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C.M. (51)

45

34th Conclusions

**CABINET 34 (51)**

*CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W. 1, on Monday, 7th May, 1951, at 11 a.m.*

Present :

The Right Hon. C. R. ATTLEE, M.P., Prime Minister (*in the Chair*).

The Right Hon. HERBERT MORRISON, M.P., Secretary of State for Foreign Affairs.

The Right Hon. H. T. N. GAITSKELL, M.P., Chancellor of the Exchequer.

The Right Hon. HUGH DALTON, M.P., Minister of Local Government and Planning.

The Right Hon. VISCOUNT ADDISON, Lord President of the Council.

The Right Hon. VISCOUNT ALEXANDER OF HILLSBOROUGH, Chancellor of the Duchy of Lancaster.

The Right Hon. VISCOUNT JOWITT, Lord Chancellor.

The Right Hon. J. CHUTER EDE, M.P., Secretary of State for the Home Department.

The Right Hon. E. SHINWELL, M.P., Minister of Defence.

The Right Hon. T. WILLIAMS, M.P., Minister of Agriculture and Fisheries.

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. HECTOR McNEIL, M.P., Secretary of State for Scotland.

The Right Hon. P. C. GORDON-WALKER, M.P., Secretary of State for Commonwealth Relations.

The Right Hon. Sir HARTLEY SHAW-CROSS, K.C., M.P., President of the Board of Trade.

The Right Hon. ALFRED ROBENS, M.P., Minister of Labour and National Service.

The Right Hon. RICHARD STOKES, M.P., Lord Privy Seal.

The following were also present :

The Right Hon. Sir FRANK SOSKICE, K.C., M.P., Attorney-General (*Item 5*).

The Right Hon. JOHN WHEATLEY, K.C., M.P., Lord Advocate (*Item 5*).

The Right Hon. WILLIAM WHITELEY, Parliamentary Secretary, Treasury (*Item 1*).

*Secretariat :*

Sir NORMAN BROOK.

Mr. A. JOHNSTON.

**CABINET 34 (51)**

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**Parliament.**

National  
Health Service  
Bill.

(Previous  
Reference:  
C.M. (51) 32nd  
Conclusions,  
Minute 2.)

1. During the Committee Stage of the National Health Service Bill in the House of Commons five Government supporters had voted against the clause imposing charges for spectacles and dentures and about thirty-five had deliberately abstained from voting in the division. The Cabinet discussed whether similar difficulties were likely to arise on the Report Stage of the Bill and, in particular, whether in these circumstances it would be expedient to proceed with an amendment of Clause 1, tabled by the Minister of Health, which would involve re-committing the Bill.

The Cabinet—

- (1) Invited the Home Secretary and the Chancellor of the Exchequer to discuss with the Health Ministers, before the Report Stage of the Bill that afternoon, whether it would be expedient to re-commit the National Health Service Bill for the purpose of amending Clause 1.

National  
Insurance  
Bill.  
(Previous  
Reference:  
C.M. (51) 27th  
Conclusions,  
Minute 2.)

The Cabinet were informed that a more serious Parliamentary situation might arise later in the week during the Committee Stage of the National Insurance Bill. There were strong feelings among Government supporters, both in Parliament and in the country, on two points arising on this Bill. First, the view was strongly held that the increased rates of old age pension should be payable to men between the ages of 65 and 70 and women between the ages of 60 and 65. Secondly, it was widely felt that the increased rates should be payable from an earlier date than 1st October.

In discussion there was general agreement that much of the feeling on the first point would be met if it could be made clear that the supplementary allowances paid by the Assistance Board would be raised by an amount corresponding to the increase in the old age pension. This would provide relief for those old age pensioners who were not old enough to draw the increased rate of pension but had no other substantial source of income. Hitherto the Minister of National Insurance had been unable to make a firm statement on this point since, constitutionally, it was for the Assistance Board to take the initiative in proposing this increase in their allowances. The Cabinet agreed that the Assistance Board should be moved to consider the matter before the Committee Stage of the Bill, so that the Minister of National Insurance would be in a position to announce that it was the Board's intention to submit proposals for making this increase in their allowances. If such an announcement were made, the Government should be able to avoid making any concession on this point.

On the second point, the difficulties of the Parliamentary situation were enhanced by the fact that the Conservative Opposition had tabled an amendment proposing that the new rates should become payable on 1st April. *The Chancellor of the Exchequer* said that, for his part, he was prepared to agree that the new rates should be brought into operation somewhat earlier than 1st October; but he had been assured by the Minister of National Insurance that, in view of the administrative preparations which had to be made, the earliest practicable date was 1st September. It was the general view of the Cabinet that the Parliamentary difficulties were not likely to be removed by a promise to bring the new rates into operation one month earlier than the original date proposed. *The Chancellor of the Exchequer* said that he would be prepared to accept the additional cost involved by bringing the new rates into operation on 1st August, if the administrative preparations could be completed within that time.

The Cabinet—

- (2) Invited the Prime Minister to discuss, with the Chancellor of the Exchequer, the Home Secretary and the Minister of National Insurance, whether it would be practicable to introduce the new rates of old age pension on 1st August, 1951.

**Strategic  
Exports to  
China.**

(Previous  
Reference:  
C.M. (50) 57th  
Conclusions,  
Minute 4.)

2. The Cabinet reviewed their policy for restricting the export of strategic goods to China. In this connection they took into account the new Chinese offensive in Korea, the recent letter from the United States Secretary of State on Far Eastern policy generally (which had been mentioned at the Cabinet's meeting on 3rd May—C.M. (51) 33rd Conclusions, Minute 2—and was reproduced in Foreign Office telegram to Washington No. 2288, Saving, of 2nd May), and the recent criticisms expressed in the House of Commons regarding the volume of the exports, particularly of rubber, which were still passing from British territory into China. They agreed that in present circumstances there were grounds for adopting a more restrictive policy in this matter.

In discussion *The President of the Board of Trade* referred to the very large increase in the volume of British exports, particularly rubber, to China in the first quarter of 1951. This was largely due to increased consignments from Hong Kong and Singapore. The controls over exports from Hong Kong to China were admittedly less effective than those applied to exports from this country; and it was difficult to explain or to defend this large expansion in the volume of exports from Hong Kong to China. Since 6th April, however, further controls had been imposed with a view to restricting China's supplies of rubber to the amount estimated to be required to meet her normal peace-time needs.

The President said that he was to make a statement on this subject in the House of Commons that afternoon. Could he say that the Government were now proposing to stop altogether the export of rubber, and to restrict more closely the export of other strategic supplies to China, by a combination of controls administered both here and in Singapore and Hong Kong? Could he add that they intended to substitute statutory control for the existing administrative methods?

Discussion showed that the Cabinet were not prepared to authorise an immediate announcement in those terms. Further thought must first be given to the economic and political consequences of such a policy. China would still be able to obtain rubber from other sources; and, in order to make such an embargo completely effective, we might be led into prohibiting the export of rubber to any country in the Soviet orbit. Such a step would have grave economic consequences for the sterling area. Moreover, an embargo of that kind would be tantamount to the imposition of economic sanctions on China, and it was questionable whether the United Kingdom Government should apply such sanctions unilaterally. The wiser course would be to explore the possibility of collective sanctions under United Nations auspices.

In this connection *The Foreign Secretary* said that he was being strongly pressed by the United States Government to support a more forward policy in the Collective Measures Committee of the United Nations. He had made it clear that he was opposed to the application of any political sanctions against China; but he believed that the time was now ripe for the Committee to put forward to the Assembly suitable proposals for a selective embargo on the supply of war materials to China. The Committee was meeting that afternoon, and the United States representative was likely to put forward a draft resolution on those lines. He would be glad if the Cabinet would authorise him to instruct the United Kingdom representative that he need no longer seek to delay the submission of such a resolution to the Assembly. He would at the same time make it clear to the United States Secretary of State that the United Kingdom Government would continue to oppose any extension of this selective embargo into a general embargo, though they would not exclude the possibility of extending the list to further specific items of strategic importance.

The Cabinet proceeded to discuss the terms of the statement which the President of the Board of Trade was to make in the House

of Commons that afternoon. They decided that, with the agreement of the Secretary of State for the Colonies, this statement should be broadened so as to cover exports from Hong Kong and Singapore as well as from the United Kingdom. They further agreed that the statement should cover the Question addressed to the Prime Minister by Mr. Geoffrey Hutchinson, M.P., asking what representations had been received from the United States Government urging further measures to prevent the export of war-like materials from Hong Kong to China: the Prime Minister could then answer that Question by inviting the House to await the detailed statement to be made by the President of the Board of Trade. In his statement the President, after giving some of the main facts and figures regarding the export of strategic supplies to China, would go on to say that, as the Good Offices Committee of the United Nations had failed to make progress towards achieving a political settlement with the Peking Government, the United Kingdom Government were now considering what further measures could be taken to restrict the supply of strategic goods to China, and that this was being actively considered in consultation with the Colonial Governments concerned and also in the United Nations.

The Cabinet—

- (1) Invited the President of the Board of Trade to make, in the House of Commons that afternoon, a statement about strategic exports to China on the lines approved in the course of the Cabinet's discussion.
- (2) Invited the President of the Board of Trade and the Secretary of State for the Colonies to submit to the Economic Policy Committee detailed proposals for imposing further restrictions on the export of strategic supplies to China.
- (3) Authorised the Foreign Secretary to instruct the United Kingdom representative at the United Nations that he need no longer seek to delay the submission of a resolution from the Additional Measures Committee to the Assembly of the United Nations recommending the imposition of a selective embargo on the supply of war materials to China.

**China.**  
Formosa.  
(Previous  
Reference:  
C.M. (50) 76th  
Conclusions,  
Minute 6.)

3. *The Foreign Secretary* drew the Cabinet's attention to a telegram from His Majesty's Ambassador in Washington (No. 1400 of 6th May) reporting that General MacArthur, in his evidence before the Armed Services and Foreign Relations Committees of the United States Senate, had alleged that the United Kingdom Government supported the policy of ceding Formosa to "a potential Red enemy." The Ambassador considered that this statement, if not promptly corrected, would be interpreted by public opinion in the United States as meaning that the United Kingdom Government were in favour of arranging that the control of Formosa should be handed over immediately to the Peking Government. He therefore recommended that an immediate statement of Government policy regarding Formosa should be made in Parliament in the terms set out in his telegram. The Foreign Secretary said that he supported the Ambassador's recommendation, though he would prefer a statement somewhat differently worded from that suggested by the Ambassador.

In discussion it was suggested that it might be inexpedient for the United Kingdom Government to make such a statement at a time when the Congressional hearings in Washington were still proceeding. Their views about Formosa were already sufficiently well known, both in this country and in the United States. By re-stating them formally at this time they might appear to be intervening in what was essentially a domestic dispute between the two political parties in the United States. The preponderant view in the Cabinet was, however, in favour of adopting the Ambassador's suggestion that an early statement should be made in order to correct the misapprehensions which

were likely to be aroused by General MacArthur's evidence before the Senate Committees. The following suggestions were made regarding the form of the proposed statement:—

(a) It should be brought out clearly that the United States were one of the parties to the Cairo Declaration. This point tended to be overlooked.

(b) It was suggested that use might be made of the argument that the Cairo Declaration should be considered as a whole and that the Peking Government, having repudiated that part of it which concerned Korea, could not properly use it to support their claim to Formosa. Some members of the Cabinet felt, however, that this was a debating point which was inappropriate to a statement of this kind and might provoke controversy in the United States.

(c) The Ambassador's draft included a sentence recognising that it would be a matter for argument to which Chinese authority Formosa should be ceded. This might imply a possibility that Formosa would be handed over to Chiang Kai-shek's Government. It would be inexpedient that any formal statement on behalf of the United Kingdom Government should appear to envisage such a possibility.

The Cabinet—

- (1) Agreed that an early statement should be made in Parliament on the Government's policy regarding Formosa, as suggested in Washington telegram No. 1400 of 6th May.
- (2) Invited the Prime Minister to settle the terms of that statement in consultation with the Foreign Secretary.

**Central Africa.**

Closer  
Association of  
Southern  
Rhodesia,  
Northern  
Rhodesia, and  
Nyasaland.

4. The Cabinet had before them a memorandum by the Secretary of State for the Colonies and the Secretary of State for Commonwealth Relations (C.P. (51) 122) submitting the report of a conference of officials recently held in London to consider the closer association of Southern Rhodesia, Northern Rhodesia and Nyasaland, and recommending that the report should be published with a Government statement commending its proposals for careful consideration by the peoples concerned.

*The Secretary of State for Commonwealth Relations* said that it was widely known that this conference of officials had been held and that its report had been submitted to Governments. The report should therefore be published without delay. It was desirable that at the same time the United Kingdom Government should issue a statement inviting careful consideration of the recommendations in the report, because it was feared that many interests in the three territories concerned would otherwise be inclined to reject out of hand the federal solution which it proposed. Publication was specially urgent because the Prime Minister of Southern Rhodesia was anxious to use this report as a reason for withholding his Government's views on another report on the question of Dominion status for Southern Rhodesia. Dr. Huggins could only avoid committing himself on that issue if he could say that the report of the conference was shortly to be published and that the status of Southern Rhodesia would have to be considered in the light of the wider considerations raised in that report.

In discussion several Ministers expressed doubt whether, in view of the short time which they had had to study the report, the Cabinet could give even the general commendation for its proposals contemplated in the draft statement set out in Annex III of C.P. (51) 122. The other interested Departments had not been consulted: in particular, the Ministry of Defence had not had an opportunity to consider the defence aspects of the recommendations made in the report. On merits, it was not clear that the small European population in the three territories could effectively man the rather complicated machinery of government which the report envisaged; and, if further consideration showed that the recommendations were both

impracticable and unacceptable to the peoples concerned, the United Kingdom Government would be in an embarrassing position if they had seemed to give broad approval to them. Nor was it clear that such a commendation by the United Kingdom Government would influence the peoples concerned if they felt that the proposals ran counter to their own best interests. On the other hand it was pointed out that, unless Southern Rhodesia could be given the opportunity of association with her northern neighbours, there was grave danger that she would be drawn into closer association with the Union of South Africa.

The Cabinet—

- (1) Agreed that the report of the conference on a closer association between Southern Rhodesia, Northern Rhodesia and Nyasaland should be published in a month or six weeks' time.
- (2) Agreed to resume their discussion of C.P. (51) 122 and of the draft statement proposed in Annex III of that memorandum, as soon as the Secretary of State for the Colonies returned from his forthcoming visit to East Africa.

Stone of  
Scone.  
(Previous  
Reference:  
C.M. (51) 29th  
Conclusions,  
Minute 4.)

5. The Cabinet considered memoranda by the Secretary of State for Scotland (C.P. (51) 117) and by the Lord Chancellor (C.P. (51) 120) on the question whether The King should be advised to agree to the transfer of the Stone of Scone from Westminster Abbey to an appropriate place in Scotland.

*The Secretary of State for Scotland* said that the publicity given to the removal of the Stone from Westminster Abbey had led to considerable feeling in Scotland that the Stone ought to be returned to Scotland. He suggested that it should be placed in St. Margaret's Chapel in Edinburgh Castle. It could be made clear that a decision to return the Stone to Scotland in no way condoned the action of those who had removed the Stone from Westminster Abbey.

*The Lord Chancellor* said, with reference to paragraph 1 (b) of his memorandum (C.P. (51) 120), that if it were decided to remove the Stone from Westminster Abbey His Majesty would act on the advice of his Ministers and not, as stated in the memorandum, after consulting Parliament. He considered, however, that a decision on this subject should be postponed. The theft was too recent.

It was the general view of the Cabinet that it would be wiser to postpone for at least a year the decision on the advice to be given to The King about the location of the Stone. Any decision taken now to agree to its return to Scotland would be widely regarded as a concession to the recent act of vandalism in Westminster Abbey. The most that could be said now would be that the Government would be prepared to consider in due course what advice they should give to His Majesty on this question.

The Cabinet—

- (1) Agreed to postpone for the time being consideration of the question whether the Stone of Scone should be returned to Scotland.
- (2) Invited the Secretary of State for Scotland to consult the Prime Minister on the terms of any public statement to the effect that Ministers did not propose in present circumstances to consider what advice to give to The King on this subject, but that they would examine the issues involved at some future date.

Cabinet Office, S.W. 1,  
7th May, 1951.

