of up to £34,000 in equipping it. The draft of this letter had previously been approved by Mr. Wilcox on behalf of the Ministry. In this letter he stated that a suitable tenant had been found prepared to pay £2,100 p.a. rent and that on that basis the return would be about 3½ per cent. He pointed out that the return was low but Crown Lands would be doing a service to the Ministry and would gain a lot of very interesting experience. (The underlining is mine.)
76. To this Mr. Wood replied that he felt some doubt about the proposal and asked whether it was intended to put the farm up for auction when available for letting in order to test the market. Finally he stated that as the property was near the Bryanston Estate he would approve the transaction. To this Mr. Eastwood replied that he was not going to put the farm up for auction as Crown Lands had already decided on a tenant. He went on to say that the tenant was selected after a good deal of enquiry by their Local Agent and that he was satisfied that the rent of £3 per acre was a very good one for the land, which was not worth much more than 7s. 6d. before the war.

77. Mr. Eastwood admitted that he made no enquiry of Mr. Thomson before writing this letter as to what enquiries he had made before selecting Mr. Tozer as a tenant. In fact Mr. Thomson had made none. He never at any time considered the possibility of any other tenant, and the only enquiries he had ever made about Mr. Tozer were in 1948. Mr. Eastwood also admitted that he made no enquiries as to the value of the land before the war and thought that he had got the figure of 7s. 6d. per acre from something Sir Reginald Franklin had said about the value of that type of land generally.

78. It is regrettable that a responsible official in the position of a Trustee, as Mr. Eastwood undoubtedly was, should have answered questions relating to authority for the expenditure of Trust moneys in this light-hearted manner. In point of fact, however, no harm can have been done since the evidence clearly showed that Mr. Tozer was a first class farmer, and the rent of £3 per acre was a very good one. It also appeared that the estimated rental value of the land pre-war at 7s. 6d. per acre, though low was not altogether unreasonable.

79. The question now arose as to the basis on which Mr. Tozer was to take over and in particular whether he was to be entitled to any claim for dilapidations in respect of overcropping and foul land. The Land Commission contended that no claim for dilapidations should be allowed. For some reason, which Mr. Thomson was unable to explain satisfactorily, Sanctuary and Son took up the cudgels on behalf of Mr. Tozer and insisted that he should be allowed a claim for dilapidations on the ordinary basis as between an incoming and outgoing tenant. In point of fact this was not a transaction between incoming and outgoing tenants at all, but a simple sale by an owner-occupier of the freehold (i.e. the Ministry occupying and farming through their agents the Land Commission) to a new owner (Crown Lands) who was subsequently going to let on an entirely new tenancy to a new tenant (Mr. Tozer).

80. I am satisfied, after hearing expert evidence on the subject, that no claim for dilapidations should have been allowed. That Sanctuary and Son were fully aware of this position is clear from their letter to Crown Lands dated 8th June, 1953, in which they say dilapidations form part of the landlords’ counterclaim against the tenants’ title to be paid for unexhausted values etc. and there is no legal right to such a counterclaim against a vendor any more than there is a legal right for a vendor to claim Tenant Right unless specifically provided for by the Contract of Sale. They go on to say that therefore Crown Lands should obtain an undertaking from the Ministry that they will pay compensation. In these circumstances the Land Commission obtained the advice of an independent expert, Mr. Ingram, a partner in Messrs. Senior and Godwin, Estate Agents and Surveyors, of Sturminster Newton, who was well acquainted with Crichel Down. Mr. Ingram strongly recommended that other than a valuation of hay, straw,
fixtures and the like, there should be no valuation of any kind (i.e. neither Tenant Right nor dilapidations). This he states is the usual position between vendor and purchaser and he could see no reason why the Land Commission should allow any sums for dilapidations on the one hand or claim for unexhausted manorial values on the other. He ends by saying "Unless there is some specific undertaking to the contrary I recommend this should be strictly followed". Following this the Ministry wrote to Crown Lands on 15th July, 1953, in the terms of Mr. Ingram's advice.

81. Again Mr. Thomson took up the cudgels on the part of Mr. Tozer. On 27th July, he wrote to Crown Lands recommending that they should press for a full scale valuation. On the same day he sent a copy of this report to Mr. Tozer with a covering letter in which he says "I am afraid the Land Commission are in a fairly strong position and will refuse to agree to our suggestions". Finally, however, under pressure from Crown Lands, supported by a letter from the Ministry dated 19th August, 1953, signed J. S. Hill and stated to have been written at the request of Mr. Garside, a Principal in the Lands Division of the Ministry, the Land Commission gave way, and a full valuation was taken on the basis of incoming and outgoing tenants. When the Land Commission were themselves proposing to put the tenancy up for public tender their form of tender expressly excluded any right to dilapidations.

82. The result of this valuation was that the amount of dilapidations exceeded the value of the tenant right by £1,624. This sum was paid by the Ministry, or the Land Commission as their agents to Crown Lands, who passed it on to Mr. Tozer. It is difficult to find any excuse for the adoption of this unusual procedure which resulted in putting this large sum of public money into Mr. Tozer's pocket. Mr. Thomson attempted to justify it by saying that it was a term of Mr. Tozer's tenancy agreement that Mr. Tozer should be entitled to claim dilapidations and that this was the common form agreement adopted by Crown Lands. He admitted, however, that it was only common form in the case of incoming and outgoing tenants and that Mr. Tozer's agreement, being for a very unusual type of new tenancy, was being specially negotiated and had not been signed or even finally settled at that time. The provision in the agreement with regard to dilapidations was not agreed until after the Land Commission had agreed to pay dilapidations, and the final settling of the form of Mr. Tozer's agreement and the signing of it were expressly held up until the consent of the Land Commission had been obtained.

83. Mr. Thomson then attempted to justify this procedure by saying that if the Land Commission had not paid for dilapidations, Crown Lands would have had to pay Mr. Tozer for them. In face of the correspondence and in the light of the expert evidence I cannot accept this contention, and I was not satisfied that Mr. Thomson was being truthful about it. Mr. Thomson then said that if Mr. Tozer had not been paid for dilapidations Crown Lands would have had to accept a lower rent than £3 per acre. In face of the evidence and considering the fact that nothing whatever had been said about dilapidations when the amount of the rent was agreed, and that the question never arose until several months later, I cannot accept this contention either. In the Land Commission's letter of 25th June, 1953, to Mr. Ingram Mr. Brown says "Obviously from Mr. Thomson's letters he anticipates making as good a bargain for Mr. Tozer as possible". I find that statement was fully justified.

84. On 6th July, 1953, Lieut.-Commander Marten wrote again to Crown Lands pointing out that he had had no reply to his previous letter and
saying that he was keeping farm cottages free for farm workers in case he should have the opportunity to buy or farm Crichel Down, and therefore wished to be informed of its disposal so that he might plan accordingly. On 9th July, Crown Lands replied that completion of the purchase was taking longer than expected but there was no reason to suppose it would not go through, and it was unlikely that the land would become available for resale. To this Lieut.-Commander Marten replied that he had earmarked four cottages in Long Crichel to house farm workers and was prepared to rent the land with no additional equipment whatever. He asked that his proposition for farming the land should be considered by Crown Lands.

85. On 23rd July, 1953, Sanctuary & Son wrote to Crown Lands stating "Both the Commissioners and Mr. Tozer are irretrievably committed to the present proposal". This was not strictly true, but it would undoubtedly have been difficult for Crown Lands to back out at that stage. On 24th July, Mr. Nugent's Private Secretary wrote to Mr. Crouch saying "It is true that the Crown Lands Commissioners are proposing to let Crichel Down to Mr. Tozer, though the negotiations have not yet been completed". This accurately stated the true position. On 27th July, Mr. Eastwood wrote to Lieut.-Commander Marten saying there was no chance of Crown Lands being able to resell the land to him; but entirely ignoring his offer to rent it.

86. On 29th July, Mr. Nugent's Private Secretary wrote to Crown Lands asking them to set out the justification for their present policy with particular reference to Crichel Down. On 31st July, Crown Lands replied at length. The letter correctly sets out the sequence of events up to that time, and it is important to note that when dealing with the question of the original applications it said "Mr. Wilcox was informed of the position and he confirmed that the Ministry did not regard us as in any way bound by the promises made by your Land Service people or by the Agricultural Land Commission". This in my opinion was a fair interpretation to put upon the passage in Mr. Wilcox's letter of 25th March, 1953, to which I have already referred.

87. On 3rd August, Lieut.-Commander Marten wrote to Mr. Eastwood saying that it had come as a considerable shock to him to learn that Crichel Down had been sold to Crown Lands on terms that they were to equip it as a single unit and that they were already committed to a tenant so that there would be no opportunity to tender for it. He also asked if he could be told the name of the tenant. It appears that this letter, together with previous correspondence with Lieut.-Commander Marten, was then sent to Mr. Thomson for advice and on 13th August, 1953, he wrote to Crown Lands on the subject. His letter opens with the statement "From the correspondence alone I should say that Commander Marten was the last person we should want as a tenant". The letter went on to say that everything possible would be done by Lieut.-Commander Marten to embarrass both Crown Lands and Mr. Tozer and the intention to obtain permission to use the Crichel Estate water had better be abandoned as the doubted if any approach for permission would be favourably considered. In fact as I have already stated an agreement with the Crichel Estate for the supply of water had been signed in June 1951. I did not have a chance to ask Mr. Thomson about this, but I assume either he must have been unaware of that fact or else for some reason Crown Lands were not going to obtain the benefit of this agreement. Further on in the letter Mr. Thomson writes "You certainly could not have Commander Marten (i.e. as a tenant) after the way he has behaved". Up to that time Mr. Thomson
had never met Lieut.-Commander Marten. When asked on what he based these statements he replied that they were based on what he had read in the Press and seen in the correspondence. Nothing at all about Crichel Down or about Lieut.-Commander Marten in relation thereto had up to that time appeared in the Press. When this was pointed out to Mr. Thomson he said he must have based his statements solely on the correspondence. When asked to point out anything in any letter or other document that he had seen which induced him to make these statements he was unable to do so. I gave him until the next day to see if he could find anything to justify his statements about Lieut.-Commander Marten in this letter. Next day he referred me to a minute made by Mr. Eastwood in which Mr. Eastwood recorded that Lieut.-Commander Marten “was talking of pressing for a public inquiry”, and said that his statements were based solely on that. Mr. Thomson then said that he thought now that his language had been intemperate, and made a very proper apology to Lieut.-Commander Marten.

88. On 20th August, 1953, Mr. Wilcox wrote to Mr. Eastwood regarding a proposed meeting on 4th September, with Mr. Nugent, at which Lieut.-Commander Marten and Mr. Eastwood were to be present. In that letter Mr. Wilcox writes “Commander Marten it is thought will continue to make himself as much a nuisance as he can both to you and to us so long as he thinks there is any chance of getting either of us to change our minds”. When asked in what way Lieut.-Commander Marten was “making a nuisance of himself” Mr. Wilcox said by his repeated requests to be allowed to buy or rent Crichel Down. He went on to say that Mr. Eastwood was afraid that Lieut.-Commander Marten might by local agitation upset the arrangements with Mr. Tozer and that he was anxious to help Mr. Eastwood.

89. In his reply to this letter Mr. Eastwood added a postscript as follows, “Giffard, Chairman of the A.E.C., is a tenant of ours at Bryanston and a good chap. I am sure we can settle him”. The significance was that objections had been taken to the letting of Crichel Down to Mr. Tozer on the grounds that Mr. Tozer already had a farm and the Tozer family were already farming a great deal of land in the County, and Mr. Giffard as Chairman of the Agricultural Committee would almost certainly be consulted about this. Mr. Eastwood stated in evidence that he had never tried to settle Mr. Giffard as there had been no occasion to do so. When it was put to him that Mr. Giffard had expressed certain views on the matter he did not answer.

90. On 4th September, 1953, Lieut.-Commander Marten, Mr. Eastwood, Mr. Wilcox and others attended a meeting with Mr. Nugent at the Ministry. At this meeting Lieut.-Commander Marten urged that Crown Lands should withdraw from their negotiations with Mr. Tozer and proceed to advertise the tenancy for public tender. Mr. Eastwood stated quite correctly that although Crown Lands had not entered into any legally binding agreement with Mr. Tozer they nevertheless felt morally bound to him. I am satisfied that by that time Crown Land were under a strong moral obligation to Mr. Tozer since he was expecting to take over the tenancy of the bare land at Michaelmas at a reduced rent pending the erection of buildings and equipment. Mr. Eastwood agreed under pressure to see whether in the light of local feeling Mr. Tozer would be willing to withdraw from the tenancy offered to him, but made it clear that Crown Lands could not themselves withdraw. Mr. Eastwood made it clear to the Ministry that if Mr. Tozer did withdraw, Crown Lands would not go on with the purchase. This struck me as a somewhat strange attitude for Mr. Eastwood to adopt.
and he was quite unable to give any satisfactory explanation of it. Mr. Eastwood subsequently saw Mr. Tozer and gave him an opportunity to withdraw, but Mr. Tozer did not wish to avail himself of it.

91. On 8th September, 1953, Mr. Wilcox wrote to Mr. Hole reporting the result of the meeting and at the end of his letter he asks if Mr. Hole can throw any light on the circumstances in which Lieut. Commander Marten was able to get a licence for building farm cottages in 1950, apparently rather “on spec” with the idea of enabling him to farm Crichel Down later on. In fact Lieut. Commander Marten had never done anything of the sort, and Mr. Wilcox was unable to explain where he got the idea from. He admitted that it was no concern of the Ministry how Lieut. Commander Marten had obtained a licence in 1950, and when I pressed him as to why he made this enquiry he answered that he did so simply out of idle curiosity. That answer I cannot accept. It is quite clear that he did so in an attempt to find something that he could bring up to the detriment of Lieut. Commander Marten.

92. Mr. Hole not unnaturally took this letter to mean that Lieut. Commander Marten had said he built the cottages for the express purpose of farming Crichel Down and had got a licence on that basis and was using this in support of his argument that he should be granted a tenancy. This was of course quite incorrect. Full enquiries were made by the Lands Service into the circumstances under which Lieut. Commander Marten obtained a licence for the erection of the cottages. Everything was found to be perfectly in order and at no stage was there any indication whatever that the cottages were to be used for the future farming of any part of Crichel Down. In his report on the matter Mr. Middleton concludes by saying “I cannot understand Commander Marten’s alleged remarks and can only infer that the mention of the cottages was rather a ‘swift’ one.” It is clear that Lieut. Commander Marten had never made any statement to the effect that the cottages were built for the purpose of farming any part of Crichel Down, and that Mr. Wilcox’s inquiry into the matter was wholly unjustified and created an entirely false impression in the Lands Service highly detrimental to Lieut. Commander Marten.

93. On 11th September, 1953, a tenancy agreement with Mr. Tozer was signed under which he became a yearly tenant of Crichel Down as from 29th September, 1953, at a rent of £1,000 for the first year plus an additional £20 for sporting rights, and £2,100 per annum thereafter plus £50 for sporting rights, there being a provision for reduction of rent if the land was not fully equipped by 29th September 1954.

94. On 20th September, 1953, Mr. Trumper, Liaison Officer to the Minister at Exeter, wrote a letter to the Ministry commencing “Herewith a long tale of woe from one Commander Marten” and going on to say that it seemed trouble was going to be stirred up. In this letter Mr. Trumper states that the Agricultural Committee had always taken the view that the land owners concerned had neither the will nor the ability to farm the land and that they held this view strongly. Mr. Trumper did NOT give evidence, and it was impossible to ascertain whence he had obtained this wholly erroneous information. The one thing on which every witness at the Inquiry was fully agreed was that the land owners concerned were all first class farmers and that if they had obtained their land back they would have farmed it well.

95. An argument then ensued between Crown Lands and the Lands Service as to who was to write to the original applicants to explain the position.
In fact no one ever did write to them, and by this time owing to publicity in the Press there was no particular necessity to do so.

96. On 28th September, 1953, a Petition signed by a large number of farmers and landowners farming between them some 167,000 acres in the district was sent by Lieut. Commander Marten to the Minister asking for a Public Inquiry.

97. On 9th October, the Minister personally replied at length to Lieut. Commander Marten. The letter was drafted for the Minister by Sir Reginald Franklin and was very unfortunately worded. On its natural construction the letter gave the impression that the Minister still thought that part of Crichel Down had been acquired voluntarily by agreement. Sir Reginald explained that he only meant that apart from the Hooper area the actual price had been arrived at by agreement, and whilst it is just possible to put such a construction on the letter, it is not what anyone reading it without any oral explanation would ever have understood it to mean. It also repeated the error in Mr. Brown's report that at the date of acquisition the land was for the most part rough sheep run, infested by rabbits and covered with scrub and gorse. These unfortunate mistakes were not calculated to allay Lieut. Commander Marten's fears that the Minister himself had never really been told the true facts.

98. Lieut. Commander Marten replied at length to this letter on 10th October, 1953, saying in substance that whilst entirely satisfied that the Minister had acted in all sincerity on the advice he had received and the facts placed before him, he (Lieut. Commander Marten) was firmly convinced that the Minister had been wilfully ill-advised and had never been told the true facts.

99. After further correspondence the Minister saw Lieut. Commander Marten on 22nd October, 1953, and as a result of that interview decided to direct that a Public Inquiry be held.

100. On 23rd October, 1953, Mr. Wilcox wrote to the Agricultural Committee referring to Mr. Brown's report of August 1952, in which it was stated that the Crichel Area and Strange Area were acquired voluntarily by agreement and saying that they were now told by the Air Ministry that a notice to treat was served in respect of both these areas and that it was only the price that was fixed by negotiation. He goes on to say that the statement in Brown's report was passed on to the Minister, and asks if the Agricultural Committee can throw any light on how Brown came to make this mistake. From this letter it looks very much as though the Ministry never really appreciated that the Crichel Area and the Strange Area had been compulsorily acquired until Lieut. Commander Marten's visit to the Ministry on 22nd October, though why this should be so in view of Lieut. Commander Marten's previous statements I cannot think.

101. By an Order of the Minister dated 10th November, 1953, Crichel Down was formally withdrawn from the control of the Land Commission as from 29th September, 1953.

102. All the professional estate agents who gave evidence, including Mr. Ingram and Mr. Thomson himself, agreed that the proposal to equip Crichel Down as a self-contained unit was so unattractive financially that they would never have recommended it to a private client; but there was a marked divergence of opinion as to whether it would or would not result in increased production.
103. After hearing and considering the evidence given at the Inquiry and taking into consideration the demeanour of the witnesses when giving their evidence and the weight that ought to be attached thereto, and after re-reading all the material correspondence and other documents I have come to the following:

2. CONCLUSIONS

1. The decision of the Land Commission in August 1950 to equip and let Crichel Down as a single self-contained unit was, from a purely financial point of view, unsound. There was a sharp divergence of expert opinion as to whether or not this method of dealing with the land would result in increased production, but there were undoubtedly ample grounds for coming to the conclusion that it would do so. Whether the advantages of increased production were such as to outweigh the financial disadvantages is a question of Government policy outside the scope of my inquiry.

2. Captain Taylor’s offer in May, 1952, to pay a rent of £2,000 per annum for the bare land unequipped brought into striking relief the financial disadvantages of the proposal to spend some £20,000 of public money in equipping the land, and the question of whether the desirability of increased production was nevertheless sufficient to justify this expenditure should have been carefully reconsidered as a policy question at the highest level. Captain Taylor’s offer was shelved by the Land Commission and no reconsideration at all was given to the original decision. It was clear that by this time both the Lands Service and the Land Commission had become so infatuated with the idea of creating a new model farm that they were determined not to abandon the scheme for financial reasons.

3. Lieut. Commander Marten’s offer to purchase the Crichel Area in May, 1952, was never considered by the Land Commission as they had no power to sell, and was never passed on to the Ministry because the Land Commission at that time were under the erroneous impression that the Minister had no power to sell the land or that at any rate it was a fixed Government policy not to sell any land.

4. When the Land Commission were required by the Ministry in July, 1952, to submit a report as to the desirability of selling the Crichel Area back to the Crichel Estate, the Lands Service, whom they asked to supply the necessary report, failed to take the necessary steps to ensure that an accurate and objective report was supplied. Mr. Brown was too junior and inexperienced to have been entrusted with such an important task. He was never supplied with the full correspondence and documents relating to the matters on which he had to report and the ridiculous and wholly unnecessary restrictions placed upon him made it impossible for him accurately to ascertain the necessary facts. Furthermore, so junior an official could not fail to be influenced by the decisions which had already been made and it would have been far more satisfactory if an independent expert who was well acquainted with the district had been employed. As a result Mr. Brown’s report was inaccurate in the respects stated above under the Factual Narrative and was not only of little value, but definitely misleading, for the purpose for which it was required. Under the circumstances, however, no blame whatsoever can be attached to Mr. Brown for this. There was no improper motive in the restrictions placed on Mr. Brown and they arose solely from the passionate love of secrecy inherent in so many minor officials.

5. No steps can have been taken to check the accuracy of Mr. Brown’s report before it was submitted to the Ministry. Mr. Smith knew that the statement that the Crichel Area had been acquired voluntarily by agreement
was at any rate denied by Lieut. Commander Marten, and it ought therefore to have been re-checked with the Air Ministry; and Mr. Hole knew that the statement that the buildings on Hardings' farm were inadequate for the existing acreage was contrary to Mr. Lofthouse's report and should therefore have been rechecked by visiting the Hardings' farm.

6. I cannot help inferring that the omission by the Land Commission to supply the Ministry with a copy of Mr. Hole's qualifying letter, in which he specifically drew attention to the financial objections, when submitting Mr. Brown's report was deliberate and was due to reluctance to call attention to the financial unsoundness of their decision to equip and let Crichel Down as a self-contained unit. This inference is irresistible in view of Mr. Smith's letter to the Ministry giving the recommendations of the Land Commission after considering Mr. Hole's letter and Mr. Brown's report, in which Mr. Smith expressly states that the equipment of Crichel Down as one unit is a satisfactory proposition from a financial point of view.

7. When the Minister came to his decision in December, 1952, that as a matter of policy Crichel Down ought to be equipped and farmed as one unit the true facts and considerations were not fully brought to his notice. The facts were assumed by the Ministry to have been correctly stated in Mr. Brown's report which as I have pointed out they were not. Among other things it was assumed that the whole of Crichel Down except the Hooper Area (15 acres) had been acquired by voluntary agreement, and although Mr. Manktelow and Mr. Nugent both sounded a warning note about the financial aspect the true financial position had never been brought to the notice of anyone in the Ministry.

8. In order to enable a proper decision to be made as to whether Crichel Down ought to be equipped and farmed as one unit or whether it ought to be sold back to the original owners the following facts should have been clearly presented to the Minister in a proper brief:

(a) The whole of Crichel Down had been compulsorily acquired for Defence purposes in the face of strenuous opposition by the owners at a total cost to the Government of £12,106.

(b) The previous owners were anxious to repurchase their respective holdings and would have paid a total of about £21,000 for the land in its then condition.

(c) The previous owners were all first class farmers and could have been relied upon to farm their respective areas properly from their existing buildings which were adequate for the purpose.

(d) It would cost approximately £32,000 to equip Crichel Down as a self-contained unit and when so equipped the maximum rent which could possibly be obtained would be about £2,100 per annum (£3 per acre) gross without allowing for repairs or depreciation, which would provide not more than £1,400 net, and that whether or not this rent could be maintained would depend on the future of agriculture generally.

(e) A detailed statement by the Ministry's expert advisers setting out the respects in which and the extent to which they estimated that food production would be increased by equipping Crichel Down and farming it as a single self-contained unit.

Whether it is likely that the Minister's decision would have been any different if the full facts and circumstances had been brought clearly and correctly to his notice is a matter wholly outside the scope of my inquiry.
9. Once it was determined as a matter of policy that Crichel Down ought in the national interest to be equipped and farmed as one unit there were various ways in which this policy could be implemented, namely:—

(a) By the Ministry itself equipping the land and continuing to farm it through the Land Commission.

(b) By the Ministry itself through the Land Commission equipping the land and then letting it to a tenant.

(c) By the Ministry itself equipping the land and then selling it to someone who could be relied upon to retain and farm it as one unit.

(d) By the Ministry selling the bare land to someone who could be relied upon to equip it and retain and farm it as one unit.

The first course (a) was never considered because it was never the policy of the Land Commission themselves to engage in farming operations if it could possibly be avoided.

The second course (b), although the one originally determined upon by the Land Commission when the possibility of a sale was thought to be excluded, was financially unsound and a sale of the land was clearly preferable.

The difficulty in the case of both the other courses (c) and (d) was that it is not possible in law effectively to ensure that a purchaser would either equip the land or retain it or farm it. It became necessary, therefore, if the land was to be sold, to ensure that the purchaser was a person who could be relied upon to implement the policy. With an individual this was virtually impossible since, however trustworthy he might be, human life inevitably comes to an end and what would happen after his death could only be a matter of speculation. In these circumstances certainly the best, and probably the only, certain way of ensuring that the purchaser implemented the Government Policy was by a sale to Crown Lands, whose policy the Minister himself was in a position to control by virtue of his office as an ex-officio Commissioner.

10. Although the proposition of purchasing and equipping the land and then letting it to a tenant was not a very sound one financially from Crown Lands point of view, yet, accepting (as of course I must) the policy decision that the land must be equipped and farmed as one unit, it may well have been justified as the only feasible method of implementing that policy. This again however appears to me to have been a policy decision for the Minister in his capacity of ex-officio Commissioner of Crown Lands and therefore something which is excluded from the scope of my inquiry.

11. £15,000 was a fair price for the sale of Crichel Down to Crown Lands saddled as it was with the obligation to equip it as a unit; and the time limit of two months in which to decide whether to purchase or not, imposed on Crown Lands at the request of Sir Frederick Burrows, was a necessary and reasonable one.

12. Neither Crown Lands nor Sanctuary & Son were aware of the previous applications for tenancies until Sanctuary & Son received Mr. Middleton's letter of 19th March 1953. The failure previously to notify Crown Lands of the position with regard to these applicants was due to Mr. Lofthouse having vacated the post of Land Service Officer for Somerset and Dorset before Crown Lands came on the scene, and his successor, Mr. Middleton, being himself unaware of the position until he received a further application in March 1953, when the old file was brought to his notice for the first
time. In these circumstances the selection of Mr. Tozer as a prospective tenant by Mr. Thomson in February 1953 was perfectly bona fide and, though it would have been more in accord with normal practice and more satisfactory generally if the tenancy had been offered for public tender, the time limit imposed was probably sufficient to justify the course adopted.

13. When Crown Lands were informed of the true position regarding previous applicants Mr. Thomson was in no way committed to Mr. Tozer even on the strictest moral view, and Mr. Tozer should at once have been informed of the position and told that any further negotiations could only be regarded as purely tentative pending a ruling from the Ministry as to the procedure to be adopted. The attitude adopted by Mr. Thomson and Mr. Eastwood that they were already too far committed to Mr. Tozer to break off negotiations with him was wholly unjustified, and was dictated solely by a determination not to allow anything to interfere with the plans they had in mind. There is no suspicion of any dishonesty. Mr. Eastwood's highly improper suggestion that something might be done to mislead the applicants into thinking that their applications had received due consideration speaks for itself and calls for no further comment.

14. When Crown Lands first learnt of the previous applications there would have been no difficulty whatever in then advertising the tenancy for public tender and so keeping faith with the applicants. When Mr. Wilcox received Mr. Eastwood's letter showing that Crown Lands did not intend to do this, the matter should at once have been referred to the Minister for his directions. Mr. Wilcox was guilty of a grave error of judgment in taking upon himself to tell Crown Lands that they would not be expected to implement any promises the Lands Service had made. His ready acceptance of Mr. Eastwood's improper suggestion that something might be done to mislead the applicants was equally improper, and had he not thought that there might be some such way out of the difficulty it is very unlikely that he would have been so ready to tell Mr. Eastwood that Crown Lands could ignore the previous applicants.

15. It is inevitable that with over 370,000 acres of land to manage the Permanent Commissioner must rely to a very great extent on information and advice from his local officials or Crown Receivers, but Mr. Eastwood was particularly handicapped in this respect by being new to his appointment and comparatively inexperienced. Mr. Thomson is obviously a strong character and determined to the extent of obstinacy in upholding his own views, and I am convinced that Mr. Eastwood was completely dominated by him over the Crichel Down project.

16. Although strictly outside the scope of this Inquiry, I cannot help feeling that it is a matter for consideration by the appropriate authorities whether the present system of employing local firms of Estate Agents and Surveyors as Crown Receivers on a part-time basis is satisfactory, and if so whether the method of fixing their remuneration for special work such as the Crichel Down project should be revised.

17. Mr. Tozer should never have been allowed to claim dilapidations in the circumstances of this case, and I can find no reason why Mr. Thomson should have pressed the claim so energetically on his behalf or why it was ultimately allowed. When the Land Commission were proposing to offer the tenancy for public tender any claim for dilapidations was expressly excluded in the form of tender which had already been prepared.

18. Mr. Wilcox's unnecessary enquiry into the circumstances in which Lieut. Commander Marten obtained licences to build certain cottages three years previously was a regrettable lapse from the standard of conduct the
public is entitled to expect from responsible civil servants, and had the unfortunate result of making it appear to the Lands Service that Lieut. Commander Marten had been attempting to deceive the Ministry.

19. Mr. Tozer is a first class farmer and in every way a desirable tenant. The rent of £3 per acre which he has agreed to pay for the land when fully equipped is a high one and there is no reason to suppose that any better rent would have been obtained if the tenancy had been advertised for public tender.

20. There was a certain amount of lack of liaison between officials at the Ministry, and some letters were not drafted as clearly or as tactfully as they might have been, but apart from this and the specific matters concerning Mr. Wilcox to which I have already drawn attention there was nothing done at the Ministry itself which calls for comment.

21. The Land Commission were a comparatively new body very anxious to gain experience by trying their hand at a new and interesting venture such as equipping Crichel Down as a model farm, and in their eagerness to ensure that they were not deprived of the opportunity they adopted an irresponsible attitude towards the expenditure of public money, and they were not always as frank with the Ministry as they might have been. The responsibility for this lack of frankness appears to fall primarily, at any rate, on Mr. Smith, and it is unfortunate that he was not available to give evidence as I hesitate to lay the responsibility at his door without having heard his explanation.

22. The Lands Service were equally filled with enthusiasm for this unusual opportunity, though Mr. Hole at any rate adopted a more conscientious attitude towards the public purse. There was a lamentable exhibition of muddle and inefficiency over obtaining the report that was called for in July 1952 when Mr. Lofthouse was about to go on leave, and a complete failure by Mr. Lofthouse properly to instruct Mr. Brown or to make a proper hand over when he did go on leave. Again Mr. Lofthouse does not appear to have put Mr. Middleton fully in the picture when Mr. Middleton took over from him in December 1952. Apart from this and the failure of Mr. Hole to check Mr. Brown's report I have no criticism to make of the Lands Service.

23. In Crown Lands there is a lack of adequate control over the activities of Crown Receivers and a tendency, at any rate in this particular case, to leave everything to the Crown Receiver and to accept without question everything that he says or does. It is a matter for the consideration of the Minister whether he is consulted sufficiently frequently by the Permanent Commissioner on policy matters.

24. A most regrettable attitude of hostility to Lieut.-Commander Marten was evinced by Mr. Eastwood, Mr. Wilcox and Mr. Thomson and to a lesser degree by certain other junior officials. There was no excuse whatever for this attitude. Lieut.-Commander Marten acted perfectly properly throughout and was merely endeavouring to stand up for what he conceived to be his moral rights. This attitude was engendered solely by a feeling of irritation that any member of the public should have the temerity to oppose or even question the acts or decisions of officials of a Government or State Department. This attitude is in marked distinction to the courtesy and care with which Lieut.-Commander Marten's complaints were treated and investigated by the Minister himself and Mr. Nugent, and also (naturally so perhaps) by Mr. Crouch.
25. There was no trace in this case of anything in the nature of bribery, corruption or personal dishonesty; and once the Ministerial decision that as a matter of policy Crichel Down must be equipped and farmed as a single self-contained unit and must be so maintained for the future is accepted, the sale to Crown Lands and the subsequent letting to Mr. Tozer cannot of themselves give rise to any legitimate complaint. The procedure adopted, however, was such that it inevitably gave rise to misgivings among local farmers and landowners, and I am satisfied that Lieut.-Commander Marten was fully justified in the circumstances in pressing for a Public Inquiry.

At the close of his case Mr. Melford Stevenson, Q.C., leading counsel for Lieut.-Commander Marten and the Honourable Mrs. Marten, Mr. Strange, and Mr. Hooper, asked me to recommend to the Minister that the costs which his clients had incurred by being represented at the Inquiry ought to be defrayed—presumably out of the public purse. As I pointed out to Mr. Melford Stevenson at the time, it would be wholly outside the scope of my authority to deal in any way with a question of costs. The question is one that can only be considered by the Minister himself, and I consider that it would be improper for me to make any recommendation.

ANDREW CLARK,
Queen's Counsel.

13th May, 1954.

ANNEXURE (1)

Crichel Down Public Inquiry

LIST OF WITNESSES (ALPHABETICAL)

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Party</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.</td>
<td>Mr. H. E. Bush</td>
<td>Ministry of Agriculture.</td>
<td>Air Ministry, Deputy Chief Lands Officer.</td>
</tr>
<tr>
<td>5.</td>
<td>Lord Carrington</td>
<td>Ministry of Agriculture.</td>
<td>Parliamentary Secretary (Lords).</td>
</tr>
<tr>
<td>10.</td>
<td>Sir R. Franklin</td>
<td>Ministry of Agriculture.</td>
<td>Deputy Secretary.</td>
</tr>
</tbody>
</table>

32
<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Party</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Mr. D. A. Hole</td>
<td>Ministry of Agriculture.</td>
<td>Provincial Land Commissioner.</td>
</tr>
<tr>
<td>14</td>
<td>Mr. H. A. Hooper</td>
<td>Lieut. Cmdr. Martén</td>
<td>Petitioner.</td>
</tr>
<tr>
<td>15</td>
<td>Mr. E. C. Ingram</td>
<td>Ministry of Agriculture.</td>
<td>Auctioneer and Valuer.</td>
</tr>
<tr>
<td>16</td>
<td>Mr. R. G. A. Lofthouse</td>
<td>Ministry of Agriculture.</td>
<td>Provincial Land Commissioner.</td>
</tr>
<tr>
<td>18</td>
<td>Mr. A. C. Middleton</td>
<td>Ministry of Agriculture.</td>
<td>Land Commissioner.</td>
</tr>
<tr>
<td>20</td>
<td>Mr. G. R. H. Nugent</td>
<td>Ministry of Agriculture.</td>
<td>Parliamentary Secretary</td>
</tr>
<tr>
<td>21</td>
<td>Mr. J. A. Payne</td>
<td>Ministry of Agriculture.</td>
<td>Assistant Secretary.</td>
</tr>
<tr>
<td>23</td>
<td>Mr. G. H. Richards</td>
<td>Lieut. Cmdr. Martén</td>
<td>Farmer.</td>
</tr>
<tr>
<td>24</td>
<td>Mr. J. Strange</td>
<td>Lieut. Cmdr. Martén</td>
<td>Petitioner.</td>
</tr>
<tr>
<td>26</td>
<td>Mr. C. Tozer</td>
<td>Commissioners of Crown Lands.</td>
<td>Tenant Farmer.</td>
</tr>
<tr>
<td>27</td>
<td>Mr. E. Watson-Jones</td>
<td>Ministry of Agriculture.</td>
<td>Agricultural Land Commission.</td>
</tr>
<tr>
<td>28</td>
<td>Mr. C. H. M. Wilcox</td>
<td>Ministry of Agriculture.</td>
<td>Under Secretary.</td>
</tr>
</tbody>
</table>

**ANNEXURE (2)**

*Crichel Down Public Inquiry*

**LIST OF WITNESSES (1ST–7TH DAY)**

<table>
<thead>
<tr>
<th>Day</th>
<th>No.</th>
<th>Name</th>
<th>Party</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2nd</td>
<td>1</td>
<td>Mr. H. E. Bush</td>
<td>Ministry of Agriculture.</td>
<td>Air Ministry. Deputy Chief Lands Officer.</td>
</tr>
<tr>
<td>2nd</td>
<td>2</td>
<td>Mr. E. Watson-Jones</td>
<td>Ministry of Agriculture.</td>
<td>Agricultural Land Commission. Member.</td>
</tr>
<tr>
<td>2nd</td>
<td>5</td>
<td>Mr. E. C. Ingram</td>
<td>Ministry of Agriculture.</td>
<td>Auctioneer and Valuer.</td>
</tr>
<tr>
<td>Day</td>
<td>No.</td>
<td>Name</td>
<td>Party</td>
<td>Status</td>
</tr>
<tr>
<td>-----</td>
<td>-----</td>
<td>--------------------------</td>
<td>----------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>2nd</td>
<td>8</td>
<td>Mr. D. A. Hole</td>
<td>Ministry of Agriculture.</td>
<td>Provincial Land Commissioner.</td>
</tr>
<tr>
<td>2nd</td>
<td>10</td>
<td>Mr. R. C. Carter</td>
<td>Ministry of Agriculture.</td>
<td>District Valuer.</td>
</tr>
<tr>
<td>3rd</td>
<td>11</td>
<td>Mr. A. C. Middleton</td>
<td>Ministry of Agriculture.</td>
<td>Land Commissioner.</td>
</tr>
<tr>
<td>3rd</td>
<td>13</td>
<td>Lord Carrington</td>
<td>Ministry of Agriculture.</td>
<td>Parliamentary Secretary (Lords).</td>
</tr>
<tr>
<td>3rd</td>
<td>14</td>
<td>Mr. G. R. H. Nugent</td>
<td>Ministry of Agriculture.</td>
<td>Parliamentary Secretary (Commons).</td>
</tr>
<tr>
<td>3rd</td>
<td>15</td>
<td>Sir R. Franklin</td>
<td>Ministry of Agriculture.</td>
<td>Deputy Secretary.</td>
</tr>
<tr>
<td>3rd</td>
<td>16</td>
<td>Mr. C. H. M. Wilcox</td>
<td>Ministry of Agriculture.</td>
<td>Under Secretary.</td>
</tr>
<tr>
<td>4th</td>
<td>18</td>
<td>Mr. J. A. Payne</td>
<td>Ministry of Agriculture.</td>
<td>Assistant Secretary.</td>
</tr>
<tr>
<td>4th</td>
<td>19</td>
<td>Mr. C. J. Eastwood</td>
<td>Commissioners of Crown Lands.</td>
<td>Permanent Commissioner.</td>
</tr>
<tr>
<td>5th</td>
<td>20</td>
<td>Mr. C. J. Eastwood</td>
<td>Commissioners of Crown Lands.</td>
<td>Permanent Commissioner.</td>
</tr>
<tr>
<td>5th</td>
<td>22</td>
<td>Mr. T. C. Tozer</td>
<td>Commissioners of Crown Lands.</td>
<td>Tenant Farmer.</td>
</tr>
<tr>
<td>7th</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
EXPENSES OF MEMBERS

Memorandum by the Chancellor of the Exchequer

All I can do in this Paper is to set out a number of points which must be decided if the Government accept the majority decision of the House as expressed in the Motion passed on 24th May. At the instance of some of my colleagues I have also examined every permutation and combination of expenses schemes. I will contribute any observations on this or any other aspect orally.

Steps to be taken if the majority decision of the House is to be implemented

2. A Supplementary Estimate must be presented soon covering the extra cost during this financial year of an increase from £1,000 to £1,500 in Parliamentary salary. As my colleagues know, Summer Supplementary Estimates are normally presented in July, are put from the Chair with the main Estimates (Class by Class) when the guillotine falls on the last but one Allotted Supply Day, and are given statutory effect by the Appropriation Act passed just before the Summer Recess.

3. I have been asked whether Conservative opponents of the increase will have an opportunity of opposing the Supplementary Estimate in Debate and in the Division Lobby. The short answer is that such an opportunity is normally provided by the Opposition choosing to have the Supplementary Estimate put down for Debate on one of their Supply Days. Another - but an undesirable - possibility is that we put down the Supplementary on a day in Government time outside the ordinary Allotted Supply Days.

Operative Date of the Increase

4. No doubt we shall discuss this, but the date must be decided before the Supplementary Estimate is presented. Following the precedents of 1937 and 1946 (of which a brief note is in Appendix I), the Government should make an early announcement saying that the Supplementary will provide for the increase to take effect as from 1st June or 1st July.

Ministers

5. If we are agreed that the right course is to prescribe that all Ministers in the Commons may draw the full Parliamentary salary of £1,500 in addition to their Ministerial salaries, we could present the necessary legislation during the next week or two, if time can be found.
The Bill will, I understand, be short and simple; and it should not take up much time, though for technical reasons it would require a resolution of the House before Second Reading as well as the normal money Resolution afterwards. The operative date of the provision should in this case be the same as the operative date of the increase in the Members' salary. That would follow the precedent of 1946, when legislation enabled junior Ministers to draw £500 of their Parliamentary salary with effect from 1st April, 1946.

6. There is also the point that the extra expenditure brought about by the Bill must be provided for by a Supplementary Estimate on the House of Commons Vote, just like the extra expenditure on the salaries of other M.P.'s. There is everything to be said for covering the two provisions by the same Supplementary Estimate, instead of having a second Supplementary on the same Vote later in the year. It would be necessary for the Bill to be presented (presentation in dummy would do) before the Supplementary Estimate is presented, and for the Bill to be passed not later than the Appropriation Act this Summer.

7. The Bill would enable Ministers to draw the full Parliamentary salary in addition to their Ministerial salary. It would not alter the amount of the latter, and would thus not determine either way the question of restoring to £5,000 the Ministerial salaries now abated to £4,000. I will raise orally the question of extending the right to draw Parliamentary salary to those Ministers whose Ministerial salary already exceeds £5,000.

8. If time cannot be found before the end of July for this legislation, then we should have to defer the Bill till the Autumn. It would not be necessary in that case to present a Supplementary Estimate to cover the cost for Ministers till the Spring. Once the Bill was passed it would be normal to find the extra money for the intervening months from the Civil Contingencies Fund.

9. The main statutory provisions governing the Members' Fund can be amended by affirmative Resolution of the House of Commons. Such a Resolution could increase the statutory deduction from Members' salaries (e.g. from £12 to £24, as proposed by the Select Committee); could amend the financial limits which are imposed on the amount of relief the Trustees can give in individual cases; or could increase (within limits) the special appropriation out of which the Trustees may meet special cases of hardship without regard to those limits. On the other hand, an Exchequer contribution to the Members' Fund would require legislation (see Appendix II).

10. The Government cannot decide what should be done about the Members' Fund until the Trustees have produced their views in response to the invitation of the House. I understand that they are already considering various schemes and are likely to be ready with their view shortly after Whitsun. It might be as well for me to find out informally how their minds are moving before they publish anything. Consideration of the problem by the Government is bound to take some time, particularly if the Trustees ask for an Exchequer contribution. This part of the problem could well be left over till after the Summer Recess.

11. One minor point arises here. If Members get the increase of £500 in their salaries and it is later proposed to double their compulsory contribution to the Members' Fund, there may well be some opposition. I therefore think that, when a Government statement is made about the
forthcoming Supplementary Estimate, it should be made clear that, in agreeing to implement the will of the House, the Government assume that the House accepts the possibility that out of the increased salary there may be an increased contribution to the Members' Fund.

Summary

12. The order of events, therefore, all on the assumption mentioned in paragraph 1, and on the further assumption that time can be found in the near future for a short Bill about Ministers would be as follows:

(i) An early Government statement saying (a) that they propose to accept the majority decision of the House about an increase in Parliamentary salary and about legislation regarding Ministers; (b) that a Supplementary Estimate covering the extra cost of both measures, effective from such date as we decide, will be presented in due course; (c) that the necessary legislation regarding Ministers will be introduced very shortly; (d) that the Government understand that the Trustees of the Members' Fund are already considering the pension proposals; (e) that consideration of this matter by the Trustees and the Government is bound to take some time, but meanwhile the House will understand that one of the possibilities is an increase in the present compulsory contribution to the Fund.

(ii) Presentation of a Resolution and a Bill allowing Ministers in the Commons to draw the Parliamentary salary.

(iii) Presentation of a Supplementary Estimate covering both ordinary M.P.'s. and Ministers.

(iv) Meanwhile consideration of the pension proposals will be proceeding. But it is not necessary to take decisions on this for some months.

13. If the Bill about Ministers has to be deferred, the Statement outlined above and the subsequent order of events would be altered accordingly.

R.A.B.

Treasury Chambers, S.W.1.

1st June, 1954.

APPENDIX I

PRECEDENTS FOR INCREASES IN MEMBERS' SALARIES

1946

The increase from £600 to £1,000 in 1946 was founded on a Government statement followed by a Motion proposed by the Government, in both of which an operative date of 1st April, 1946 was proposed. The Motion was passed on 29th May, 1946, and the Supplementary Estimate was presented with the summer batch.
A Government Motion proposed an increase from £400 to £600 with no mention of an operative date. That Motion was passed on 22nd June, 1937 (an amendment to defer the increase being defeated), and on 24th June the Government announced its intention to introduce a Supplementary Estimate providing for the increase with effect from 1st July, 1937.

APPENDIX II

THE MEMBERS' FUND

The Members' Fund is governed by two Acts. The general structure is:

(1) From every Member's salary there is a compulsory deduction of £12, which does not rank for tax-relief. All Ministers in the Commons must similarly contribute.

(2) The Trustees may, at their discretion, make payments to ex-Members, their widows (or widowers) or their orphan children, within certain stated limits. For instance, the grant to an ex-Member cannot exceed £250 and must not raise the recipient's total income above £325. The manner of computing total income is at the Trustees' discretion. No payment may be made to an ex-Member unless he is over 60 or is incapable of earning his living; nor, save in special cases, unless he sat in the House for ten years or more.

(3) The Trustees may meet special cases of hardship without regard to the above limits and conditions, but only out of a special appropriation from the Fund, which is limited to £3,000 (capital).

An affirmative resolution could increase the £12 contribution under (1), or loosen the financial limits under (2). A resolution can also in any year supplement the appropriation under (3) for meeting special cases of hardship, by appropriating not more than 10 per cent of that year's income from Members' contributions. For any of these three purposes therefore legislation would not be necessary.

But the principle of the Acts is that no charge is to fall on public funds, and there is no doubt that legislation would be needed in order to authorise an Exchequer contribution to the Fund, whether recurrent or not.
CABINET

EXPENDITURE ON THE OVERSEAS INFORMATION SERVICES FROM 1955 ONWARDS

MEMORANDUM BY THE SECRETARY OF STATE FOR THE HOME DEPARTMENT AND MINISTER FOR WELSH AFFAIRS

Introduction

In my memorandum C. (53) 359, giving my Committee's views on expenditure on the information services for 1954-55, I stated that recommendations would follow on the scope of the information services for 1955 onwards.

2. The Drogheda Report recommended an increase in expenditure on the information services of some £2½ millions. The Overseas Ministers, in C. (53) 315, asked for £935,700 to cover immediate essentials. After the Cabinet's decision of 3rd February (C. C. (54) 7th Conclusions, Minute 5) a net increase of the order of £300,000 was finally agreed on for 1954-55.

3. We have carefully examined the Report of the Drogheda Committee and the many papers submitted on it. We have also discussed the problem with the Departments concerned. In reaching the conclusions which follow my Committee have sought to consider the problem solely on its merits, irrespective of any economies which may have to be undertaken as the result of other deliberations. We have also treated the problem as one requiring a general decision of policy; this decision is not intended to prejudice or preclude any economies or improvements which may be possible as matters of administration.

The Problem

4. Basically, the problem before my Committee was how to reconcile the view of the Overseas Departments, that it is essential to implement forthwith at least the requirement set out in C. (53) 315 and preferably the whole Report, with the view of the Treasury, that financial limitations preclude this. Both these views are supported by extremely cogent arguments, and we can only recommend that a balance be struck between them.

Recommendations

(a) Future Services

5. We therefore recommend—and the substance of this proposition has been agreed in principle with the Overseas Departments, though not with the Treasury—that Her Majesty's Government should declare that it is their policy to accept in principle all the financial recommendations in the Drogheda Report, but to spread the consequent increase in expenditure of some £2½ millions per annum over a period of seven years (instead of three to five as proposed by the Drogheda Committee, and five as volunteered by the Overseas Ministers). In other words, there would be an increase of £357,000 each year over and above the expenditure on the existing services, the retention of which was recommended by the Drogheda Committee, for seven years, or until the Drogheda Report was fully implemented, whichever was the sooner.
6. This is rather more than was agreed to for 1954-55, and rather more than half the amount of £635,000 outstanding after the original 1954-55 claim for £935,700 has been reduced by £300,000 (see paragraph 2). It will, in 1955-56, enable the Overseas Departments to proceed with certain activities which they have declared to be of the very first importance.

7. This annual increase would be subject not only to the normal annual review referred to in the following paragraph, but also to the independent enquiry which the Drogheda Committee recommended should be held in not less than five years’ time.

(b) Existing Services

8. It has been represented to us that these should be reviewed to see whether any of them could be abolished as being less essential than some of the new services recommended in the Drogheda Report. We do not feel able to carry out such a review ourselves, and indeed it has been carried out by the Drogheda Committee, who have recommended the abolition of certain services. Accordingly we recommend that those existing services, the retention of which was recommended by the Drogheda Committee, should be retained. The expenditure on them would be subject to annual review in the normal way; this review would of course cover not only the existing services retained under the Drogheda Report, but also services set up under the previous annual increments. It may have to be increased to meet rising costs, or it may be possible to reduce expenditure, if costs fall, or if economies can be made. We recommend that every effort should be made to run these services as economically as is compatible with efficiency, and that expenditure should be closely supervised. In this connection we recommend an examination of the possibility of obtaining more information about, and exercising closer control over, that part of the expenditure of the B.B.C. which is covered by the external broadcasting services grant-in-aid and which amounts to half the total expenditure of overseas information services.

(c) European Broadcasts

9. There is one point in the Drogheda recommendations which was accepted by the Foreign Secretary in C. (53) 315, but from which he has subsequently dissented—namely, the proposal to abolish the French and Italian services of the B.B.C. We are impressed both by the contention of the B.B.C. (whose evidence we have heard), that broadcasting has a special importance as a means of directly influencing the general public, and by the Foreign Secretary’s contention that political considerations make it most desirable to retain these services. In the present circumstances the Committee cannot see their way to recommending that this particular item in the Drogheda Report should be accepted.

D. M. F.

Home Office, S.W. 1,
31st May, 1954.
CONFIDENTIAL

CABINET

The attached paper will be considered under Item 4 of the Agenda for the meeting of the Cabinet arranged for the morning of Wednesday, 2nd June.

Cabinet Office, S.W.1.

31st May, 1954.
31st May, 1954

CABINET

OIL-FIRING AT MARCHWOOD POWER STATION

Note by the Minister of Fuel and Power

I have examined with the Minister of Housing the question of atmospheric pollution at Southampton which is referred to in paragraph 17 of C. (54) 163, and I attach an agreed statement of the relevant facts and arguments.

There is inevitably a large margin of uncertainty in calculations such as these. I think that the best course is to augment the existing measurements of atmospheric pollution in Southampton so that, when the new station starts, its effect can be accurately assessed. This is being done. As the station is to be dual-fired, it could be changed over to coal-firing if it proves necessary during the periods when the pollution is shown to be serious.

G.L.

Ministry of Fuel and Power, S.W.1.

31st May, 1954.

Atmospheric Pollution from Oil-firing at Marchwood

Oil-firing was originally suggested at the Marchwood Power Station as a means of avoiding grit on Southampton. This proposal was dropped and the station is being fitted with the most modern grit-arresting plant which, though efficient, does not completely prevent the discharge of some grit when coal is burnt. In the meanwhile, for reasons of national policy, it has been proposed that the station be equipped for alternative oil or coal firing, and the effect of burning oil on the atmosphere of Southampton has to be examined. The oil fuel available contains about three times as much sulphur as the coal, and when allowance is made for its greater calorific value will throw out about twice as much sulphur dioxide.

2. Measurements of sulphur dioxide pollution in a large city such as London show that the average in winter is between 0.1 and 0.2 parts per million. The maximum value recorded during the "smog" of 1952 was between 1 and 2 parts per million, but this was accompanied by severe climatic conditions and a high smoke content. The relative effect on health of sulphur dioxide and other pollutants, and of climatic conditions, is at present unknown.

-1-
3. Calculations which will give an indication of the order of maximum concentration of sulphur dioxide for a particular power station can also be made, and these indicate that with Marchwood power station giving its full output on oil and a wind speed of eight miles an hour a maximum concentration of 2 parts per million from this source might be expected to occur in a zone 3 miles down wind. The centre of Southampton is 3 miles from Marchwood in a north easterly direction.

4. It has, however, not yet been possible directly to relate these two sets of figures arrived at in such different ways. The London figures are daily averages of actual pollution measured at particular spots. The Marchwood figures are estimates of pollution from a single source reaching a particular area and assuming absolutely steady conditions. There are so many variables that any attempt to translate the latter into measurable daily averages of pollution to be expected at any place would have to be mainly guesswork.

5. About 35 per cent of the winds in this area have speeds of between 7 and 12 miles an hour. About 26 per cent of the winds lie between south-south-west and west-south-west, hence about 11 per cent of winds satisfy the conditions necessary to establish the maximum average concentration of the order of 2 parts per million in a zone across the middle of Southampton. These calculations do not cover the case of a major temperature inversion but, because of the height of the chimney (425 ft.), it is possible that in these circumstances the pollution from the power station would not be as severe in the city itself.

6. Reductions in load would reduce the quantity of the gases coming out of the chimney and so reduce the maximum concentration near ground level in Southampton. The planned load factor of the Marchwood power station will drop during its life from 45 per cent to 35 per cent, which reduces the possibility of the maximum emission of sulphur dioxide coinciding with the meteorological conditions likely to cause maximum concentration in the middle of the town.

7. It is not possible to say definitely whether or not the oil-burning at Marchwood would produce sulphur dioxide concentrations over appreciable periods in Southampton as great or greater than the maximum recorded during the London "smog" of 1952, but it is possible that there would be brief periods when the concentrations would be as high as the average in London during the 1952 "smog". The only way in which more definite answers could be obtained to the questions that arise would be for measurements of the existing sulphur dioxide concentration in Southampton to be intensified, for the power station to start burning oil, and for detailed comparison of actual concentrations to be made. It might be possible to experiment further by comparing periods during which the power station burned coal with periods during which it burned oil. If it were found that during certain meteorological conditions oil-burning produced undesirably high concentrations, arrangements might be made to burn coal at such times.
3rd June, 1954

CABINET

EGYPT

MEMORANDUM BY THE MINISTER OF STATE

A decision on the future of the Canal Zone is urgently needed. We must redeploy our troops. Commitments elsewhere (and the general need for drastic economies) make a rapid and large reduction of expenditure in the Canal Zone essential.

2. The Egyptian Government appear to have their domestic situation in hand and to be anxious to reach agreement with us. They are probably as satisfactory from our point of view as any possible alternative. But, if we wait too long before reopening discussions, the Egyptian Government may be unable to prevent such a deterioration in the situation in the Canal Zone as would make a resumption of negotiations impossible. The situation had considerably improved until the incidents of 29th and 30th May. The Egyptian Government have been told that the future will be governed by the extent to which they co-operate in tracing and punishing the criminals.

3. At our request the United States Government are withholding economic and military aid. They will probably be unwilling to go on doing so much longer, particularly as the funds earmarked for Egypt will disappear on 30th June, the end of the United States financial year, unless Congress renews them.

4. There appear to be two ways in which negotiations might be resumed with some prospect of progress.

The first would be to continue discussions on the existing scheme for using service technicians to maintain the base, but to agree that they shall not wear uniform in exchange for the Egyptians agreeing to include Turkey in the availability clause and provided that satisfactory arrangements are made regarding the status of the technicians.

The second would be to suggest the maintenance of the base by a civilian organisation, with American participation in some form, in return for the grant by the Egyptians of a longer period for the withdrawal of our troops and a longer period of availability. This was the suggestion which the Cabinet invited the Foreign Office to explore, in consultation with the Americans, on 22nd March (C.C. (54) 21st Conclusions, Minute 2).

5. The advantage of the first course is that some progress has already been made with the Egyptians and that we have good reason to believe that they are prepared to include Turkey in the availability clause, if we will not insist on uniforms. The disadvantages are that, although we might agree Heads of Agreement, we would probably have considerable trouble in working out the details and, in particular, in securing satisfactory immunities for our technicians. We might be held in this country to have given away under Egyptian pressure the right of The Queen's soldiers to wear The Queen's uniform.

6. As regards the second course, proposals were worked out in some detail and submitted to the Americans, who replied that they regarded the plan favourably and would be willing to participate in working out a solution of this kind if invited by the Egyptians. They cannot, however, guarantee the participation of
American firms. The Secretary of State for War has also had some consultations with British industrialists. Their reply showed that they consider the scheme to be on the whole practicable, though full of difficulties. They made it clear that they would only participate if appealed to at the highest level. The scheme would be very expensive if the installations were to be maintained on any considerable scale. But it has considerable merits, in that it avoids the deadlock on uniforms and the need to use military personnel whose status may be insufficiently protected.

7. In my view the question of what is actually maintained in the base is no longer of the first importance. The essential thing is to ensure that when we leave Egypt we do so with an agreement which gives us the right for an adequate period to return in war. Our prestige throughout the Middle East would be seriously affected if we failed to secure this right. A civilian contract scheme on a large scale would be very expensive. In the light of the above considerations I therefore think that our aim should be to maintain, for as long as possible, by civilian labour, a minimum form of nucleus base and to secure a satisfactory agreement on availability in war. On that basis we could secure a very considerable saving in money.

8. The main points of such an agreement would be as follows:

(i) Complete removal of our troops from Egypt within about two years.
(ii) The right to return if an attack is made on the Arab States or Turkey. It would be good if Persia could be included in the formula as well, but we should not insist on this. We should try to secure this right for as long as possible, and certainly for considerably longer than seven years.
(iii) The removal or sale of the stores in the base within about two years (except what may be required under (iv) below).
(iv) Maintenance by civilian contractors (of British or any other nationality), subject to British inspection of certain minimum facilities such as:
   (a) one or more airfields (to include Abu Sueir), where we must also secure the staying rights in peace-time which we need;
   (b) some road and port facilities;
   (c) a few essential installations on a care-and-maintenance basis.
   The contractors would be under contract to the Egyptian or British Governments, and maintenance would be paid for wholly, or in part, by Her Majesty's Government.
(v) We should still desire the association of the United States Government in some way with the arrangement. For instance, the acceptance of an arrangement on the above lines by the Egyptians might be made a condition precedent to the grant of United States aid to Egypt.

9. On his return the Foreign Secretary will want to raise these matters urgently. I am therefore submitting this paper now for consideration by members of the Cabinet.

S.L.

Foreign Office, S.W.1.
1st June, 1954.
3rd June, 1954

CABINET

RECRUITMENT OF GURKHAS TO THE BRITISH ARMY

Memorandum by the Secretary of State for War

The Brigade of Gurkhas is recruited in Nepal. Recruits, men on leave and those returning for discharge, often with their families, pass through the recruiting and transit depots in India. These recruiting depots are on a temporary basis and we are committed to closing them by our five-year agreement with Nepal. There is strong pressure on us to do so.

2. If we are to hope for good relations with the Governments of Nepal and India, we must start to transfer these recruiting depots inside the Nepalese border. To do this and eventually achieve full independence of transit through India means a very large undertaking in a remote country which presents many difficulties, and where it is hard to estimate costs and progress. Nevertheless, the time has now come to make a decision to start on this programme.

3. Because of the great importance we attach to keeping the Brigade of Gurkhas in being and of the likelihood of a rapid deterioration in our relations with India and Nepal if we do not show in a practical way our intention to start on this project, I ask the Cabinet now to agree:

(a) that a long-term plan should be drawn up on the assumption that our agreement with Nepal will continue indefinitely (the full plan might amount to as much as £1 ½ - £2 millions which might be spread over a period of about 10 years);

(b) that authority should be given for work to proceed on the basis of this plan until 1958, when our agreement with Nepal comes up for renewal (we estimate that the initial stages would be at the rate of about £100,000 a year;

(c) that in 1958 the whole question be reviewed in the light of the situation that then obtains.

A.H.

The War Office, S.W.1.

3rd June, 1954.
ANNEX

RECRUITMENT OF GURKHAS TO THE BRITISH ARMY

Introduction

Gurkhas from amongst the hill tribes of Nepal have been recruited for Imperial service for some 150 years. After the partition of India and the disbandment of the old Indian Army a meeting was held at Katmandu in Nepal on 1st May, 1947, attended by representatives of His Majesty’s Government in the United Kingdom, the Government of India and the Government of Nepal. The Prime Minister of Nepal stated that the Nepalese Government would "welcome the proposal to maintain the Gurkha connection with the armies of the United Kingdom and India".

2. It was therefore decided to maintain the Brigade of Gurkhas, consisting of eight Gurkha Rifle battalions and a proportion of supporting arms as a long-term Imperial commitment. These eight battalions and supporting arms now form a major part of the Imperial forces deployed in the Far East.

Tripartite Memorandum of Agreement

3. On 1st December, 1947, the Minister of Defence made a statement in the House of Commons in which he outlined the terms of the Tripartite Memorandum of Agreement of 9th November, 1947, between the Governments of the United Kingdom, Nepal and India. Amongst other statements he said:-

"The Government of India have agreed to the use by the British Army authorities of the existing recruiting depots at Lehra and Jalapahar for a temporary period pending the establishment elsewhere in India or in Nepal of permanent recruiting depots required by Gurkha units of the British Army."

These arrangements, which include hospitals, permanent accommodation and storage, are now in use.

4. In addition, the Indian Government agreed to grant transit rights through India to the Nepal frontier and to the establishment of a reception centre at Barrackpore to handle the movement of Gurkhas.

Duration of Agreement

5. On 1st December, 1947, the Minister of Defence announced in the House of Commons:-

"Arrangements have been made for the continued employment of Gurkha officers and soldiers in the armies of the United Kingdom and of India."

6. Recruitment to the Brigade of Gurkhas is governed by a five-year Agreement with the Government of Nepal which expires in 1958. There is no reason to believe that this agreement will not be extended to an indefinite period in view of the popularity of the service in the Brigade of Gurkhas and the economic benefits derived by Nepal.
Imperial requirement

7. Despite the fact that the Imperial commitment in Hong Kong may be reduced, no significant reduction in Malaya can be foreseen in the near future. Without the Gurkha contribution it will be impossible to meet our commitments in the Far East except at the expense of other Imperial commitments. In the long term it is clear that we must retain Gurkhas in Imperial service as long as we can in view of the impending rundown of British manpower in the Services and the consequent reduction in British units. Sooner or later the existence of the Brigade of Gurkhas may be one factor assisting towards a reduction in the period of national service.

Recent developments

8. In 1953, in response to Indian political pressure, arrangements were made to carry out the act of enlistment in Nepal instead of India, although the Brigade of Gurkhas recruiting organization continued to make use of the depots at Lehra and Jalapahar on the Indian side of the Nepal frontier to complete their documentation and medical examination and for other administrative purposes.

9. Considerable pressure has again recently been placed on the Government of India by left-wing elements to interfere with the recruitment of British Gurkhas. This pressure has been resisted, but it is possible that it will increase as the Indian elections in 1956 draw near. The continued presence on the Nepalese-Indian border of the Brigade of Gurkhas recruiting organization will provide an excuse for this political agitation which can only be countered by evidence of our intention to withdraw from India as early as possible.

10. The Indian Government may be forced into a position in which no alternative remains other than to try to influence the Nepalese Government against renewal of the Agreement in 1958. No justification, however, would exist for this action if we had given evidence of our intention of leaving India as soon as possible.

11. In 1953 the signing of the five-year Agreement resulted in our having to move the recruiting organization of the Brigade of Gurkhas from India into Nepal. Apart from fulfilling our obligations under the Tripartite Memorandum of Agreement to vacate the existing depots at Lehra and Jalapahar, it was felt that the move into Nepal would place Her Majesty’s Government in a better position, in the future, to negotiate an extension of the Agreement.

12. Hence, after the monsoon, a detailed reconnaissance was carried out in Nepal to select sites on which could be built the recruiting depots to replace those in India at Lehra and Jalapahar. Sites were selected for a main depot at Dharan Bazaar in East Nepal, with a collecting post at Bhairwa in West Nepal.

The proposal

13. It is proposed to build a permanent depot at Dharan Bazaar and to improve the existing 29-mile bullock-cart track to Biratnagar into a road suitable for motor transport. The depot will include permanent office and living accommodation for the staff, for 400 troops and families in transit and for 300 recruits. Up to a further 600 individuals in transit will be accommodated in tents while the present land and sea lines of communication continue. A hospital, wireless station and amenities are also required.
14. Should air trooping become possible in the future the transit arrangements at Barrackpore could be given up, and those required of the permanent staff at Barrackpore would move to Dharan Bazaar. An airfield in fact exists at Biratnagar in the plains, 29 miles from Dharan Bazaar, and a subsidiary airfield exists accessible to Bhairwa.

15. In addition, a collection centre will be established at Bhairwa, and only occupied during the recruiting season.

Estimate of costs

16. No reliable estimate of the cost is yet available.

17. The work in Nepal is unlikely to be completed before mid-1958, although every effort would be made to accelerate it, in view of the importance of closing the depots at Lehra and Jalapahar as soon as possible.

18. The principal factors making for delay are the length of time needed to secure the land, as this has to be negotiated with many owners through the Government of Nepal, and the amount of work involved in preparing plans, drawings and specifications and in placing the necessary contracts for a project of this size. There will also be practical difficulties in carrying out and supervising work in an undeveloped and remote country where skilled labour is not available and where the monsoon lasts for four months every year.
CABINET

THE QUEBEC AGREEMENT

NOTE BY THE SECRETARY OF THE CABINET

By direction of the Prime Minister I circulate for the information of the Cabinet the attached article, on the constitutional aspect of the Quebec agreement, which appeared in the Saturday Evening Post of 15th May, 1954.

(Signed) NORMAN BROOK.

Cabinet Office, S.W. 1,
3rd June, 1954.
"THAT A-BOMB PACT NEARLY HOG-TIED US"

If former Prime Minister Attlee had read the Supreme Court's opinion in the Pink case, which was handed down in 1942, the history of American control over the development of atomic energy might have been quite different.

Sir Winston Churchill, under heavy pressure from his Labor opposition, revealed last month that at Quebec in 1943 he and President Roosevelt made an agreement which provided, among other things, that the atomic bomb would not be used against a third party by either the United States or Great Britain without the other's consent. In 1950, Attlee, apparently alarmed lest Truman should enlarge the Korean war by dropping an atomic bomb, flew to this country to protest, but felt himself helpless because Congress had passed the McMahon bill (1946) forbidding the export of information on atomic matters. The agreement with England was cancelled, or at least modified, in 1948.

With greater knowledge of the American Constitution, which declares that treaties are the supreme law of the land, and of the Supreme Court's dictum in the Pink case that "international compacts and agreements . . . have a similar dignity," Mr. Attlee might have raised the point before the McMahon Act was passed that under the Roosevelt-Churchill agreement Congress had no right to deprive Great Britain of atomic information. Indeed, Senator McMahon was quoted by Churchill as saying that, had he known of the Quebec agreement, he would not have introduced his bill. But Mr. Attlee, apparently never dreaming that any country would let a secret agreement entered into by its Executive take precedence over the powers of the legislature, assumed that the jig was up.

It was reasonable that the United States and Great Britain should agree for the duration of the war to unity of action in using the bomb, which, of course, did not even exist in 1943. After all, British scientists, like Lord Rutherford, had had an important part in laying the groundwork for the splitting of the atom. The necessity for secrecy is also apparent. However, since there appears to have been no time limit set for the duration of the agreement, it did constitute, as Senator Hickenlooper pointed out in 1947, an "obnoxious" infringement on our sovereignty.

The fascinating history of this episode ought to be the subject for further study by the various committees of great and learned constitutional lawyers who helped defeat the Bricker and George amendments, which would have brought treaties and executive agreements under control of Congress in so far as they affect internal law. The Roosevelt secret agreement with Churchill did set up a veto over American foreign policy of which the British parties to the agreement were apparently unaware.

It isn't inconceivable that in the light of these new revelations Congress will want to take a new look at "treaty law" and executive agreements, and the proposals by Senators Bricker and George to define and establish a safer relation between such agreements and our internal law."
SECRET
C.(54)190
4TH JUNE, 1954

CABINET

INDO-CHINA

Note by the Secretary of State for Foreign Affairs

I circulate for the information of my colleagues the annexed letter which I have recently received from H.M. Ambassador in Paris, Sir Gladwyn Jebb.

A.E.

Geneva

4TH JUNE, 1954.
My dear Secretary of State,

If I may say so with respect, I think that some sort of "Palestine" solution of the Indo-Chinese problem, involving a partition, is the best that we can reasonably hope for. From what Bidault said to us both on 22nd May I understood that he also favoured some such solution, though I must admit that his latest plan throws some doubt on this. Anyway I assume that I am right in thinking that a "Palestine" solution is what would be involved in such a settlement, i.e. the "buffer state" would be under Viet Minh control and would be confined, if possible, to Northern Vietnam. Southern Vietnam, Laos and Cambodia would be on our side of the line and be guaranteed by the South-East Asian Defence organisation and preferably actually members of it. If in the above I have misunderstood your thinking, it would be very helpful for me to know where I have gone wrong.

I wish I could give you with any confidence an estimate of what is now likely to happen in the Government and Parliament here about the two largest problems of French external policy, Indo-China and the European Defence Community (E.D.C.). At the moment the main hope naturally is that, thanks to your untiring efforts at Geneva, the "other side" may put forward some reasonable and acceptable scheme for an Armistice. If this happens within the next fortnight or so and Monsieur Bidault can be persuaded to accept, then I would be quite optimistic as regards developments here. If it does not happen any forecast that I attempt is bound to be discouraging.

As I say, unless I have misunderstood your thought, a feature - and even the major feature of any such reasonable scheme - would be the establishment of some "buffer state" in Northern Vietnam. Although it would certainly be a blow to French pride to have to accept a "buffer", i.e. Chinese satellite state in Tonkin, I think that it would theoretically be possible to get parliamentary approval here for such a solution, provided it was part of a settlement which was otherwise reasonably satisfactory from the French point of view. To make the settlement satisfactory for France it would, I think, be essential that the three countries on our side of the line should remain members of the French Union (with no "right to secede") and that France should retain primary responsibility for co-ordinating the political and economic aid from the Free World without which they could hardly exist. This responsibility should however involve France in the minimum of men and money, and, therefore, the maximum foreign (i.e. American) material support should be forthcoming.

A decision to accept a Viet Minh state in Tonkin would, however, be an extremely difficult one for any French Government to take. It is very hard to believe that it could be taken by the present Government, which now appears to be on its last legs, struggling from one Vote of Confidence to the next. If it was confronted with such a decision, I should indeed expect it to collapse. I suppose however that it might be possible to obtain an Armistice without necessarily evacuating the whole of Tonkin, anyhow at once, the French Union forces being concentrated in a limited bridgehead. Provided the bridgehead was a fairly large one and included
Hanoi. I think that Bidault could obtain parliamentary approval for an armistice on these terms. In these circumstances the Laniel Government might conceivably survive its present difficulties and be able to turn its attention to the E.D.C., although no one can be certain that it would not then break up on that issue, being deserted by the Gaullists and some of the Radicals.

As an immediate practical issue the question is, however, would it be possible to get agreement on a bridgehead including Hanoi? Do you not think it likely that the "other side" will not accept an armistice until they hold Hanoi? It is conceivable that the French Government may decide to evacuate Hanoi and concentrate on a smaller bridgehead round HaiPhong. But again it seems to me unlikely that the Laniel Government in its present state could face what would also be politically a very difficult decision.

Owing to the leak to the "Express" we now have the substance of the Ely Report. Briefly it is to the effect that the Government should ask the Assembly at once to pass a law authorizing the use of conscripts in Indo-China so that large reinforcements may be sent to Cochinchina within four weeks, thus liberating other troops for the defence of the Hanoi-Haiphong area. Since a full-dress debate on Indo-China will begin on 1st June and continue during the following week, it seems clear that the Government will have to inform Parliament of its decisions on General Ely's Report immediately after Whitsun. The Government may decide to ask for approval of Ely's recommendation about the use of conscripts, but my guess is that, unless this proposal was accompanied by a firm prospect of United States' aid on land in the near future, it would be rejected by the Assembly. If United States intervention is arranged, of course a new situation will arise; but if it is not (which seems more likely) then the prospects of the Government seem to be dim.

If, nevertheless, the Government survived or if it decided not to ask for conscripts at all, it would have to face the question whether or not it should attempt to hold Hanoi, as well as Haiphong, without the forces which Ely considers essential for the purpose. My present guess is that, being unable to take any more painful decision, the Government would decide to try to hold in Tonkin a perimeter smaller than that round the whole Delta, but including Hanoi, and would denude other parts of Indo-China for the purpose and send out such reinforcements as it could scrape together. They would at the same time demand, and perhaps receive, increased American support, especially in the supply of aircraft, and possibly also promises of direct United States air intervention if the French position in the Tonkin bridgehead becomes acutely critical.

In these circumstances perhaps it is not too pessimistic to expect that there may well be no agreement at Geneva, the "other side" dragging out the negotiations in the confident (and probably justified) expectation that, failing American intervention, they can take Hanoi in about three months' time and then impose much more severe terms on the French. After all, at the most a few weeks from now the Laniel Government would inevitably fall and it would probably take at least a month, perhaps much longer, to form another Government. The Parliamentary Recess would then be upon us and there could hardly be any question of a debate on the E.D.C. before the
In any case the new Government, being probably faced with a major disaster in Tonkin, would almost certainly lack either the time or the will to drive the E.D.C. through a narrowly divided Parliament. By that time we shall presumably have decided that some other solution of the problem of German rearmament must be found.

All these gloomy reflections only show how important it is to reach some agreed solution at Geneva soon. If that happened the whole landscape could be transfigured. For that purpose the threat of American intervention may well be effective; but Heaven knows what might happen if the threat were carried out. The operation could well be successful and the patient die. Alternatively no solution and no intervention could mean further French disasters which would have unpredictable, but certainly bad, effects in Paris, possibly involving the future of the North Atlantic Treaty Organisation.

Rarely can a Foreign Secretary have had heavier responsibilities,

Yours ever,

(Signed) GLADWYN JEBB

The Rt. Hon. Anthony Eden, M.C., M.P.,
Geneva.
4th June, 1954

CABINET

EXPENSES OF MEMBERS

Memorandum by the Lord Privy Seal

I have discussed the present position with the Chief Whip, and I would like to put forward our views for the consideration of my colleagues on the assumption, of course, that some action is necessary.

2. It was, we think, the general view of the Cabinet at their meeting on 2nd June that a flat-rate increase was undesirable and, in the light of the political situation, highly dangerous: but it appeared to be the general view that something should be done, as a matter of urgency, to alleviate the position in which many Members are placed (C.C. (54) 38th Conclusions).

This general view seems to represent the highest common factor of agreement which could be reached in the House of Commons as a whole.

3. The following plan would be put forward as an interim arrangement, the announcement of which would be prefaced by a statement that the view of the majority of the House was on record but that the time for raising salaries was inopportune.

The statement should also include an expression of the Government's desire to hasten the investigation of an improved but contributory pension scheme for M.Ps. and to consider the position of Junior Ministers.

4. We believe that the simplest interim plan, and the one least open to misunderstanding or misrepresentation, would be a Subsistence Allowance calculated in accordance with the sittings of the House. This should be at the rate of £X per day, for four days in any week in which Parliament is in session.

5. Any Member who intimated to the Fees Office his desire to receive this allowance would have it credited to his account monthly or could draw it weekly in cash.

It would have to be left to the good feeling of Members to refrain from drawing it in the event of prolonged absence from the House for whatever reason.

6. No scheme will now please everyone, but we believe this one probably has the best chance of general acceptance by the Conservative Party in the House of Commons; and, broadly, by the Party in the country. If it was a case of this scheme or nothing, we believe it might well be accepted, faute de mieux, by the Socialists.
The expression "subsistence allowance" has the merit of being well understood in Trade Union, Civil Service, Local Government and similar spheres.

7. The allowance would be paid to all Members of Parliament, whether sitting for London or provincial constituencies, because it is intended as a contribution to the heavy expenses necessarily incurred by all Members who, while Parliament is sitting, are engaged at Westminster for very exceptional hours of duty; hence the expression "four days" rather than "four nights".

In the interests of simplicity, and for other reasons, it would clearly be best that all Members should be treated alike; and there is a real case for London Members who also live in London receiving the same treatment as others, owing to the high cost of living in London, the fact that they must have most meals in the House of Commons, i.e. away from home, the larger number of visitors, etc.

We think, however, that this view might not be acceptable and therefore suggest that London Members, as recognised by the Inland Revenue as such, should receive a lower but uniform subsistence allowance.

8. The Civil Service Class "A" Rate is 37/6d. a night. Local Government Members' Normal Rate is 42/- a night. Local Government Members' Special London Rate is 50/- a night. Therefore, 35 sitting weeks in a year would work out at the following:

1. Civil Service Rate - £262 10s. 0d.
2. Local Government Normal Rate - £294.

Office of the Lord Privy Seal, S. W. I.

4th June, 1954.
4th June, 1954

CABINET

EXPENSES OF MEMBERS

Memorandum by the Chancellor of the Exchequer

It has been suggested by some of my colleagues that we should introduce now a plan of subsistence allowances for M.P.s., that we should say that we accept in principle the decision of the House as expressed in the free vote, but that we should not implement that decision until the next Parliament.

2. I do not like putting off the implementation of the decision to the next Parliament since I am most keen to prevent this matter being raised in the election. If it were put forward to the next Parliament I cannot help feeling that Members would make all sorts of extravagant statements about their own and other people's intentions during the election. I have felt throughout that Parliament should settle its own affairs without tying them up with the claims of others. My own proposal is set out in the next section - "The Plan".

3. I greatly prefer a block grant for expenses to so-called subsistence allowances. The block grant drawn monthly would appeal more to the dignity and convenience of Hon. Members. A genuine subsistence allowance scheme is bound to be complicated: if the same allowances are given to all, although their subsistence expenses are widely different, they cannot be described as a subsistence allowance.

4. It is an error to suppose that any system of allowances in respect of expenses (whether called subsistence allowances or by any other title) will improve the financial position of Members by the gross amount of those allowances. The allowances must be deducted from the amount which Members would claim for relief from income tax on their salaries. Otherwise Members would in fact be receiving two benefits in respect of a single set of expenses, namely cash reimbursement and tax relief. This is indefensible and contrary to the Income Tax Law. I explained this to the House in my speech on 13th May (Hansard, Column 1496, last paragraph and Column 1497, first three paragraphs).

5. If we are not to go forward with a straight salary increase of £500 the plan below is the best I can think of.

The Plan

6. The Government would announce that they accept in principle the decision of the House as recorded on free vote on 24th May. They would say that, under present circumstances, they could not implement this decision forthwith in the manner proposed. They propose, therefore, to
divide the extra financial provision for M. Ps. into two parts — (i) a modest salary increase, and (ii) a monthly reimbursement of expenses. The salary increase would come into force in the next financial year; the reimbursement scheme would come into force at once or, if preferred, from the beginning of this present financial year.

7. The salary increase should be from £1,000 to £1,250 only (this takes account of the Government's statements that they do not wish to accept the findings of the Select Committee or to relate the level of M. Ps. salary to the 1946 cost of living).

8. In addition each M. P. may draw monthly in cash a reimbursement of expenses at the rate of £250 a year on the basis of a simple certificate that his expenses are not less than this. (If, exceptionally, expenses were less he would draw the lower figure; in fact there are only 14 M. Ps. at present, out of the total House of over 600, who claim tax relief for expenses at less than this figure.)

9. Expenses over £250 would continue to be claimable for tax relief against the present salary in the interim period and the salary of £1,250 in the next financial year. The £250 expenses claimed in each would be deductible from the total expenses in arriving at the tax relief due.

R. A. B.

Treasury Chambers, S. W. 1.

4th June, 1954.
TRANSFER OF THE COCOS ISLANDS TO AUSTRALIA

MEMORANDUM BY THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS AND THE SECRETARY OF STATE FOR THE COLONIES

In 1949 the Australian Government expressed a desire to develop the airstrip built by the R.A.F. during the war on the Cocos Islands (a small group of coral islands in the Indian Ocean midway between Western Australia and Ceylon—see Appendix A) as a staging point in a civil air service between Australia and South Africa, and also for military use in times of emergency. In view of the expense involved they asked whether the administration of the islands, which are at present administered as part of the Colony of Singapore and were recently visited by Her Majesty after leaving Australia, could be transferred to them. The Chiefs of Staff, having advised that the reconstruction of the airstrip would be of considerable strategic value, the late Government agreed to the Australian request and the intention to transfer the Islands to Australia was announced by the then Colonial Secretary in the House of Commons on 22nd June, 1951. (A copy of this statement and of the answer to a Parliamentary Question on 4th July, 1951, are at Appendix B.) The Australians have now completed the reconstruction of the airstrip and the air service between Australia and South Africa is in operation.

2. The Islanders, who are of Malay extraction, are British subjects and citizens of the United Kingdom and Colonies. About 1,600 of them have left for North Borneo, where economic conditions are more favourable, and less than 400 remain. The Australian Government have agreed that these will be eligible for Australian citizenship, but owing to Australian legislation giving effect to the "white Australia" policy, they must treat the islanders like, for example, the Papuans and cannot give them an absolute right of entry into the mainland of Australia. The Australians have, however, given a confidential undertaking that applications by the Islanders for entry into Australia will receive the most sympathetic consideration (see Appendix C); and it has also been agreed that the opportunity to enter Singapore (which they now have the right to do) will be preserved for them.

3. The Law Officers' opinion is that the proper way to effect the transfer of the Islands is by Act of Parliament, any other way being not beyond challenge legally. They did, however, indicate a method of proceeding by Order in Council, involving the use of the Colonial Boundaries Act, 1895, if there were "clear and cogent reasons" for not having an Act (see Appendix D). To avoid the possibility of embarrassing public discussion about the "white Australia" policy, and the delay which would ensue if a Bill were to be introduced, every effort has been made in consultation with the Australian Government to work out a procedure by Order in Council, but without success. The Australian Government cannot agree to the use of the Colonial Boundaries Act because that would, in effect, extend the mainland of Australia to include these Islands, and thus admit the Islanders to unrestricted entry. This is politically impossible for them.
Australian Government could only agree to an alternative Order in Council procedure, of doubtful legal validity, and on the condition that we assured them that a subsequent validating Act would be introduced here if necessary. This seems to us a most undesirable proceeding, and we accordingly recommend:

(a) that, subject to further consultation with the Australian Government, a short enabling Bill should be introduced next Session;
(b) that the Australian Government should be asked to reaffirm formally, and allow us to use publicly if need be, their assurances (see paragraph 2) as to the citizenship of the Islanders and their opportunity to enter Australia.

SWINTON.
O. L.

9th June, 1954.

APPENDIX A

THE COCOS ISLANDS

The Cocos, or Keeling, Islands are a group of small coral islands situated in the Indian Ocean about 600 miles South-West of Java Head and almost midway between Ceylon and Perth in Western Australia. Captain John Clunies Ross settled in the islands in 1827 and members of his family have lived in, and to a large extent controlled, the islands ever since.

2. The islands were declared a British possession in 1857. In 1878 they were placed under the control of Ceylon and in 1886 under that of the Governor of the Straits Settlements. In 1903, by an Order-in-Council under the Colonial Boundaries Act, 1895, the islands were incorporated in the Colony of the Straits Settlements, the Government of which depended until 1946 upon the Straits Settlements Act, 1866. That Act was repealed by the Straits Settlements (Repeal) Act, 1946, which made new provision for government of the territories formerly constituting the Straits Settlements, including the Cocos Islands. By the Singapore Colony Order-in-Council, 1946, the Cocos Islands are governed and administered as part of the Colony of Singapore.

3. In 1901, Direction Island (to the north of the main group) became an important relay in the imperial cable communications system and in 1940 a Naval Wireless Station was established. During the war the harbourage was used for flying boats and in 1945 a 2,500 yard air-strip was constructed for use by heavy bombers of the R.A.F. This air-strip was used by the R.A.F. only until 1946; and in 1948 the South African and Australian Governments were asked whether they had any interest in its retention. South Africa replied in the negative but the Australian Defence Department considered that the air-strip should be retained as it was an important air link in an alternative route between the United Kingdom and Australia and might in time of emergency become of great strategic importance.

4. The Chiefs of Staff were of the opinion that development of the airstrip to international standards would make the Cocos Islands a potentially valuable Allied base for the operation of aircraft and flying boats in support of a campaign in South-East Asia, as well as opening up a valuable alternative link in imperial communications. They were not, however, able on strategic grounds alone to recommend the expenditure of United Kingdom funds on the maintenance or development of the airstrip in peace.

5. On the other hand the Cocos Group were already in the Australia, New Zealand and Malaya region of strategic responsibility for planning purposes and only a relatively minor adjustment of the existing boundary between the Far East and the Australian naval station was needed to make the defence of the Islands a direct responsibility of Australia. The Chiefs of Staff had no objection to such an arrangement from the defence point of view and took the view that, if Australian
development of the base was contingent on transfer of administrative responsibility for the islands, that was desirable provided that the control and operation of the Naval Wireless Station remained undisturbed. After certain undertakings had been given by the Australian Government Her Majesty's Government agreed to transfer the islands to Australia, and this agreement was announced in the House of Commons on 22nd June, 1951.

6. In 1886 a freehold lease of the whole of the Islands in perpetuity was granted to George Clunies Ross and his successors, with the provision that the Crown could resume possession for any public purpose. The present proprietor of the estate is Mr. John Clunies Ross, and he still maintains to some extent the semi-feudal relationship with his employees which is traditional in the Cocos Islands.

7. The economy of the islands is based on copra. By the end of the war they had become heavily over-populated and voluntary emigration to North Borneo was arranged in agreement with Mr. Clunies Ross. Some 1,600 people left the islands for Borneo, and by 1952 the native population was reduced to 406 Malaysians, 18 Chinese and 3 Indians or Pakistanis. There were also over 100 Europeans (including Royal Australian Air Force personnel) engaged in the construction of the airport.

---

APPENDIX B

PARLIAMENTARY STATEMENTS ON TRANSFER OF COCOS ISLANDS

Extract from the House of Commons Official Report for 22nd June, 1951

Cocos Islands (Transfer to Australia)

Mr. J. Johnson asked the Secretary of State for the Colonies the present position regarding the airstrip on the Cocos Islands; and how far he intends to develop this airstrip for purposes of civil aviation.

Mr. J. Griffiths: The Australian Government recently expressed to the United Kingdom Government their wish to develop for civil aviation purposes the airstrip which was constructed on the Cocos or Keeling Islands for the R.A.F. during the last war. This small group of islands lies in the Indian Ocean about 1,300 miles from Western Australia.

In view of the strategic advantages which would accrue to the British Commonwealth as a whole from the development of this airstrip—a project which will involve substantial expenditure by the Australian Government—the United Kingdom Government, after consultation with the Government of Singapore, with whom responsibility for the administration of the islands at present rests, have accepted an Australian proposal that the islands should be transferred to Australia. In view of their very small area—the airstrip itself covers a large part of West Island, which is the largest of the group—it is, on purely practical grounds, desirable that whatever Government controls the airstrip should also administer the islands. The necessary Instruments of transfer will be prepared in due course.

The islands, most of whose 1,200 inhabitants are Malays, were leased by the Crown in 1886 to George Clunies Ross and his successors in perpetuity, and the transfer now proposed will not, of course, impair the title of the leaseholder.

During recent years a considerable number of the inhabitants have indicated their wish to leave the islands, which are over-populated. Since 1948 emigration to North Borneo has been proceeding under arrangements made between the Governments of Singapore and North Borneo. It is intended that all who wish to emigrate (probably a majority of the inhabitants) should be given the opportunity of doing so before the transfer of the islands is effected. The Australian Government have agreed to enact legislation giving Australian citizenship, or the option of acquiring it, to those who elect to remain on the islands after the transfer.
Cocos Islands (Transfer)

Mr. Gammans asked the Secretary of State for the Colonies what steps were being taken to seek the views of the inhabitants of the Cocos Islands before it was decided to transfer their administration to Australia; and why this matter was not referred to the Legislative Council of Singapore, under whose jurisdiction the islands have been up to now.

Mr. Dugdale: As my right hon. Friend indicated in his reply to my hon. Friend the Member for Rugby (Mr. J. Johnson) on 22nd June, the majority of the islanders have indicated during recent years their wish to emigrate to North Borneo, and emigration has been proceeding. It is the intention that all who wish to emigrate should have the opportunity of doing so before the islands are transferred, and we and the Australian Government have agreed that arrangements should be made to this end.

In these circumstances, the islanders were not consulted beforehand about the proposed transfer. The Governor of Singapore consulted the unofficial members of the Legislative Council who agreed unanimously with the proposal and suggested certain conditions regarding the future status of the remaining islanders, which the Australian Government have readily accepted.

APPENDIX C

RIGHT OF ENTRY OF COCOS ISLANDERS INTO SINGAPORE AND AUSTRALIA

In January, 1951, the then Governor of Singapore (Sir F. Gimson) reported that the transfer of the Cocos Islands to Australia had been discussed with the unofficial members of Legislative Council, who agreed that there would be no objection to the transfer subject to certain conditions. One of these was that "satisfactory arrangements should be made as to the status of the residents of the Islands still left on the Islands at the time of handing over." It was explained that the unofficial members "were concerned lest persons born in the Islands should lose their present status and not obtain full citizenship status of Australia."

2. In February, 1951, the United Kingdom High Commissioner in Australia was asked to inform the Australian Government that the United Kingdom Government agreed to the transfer subject to certain conditions, one of which was that—

"Satisfactory arrangements should be made as to the status, in particular citizenship, of the inhabitants of the Islands. It would meet what we have in mind if, as we assume, residents of the Islands at the time of handing over would become Australian citizens or at least be given the option of so becoming, and persons born on the Islands after that date would be Australian citizens."

3. In May the United Kingdom High Commissioner in Australia reported that the Australian Government had stated that the conditions for the transfer were acceptable to them. The Australian Government assumed that the stipulation of the United Kingdom Government about the status of the Islanders would be met if Australian citizenship, or the option of acquiring it, were granted only to those members of the population who intended to remain residents of the Islands and not to those who, though still resident there at the time of the transfer of administrative control, proposed to transfer to North Borneo.

4. In a telegram dated 2nd June, 1951, to the United Kingdom High Commissioner in Australia the United Kingdom Government confirmed that the
stipulation in question would be met by this proposal of the Australian Government. Meanwhile the draft of a Statement to be made in Parliament had been prepared, which included the following passage:

"The Australian Government have agreed to enact legislation giving Australian citizenship, or the option of acquiring it to those who elect to remain on the Islands after the transfer."

It was ascertained that this draft statement was acceptable to the Governor of Singapore and the Australian Government.

5. Unfortunately the fact that the undertaking given by the Australian Government would not entail the right of free entry to the mainland of Australia for Cocos Islanders who became Australian citizens was not appreciated by the Government of Singapore, or by the Unofficial Members of the Legislative Council, until Mr. Casey discussed the matter with the Governor in July, 1951. The Governor reported in August that if it became known in Singapore strong resentment would be expressed in the Press and elsewhere, and he suggested that the point should be cleared up before the transfer of the Islands to Australia.

6. This led to protracted discussions between the Government of Singapore, Her Majesty's Government and the Australian Government which centred mainly on the right of the Cocos Islanders to free entry (a) to Singapore and (b) to the mainland of Australia. The first point was ultimately resolved in discussion between the Governor of Singapore and the Unofficial Members of his Executive Council by an agreement that the Governor could use his discretionary powers under existing Singapore legislation to admit any of the Islanders who wished to come to Singapore.

7. The second point presented greater difficulty. It was fully discussed between Mr. Casey and the Unofficial Members of the Legislative Council in Singapore in April, 1952; and on 20th May, 1952, Mr. Casey wrote to the Governor of Singapore (now Sir J. Nicoll) suggesting that a public statement might be made in the following terms:

"Cocos Islanders resident in the Islands at the time of transfer to Australia will be entitled, if they so desire, to acquire Australian citizenship. Cocos Islanders who become Australian citizens will in practice be allowed to enter Australia for temporary visits. Although no undertaking can be given that they will be allowed to settle permanently in Australia, and each individual case will have to be considered on its merits in the light of circumstances, it has rarely been necessary to refuse such permission to an Australian citizen."

8. The Governor of Singapore discussed the position with all the members of the Singapore Legislative Council, and it was decided to ask for an assurance by the Australian Government, which would not be for publication, that any application from the Islanders to enter Australia would be sympathetically considered. It was on the understanding that such an assurance would be given that the Unofficial Members agreed that the right of entry into Singapore should be preserved by administrative action instead of by legislation (which would involve publicity). In reply to this request the following assurance was given by Mr. Casey in July:

"With regard to entry of Islanders into Australia, would you please convey to the Unofficial Members of Singapore Legislative Council concerned our assurance that applications from Cocos Islanders, after transfer, to enter Australia will receive the most sympathetic consideration. As you indicated in your letter, such an assurance would not be for publication. School children are, of course, freely admitted subject to the usual requirements of health, finance, accommodation, and enrolment in a school."

This assurance was acceptable to the Unofficial Members of Council.

9. The whole of these negotiations were conducted on the understanding that the transfer could be effected in a way which would avoid this issue being given prominence.
OPINION OF THE LAW OFFICERS ON THE CONSTITUTIONAL PROCESSES REQUIRED FOR
THE TRANSFER OF THE Cocos ISLANDS

We are of the opinion that, as a result of Section 1 of the Straits Settlements (Repeal) Act, 1946 (hereinafter called “The Act of 1946”), the proper way of transferring the government of the territories named in the Schedule to that Act is by an Act of the United Kingdom Parliament. We think, therefore, that any other method is "prima facie" open to objection and should be resorted to only if there are clear and cogent reasons for not effecting the transfer by Act of Parliament.

If, however, there are such reasons, the transfer can, in our opinion, be effected by an Order, or Orders, in Council. It is, we think, unlikely that an Order, or Orders, containing the following three provisions could in practice be successfully challenged in our courts:

(i) A provision, under Section 1 of the Act of 1946, that the Islands shall be governed singly;
(ii) A provision, under Section 2 of the Act of 1946, delegating Her Majesty’s powers under the British Settlements Act 1887 and 1945 to the authority which the Australian Government proposed to appoint to govern the Islands; and
(iii) A provision which could in our view be made by the exercise of the Prerogative extending the boundaries of the Commonwealth to include the Islands.

The first two provisions would, in our opinion, have the result of separating the Islands from the Colony of Singapore and of giving political power to the Australian authority. They would not, however, suffice to bring into operation Section 122 of the Commonwealth Constitution.

The third provision (which would, of course, require the consent of the Australian Government) would, as a result of the Colonial Boundaries Act, 1895 (as amended by Section 8 of the Commonwealth of Australia Constitution Act, 1900), have the effect that the Islands would be “otherwise acquired” within the meaning of Section 122 of the Constitution, and accordingly that any legislation of the Commonwealth Parliament in pursuance of that Section would be effective in English law.

If it is nevertheless decided to effect the transfer by Act of Parliament it would, in our opinion, be sufficient for the Act to empower Her Majesty to make an Order in Council placing the Islands under the authority of the Commonwealth; but, in our view, it would be necessary for the Act to recite the request and consent of the Parliament and Government of the Commonwealth of Australia, in accordance with Sections 4 and 9 (3) of the Statute of Westminster, 1931.
CABINET

UNREST ON THE RAILWAYS

NOTE BY THE MINISTER OF LABOUR AND NATIONAL SERVICE

At the Prime Minister's suggestion, I am circulating for the information of my colleagues the text of the minute, which I addressed to the Prime Minister on 4th June, on "Unrest on the Railways."

W. M.

Ministry of Labour and National Service, S.W. 1,
9th June, 1954.

PRIME MINISTER

UNREST ON THE RAILWAYS

The end of the unofficial strike of locomotive drivers and firemen about lodging turns marks only the deferment of trouble between the British Transport Commission and their employees. I had yesterday a talk with the Minister of Transport and the Chairman of the British Transport Commission.

Some of the men who went on strike in the Western Region, although now back at work, are on record as prepared to strike again unless all lodging turns are withdrawn, but no time limit is stated. The immediate difficulties have shifted from the Western Region to the Eastern and North-Eastern Regions. Further lodging turns agreed between the British Transport Commission and the unions are due to be introduced in the Eastern Region on the 14th June. The British Transport Commission has no intention of withdrawing any lodging turns, and those due to come into force in the Eastern Region on 14th June will be insisted upon. There is a meeting on 10th June at York of men in the Eastern and North-Eastern Regions (although in fact no new turns are for the time being proposed for the North-Eastern Region). It is not possible to forecast what attitude will be taken, but it is quite likely that new difficulties will arise in the middle of the month. The matter is complicated by the fact that the union principally concerned—the Associated Society of Locomotive Engineers and Firemen—has now adopted the policy of trying to get rid of all lodging turns. Accordingly, there is a risk of any stoppage being official, though it is doubtful whether the National Union of Railwaymen would support it.

I think it difficult to resist the conclusion that some of the trouble which has occurred about lodging turns has been due to a failure on the part of the unions to keep in sufficiently close touch with the branches and to bring the questions and decisions fully and promptly down to the men concerned. So far as I can judge the British Transport Commission are not to blame for this, for they have allowed ample time for the men to be fully consulted through their unions before putting the agreed lodging turns into effect.

46258
The Chairman of the British Transport Commission, however, thinks that the trouble is more deep-seated. I think myself this must be so, because the opinion of footplate men in the different Regions about lodging turns is sharply divided. General Robertson said that he was told by some of the men that if all lodging turns were abolished there would be a strike about this. The reason is that in some Regions these turns are popular because of the increased pay. One reason for the opposition to lodging turns is the fear that they will result in redundancy. General Robertson thinks there are too many men for the work, but this will be dealt with by normal wastage and not by dismissals. He thinks that the real trouble is that the spirit of the men is wrong at the present moment, and he thinks that difficulties over wages largely account for this. Before the war railwaymen, relatively to other workers, were in a secure and adequately paid employment. Now, compared with for instance miners or steel workers, they are underpaid. The three railway unions are sharply divided about the wages structure. General Robertson is satisfied that some of the lower paid workers ought to get more, and that men in the A.S.L.E.F.—engine drivers in particular—ought to receive a higher differential. He intends to push on as quickly as possible with negotiations about wages and thus to give the men the feeling that their fundamental grievances are being promptly dealt with. Both the Minister of Transport and I agree that he is right in this policy, but we fear that we must have considerable anxieties about industrial unrest in the railways in the weeks and months immediately ahead of us.

I do not think that there is any action which the Government could immediately take, but as trouble might arise during the Recess I thought it wise to let you have this memorandum. It represents the views of the Minister of Transport as well as my own.

WALTER MONCKTON.

4th June, 1954.
CABINET

UNITED NATIONS DISARMAMENT COMMISSION SUB-COMMITTEE

MEMORANDUM BY THE MINISTER OF STATE

My colleagues may wish to have some information about the work of the Sub-Committee of the United Nations Disarmament Commission, which has been meeting in London since 13th May.

2. C. (54) 161 gave an account of the establishment of the Sub-Committee; and, before it began its work, the four Western Powers agreed that the policy to be adopted would be that set out in paragraphs 5-7 of that paper.

3. The Sub-Committee has held fourteen meetings. Canada is represented by the High Commissioner in London, Mr. Robertson, France by M. Jules Moch, the U.S.S.R. by the Soviet Ambassador in London, M. Malik, the United States by Mr. Morehead Patterson, an industrialist specially appointed for the purpose, and the United Kingdom by myself.

4. In my opening speech I suggested that there were three main groups of problems to be discussed: the first was the field to be covered by a disarmament treaty, the second was the nature and functions of the international control organ and the third the phasing of any programme of disarmament.

5. In connection with the first group of problems the United Kingdom tabled a paper inviting the Sub-Committee to consider precisely what should be covered by the disarmament treaty, what weapons should be prohibited and what should be reduced. It also suggested that the Sub-Committee should consider whether all armed forces of all kinds should be included and how they should be defined; whether there should be any kind of budgetary limitation; and, finally, whether there should be any attempt to control propaganda. I indicated that I thought agreement on these matters should be comparatively easy to reach, and stated that we would then be willing to discuss the extent of any reductions. This paper received support from the Western delegates but the Soviet delegate refused to discuss it.

6. There has followed prolonged discussion on the second group of problems concerning the nature and functions of a control organ. I tabled a number of questions seeking to clarify the Soviet position on the nature of an international control organ. The Soviet Government had put forward certain ideas in June, 1947, in the Atomic Energy Commission, and these had been resuscitated by the Soviet delegate in the Sub-Committee. My questions were designed to find out whether there had been any modification in the Soviet Government's attitude since 1947 which would make their proposals any more acceptable as a basis of agreement. The replies showed that there had been no substantial change. In particular the Soviet Union would deny the control organ any injunctive powers.
which would enable it to take action on its own responsibility to deal with violations. The Soviet Government insist that all recommendations for action in the case of proved violations should be subject to the approval of the Security Council and so to the veto. The Soviet delegate also made it clear that the Soviet Government would refuse to allow the control organ to be in position before any agreed prohibitions and reductions began to come into effect. The Western ideas on the nature and functions of the control organ were embodied in a paper tabled by the United States Delegation, but the Soviet delegate refused to discuss it in detail, characterising such discussion as a waste of time.

7. Of course the crux of the whole matter is whether any effective control over nuclear weapons is feasible. Owing to the attitude of the Soviet representative, no worth-while discussion of this has been possible.

8. The Sub-Committee has now begun discussion of the third group of problems. The basis of discussion is a paper (Annex) which the French and United Kingdom Delegations will formally table in the Sub-Committee. The lines on which it is drawn have been endorsed by the Foreign Secretary and by the Chiefs of Staff. It has general Canadian and United States support. This paper was discussed in a preliminary manner on 8th June when it was described by M. Malik as being in essence the same as previous papers tabled by the Western Powers. He asked, however, for three days to consider it in detail.

9. The Anglo-French paper is in fact a presentation in a somewhat different form of the line we have consistently adopted in the past. Briefly it is proposed that the Disarmament programme should be effected in three main stages. The first stage would include the constitution and positioning of the control organ and a freezing of overall military man-power and expenditure. The second stage would follow as soon as the control organ reported that it was able effectively to enforce it and would consist of one-half of any agreed reductions of conventional armaments and armed forces and, on the completion of these reductions, the cessation of the manufacture of all kinds of nuclear weapons. The final stage would follow as soon as the control organ reported that it was able effectively to enforce it and would consist of the completion of the agreed reductions of conventional armaments and armed forces and immediately thereafter the total elimination of nuclear weapons.

10. To sum up, although the talks have been conducted in a cordial manner, no progress at all has yet been made towards agreement. On the other hand, we are building up a strong case to show that the responsibility for this failure lies with the Soviet Union.

S. L.

Foreign Office, S.W.1.
11th June, 1954.
MEMORANDUM BY THE FRENCH AND UNITED KINGDOM DELEGATIONS

The French and United Kingdom delegations submit the following proposals as a possible basis for compromise:

1. The members of the Sub-Committee regard themselves as prohibited in accordance with the terms of the Charter of the United Nations from the use of nuclear weapons except in defence against aggression. They recommend that the Disarmament Treaty should include an immediate and explicit acceptance of this prohibition by all signatory States, pending the total prohibition and elimination of nuclear weapons. They further recommend that the obligations assumed by the members of the United Nations to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State should be accepted by all signatory States not members of the United Nations.

2. The draft disarmament treaty prepared by the Disarmament Commission and submitted by it to the Security Council, to the General Assembly and to the World Disarmament Conference should include provisions covering the following:

   (a) The total prohibition of the use and manufacture of nuclear weapons and weapons of mass destruction of every type, together with the conversion of existing stocks of nuclear weapons for peaceful purposes.

   (b) Major reductions in all armed forces and conventional armaments.

   (c) The establishment of a control organ with rights and powers and functions adequate to guarantee the effective observance of the agreed prohibitions and reductions.

3. After the approval of the draft treaty by the World Disarmament Conference this instrument would be open to signature and adherence by all States. The treaty would enter into force immediately it had been ratified by those of the signatories who would be specified in the treaty.

4. The treaty should provide that the disarmament programme should be carried out as described below.

   5. After the constitution and positioning of the Control Organ, which shall be carried out within a specified time, and as soon as the Control Organ reports that it is able effectively to enforce them, the following measures shall enter into effect:

      (a) Overall military man-power shall be limited to 31st December, 1953, levels.

      (b) Overall military expenditure, both atomic and non-atomic, shall be limited to amounts spent in the year ending 31st December, 1953.

6. As soon as the Control Organ reports that it is able effectively to enforce them, the following measures shall enter into effect:

      (a) One half of the agreed reductions of conventional armaments and armed forces shall take effect.

      (b) On completion of (a) the manufacture of all kinds of nuclear weapons and all other prohibited weapons shall cease.

7. As soon as the Control Organ reports that it is able effectively to enforce them, the following measures shall enter into effect:

      (a) The second half of the agreed reductions of conventional armaments and armed forces shall take effect;
(b) On completion of (a):

(i) The total elimination of nuclear weapons and the conversion of existing stocks of nuclear materials for peaceful purposes shall be carried out;

(ii) The total elimination of all other prohibited weapons shall be carried out.

8. It is to be hoped that when all the measures enumerated above have been carried out, the armaments and armed forces of the Powers will be further reduced to the levels strictly necessary for the maintenance of internal security and the fulfilment of the obligations of signatory States under the terms of the United Nations Charter.

9. The Control Organ shall remain in being to ensure that the reductions, prohibitions and eliminations are faithfully and permanently observed.
CABINET

SOUTH-EAST ASIA

NOTE BY THE SECRETARY OF STATE FOR FOREIGN AFFAIRS

I circulate for the information of my colleagues the text of a despatch to Her Majesty's Ambassador in Washington covering a memorandum about the discussions on the situation in South-East Asia between 29th March and 22nd May, 1954.

A. E.

DISCUSSIONS ON THE SITUATION IN SOUTH-EAST ASIA—MARCH 29 TO MAY 22, 1954

Mr. Eden to Sir Roger Makins (Washington)


The nature and the course of the discussions on the situation in South-East Asia in general and Indo-China in particular which have taken place over the past two months between France, the United States and ourselves have been so important and at the same time so intricate that I have thought it desirable for the enclosed account to be prepared in narrative form. I am indebted for this work to Lord Reading, who has studied all the documents and records available.

It will be found that the discussions have covered four quite separate, even if closely related, topics:

1. The long-term project of the creation of a South-East Asia Defence Organisation, intended to be permanent in character and not devised merely to meet the immediate problem.

2. The short-term proposals for active armed intervention in the Indo-China war with the object of preventing the fall of Dien Bien Phu or at least averting its more disastrous consequences, such as the possible collapse of all French resistance throughout Indo-China.

3. The consideration of the measures to be taken to furnish effective international guarantees of any settlement in Indo-China which might be reached at Geneva or, in default of any settlement, to contain further Communist advances in South-East Asia.

4. The institution of Five-Power Staff talks, without commitment to the countries participating, to recommend possible courses of action to check further Communist aggression or infiltration in the region of South-East Asia as a whole.

This account covers, amongst other things, the misunderstanding between the United States Government and Her Majesty's Government of what had been agreed during Mr. Dulles' visit to London on April 11 to 13. Although this misunderstanding was unfortunate, it was aggravated by the publicity given to the intention of the United States Government to go ahead at once with ten members for the formation of a South-East Asia Defence Organisation without waiting for any preliminary confidential discussions about possible additional Asian membership. The prospect of repairing our differences was still further impaired by the publicity given to the proposals made by Mr. Dulles in Paris on April 25 and later for active intervention in Indo-China. In such circumstances any action to set up a South-East Asia Defence Organisation would have been taken as an acknowledgment that we had abandoned any hope of an arrangement at Geneva and would have ended the possibility of Asian association with the project or even benevolence towards it. Since Her Majesty's Government attach great importance to the successful establishment of such an Organisation, I decided that this aim should take precedence over any facile attempt to restore Anglo-United States unity at the expense of our objective.

I am copying this despatch to Her Majesty's Representatives at Paris, United Kingdom Conference Delegation, Geneva, Saigon, and Her Majesty's Representative to United Nations at New York.

I am, &c.

ANTHONY EDEN.
At the conclusion of the Berlin Conference, held between the 25th of January and the 18th of February, 1954, it was announced that the four Foreign Ministers had agreed that a further conference, with a wider representation, should take place at Geneva, opening on the 26th of April, and that at that conference there should be discussed in addition to the Korean situation, "the problem of restoring peace in Indo-China."

Towards the end of March the war in Indo-China was going badly and the defenders of Dien Bien Phu were already hard pressed.

The United States Government seem to have come to the conclusion at that stage that there was little likelihood of obtaining an acceptable settlement in Indo-China by negotiation and that consequently some form of armed intervention must be prepared. In his speech to the Overseas Press Club of America on the 29th of March Mr. Dulles described the extent of the dangers of the situation in Indo-China. He recommended that the United States should not passively accept the possibility of Communist domination of South-East Asia and, while recognising that such a policy would involve serious risks, he urged that the threat should be met "by united action."

On the 2nd of April, perhaps stimulated by Mr. Dulles' speech, the French Government who viewed the situation in Dien Bien Phu as critical, asked the United States Government for "a massive air strike" in order to restore or at least to relieve the position. This appeal, characterised by Mr. Dulles as "slightly hysterical," and apparently made in a moment of panic by the French Cabinet, was rejected by the United States Government without prior consultation with Her Majesty's Government of any kind. But it seems to have had the effect of leading Mr. Dulles to make a very urgent review of the situation in South-East Asia in general and Indo-China in particular, from which emerged a plan for the formation of an ad hoc coalition of interested countries, the United States, the United Kingdom, France, Australia, New Zealand, Siam, the Philippines and the three Associated States of Vietnam, Laos and Cambodia, in order to block any further Communist advance in South-East Asia.

From the conversations which Mr. Dulles held at the time with the Ambassadors of the United Kingdom, France, Australia, and New Zealand, he appeared at that stage to have in mind that this coalition should issue a declaration calling upon the People's Republic of China to desist from further aggressive moves. He also indicated his plans to the representatives in Washington of India, Pakistan, Ceylon, Burma and Indonesia.

On the 5th of April, the Prime Minister received a personal letter from President Eisenhower, pressing him to fall in with this plan, and suggesting that, if it were thought advisable, Mr. Dulles should come to London for urgent discussions. The offer of a visit by Mr. Dulles was promptly accepted, but at the same time I warned Sir Roger Makins in Washington that he should say nothing at that stage that might commit us to the joint action proposed.

My fear was that any such plan, if put into execution in the immediate future, was likely gravely to compromise any prospect of a successful issue to the Geneva Conference. Nor did I think that, as the rains were about to break, the military
situation in Indo-China was as critical as the Americans believed, or that it would be possible, even if it were desirable, to organise any such coalition with sufficient speed to make intervention in the Dien Bien Phu battle effective. I was also satisfied that there was no prospect of obtaining a lasting settlement by military means alone, and I was most anxious that no steps should be taken publicly to put the plan into execution until I had had an opportunity of consultation with the Asian countries most closely concerned and in particular with those who were members of the Commonwealth.

In response to our invitation, Mr. Dulles arrived in London on the 11th of April for talks which took place informally that evening and formally upon the two succeeding days. By that time he had apparently modified his idea of a Warning Declaration. A draft of such a Warning was produced outside the meetings for us to look at, but it was never produced in the formal discussions. Nor, indeed, did the Americans have any other prepared document when they arrived. Presumably Mr. Dulles had come round to the view that the formation of the contemplated coalition would in itself act as a sufficient deterrent to the Chinese. He did not think that an immediate announcement of his plan would have any adverse effect upon the prospects of Geneva, but rather the opposite.

The American proposals clearly had two different aspects, the first the formation of some lasting collective security system for South-East Asia and the second the question of Allied intervention in the fighting in Indo-China. I was ready to examine the first proposition further in confidential consultation with the United States, though difficulties would arise both as regards the methods of associating the defence system with the United Nations and as to the selection of those countries to whom invitations to join should be issued. In particular I pointed out the importance of Asian and especially of Indian participation. Mr. Dulles said that if this matter were pressed he would be urged to accept participation by the Chinese nationalists in Formosa. No decision was reached and it was agreed that in case of need it should be stated in reply to public questions that participation was one of the matters that would need to be further explored between our two governments. As regards intervention in Indo-China, I made clear my objections to any hasty action there with special reference to its probable effect upon Geneva.

At the end of our discussions a communiqué was issued (Annex A) which set out the results of our discussions.

Mr. Dulles then continued his journey to Paris for similar discussions with the French Government, whose views, especially in regard to the timing of any such proposals, appeared to be very close to our own.

On the 16th of April, shortly after Mr. Dulles returned to Washington, it became clear that there was a sharp divergence of view as to the timing of the next steps. We have since been given to understand that Mr. Dulles was under the impression that it had been agreed in the course of our discussions in London that the examination to which we referred in the communiqué should begin at once. If so, he may have been led to this belief by the terms of the second and third paragraphs of the communiqué, which could bear the interpretation he put upon them. There was, however, no agreement at our meeting in London about the membership of the proposed collective security system. This fact was to have been public by agreement in Parliament if I had been questioned in the matter. However, to select nine other countries besides the United States, and publicly to summon their representatives to a meeting, as Mr. Dulles subsequently proposed to do, would clearly have prejudiced this issue of membership.

Acting upon his interpretation of the position and ignoring my insistence that India should not deliberately be excluded from the examination, Mr. Dulles arranged to summon the Ambassadors of the United Kingdom, France, Australia, New Zealand, the Philippines, Siam and the three Associated States on the 20th of April with a view to consulting with them as to their willingness to join the proposed coalition and the procedure for establishing it.

A meeting of representatives of these ten countries at that moment would certainly have been taken as crystallising the membership of the proposed coalition, a decision which would in my judgment have been fatal to the whole plan.

I therefore objected to this proposal and in the end, since the fact that a meeting was to be held was already public, it was decided to convert it from its original purpose to a discussion of the Geneva Conference amongst the representatives of those countries which would be participating in it.
On the 22nd of April I arrived in Paris for the N.A.T.O. meeting and also for consultations with Mr. Dulles and Monsieur Bidault preliminary to the opening of the Geneva Conference on the 26th. I found the position there confused and depressing, M. Bidault in particular being in a state of great exhaustion.

Soon after my arrival I had a conversation with Mr. Dulles at luncheon at which he began by saying that he wanted to clear up a misunderstanding between us over his proposed South-East Asia security system. I replied that I would welcome this. The Colombo Conference was to open on the same day as the Geneva Conference and I was most anxious that we should avoid any steps which might lead to the Governments represented at Colombo coming out publicly against our security proposals. While I had, of course, issued no invitations I had been in touch with certain of the Asian countries and thought that I had been able to restrain them from any unfavourable expression of opinion. But I thought it very important that we should not issue any list of countries to be invited to join the security system until we had been able to see more clearly the trend of Asian opinion. On the other hand I was quite ready to discuss very secretly with Mr. Dulles the form and outline of the plan.

Mr. Dulles replied that there were two problems, the first whether we could in any way help the French out of their immediate difficulties and the second, the eventual membership of the South-East Asia security system. He was still eager to make an early start with the latter on the basis of the three Western Powers together with one or two others, such as Australia, New Zealand and Thailand, the consultations to be of a military as well as of a political character. He thought that this might help to rouse the French from their defeatism. He said that he was being pressed to include Formosa and Japan and that if we insisted upon bringing in India and Pakistan it would make it very difficult for him to resist the pressure. I said that I could not accept that position and I believed that by the communiqué which we had issued after our London talks we had done all that was necessary to strengthen our hands for Geneva. I would, however, be prepared to begin a military study with the United States Government on the possibilities of defence in South-East Asia in the event of a French collapse in Indo-China.

Mr. Dulles painted a gloomy picture of the French attitude of mind, saying that M. Bidault had told him that the situation at Dien Bien Phu was desperate and that French Government had almost made up their minds to quit the fight in Indo-China altogether. I reserved my own judgement on the position until we had an opportunity to talk to the French in the afternoon.

At the meeting at the Quai d’Orsay discussion was desultory and unsatisfactory and we never really got down to an examination of the Indo-China problem. After the meeting I spoke to M. Maurice Schuman and General Ely, though I did not get much from them beyond the view that the situation in Dien Bien Phu was very difficult.

But from a conversation which Her Majesty’s Ambassador had with M. Chauvel, who had been present at an earlier Franco-American meeting, it appeared that the French had in fact not been so pessimistic as the Americans had suggested and that in any event there was no question of taking any vital decision at the moment. The first thing, according to M. Chauvel, was to wait and see whether any negotiations were possible at Geneva.

I formed the view that the French position was actually extremely grave and likely to make our task in Geneva most difficult, even if the collapse which the Americans expected did not take place. But since there had been no suggestion of the French inviting us or the Americans to send military help to Indo-China, it was agreed between the Americans and ourselves that we should leave the idea of a joint study of the military situation in abeyance for the time being.

It was clear to me that M. Bidault had been irritated by the way in which Mr. Dulles had tried to insist upon the French agreeing to enter into immediate negotiations about the proposed security system, and also by American pressure upon him to reveal exactly how he proposed to play his hand at Geneva.

M. Bidault’s anxiety was obviously increased by the very difficult and delicate political situation in France. But when I called upon M. Laniel on the morning of April 23, I found him in quite good heart and less agitated about Indo-China than M. Bidault.
Later on the same day the situation again changed for the worse. Mr. Dulles informed me that General Navarre had telegraphed to the French Government to say that only a powerful strike by the American Air Force within the next seventy-two hours could save the situation at Dien Bien Phu. I replied that I could not see how any intervention from fleet-carriers at this stage could prove effective in saving the fortress, but it might have far-reaching consequences. General Gruebert, who was also present, asked whether there was anything that we could do to raise French morale, which he had never known at so low an ebb. Mr. Dulles seemed to share my view as to the probable ineffectiveness of intervention by air but said that, if I were prepared to stand with him, he was ready to recommend to the President that he should ask Congress for special powers to take action involving the movement of the armed forces. He went on to read me extracts from a telegram from the President, showing concern at the military news from Indo-China and seeming to imply that we were taking a rather indifferent attitude. I said that this last was certainly not the fact, but that I continued to be unconvinced that outside intervention alone, even if the resources were immediately available, could restore the situation at this stage. On the other hand, if the Americans would be willing to discuss the possibility of giving military aid to Siam, if there were a total collapse in Indo-China, I was prepared to recommend this course to my Government. Mr. Dulles agreed to this proposal.

At the conclusion of our talk I told Mr. Dulles that I hoped that there would be no response to the French appeal without prior consultation with us since it might have far-reaching consequences for us all. Mr. Dulles gave me an assurance to this effect.

On the 24th of April I had a further talk with Mr. Dulles and Admiral Radford. Mr. Dulles began by saying that he was now convinced that the French would not remain in the fight unless they were assured “that we would do what we can within the President’s constitutional powers to join them in the fight.” The French had said that an assurance that we would join them in defending the rest of Indo-China if Dien Bien Phu fell would not be enough. Unless we participated by means of an air strike in the actual defence of the fortress, Dien Bien Phu would be “their last battle.” Mr. Dulles said that there was no possibility of the United States participating in the defence of the fortress, because the President could not act quickly enough and because no intervention could now save the situation. But he added that, if the French were confident that we would join in the general defence of Indo-China, they might not throw in their hand altogether when Dien Bien Phu fell, in spite of what they said. The United States Government would be willing to give the necessary assurance, if the British agreed to participate and if Congress approved.

I asked what measures were contemplated. Admiral Radford said that there must be some immediate military effort and suggested that we might send R.A.F. units from Malaya or Hong Kong. He asked whether we had not an aircraft carrier in the area. No more specific plans were forthcoming.

Admiral Radford then went on to give a most pessimistic picture of the probable consequences of the fall of Dien Bien Phu, saying that in his view the whole military situation in Indo-China would get out of control within a few days, that there might be riots in Saigon and Hanoi and that the whole population might turn against the French. The only way he saw of preventing this situation was to demonstrate that France now had powerful Allies in the fight. But it would involve forcing unpleasant decisions upon the French such as to remove General Navarre, and to give the Americans a voice in the planning of the High Command and the training of Vietnamese troops. I said that the picture painted to us by the French had not been anything like so desperate and I asked whether the Americans really thought that air intervention could decisively alter the situation. We had to bear in mind what might be the effect on world opinion and how the Chinese would be likely to react. I assumed that they had not forgotten the Russo-Chinese Alliance. If we sent forces into Indo-China, we might find ourselves fighting not only the Vietminh but Vietnam and at the same time heading for a world war.

Admiral Radford said that he had never thought that the Chinese would intervene in Indo-China, nor had they the necessary resources available. If they attempted air action this could be stopped by bombing the very vulnerable airfields in China.

Admiral Radford asked what were the views of our Chiefs of Staff. I replied that they certainly considered Indo-China of the first importance for the defence of Thailand and Malaya but I did not know what belief
they had in the possibility of successful military intervention in Indo-China at this stage. Personally I had the gravest doubts about this. From the political point of view Mr. Dulles was proposing to confront British opinion with as difficult a problem as it would be possible to find. I would consult at once with Her Majesty's Government and would probably fly home to London that night for the purpose.

At the subsequent tripartite meeting at the Quai d'Orsay, Mr. Dulles began by saying that in view of the conflicting reports they must now have a clear understanding whether the French would continue the fighting in Indo-China if Dien Bien Phu fell. If so, the United States would try to organise as urgently as possible the defence of the entire region as agreed in the London and Paris communiqués. He appeared at one point to be implying that the London communiqué had in some way committed Her Majesty's Government to action in Indo-China and I took occasion to say that in my view there was no such commitment. M. Bidault supported me, and Mr. Dulles did not dissent.

Mr. Dulles also produced the draft of a letter which he proposed to address to M. Bidault, if it would be thought helpful. The substance of it was that the United States Government would be prepared, if the French Government and their other Allies wished, to take the necessary steps to obtain special powers from the President to move armed forces into Indo-China and thus to internationalise the struggle against communism in Indo-China and protect South-East Asia as a whole. There was no reference in this letter to the United Kingdom, although Mr. Dulles had said more than once in our earlier conversations that if the United Kingdom was not prepared to take part he did not think that a majority would be found in Congress to give the President his special powers.

M. Bidault, after some hesitation, finally said that he was prepared for Mr. Dulles to address the letter to him.

It had by then become very clear that Her Majesty's Government would have to take a decision of first-class importance. I therefore decided to return to London that night to discuss the position with my colleagues, and to ask their approval of the attitude which I had adopted in refusing to join in any immediate discussions on the possibility of Allied intervention in the Indo-China war or to give any undertaking in advance of Geneva concerning United Kingdom military action in Indo-China.

I had prepared a paper [Annex B] defining what I thought should be the attitude of Her Majesty's Government. This was endorsed by my colleagues during our consultations in London.

Just before I left London again on Sunday the 25th of April, the French Ambassador called upon me and told me that the Americans were prepared to go to the help of the French with an air strike provided that the action they took was on the basis of a joint Allied declaration in which he strongly urged that we should participate. I told M. Massigli that I would put this at once to my colleagues before leaving for Geneva. On my way I landed at Orly airport where M. Bidault unexpectedly met me and I gave him the substance of the paper referred to above and which had by then received the assent of my colleagues. M. Bidault did not seem surprised at our attitude but was clearly most gravely perturbed by the situation, and by the publicity which had been given to it by an American press leakage. I stressed that all our technical advisers believed that an air strike at Dien Bien Phu could not appreciably affect the outcome and that we accordingly felt that we were being asked to involve ourselves in an enterprise which might have the gravest consequences, but was most unlikely to achieve its purpose.

After my arrival the same evening in Geneva, Mr. Dulles came to see me and I informed him of our discussions in Cabinet on the proposals which he had put to me in Paris. We would give the French all possible diplomatic support towards reaching an acceptable settlement at Geneva and this would be much more effective than an unsuccessful attempt to intervene in the present battle. In no circumstances did we think air action in Dien Bien Phu practical. In spite of his earlier insistence Mr. Dulles appeared now to agree as to the efficacy of the air strike, but he was very anxious that a concerted effort should be made to support the French more vigorously than could be done without acts of belligerency. We ought to make them feel that if they fought on they would get help. He believed that there was no chance that they would continue to fight unless they could be given some hope within the next few weeks that a common defensive system could be created which would safeguard at least parts of Indo-China. I replied that if an acceptable settlement could be arrived at we were
ready to guarantee it; if the attempt failed, we were prepared to examine the situation afresh; but we were not prepared to intervene now.

The Geneva Conference opened on the following day, the 26th of April, and after the opening session I had a further conversation with Mr. Dulles, who said that he was not very clear where we stood after the previous night's discussion in relation to the terms of the London communique of the 13th of April. He asked whether we could not now proceed to discussions with the French on the basis of that document. I said that, as I had made it plain that we were not prepared to intervene in Indo-China, there seemed no advantage at this time in a discussion as to the preparation of military defence if Indo-China were to be included in it.

I later showed the Cabinet Conclusions and my reports on my talks with Mr. Dulles, M. Bidault and M. Massigli to the Ministers of External Affairs of Canada, Australia and New Zealand, who were all emphatically in agreement with the line adopted by the Cabinet.

The Colombo Conference of the Prime Ministers of India, Pakistan, Ceylon, Burma and Indonesia, opened on the same day as the Geneva Conference.

I had throughout been anxious to keep the three Asian members of the Commonwealth informed and, if possible, to bring them along in step with us, and on the 27th of April I sent telegrams to the Prime Ministers of India, Pakistan, and Ceylon, saying that I wished to proceed at Geneva with the approval of our Commonwealth partners and that if any settlement could be reached over Indo-China it would be desirable to obtain the widest possible measure of backing for it amongst all interested parties. I enquired whether they could contemplate being associated in any form with such a guarantee. I also gave instructions for the Government of Burma to be approached on similar lines through diplomatic channels. The replies received were on the whole encouraging.

On the same day M. Massigli called in London upon the Prime Minister in order to convey to him an urgent appeal from M. Laniel that we should join with the United States in the declaration promising military help in Indo-China. The Prime Minister inquired the Ambassador that we could not at this stage make any commitments beyond those of which I had informed Parliament on the 13th of April after Mr. Dulles' visit to London.

The Prime Minister subsequently made a statement on the position in the House of Commons. On the 30th of April I had a further conversation with Mr. Dulles, who again asked whether there was not anything that we could do to help the French and suggested that it would hearten them if we now started to have talks in Washington about the South-East Asia defence organisation. I said that I saw the same difficulties as before. If we were preparing to go to the help of the French in Indo-China, that was a course which Her Majesty's Government could not take. If we were not, then I did not think that for us to pretend that we were doing so would help anybody.

I dined on the evening of the 1st of May with Mr. Dulles, General Bedell Smith and some of their advisers, when Mr. Dulles expressed the view that the present situation between us was very disturbing since in the past we had always been in agreement at Conferences, whereas we were now in complete disarray. I said that I did not really know what it was that we were being asked to do in Indo-China, but that, if it were that we should intervene with armed forces, I had already explained fully the reasons why any such action was impossible.

Mr. Dulles said that he was not asking us for any military assistance but only for our moral support in any action that they might take. I said that that was quite a new approach and I asked what kind of action they had in mind. Mr. Dulles replied that it had not yet been decided. I said that we must really see where we were going, for if the Americans went into the Indo-China war, the Chinese themselves would inevitably step up their participation and the next stage would be that the Americans and the Chinese would be fighting each other, which would in all probability be the beginning of the third world war.

Mr. Dulles said that they were not thinking in terms of any large-scale intervention at the moment, but of training up Vietnam forces to undertake the defence of their own country, which might take a year to accomplish. In the interval they would have to hold some sort of a bridgehead.

It became apparent during this conversation that the Americans were deeply aggrieved by our refusal to support them in such military measures as they might think advisable, but that at the same time they had no definite plans of their own.

I subsequently discussed this conversation with my Commonwealth colleagues and was confirmed in my view that we must
follow a consistent line and refuse, pending the outcome of negotiations here, not only to be drawn into the Indo-China war, but to promise moral support for measures, the full scope of which was still unknown to us. We could on the other hand repeat our assurances to the Americans that we agreed to work with them in building up a collective defence with the widest possible Asian support to guarantee any settlement in Indo-China and assure the security of the rest of South-East Asia.

On the 30th of April I prepared a document (Annex C) which was not intended as an official statement of Her Majesty’s Government’s views, but merely as a reflection of my own thoughts. I gave a copy of this to Mr. Dulles and on the 2nd of April received a reply from him (Annex D) setting out his reactions to my views, and again asking whether we could not reconsider our position and “inject some new element into the situation” with the object of providing the French with further encouragement to continue the fight.

On the 3rd of May, Mr. Dulles left Geneva and I saw him off at the airport. The first plenary sitting of the Conference on Indo-China was held on this day. The same evening I had a talk with General Bedell Smith at dinner in which he expressed no enthusiasm for the view that sea and air intervention alone could be effective in Indo-China and added that American ground forces would only be sent there over his dead body. He went on to explain that in his opinion the immediate problem was to encourage the French to hold on both on the battlefield and at the Conference table so as to gain time to organise a more effective defence, whilst bringing pressure to bear upon the Chinese and the Russians to accept a tolerable settlement. He indicated that this double purpose explained the recent American impatience to take active steps.

On the 10th of May, the Minister of State made a statement on the position in the House of Commons.

On the 11th of May, I received a letter from General Bedell Smith which contained Washington’s reply to my suggestion in regard to staff talks and indicated the desire of the United States Authorities to move forward on two parallel lines, first the military staff talks by five Powers and, secondly, a concurrent effort to construct the South-East Asian defence organisation. My own view remained unchanged that it would be fatal at this stage to begin discussions with a 10-Power group before the results of the Geneva Conference were known.

On the 15th of May, there was a disconcerting incident. The Swiss papers reported discussions between the French and United States Governments concerning the terms upon which the United States would be prepared to intervene in Indo-China. We had received no intimation that such conversations were taking place and enquiries as to the truth of the reports elicited no information that morning from either General Bedell Smith or M. Bidault, but after my meeting with them, M. de Margerie, at M. Bidault’s request, gave me, in strict confidence, a full account of what had taken place. Later in the day, when the New York Herald Tribune arrived, it contained detailed reports which enabled me, without breaking the confidence of the French, to ask to see General Bedell Smith and to enquire from him what the truth of the matter was.

General Bedell Smith, who was greatly upset that we had not been informed, at once showed me copies of telegrams between Washington and Paris from which it was apparent not only that these conversations were taking place, but that the intention was that we should not be informed of them until they had been concluded. He undertook to keep us fully informed in future.

At a meeting with M. Bidault and General Bedell Smith on the morning of the 15th, the latter raised for the first time the question of bringing the United Nations into the South-East Asian picture by persuading the Siamese to revive their plan of June last to secure the despatch of a Peace
Observation Commission to the Indo-Chinese/Siam frontier. This proposal created obvious difficulties and both I and the French Delegation had doubts about its wisdom at that stage.

Meanwhile, the question of staff talks in Washington had been proceeding, but in view of the situation which had developed over the conversations between the French and the Americans, I felt bound to reserve our position until the situation had been cleared as to the real American intentions about intervention in Indo-China. On the 17th of May I had a talk with M. Bidault about this aspect of the matter, from which it was clear that there was no question of the French Government requesting American intervention until the Conference was over. As a result of my conversations with him and also with General Bedell Smith, I stated that I was now prepared to go forward with Five-Power Staff talks on the understanding that the United Kingdom was not thereby committed. On the following day the Prime Minister agreed that staff talks could now proceed and the terms of reference for the discussions were agreed.

On the 19th of May, at a meeting with M. Bidault and General Bedell Smith, the latter again raised the question of the appeal by Siam to the United Nations to which both the French and ourselves continued to see substantial difficulties both tactical and procedural, since to raise the matter at this moment might well wreck the chance of a successful outcome at Geneva, and at the same time might alienate public opinion as being too transparent a manoeuvre on the part of the United States to secure United Nations cover for intervention in Indo-China. At this meeting it also became apparent that the Americans were already impatient of the slow progress made and were anxious to revert to plenary sessions, although only two restricted sessions had so far been held.

I expressed the emphatic view that we must give the experiment a full and fair trial, and M. Bidault confined himself to the simple statement that to adopt the American proposal would mean the fall of the French Government.

This was the position when I returned to England on the 22nd of May, after attending the Entente Cordiale celebrations in Paris, when I had the opportunity of again consulting my colleagues at a Cabinet meeting on the morning of the 24th of May before returning to Geneva later in the same day.

---

**Annex A**

At the conclusion of their meetings in London on April 12 and 13, during which they discussed a number of matters of common concern, Mr. Foster Dulles and Mr. Anthony Eden, issued the following statement:

"We have had a full exchange of views with reference to South-East Asia. We deplore the fact that on the eve of the Geneva Conference the Communist forces in Indo-China are increasingly developing their activities into a large-scale war against the forces of the French Union. They seek to overthrow the lawful and friendly Government of Vietnam which we recognize and they have invaded Laos and Cambodia. We realize that these activities not only threaten those now directly involved, but also endanger the peace and security of the entire area of South-East Asia and the Western Pacific, where our two nations and other friendly and allied nations have vital interests.

"Accordingly we are ready to take part, with the other countries principally concerned, in an examination of the possibility of establishing a collective defence, within the framework of the Charter of the United Nations, to assure the peace, security and freedom of South-East Asia and the Western Pacific.

"It is our hope that the Geneva Conference will lead to the restoration of peace in Indo-China. We believe that the prospect of establishing a unity of defensive purpose throughout South-East Asia and the Western Pacific will contribute to an honourable peace in Indo-China."

---

**Annex B**

**INDO-CINNA: ATTITUDE OF HER MAJESTY’S GOVERNMENT**

_Draft prepared by the Secretary of State for Foreign Affairs for Consideration._

1. We do not regard the London Communiqué as committing us to join in immediate discussions on the possibility of Allied intervention in the Indo-China war.

2. We are not prepared to give any undertakings now, in advance of Geneva, concerning United Kingdom military action in Indo-China.
3. But we shall give all possible diplomatic support to the French Delegation at Geneva in efforts to reach an honourable settlement.

4. We can give an assurance now that if a settlement is reached at Geneva we shall join in guaranteeing that settlement and in setting up a collective defence in South East Asia, as foreshadowed in the London Conference, to make that joint guarantee effective.

5. We hope that any Geneva settlement will make it possible for the joint guarantee to apply to at least the greater part of Indo-China.

6. If no such settlement is reached we shall be prepared at that time to consider with our Allies the action to be taken jointly in the situation then existing.

7. But we cannot give any assurance now about possible action on the part of the United Kingdom in the event of failure to reach agreement at Geneva for a cessation of hostilities in Indo-China.

8. We shall be ready to join with the United States Government now in studying measures to ensure the defence of Siam and the rest of South East Asia, including Malaya, in the event of all or part of Indo-China being lost.

Annex C

Communism in Asia cannot be checked by military means alone. The problem is as much political as military; if any military combination is to be effective, it must enjoy the widest possible measure of Asian support.

2. We should aim to get the support of Burma as well as Siam as the immediate neighbours of Indo-China. But Burma will not come in unless the project commands some sympathy from other Asian countries, particularly the Asian members of the Commonwealth.

3. If we cannot win the active support of all the Asian countries of the area, it is important that we should, at the very least, secure their benevolent neutrality.

4. To secure this widely based Asian support, we must prepare the ground carefully for what is, in any case, intended to be a lasting defensive organisation, not a hastily-contrived expedient to meet the present crisis.

5. This does not mean that we desire to delay. On the contrary, we have already been actively using our influence, particularly with the Asian members of the Commonwealth, with encouraging results. Pakistan and Ceylon have already promised not to oppose a South-East Asian Collective Defence on the lines we envisage, and we have succeeded in diverting Mr. Nehru from his original intention of condemning it root and branch. We have thus averted the danger that the Asian Prime Ministers at Colombo would unite in condemning our project, and have grounds for hoping for the actual support of some of them.

6. Mr. Nehru's latest statement shows that his ideas have moved closer to our own. With persistence, we may even secure his endorsement of the kind of negotiated settlement in Indo-China that would be acceptable to us.

7. While we do not believe that a French collapse in Indo-China could come about as rapidly or as completely as the Americans appear to envisage, this danger reinforces the need to lay the foundations of a wider and viable defence organisation for South-East Asia.

8. We propose, therefore, that the United States and the United Kingdom should begin an immediate and secret joint examination of the political and military problems, involved in creating a Collective Defence for South-East Asia.

(a) nature and purpose;
(b) membership;
(c) commitments.

This examination should also cover immediate joint measures to stiffen Siam.

Annex D

Letter from Mr. Dulles to the Secretary of State: May 2

"I am taking back to Washington for discussion with the President the Memorandum on South-East Asia Defence, which you gave me on April 30. I think there is much in it with which we would go along. However, it does not seem to me that the eighth paragraph proposing immediate and secret joint examination between the United States and the United Kingdom is in itself adequate.

Your paragraph 7 says that you do not think that a French collapse in Indo-China could come about as rapidly or as completely as we appear to envisage. I hope you are right. I think, however, that our pessimistic view will almost surely prove correct if France is left at this moment with virtually no alternative to a lonely, hopeless
negotiation, which will amount to unconditional surrender. I think it imperative that we inject some new element into the situation, and I believe that the least we should do would be to invite the French into at least certain phases of our talks and let this be known.

We have just had a meeting of the ANZUS Council at which Australia and New Zealand indicated a willingness to proceed with military discussions with your Government and mine and France, and with the desirability of Thailand being brought in. This last is in accordance with the concluding paragraph of your Memorandum.

If we do nothing in the way of planning a common defense until every last detail of nature and purpose, membership and commitments is agreed upon between our two governments acting secretly, then I fear circumstances will move against us so rapidly that what we do agree upon will have been rendered obsolete by events. Could not your Government reconsider its position as expressed in your Memorandum at least to the extent of enabling us to help provide Bidault with some element of hope, which might enable him to gather the political strength to hold off from the surrender which otherwise seems inevitable.

Annex E

In his statement in the House of Commons on April 22 the Prime Minister said:

"My Right Hon. Friend has of course made it clear to his colleagues at Geneva that if settlements are reached at Geneva, Her Majesty's Government will be ready to play their full part in supporting them in order to promote a stable peace in the Far East.

"I am ready to recommend that Her Majesty's Government should take part at once with the United States, France, Australia and New Zealand in a study to be undertaken by the Five-Power Staff Agency of the implications of such support for an Indo-China settlement. In addition to military questions, there will certainly be political and economic problems which will require urgent examination. For this purpose we suggest that political and economic experts should be attached to the Agency as appropriate.

"This study would be of direct interest to a number of other countries, notably the Powers represented at the Colombo Conference and Siam, which would be naturally concerned with supporting an Indo-China settlement. It would be understood that these countries would be informed of the intention to initiate the study, kept suitably advised of the progress of the work and, where appropriate and by agreement, invited to take part.

"A joint public announcement of our intentions would be issued. It would of course be essential that this should be carefully considered and agreed upon.

"The present terms of reference of the Five-Power Staff Agency would require amendment in order to make clear the circumstances to which the study is to apply."
On 12th April the Foreign Secretary circulated to the Cabinet a paper (C. (54) 145) regarding talks which have been taking place in London between representatives of the United Kingdom, United States and Yugoslavia with the object of finding a realistic basis for bringing about an agreed settlement between Italy and Yugoslavia of the Trieste problem. These talks were brought to a conclusion on 31st May, when an "Agreed Record" was initialled by the negotiators. This sets out the position reached at the end of the discussions and outlines the proposals which the United Kingdom and United States representatives have undertaken to put to the Italian Government as a basis for a settlement.

2. A copy of the "Agreed Record" (without Annexes) is circulated herewith for information. Its main provisions are:

**Territorial**

Zone A goes to Italy and Zone B to Yugoslavia. But there should be minor adjustments of the inter-zonal boundary resulting in an exchange of some 12 square kilometres in the south-west corner of Zone A of the Free Territory against a somewhat smaller and less valuable strip in the north-east corner of Zone B.

**Administration**

Subject to agreement on all related points, the United Kingdom, United States and Yugoslav Governments should terminate the military governments in Zones A and B of the Free Territory and the United Kingdom and United States Governments, after withdrawal of their military forces from the area north of the new boundary, should relinquish administration of that area to the Italian Government. The Yugoslav and Italian Governments would forthwith extend their civil administrations over the areas for which they would have responsibility.

**Safeguards for the Inhabitants of the Free Territory**

(a) The Yugoslav and Italian Governments should negotiate a statute on a reciprocal basis for the protection of the minorities in the areas which they would administer.

(b) The Italian Government should undertake to maintain the Free Port at Trieste in general accordance with the provisions of Articles 1-20 of Annex VIII of the Italian Peace Treaty.

(c) The Italian Government should be invited to declare that the area coming under Italian administration would have an appropriate measure of local autonomy.

**Statement of Non-Support of Territorial Claims**

The United Kingdom and United States Governments and, if they are willing, the French Government should issue a declaration that they will give no support to the claims of either Yugoslavia or Italy respecting territory under the sovereignty or administration of the other.
Settlement of Outstanding Financial Problems

The United Kingdom and United States Governments would seek to bring about, concurrently with the general agreement on Trieste, a lump-sum, or at least a partial, settlement of the principal financial problems now outstanding between Italy and Yugoslavia and resulting in the main from the Reparation Clause of the Italian Peace Treaty.

3. In the course of the negotiations, the Yugoslav Government were informed, as authorised by the Cabinet on 13th April, that the United Kingdom Government would contribute a sum of £2 millions as part of the final settlement of the dispute, probably in the form of an extension for one year of economic aid to Yugoslavia.

4. It will be seen that the Yugoslav Government have now been brought to accept, with certain modifications and safeguards, the solution which they rejected and the Italians accepted last October. At the Foreign Secretary's direction, the proposition was communicated to the Italian Government on 1st June. It is difficult to forecast what their reaction will be. The proposition will involve some sacrifice on their part, as it has on the part of the Yugoslavs. But, in my opinion, they will be well-advised to close quickly with an offer which gives them far the most important part of the Free Territory and which may not easily be repeated.

S. L.

Foreign Office, S.W. 1,
12th June, 1954

AGREED RECORD OF POSITIONS REACHED AT THE CONCLUSION OF DISCUSSIONS IN LONDON, 2nd FEBRUARY TO 31st MAY, BETWEEN REPRESENTATIVES OF THE UNITED KINGDOM, UNITED STATES AND YUGOSLAVIA

Beginning on 2nd February, 1954, a series of discussions took place in London between representatives of the United Kingdom, United States and Yugoslav Governments in order to ascertain whether a basis for the solution of the Trieste problem could be found which would be acceptable to both Yugoslavia and Italy. A common desire for the solution of the problem was manifest during these discussions. The Yugoslav representative made it clear that, should agreement not be reached as a result of the current negotiations, the Yugoslav Government would not consider itself bound by the provisions of this record.

1. Procedure

The United Kingdom and United States representatives undertook to propose to the Italian Government that it enter into a Memorandum of Understanding covering points 2 to 6 below and any points suggested by the Italian Government, or any other participants, upon which agreement is reached. Such a Memorandum would make reference to the present unsatisfactory situation resulting from the impossibility of putting into effect the provisions of the Italian Peace Treaty relating to the Free Territory of Trieste and to the agreement of the United Kingdom, United States, Yugoslavia and Italy, as the countries principally concerned, to bring this situation to an end. It would provide that, as soon as the Memorandum has been initialled and the territorial adjustments described therein have been carried out, the United Kingdom, United States and Yugoslav Governments will terminate the Military Governments in Zones A and B of the Territory, and the United Kingdom and United States Governments will withdraw their military forces from the area north of the new boundary and relinquish administration of that area to the Italian Government. The Yugoslav and Italian Governments will forthwith extend their civil administrations over the areas for which they have responsibility.

The Memorandum of Understanding will be notified to the parties to the Italian Peace Treaty and to the Security Council of the United Nations.
2. **Territorial Provisions**

It was agreed that the United Kingdom and United States representatives will propose to the Italian Government the acceptance of the territorial delimitation described in Annex I. The new boundary will be drawn on a map at a scale of 1:50,000, which will be annexed to the Memorandum of Understanding. As soon as the Memorandum of Understanding has been initialled, representatives of Allied Military Government and representatives of Yugoslav Military Government will carry out promptly, and in any event within three weeks, a provisional adjustment of the boundary in accordance with the map. The Memorandum of Understanding will include a provision for the subsequent establishment by the Yugoslav and Italian Governments of a commission to effect a definitive demarcation of the boundary in accordance with the map.

3. **Minorities**

It was agreed that there should be annexed to the Memorandum of Understanding a statute on a reciprocal basis for the protection of the Minorities in the areas concerned. The United Kingdom and United States representatives undertook to transmit to the Italian Government a set of guiding principles, prepared by the Yugoslav representative and attached hereto as Annex II, which should, subject to consideration of any Italian suggestions, serve as the basis for the preparation of such a Statute.

4. **Free Port**

It was agreed that the Memorandum of Understanding should contain an undertaking by the Italian Government to maintain the Free Port at Trieste in general accordance with the provisions of Articles 1 through 20 of Annex VIII of the Italian Peace Treaty.

The United Kingdom and United States representatives will propose that the Italian Government agree to invite representatives of Yugoslavia, Austria and possibly other users of the Port of Trieste to a meeting for the purpose of working out the necessary arrangements to apply these articles under present conditions in order to ensure the fullest possible use of the Free Port in accordance with the needs of international trade. It was agreed that the Italian Government could give its undertaking to call such a meeting in a confidential exchange of letters with the Yugoslav Government simultaneously with the initialling of the Memorandum of Understanding.

5. **Autonomy**

It was agreed that the United Kingdom and United States representatives should endeavour to obtain inclusion in the Memorandum of Understanding of a declaration by the Italian Government that the area coming under Italian administration should have an appropriate measure of local autonomy.

6. **Non-Prosecution Clause**

The United Kingdom and United States representatives will propose the inclusion in the Memorandum of Understanding of a statement along the following lines:

"The Governments of Yugoslavia and Italy agree that they will not undertake any legal or administrative action to prosecute or discriminate against any resident of the areas, coming under their civil administrations in accordance with the Memorandum of Understanding, for past political activities in connexion with the solution of the problem of the Free Territory of Trieste."

7. **Consular Representation in Trieste**

The United Kingdom and United States representatives will propose that the Italian Government undertake to accord consular status to the representatives of the countries now represented in Trieste by political or commercial representatives.

8. **Slovene Credit and Cultural Institutions**

The United Kingdom and United States representatives undertook to seek Italian acquiescence in the granting by Allied Military Government in Zone A of permission for the opening of a Slovene credit institution in Trieste. Allied
Military Government may take such action before the Memorandum of Understanding is initialled.

The United Kingdom and United States representatives also undertook to explore with the Italian Government the possibility of making arrangements to provide suitable buildings for the cultural activities of the Slovene minority in the area of Trieste as a partial replacement for those formerly used for this purpose.

9. **Question of Claims**

The Yugoslav representative stated that his Government did not wish to raise the question of option, claims and counter-claims arising out of the execution of the provisions of the Memorandum of Understanding. Should, however, the Italian Government press for a provision on this point, the Yugoslav view is that the inhabitants of the Free Territory should be given one year in which to decide whether they wish to change residence and one additional year in which to dispose of property. The sums realised from such property liquidation would be deposited in special accounts with the national banks of the two countries and any balance between these two accounts would be liquidated by the two Governments within a specified period of time.

10. **Settlement of Financial Problems**

The United Kingdom and United States representatives undertook to make strong efforts to bring about, concurrently with the general agreement on Trieste, a lump-sum settlement, or at least a partial settlement, of the principal financial problems now outstanding between Italy and Yugoslavia.

The Yugoslav representative maintained that a settlement or partial settlement of these problems should be arrived at concurrently with the general settlement of the Trieste problem. The United Kingdom and United States representatives, while agreeing to make every effort to obtain a settlement, maintained their position that the resolution of the Trieste question should not be made absolutely contingent thereon. The Yugoslav representative also considered that such settlement should dispose of the claims arising from the Reparation provisions of the Italian Peace Treaty and the Italo-Yugoslav agreements signed in Belgrade on 23rd May, 1949, and in Rome on 23rd December, 1950. He did not consider that claims arising out of the Memorandum of Understanding should be included in such a settlement.

11. **Statement of Non-Support of Territorial Claims**

After the Memorandum of Understanding has been initialled, the United Kingdom and United States Governments will issue a Declaration that they will give no support to the claims of either Yugoslavia or Italy respecting territory under the sovereignty or administration of the other. The United Kingdom and United States Governments will invite the French Government to make a similar declaration.

(GEoffrey W. Harrison.)

(Llewellyn E. Thompson.)

(Vladimir L. Velebit.)

CABINET

COMPENSATION TO MINISTERS OF THE CROWN INJURED OR KILLED ON DUTY

MEMORANDUM BY THE CHANCELLOR OF THE EXCHEQUER

From time to time during the last two years or so I have had to answer enquiries from my more peripatetic colleagues about the arrangements for insuring them against accidents while travelling by air. I have had to tell them that payments for this purpose cannot be made from public funds. They have accepted this reply. But I think, nevertheless, that it may be desirable that we should consider together our policy on this somewhat personal and far from simple matter.

2. In the last war Civil Servants were for the first time allowed to charge to public funds the cost of premiums on policies insuring them, whilst travelling on duty by air, for a sum equal to two years' salary; and this practice was extended to Ministers. (Civil Servants, unlike Ministers, also had, and have, the protection provided by the Injury Warrants, which give their widows a pension of between one sixth and one quarter of their salary if they are killed on duty.)

3. In 1948 the then Government decided that the war-time practice should cease, that no provision whatever should be made from public funds for this purpose so far as Ministers were concerned, and that Civil Servants should rely on the Injury Warrants as they had done before the war, payment from public funds for life assurance premiums being permitted (within certain limits) only where additional premiums are required to validate Civil Servants' own existing insurance policies.

4. Thus the present position is that, in the event of their being killed or injured while on official duty, Ministers of the Crown have no rights other than those deriving from common law or statute. I will not attempt to describe in detail what these rights are, but a very short note on this point will be found at Appendix I.

5. The question is: are these arrangements adequate? Should they be supplemented, in some way, at the expense of public funds?

6. The main arguments for and against the present policy are as follows:

For

(a) Ministers are provided with a salary which the uninformed may think sufficient to enable them to insure against accidents: to provide further out of public funds would be an unjustifiable supplementation of Ministers' remuneration.

(b) The costs of obtaining at private expense insurance cover against accidents by air are not great. For example, accident cover for £10,000 for ten days' flying risks by regular air line would cost £3 10s. 0d., and by private air-line charter plane 5 guineas.

(c) If this sort of thing is done for Ministers, there may be a demand for an extension of the practice to cover Members of Parliament.

Against

(a) Ministers work for the State: the State should cover them as an addition to salary against risks inherent in their job.

46291
While Ministers were handsomely paid before the war, the change in the value of money has affected their capacity to save and provide for their families in the event of their death or disablement. (In any event Junior Ministers are in a very different position from Senior Ministers.)

The position of Ministers can easily be differentiated from that of private Members.

7. The possible means of providing cover for Ministers are as follows:

(a) Bringing Ministers within the scope of the Injury Warrant
   This would give cover for death or injury on duty extending far beyond accidents incurred while flying. At Appendix II is a note giving a rough summary of the provisions of the Injury Warrant.

(b) Re-introduction of the war-time practice of insurance through private companies, the premium being paid out of public funds, and public funds also standing any extra cost of validating existing policies.

(c) Reimbursement of the extra cost of validating existing policies, with no further cover
   These could be restricted to travel by air or could be extended to cover other contingencies as desired.

8. As between these alternatives the pros and cons seem to be as follows:

   I have no doubt that, if it were decided that Ministers ought to be covered in some way against accidents while on duty at public expense, the proper way to do it is by the Injury Warrants. But to do this would require legislation. To extend their scope to bring in Ministers would not be revolutionary so far as the Warrants are concerned, for, although up to 1949 they covered Civil Servants only, the Superannuation Act, 1949, extended their scope to include persons employed in a civil capacity, whether for reward or not, for the purposes of Her Majesty's Government. One might have thought from the wording of the 1949 Act that Ministers would be within the scope of the Warrants; but in the view of the Treasury Solicitor this is not so, since the appointment of a Minister does not create a relationship between the Minister and the Crown of contract of service, or even contract for services: a Minister is not “employed” within the meaning of that word as used in Section 41 (1) in the Superannuation Act, 1949. Thus, when Lord Cherwell, having ceased to be a Minister of the Crown, flew to Bermuda with the Prime Minister he was within the scope of the Warrant but the Prime Minister was not.

The present does not seem to me to be an opportune time to promote legislation for pensions for Ministers or their dependants, even in the exceptional circumstances of death or disablement on duty.

9. It would be possible without legislation to resort to private insurance companies. But it is an established rule of practice that the State carries its own risks and there seems no good reason why, if it were decided to cover this risk, the State should pay for it to be carried by private companies. Thus if the practice became known it might be alleged that the reason for its adoption was the desire to avoid drawing public attention to the fact that the cover was being provided at all. This is not the sort of criticism to which, I think, we would wish to expose ourselves.

10. My own conclusion from all this is that, though the present position may not perhaps be altogether satisfactory, we should be well advised to leave matters as they are for the present. We might, however, reserve the question for consideration in conjunction with the general question of the financial position of Ministers as and when it next comes forward for discussion.

R. A. B.

Treasury Chambers, S.W. 1,
14th June, 1954.

* It is also to be noted that for the purpose of the National Insurance Acts, Ministers are deemed to be “self-employed.”
APPENDIX I

POSITION OF MINISTERS UNDER COMMON LAW OR STATUTE

A claim to compensation in respect of a Minister killed or injured while on official duty would be possible in one or other of the following circumstances: —

(1) Where the negligence of another person can be proved, a claim for compensation can be made against that person or, as is more usually done, against the employer of that person. Thus a claim might in these circumstances be possible against, e.g., British Railways, a road transport undertaking or the Airways Corporations and any employee of them.

(2) In the case of air travel only, a passenger has additional protection. The Warsaw Convention, which was ratified by the Carriage by Air Act, 1932, and is subscribed to by many countries who operate air passenger services, lays down that a passenger has a claim to compensation, even if negligence cannot be proved, so long as the compensation is limited to 125,000 gold francs, worth at present about £3,000.

(3) Again, where negligence can be proved by one of its servants, a claim can be made against a Government Department. For instance, if a Minister were killed or injured as a result of the negligence of a driver employed in the official car service or a driver paid by the Minister’s own Department, a claim could be made.

APPENDIX II

PROVISIONS OF THE INJURY WARRANT

The Injury Warrant, 1952, framed under Section 41 of the Superannuation Act, 1949, provides a scheme of compensation for persons who suffer impairment of earning capacity as a result of an injury sustained, or a disease contracted, in the discharge of their duties, or, if the injury or disease proves fatal within seven years, for certain dependants who were wholly or mainly dependent on the deceased at the time of his death. It applies without distinction to established Civil Servants and persons employed in a civil capacity for the purpose of Her Majesty’s Government within certain salary limits, and in their cases the scales of compensation are as follows: —

<table>
<thead>
<tr>
<th>Widows</th>
<th>Civil Servants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual allowance</td>
<td>Annual allowance</td>
</tr>
<tr>
<td>Aircraft accidents</td>
<td>$\frac{1}{2}$ of officer’s salary</td>
</tr>
<tr>
<td>Civil disturbances abroad</td>
<td>$\frac{1}{2}$ of officer’s salary</td>
</tr>
<tr>
<td>Accidents in normal course of duty</td>
<td>$\frac{1}{4}$ of officer’s salary</td>
</tr>
</tbody>
</table>

2. There are also allowances for children and certain other dependants in death cases.

3. Allowances at a proportionately lower rate are paid for a lesser degree of disablement.

4. Any payments under the warrant are reduced to the extent that compensation is received from other quarters, i.e., the value of any damages recovered and any National Insurance benefits. But no account is taken of private insurance policies.

5. (Unestablished Civil Servants are also covered by the Injury Warrant, but in their case the compensation payable is in certain respects on a lower scale.)
CABINET

INDO-CHINA

Note by the Secretary of State for Foreign Affairs

I attach, for the information of my colleagues, an interesting message sent by the External Affairs Department in Canberra to the Australian Embassy in Washington on 5th June.

A.E.

Geneva,

14th June, 1954.

From - External Affairs Department, Canberra
To - Australian Embassy, Washington 5th June 1954.

399. For Spender from Menzies and Casey

Cabinet had a full discussion on the Indo-China question yesterday and as a result Casey will leave for Geneva on Monday. He will go by way of Delhi and Karachi and hopes to have some talks in London and Washington fairly soon.

2. Cabinet does not underestimate the importance of the events in Indo-China to Australia. Its consequences can be more serious for Australia than for any other Western nation. We are also acutely aware that to some extent at any rate it is due to the Australian efforts over the last few years that the United States has become impressed with the importance of the South East Asian area and that to let the Americans feel that we are not willing to pull our weight would be a very serious matter. But we are troubled by the lack of precision that attaches to the United States thinking - at any rate so far as their thinking is disclosed to their friends.

3. There are some who say that our destiny in the Pacific is so wrapped up with the United States that we should support them even if we believe the course of action proposed by them is wrong.

4. In the present circumstances this proposition would lead to the conclusion that we should agree to commit forces in Indo-China if the United States does so.
5. Armed intervention at this stage would not be a United Nations operation but would be an act of war against the Communists. Australian participation in Korea had complete popular approval because it was a United Nations campaign.

6. What we are therefore being asked to accept is participation in a war from which quite clearly the United Kingdom, Canada, South Africa and the rest of the British Commonwealth, except possibly New Zealand, are at present disposed to abstain.

7. This would be a completely impossible proposition for Australia to promote for it would be the first cleavage in Commonwealth unity. Whatever may be said of the Indian attitude we can conceive of nothing more destructive to Commonwealth unity than for Australia to be neutral in a United Kingdom war or the United Kingdom neutral in an Australian war.

8. It is thus clear that tremendous efforts must be made to keep United Kingdom and American policies in line.

9. The Americans have been extremely reticent about the objectives of intervention. We cannot know either what liabilities we are accepting or measure our effective capacity to accept liability unless we know the military and political objectives of intervention.

10. If military objective is e.g. to prevent the Communists from conquering the Hanoi area there must be reason for supposing that, having regard to the time-factor and forces that would be needed, the objective would be a realisable one. Or is objective the complete military defeat of Vietminh Communists? There is nothing to suggest that this is feasible unless there is deep bombing of bases in China itself. That this would involve war with China is clear; that it would provoke a general world war is certainly possible and may well be probable. It may well be said that all arguments which worked against extended bombing beyond the borders of Korea are relevant here. So also is the experience we have already had that intervention leads ultimately to some military stalemate and ultimately either to some form of permanent garrison (which would be intolerable to local opinion) or an abandonment of the field.

12. The opinion of local inhabitants appears to us to have been insufficiently considered.

13. Paragraph 12 above is, of course, of first-class importance because to enter a country with armed forces against the will of the citizens of that country would be an act of invasion which might well rally the whole of Asian opinion against us. It is therefore important to aim for two things; first, the concurrence of India, Burma and other Asian countries in a guarantee to Laos, Cambodia and the Southern part of Vietnam; second, making it clear that such a guarantee was designed to support national integrity of definable countries, not to govern them but to protect their independence.

14. It is only on such a footing as this that there would be any possibility of interesting Asian countries concerned.
16. There is already partition in effect in Vietnam for in substantial areas the Vietminh are in charge. An agreed settlement which left the export rice bowl of Indo-China in the hands of Vietnam and which recognised the separate races and independence of Laos and Cambodia would not only provide an effective opportunity to defend South East Asia against further Communist aggression but would also provide a real foundation for an international guarantee.

17. We feel confident that, if the United States can be induced to define its military and political objectives more clearly, it also will arrive at a conclusion along these lines. We therefore believe that our role should be to restrain the United States from embarking upon active military intervention in Indo-China without adequate thought and definition of its objectives both military and political, and also to stimulate the United Kingdom to put forward greater efforts in the South East Asian area and in particular to be willing to guarantee an agreed settlement in Indo-China.

18. In short we are of the opinion that Australia's efforts should be directed towards bringing about the following results: (1) withdrawal of Vietminh forces from Laos and Cambodia, (2) a division of Vietnam on the best possible terms including denial of Mekong Delta to Vietminh, (3) an international "guarantee" of the settlement with provision for enforcement of guarantee, (4) association of Asian countries especially India, with settlement and guarantee, (5) a regional defensive arrangement within framework of United Nations both in support of the settlement in Indo-China and with a more extensive purpose.

19. As to the timing of a first meeting to discuss the possibility of "a collective defence", we have to take into account the time necessary in which to endeavour to get adequate Asian participation in or sympathy towards the above-mentioned objectives. The Asian attitude (and particularly India's) will depend upon their assessment of the effort of the British and the French and Americans to negotiate an agreement at Geneva. Casey will discuss this question of timing with other Governments, and our position is flexible.

20. Please give General Rowell a copy of this message.
By direction of the Prime Minister I circulate the attached draft of a White Paper on the Reorganisation of the Colonial Service which is to be published on Thursday, 17th June. Members of the Cabinet are asked to ensure that any comments which they may wish to make on the draft reach the Colonial Secretary not later than 12 noon to-morrow, Wednesday, 16th June.
REORGANISATION OF THE COLONIAL SERVICE

LONDON: HER MAJESTY'S STATIONERY OFFICE
1954

Colonial No. 306
REORGANISATION OF THE COLONIAL SERVICE

1. The term “Her Majesty’s Colonial Service” has been in use for well over a century to describe the members of the public services of the Colonies, Protectorates and other territories which are dependent upon Her Majesty’s Government in the United Kingdom. Originally, the Colonial Service consisted of officers appointed from Britain or recruited locally from amongst British colonists. As time went on, staffs were increasingly built up from the indigenous or resident populations of the territories, but it has always been and still is necessary to recruit large numbers of men and women from Britain and other Commonwealth countries to supply needs which could not be met from local resources, especially in the professional, technical and higher administrative branches.

2. Since 1930, these latter branches have been organised as “unified” Services. Although the members of these Services are directly employed and paid by the territorial governments, they are under the general direction and patronage of the Secretary of State for the Colonies. They have, rightly, regarded themselves and have been regarded as belonging to a general service under the Crown as well as to the local civil services of the territories in which they are immediately serving.

3. The political developments now taking place or likely to take place in many of the territories, in pursuance of the declared policy of Her Majesty’s Government in the United Kingdom to further the advance towards self-government, make it necessary to review the situation of the Colonial Service. Constitutionally, all officers of the Colonial Service, using this term in the widest sense, are in the same position. They are servants of the Crown, and the conditions of their employment are embodied in the Colonial Regulations. These Regulations constitute the Secretary of State as the ultimate authority for appointments, discipline, promotions and general conditions of employment. The members of the Service—and more especially those who have been recruited for the unified branches by successive Secretaries of State—are now asking, and are entitled to ask, what will be their position if and when as a result of constitutional changes, Her Majesty’s Government in the United Kingdom are no longer able to exercise effective control over their tenure and conditions of employment as hitherto.

4. The debt which the overseas territories owe to the loyal, devoted and efficient work of the men and women in the Colonial Service is inestimable. Their work is far from over. The task of building up fully equipped local public services is progressing fast; it is an evolutionary process which will be completed at different times in different places. But side by side there is going on the evolution of the Colonies and other territories themselves, and while their economies and activities continue to expand a wide field of opportunity and need for the skilled assistance of British staff remains. This fact is fully recognised by responsible leaders in the territories.

5. It is then of the first importance to these countries, and not least to those where a new burden of responsibility is being undertaken by their own governments, that their progress should not be set back by the premature loss of experienced staff or by failure to attract new staff which they may require. There is a problem here which cannot be solved by the territorial governments alone or by Her Majesty’s Government in the United Kingdom alone. Both sides must act in partnership.
6. Her Majesty's Government in the United Kingdom recognise that they have a special obligation towards those officers of the Colonial Service who hold their present posts as a result of having been selected for them by the Secretary of State. So long as Her Majesty's Government retains responsibility for the Government of the territory in which they are serving the necessary safeguards are provided by the Colonial Regulations or the constitutional instruments. Should the territory in whose public service they are employed attain self-government, these officers are entitled to expect that the following conditions will be observed:

- (1) So long as they remain in their existing employment, the Government of the territory concerned shall not alter their terms of service so as to make them less favourable than those on which the officers are already serving.
- (2) The pensions and other benefits for which they or their dependents may be qualified under existing laws and regulations shall be similarly safeguarded.
- (3) They shall continue to be regarded by Her Majesty's Government in the United Kingdom as members of Her Majesty's Service and as such to be eligible for consideration for transfer or promotion to any posts which the Secretary of State may be requested to fill in other territories.
- (4) The government by which they are employed will not unreasonably withhold consent to their accepting any such transfer or promotion and will preserve their existing pension rights on transfer.
- (5) They will be given adequate notice of any intention to terminate their employment in consequence of constitutional changes and Her Majesty's Government in the United Kingdom will endeavour to find them alternative employment should they so desire.
- (6) In the event of premature retirement resulting from constitutional changes they will receive compensation from the government of the territory concerned.

7. Her Majesty's Government in the United Kingdom accordingly make known their intention, if and when a territory attains self-government, to ensure the observance of these conditions by securing their embodiment in a formal agreement, to be entered into between Her Majesty's Government in the United Kingdom and the government of the territory. The agreement will also provide for the continuing payment of pensions already awarded to officers and their dependants.

8. In order that from now on all concerned may be clearly aware of their rights and obligations, a list will be compiled of all officers now in the Colonial Service to whom Her Majesty's Government in the United Kingdom regard the arrangements outlined in the last two paragraphs as applying. The officers included in this list will be given a new corporate title and will be known as Her Majesty's Oversea Civil Service. Regulations constituting this Service and defining the conditions of eligibility for admission to it, are appended to this statement.

9. When the new Service is in being, the question whether any particular vacancy, in the filling of which the co-operation of Her Majesty's Government is invited, should be filled by a Member of Her Majesty's Oversea Civil Service or on the basis of appointment to a purely local service, will be a matter for arrangement between Her Majesty's Government in the United Kingdom and the territorial government concerned. Any offer of appointment made by or on behalf of the Secretary of State will include
a clear statement whether it carries with it Membership of Her Majesty's Oversea Civil Service or whether the officer's contractual relationship will be solely with the territorial government. Officers in either category will, of course, be expected to regard themselves as being in all respects responsible to the territorial governments under which they are serving.

10. Her Majesty's Government hope that this evidence of their real concern for the present officers of the Colonial Service and of their determination to safeguard the interests of those officers will allay the doubts and anxieties which are now apparent in some quarters.

11. Her Majesty's Government also hope that the establishment of this new form of Service will ensure that qualified men and women may be attracted to come forward in future as in the past, in a spirit of confidence, enthusiasm and partnership, to help the overseas governments and peoples along the path of social, economic and political progress.

12. Her Majesty's Government recognise that there are certain other categories of overseas pensionable officers who have been appointed to the service of territorial governments otherwise than by selection by the Secretary of State. These officers may be assured that their interests will not be overlooked when the agreements referred to in paragraph 7 are being negotiated.

13. Her Majesty's Government are aware that various proposals have been put forward for constituting a Commonwealth Service or an Oversea Service directly employed by Her Majesty's Government in the United Kingdom. The decisions embodied in the present statement are not intended to exclude development along some such lines should this be found to be desirable and practicable. But this is a question which needs and will receive very careful examination in the light of changing conditions. It involves complicated administrative and constitutional, as well as financial, problems, and Her Majesty's Government feel that they are not yet ready to reach any conclusions upon them.
HER MAJESTY'S OVERSEA CIVIL SERVICE

Special Regulations by the Secretary of State for the Colonies

1. From the 1st October, 1954, there shall be constituted a Service to be known as Her Majesty's Oversea Civil Service and consisting of:

   (1) Persons who
       (a) have been appointed by the Secretary of State as members of the Services listed in the schedule to these Regulations; and
       (b) have not ceased to be members of such Service; and
       (c) shall within six months of that date have signified their desire to be enrolled as Members of Her Majesty's Oversea Civil Service.

   (2) Other Serving Officers of the Colonial Service who
       (a) are on probation or have been confirmed in pensionable offices; and
       (b) were selected for appointment by the Secretary of State; and
       (c) shall within six months of the date aforesaid have signified their desire to be enrolled as Members of Her Majesty's Oversea Civil Service; and
       (d) are recommended for enrolment by the Governor of the territory in which they are serving, and are accepted by the Secretary of State.

   (3) Persons not already in the Colonial Service who are hereafter offered by the Secretary of State and who accept Membership of Her Majesty's Oversea Civil Service on appointment to a post in a Colonial territory.

2. Appointments to Membership of Her Majesty's Oversea Civil Service shall be held during Her Majesty's pleasure as signified through the Secretary of State. The decision of the Secretary of State as to whether any person is a Member or shall be appointed to be a Member of Her Majesty's Oversea Civil Service shall be final.

3. Members of the Service who occupy any public office shall be known as serving Members and will receive the pay and other terms of employment (including superannuation) attached to the offices which they hold under the governments or authorities by whom they are employed, in accordance with the laws or regulations of those governments or authorities. Membership of Her Majesty's Oversea Civil Service will not of itself carry any remuneration or emolument.

4. Serving Members of Her Majesty's Oversea Civil Service shall be subject to the Colonial Regulations (Part I—Public Officers) in force for the time being, if and in so far as these apply in themselves, or are applied in principle by local regulations, in the territory in which the Member is employed.

5. A serving Member of Her Majesty's Oversea Civil Service, while having no claim to employment otherwise than in the office which he has been offered and has accepted, shall be eligible for consideration by the Secretary of State for employment in any post which he may be requested or authorised to fill, and may also be considered, as opportunity offers, for posts in Commonwealth or foreign territories for which Her Majesty's Government in the
United Kingdom may be invited to recommend candidates. No Member of Her Majesty's Oversea Civil Service shall forfeit his eligibility for such consideration by reason of his accepting a public office in a territory to which Colonial Regulations do not apply, or by reason of the Colonial Regulations ceasing to apply in the territory where he is for the time being serving.

6. A Member of Her Majesty's Oversea Civil Service who ceases to hold any public office may, if he so desires and if the Secretary of State sees fit, be considered for further employment as if he were a Serving Member.

7. Her Majesty's Government in the United Kingdom reserve the right to vary, revoke or add to these regulations; provided that this right shall not be exercised to the disadvantage of any person who is at the time a Member of Her Majesty's Oversea Civil Service.

8. The Special Regulations made by the Secretary of State from time to time for the Services listed in the Schedule will be cancelled with effect from the 1st October, 1954.

**SCHEDULE**

Colonial Administrative Service.
Colonial Agricultural Service.
Colonial Audit Service.
Colonial Chemical Service.
Colonial Civil Aviation Service.
Colonial Customs Service.
Colonial Education Service.
Colonial Engineering Service.
Colonial Forest Service.
Colonial Geological Survey Service.
Colonial Legal Service.
Colonial Medical Service.
Colonial Mines Service.
Colonial Police Service.
Colonial Postal Service.
Colonial Prisons Service.
Colonial Survey Service.
Colonial Veterinary Service.
Queen Elizabeth's Colonial Nursing Service.