CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W. 1, on Monday, 19th June, 1950, at 11 a.m.

Present:

The Right Hon. C. R. ATTLEE, M.P., Prime Minister (in the Chair)
The Right Hon. VISCOUNT ALEXANDER of HILLSBOROUGH, Chancellor of the Duchy of Lancaster.
The Right Hon. J. CHUTER EDE, M.P., Secretary of State for the Home Department.
The Right Hon. G. A. ISAACS, M.P., Minister of Labour and National Service.
The Right Hon. T. WILLIAMS, M.P., Minister of Agriculture and Fisheries.
The Right Hon. J. H. WILSON, M.P., President of the Board of Trade.
The Right Hon. HECTOR MCNEIL, M.P., Secretary of State for Scotland.
The Right Hon. HUGH DALTON, M.P., Minister of Town and Country Planning.
The Right Hon. VISCOUNT JOWITT, Lord Chancellor.
The Right Hon. E. SHINWELL, M.P., Minister of Defence.
The Right Hon. ANEURIN BEVAN, M.P., Minister of Health.
The Right Hon. GEORGE TOMLINSON, M.P., Minister of Education.
The Right Hon. JAMES GRIFFITHS, M.P., Secretary of State for the Colonies.
The Right Hon. P. C. GORDON-WALKER, M.P., Secretary of State for Commonwealth Relations.

The following were also present:
The Right Hon. JOHN STRACHEY, M.P., Secretary of State for War (Item 1).

Secretariat:
Sir NORMAN BROOK.
MR. A. JOHNSTON.

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1. The Cabinet had before them a memorandum by the Secretary of State for the Colonies (C.P. (50) 125) summarising the points on which immediate action was required as a result of the visits which he and the Secretary of State for War had recently made to Malaya. The Cabinet also had before them drafts of statements which the two Secretaries of State proposed to make in the House of Commons on the subject of their visit (C.P. (50) 129 and 130).

After opening statements by the Secretary of State for the Colonies and the Secretary of State for War, the Cabinet had a general discussion under the following heads:—

Reinforcement of Police and Administrative Services

The essence of the new plan for dealing with the emergency was that the military should clear areas successively and that the civil administration should then move in to hold the cleared areas and ensure that bandits did not return to them. For this purpose it was essential that both the police and the administrative services should be reinforced. The reinforcement of the administrative services was being handled by the Colonial Office, by accelerating the posting of administrative cadets to Malaya. For the police, the immediate requirements were: (i) 117 officers, preferably trained policemen from the United Kingdom, and (ii) about 175 British non-commissioned officers, who would be recruited through the Crown Agents in the ordinary way. In addition, it was proposed to increase the police “jungle squads” by recruiting for service under contract with the Malayan police national servicemen now serving in Malaya who were about to take their discharge.

Ministers asked why the Malayan authorities expressed this preference for men with police experience in the United Kingdom, when former members of the Indian police were likely to be available, some of whom had long experience in dealing with Asiatics. They were informed that this was due to the disturbance caused in the Malayan police force some time ago by the introduction of men who had served in the Palestine police. Existing members of the Malayan police had found that their prospects of promotion had thereby been prejudiced; and it was thought that the morale of the force would suffer from a second experiment of this kind. On the other hand, the Cabinet were informed that it would be difficult to meet all the present requirements from police forces in this country, especially as it would not be possible for the Home Secretary to second a member of a provincial police force for a period of service in Malaya. The urgent need of the Malayan police and the conditions of service offered would, however, be brought to the attention of chief constables at a conference over which the Home Secretary would preside. It was unlikely that suitable recruits would be found from among those who were now being discharged from police duties in Germany; for many of these men were already labouring under a sense of grievance because their employment in Germany had been terminated earlier than they had been led to expect.

The Secretary of State for War strongly supported these proposals for the reinforcement of the police and the civil administration. The army in Malaya, though their morale was still good, had found it discouraging that areas which they had cleared of bandits had fallen back into disorder for lack of a strong civil administration; and, if the new plan for dealing with the emergency failed to prevent a repetition of this process, there was bound to be a serious deterioration in army morale.

It was the general view of the Cabinet that, while a determined effort should in the first instance be made to find the men required from the United Kingdom police, other sources should not be overlooked and former members of the Indian police service should, in
particular, be considered. Too much attention should not be paid to the susceptibilities of the existing members of the Malayan police, since a recent investigation had shown that this force was in urgent need of reorganisation.

Repatriation of Chinese

There were now about 10,000 suspects detained in camps in Malaya and, because of the risk of mass escapes, it was important that large numbers of these detainees should be removed from Malaya as speedily as possible. Before September 1949 Chinese detainees were repatriated to China; but, now that China was under the control of a Communist Government, there were difficulties in continuing this policy and, if it proved impracticable, other alternatives would have to be considered. Deportation to Christmas Island had been suggested as one possibility, but this would have to be discussed with the Australian Government. The Secretary of State for the Colonies was proposing to discuss this problem with the Foreign Secretary.

The Secretary of State for War agreed that it was essential that some means should be found of removing from Malaya a substantial proportion of the suspects now under detention. Care should, however, be taken not to send to China any known members of the Malayan Communist Party, since they were likely to be picked out by the Communist authorities there and sent back after a time to Malaya. There seemed to be strong arguments in present circumstances for giving the authorities in Malaya even more drastic powers of detaining suspects and suspending for a time the operation of the appeal tribunal which had ordered the release of several suspects whom the police and civil authorities would have preferred to keep under continued detention.

Information and Propaganda

There was room for improvement in the Information Services in Malaya; and the Secretary of State for the Colonies said that he was proposing to investigate immediately the possibility of securing the services of an anti-Communist expert for Malaya. Other detailed proposals for strengthening the Information Services would be discussed with the Malaya Committee.

The Secretary of State for War emphasised the importance of securing someone with a well-trained political mind to take charge of these Information Services. While there was need for the greatest severity in dealing with the current emergency, this should be coupled with an understanding of the nationalist movement in Malaya and a real desire to come to terms with it. It was also important that the person in charge of these Services should have a sympathetic understanding of the contribution which trade unionism could make towards future stability in Malaya.

Financial Assistance

The Secretary of State for the Colonies said that the various measures proposed in his memorandum would involve a heavy financial burden, and it was important that Malaya should bear part of the cost. The Colonial Government recognised that they must raise further revenue, and were thinking of doing so by means of an increase in the export duty on rubber and tin. They did not favour an increase in income tax, for they lacked the necessary administrative machinery for collection.

The Chancellor of the Exchequer said that there were grave economic objections to an increase in these export duties, since this would have an adverse effect on the sale of rubber and tin in dollar markets. He would much prefer to see an increase in the rate of income tax, which would be fully justified on merits; and it should be possible to ease the administrative difficulties of collection by
bringing Malayan officers over to this country for training in methods of tax-collection. Malayan producers of tin and rubber had been receiving high prices for their products; but they had been required to spend substantial sums in repairing war damage and in meeting the needs of the present emergency. He was therefore prepared to agree in principle that some further Exchequer assistance should be given to Malaya, so long as it was made a condition that the local Government developed effective machinery for direct taxation and undertook to finance, at the appropriate time, measures of economic and social improvement. With this in view he would wish to suggest some amendment of the reference to financial assistance which the Secretary of State for the Colonies was proposing to include in his forthcoming Parliamentary statement on Malaya.

Social Reform

The Secretary of State for the Colonies said that a good deal was being done to reorganise the native trade unions on a non-Communist basis, and it was clear that the mass of the workers were opposed to the Communists. The trade unions were not, however, regarded with great favour by employers in Malaya, whether British or Chinese; and some further initiative on the part of the United Kingdom Government would be required if the development of the trade union movement in Malaya was to proceed with sufficient speed. He also believed that it would be necessary, as soon as the present emergency was over, to find means of accelerating the course of economic and social development in Malaya. Leading members of the European community there had pressed him to make a public statement that British rule in Malaya would be maintained for another twenty-five years. This he had declined to do. In the light of recent political developments in South-East Asia he agreed with the view now held by the Commissioner-General that Malaya’s progress towards self-government would have to be accelerated and that the United Kingdom Government would be well-advised to put themselves in a position to announce considered plans for social and constitutional reform very soon after the end of the present emergency. The standard of living in Malaya was very low; and in the plans for its economic and social development first priority should be given to the improvement of agricultural methods, housing and education in rural areas. Too many of the European population were inclined to hope for a return to the conditions which existed in Malaya before the war. The Government would have to make it clear that they had different aims. They must, in particular, be able to demonstrate to the workers in Malaya that a non-Communist régime offered them greater opportunities for economic and social betterment than any Communist régime.

Amnesty

While they had been in Malaya the two Secretaries of State had discussed a suggestion made to them that many of the bandits might now be prepared to lay down their arms if an amnesty were granted. They were, however, satisfied that the offer of an amnesty at this stage would be regarded as a sign of weakness on the part of the Government. In view of the overrunning of Malaya by the Japanese during the war, it was essential to British prestige that the power of the British Forces to quell insurrection should be clearly demonstrated. The question of an amnesty could not usefully be considered until Johore, Negri Sembilan and Pahang had been effectively cleared of bandits.

Parliamentary Statements

Following discussions between the Lord President and the Secretaries of State for the Colonies and War, it had already been announced that a statement would be made in the House of Commons by the Secretary of State for War as well as by the Colonial Secretary.
Ministers agreed, however, that it would be preferable that the statement by the Secretary of State for War should be made by way of an addendum to the Colonial Secretary's statement. This would avoid having two separate statements on different days, and would make it possible for the Secretary of State for War to omit much of the material included in the draft circulated with C.P. (50) 130. Both statements should be made on Wednesday, 21st June.

The Cabinet—
(1) Took note, with approval, of C.P. (50) 125.
(2) Invited the Secretary of State for the Colonies to make in the House of Commons on Wednesday, 21st June, a statement on the lines of the draft appended to C.P. (50) 129, to which the Secretary of State for War would add a shortened version of the statement appended to C.P. (50) 130.
(3) Invited the Malaya Committee to follow up in detail the proposals made in C.P. (50) 125 and in the Cabinet's discussion.

2. The Cabinet had before them a memorandum by the Secretary of State for the Colonies (C.P. (50) 113), submitted in accordance with their request of 20th March, on the problems arising from the immigration into the United Kingdom of coloured people from British Colonial territories.

The Secretary of State for the Colonies said that social problems were more likely to arise if coloured immigrants into this country formed themselves into residential colonies, and his Department therefore sought to disperse these people over as wide an area as possible. In this they had the full support and assistance of the Ministry of Labour. Thus, the current policy was one of dispersal and assimilation; but the policy of assimilation undoubtedly presented great difficulties and, in order to overcome these, a concerted effort was needed on the part of the Government Departments and voluntary organisations concerned. The Secretary of State said that he had taken steps to convene a conference for this purpose on 10th July, which, he hoped, would lead to the establishment of a national advisory committee on which each of the official and unofficial agencies concerned with this problem would be represented.

A number of coloured people continued to find their way into this country from the Colonies as stowaways. Thus, information had just been received that a ship from the West Indies was due to arrive at Bristol on the following day which had at least fourteen coloured stowaways on board.

The Cabinet's discussion turned mainly on the means of preventing any further increase in the coloured population of this country. Ministers were apprehensive lest the higher standards of social service in this country should attract here an undue proportion of the surplus population of the West Indies and other Colonial territories. They were doubtful whether the existing methods of administration, as described in C.P. (50) 113, were sufficient to keep within reasonable bounds the numbers who contrived to enter this country as stowaways. Was it clear that Colonial Governments and steamship companies were doing everything possible to prevent coloured people from stowing away on vessels bound for this country? If so, should further powers be taken to deal with stowaways? Should there be amending legislation to give the appropriate Minister discretion to require the owners of the vessel in which a stowaway arrived in this country to take him back, whatever his nationality, to the port at which he stowed away? Should not consideration also be given to the wider question whether the time had come to restrict the existing right of any British subject to enter the United Kingdom? In almost
all other Commonwealth countries power had been taken to restrict the admission of British subjects from other parts of the Commonwealth. Was it certain that the balance of advantage still lay against taking this course in the United Kingdom itself?

The Cabinet agreed that a further review of these questions should be undertaken and that, at the appropriate stage in that review, the Law Officers should be consulted on the legal and constitutional issues involved.

The Cabinet—

(1) Took note of C.P. (50) 113.

(2) Invited the Prime Minister to arrange for a review to be made of the further means which might be adopted to check the immigration into this country of coloured people from British Colonial territories, if legislation were passed limiting the right of British subjects, or of any class of British subjects, to enter and reside in the United Kingdom, and of the issues of policy involved in making such a change in the existing law.

3. The Chancellor of the Exchequer said that, since he had last reported to the Cabinet on 15th June, the discussions in Paris on the revised proposals for a European Payments Union had taken a more favourable turn. The Minister of State for Economic Affairs, who had presided over those discussions, had made commendable progress towards securing agreement. The difficulties raised by the Belgian Government now seemed likely to be overcome. There was a reasonable prospect that a European Payments Union would be successfully concluded in the course of the next few days.

The Cabinet took note of this statement by the Chancellor of the Exchequer.

4. The Chancellor of the Exchequer said that a meeting of the Anglo-Canadian Continuing Committee had started that morning in London. So far as was known, the Canadian delegation had not come over with any specific requests to make; but, in view of the continuing expansion of our exports to Canada, they would probably press us to make some increase in our purchases from Canada.

The Chancellor also referred to the satisfactory conclusion of the discussions, held in May with Mr. C. D. Howe, the Canadian Minister of Trade and Commerce, on the future purchase of Canadian wheat and flour by the United Kingdom. The conclusions reached in these discussions had been described in C.P. (50) 119. It was a satisfactory feature of those conclusions that they included an assurance that the Canadian Government would waive any further claims under clause 2 (b) of the contract of 1946, which required the United Kingdom Government, in determining the prices payable in later years, to “have regard to” any differences between the prices paid under the agreement in 1946-47 and 1947-48 and the world prices in those years. Mr. Howe had now succeeded in persuading his Government and his Parliament to accept these conclusions; and it was a relief to know that no further difficulties would arise between the Canadian and United Kingdom Governments over the interpretation of this clause of the 1946 agreement.

The Cabinet took note of these statements by the Chancellor of the Exchequer.

Cabinet Office, S.W. 1,
19th June, 1950.