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C.C. (52)
107th Conclusions

CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W. 1, on Monday, 22nd December, 1952, at 4 p.m.

Present:

- The Right Hon. WINSTON S. CHURCHILL, M.P., Prime Minister (*in the Chair*).
- The Right Hon. ANTHONY EDEN, M.P., Secretary of State for Foreign Affairs.
- The Right Hon. LORD SIMONDS, Lord Chancellor.
- The Right Hon. R. A. BUTLER, M.P., Chancellor of the Exchequer.
- The Right Hon. VISCOUNT SWINTON, Secretary of State for Commonwealth Relations.
- The Right Hon. JAMES STUART, M.P., Secretary of State for Scotland.
- The Right Hon. Sir WALTER MONCKTON, Q.C., M.P., Minister of Labour and National Service.
- The Most Hon. THE MARQUESS OF SALISBURY, Lord President of the Council.
- The Right Hon. Sir DAVID MAXWELL FYFE, Q.C., M.P., Secretary of State for the Home Department and Minister for Welsh Affairs.
- The Right Hon. the EARL ALEXANDER OF TUNIS, Minister of Defence.
- The Right Hon. OLIVER LYTTTELTON, M.P., Secretary of State for the Colonies.
- The Right Hon. LORD LEATHERS, Secretary of State for Co-ordination of Transport, Fuel and Power.
- The Right Hon. HAROLD MACMILLAN, M.P., Minister of Housing and Local Government.
- The Right Hon. LORD CHERWELL, Paymaster-General.

The following were also present:

- The Right Hon. ANTONY HEAD, M.P., Secretary of State for War (*Items 1-2*).
- The Right Hon. GEOFFREY LLOYD, M.P., Minister of Fuel and Power (*Item 1*).
- Admiral of the Fleet Sir RHODERICK McGRIGOR, First Sea Lord and Chief of Naval Staff (*Item 1*).
- The Right Hon. LORD DE L'ISLE AND DUDLEY, Secretary of State for Air (*Item 1*).
- Marshal of the Royal Air Force Sir JOHN SLESSOR, Chief of Air Staff (*Item 1*).
- Lieut.-General H. REDMAN, Vice-Chief of the Imperial General Staff (*Items 1-2*).

Secretariat:

- Sir NORMAN BROOK.
- Lieut.-General Sir NEVIL BROWNJOHN.
- Mr. G. MALLABY.
- Mr. R. M. J. HARRIS.

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Persian Gulf.
(Previous
Reference:
C.C. (52) 84th
Conclusions,
Minute 5.)
The Trucial
Sheikdoms.

1. The Cabinet had before them a memorandum by the Foreign Secretary (C. (52) 450) on the attempt of the Saudi Arabians to extend their influence into the territories of the Trucial Sheikdoms in the Persian Gulf.

The Foreign Secretary said that this policy of encroachment had been encouraged by our failure to protect our interests at Abadan. These States along the western shore of the Persian Gulf, with their large potential resources of oil, were of great importance to us, and it was most desirable that positive steps should be taken to deter the Saudi Arabians from further incursions. It was doubtful whether Ibn Saud would accept our offer of arbitration, though there was some reason to suppose that the Americans might support this course. If he did not, it seemed necessary that we should make some show of force in the area, and take steps to build up the military strength of these small States to enable them to protect themselves. He understood that the Chiefs of Staff could make some small British forces available in the near future, and he recommended that action should be taken concurrently to increase the Trucial Oman Levies to a total of 300 or 400 men, and to provide a cadre for a force of 200 men for the Sultan of Muscat.

In discussion the following points were made:—

(a) A cruiser (H.M.S. *Ceylon*) and a frigate would be in the Persian Gulf from mid-January to mid-February and thereafter two frigates would be there. Twelve R.A.F. armoured cars could be sent from Iraq in mid-January, and one squadron of Vampires could also be sent for short periods. It would take about a month to concentrate this small force.

(b) British forces could not remain indefinitely in the area, and an immediate start should therefore be made with the building up of the local levies. Consideration might also be given to the possibility of employing the Aden Levies.

The Prime Minister said that it was clear that as an immediate step there should be some concentration of British forces in the area. He hoped that it would be possible to send in stronger forces than those suggested in the discussion. At the same time measures should be put in hand to build up the local levies, and the Colonial Secretary should examine the suggestion that the Aden Levies should also be used. This concentration of forces should take place as unobtrusively as possible.

The Cabinet—

- (1) Invited the Foreign Secretary to renew his offer to submit these frontier disputes to arbitration, and to ask the United States Government to press Ibn Saud to accept this offer.
- (2) Approved in principle the early movement of suitable British forces to the Trucial Sheikdoms and the initiation of measures to build up the strength of the local levies.
- (3) Instructed the Chiefs of Staff, in consultation with the Foreign Office and Colonial Office, to set in hand the action to give effect to Conclusion (2) above and to examine the possibility of using the Aden Levies in this area.

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Sudan.
(Previous
Reference:
C.C. (52) 93rd
Conclusions,
Minute 4.)

3. The Cabinet had before them a memorandum by the Foreign Secretary (C: (52) 448) describing the stage reached in the negotiations with Egypt about the future of the Sudan and seeking the Cabinet's authority to make our agreement conditional upon the fulfilment of certain of our requirements.

The Foreign Secretary said that the following major points were still outstanding:—

(i) *The Governor-General's special responsibility for the South.* This must not, in his view, be made subject to the overriding decision of the Commission which was to be established to advise the Governor-General. The latest indications were that the Egyptians might be prepared to depart from the attitude they had hitherto adopted on this point.

(ii) *The powers of the Governor-General's Commission, particularly in relation to the Governor-General's powers in an emergency.* There seemed to be a reasonable prospect that the Egyptians would meet our views on this point.

The Colonial Secretary said that, although he recognised that there was no exact parallel between the position in the Sudan and in British Colonial territories, he would be grateful if the Foreign Secretary would bear in mind the possible effect on opinion in certain British Colonies if the reserve powers of a Governor-General were seen to have been put into commission.

(iii) *The duration of the transitional period.* We were resisting an Egyptian formula which would enable Egypt to veto self-determination on the ground that British officials were still employed in the Sudan service and thus to bring pressure to bear on the Sudanese to terminate their employment. There seemed to be a reasonable prospect that the Egyptians would meet us on this point.

(iv) *The question whether the establishment and powers of the Governor-General's Commission and any change in the safeguards for the South should be submitted to the Sudan Parliament, when elected, for approval.* The Governor-General considered that this should be done, but the Egyptians argued, with some force, that these were matters for decision by the Co-Domini.

The Foreign Secretary said that the new Egyptian Government had made a significant advance by abandoning the claim to recognition of Egypt's sovereignty over the Sudan and it would therefore be expedient that we should meet their views where this was possible. In his view, we ought not to compromise on any of the points summarised in paragraphs (i) to (iii) above, even though this meant a break-down in the negotiations. On the point set out in paragraph (iv), however, we should not press our view to the prejudice of reaching an agreement.

The Cabinet—

Approved the Foreign Secretary's proposals.

Central African
Federation.
(Previous
Reference:
C.C. (52) 60th
Conclusions,
Minute 9.)

4. The Cabinet had before them a memorandum by the Lord President, the Commonwealth Secretary and the Colonial Secretary (C. (52) 445) recommending that, at the Conference due to open in London on 1st January, assurances should be given to the other Governments concerned that Her Majesty's Government would be prepared to proceed with the federal scheme for Southern Rhodesia, Northern Rhodesia and Nyasaland provided that it was accepted at the referendum in Southern Rhodesia and by the legislatures of the other two territories, and that certain basic features of the scheme (set out in paragraph 5 of C. (52) 445) were not impaired.

The Colonial Secretary said that there was now virtually no vocal African support for Federation. If the Governments concerned proceeded to bring the Federation into being there would almost certainly be disturbances in the Rhodesias and possibly in Nyasaland also. In this country, too, there would probably be a considerable political demonstration, although there was reason to believe that the more responsible elements in the Labour Party accepted the case for Federation, provided that adequate safeguards for African interests were retained. There was, however, no doubt that our ultimate difficulties would be greater if we were now to abandon the proposal for Federation in the face of opposition from vocal elements in this country and in Africa.

The Commonwealth Secretary said that the federal scheme offered possibly the last opportunity for adopting in Africa a progressive policy based on the ideal of co-operation between the races. If we were now to retreat on this issue, the days of British administration in Africa would be numbered and there was every likelihood that Southern Rhodesia would join the Union of South Africa.

The Lord President said that failure to bring the Federation into being, if it should be accepted at the referendum in Southern Rhodesia and by the legislatures in the other two territories, would represent a victory for extremist opinion.

Discussion showed that there was general support in the Cabinet for the course of action recommended in C. (52) 445.

The Cabinet—

Approved the proposals in C. (52) 445.

Persia.
(Previous
Reference:
C.C. (52) 89th
Conclusions,
Minute 4.)

5. *The Foreign Secretary* said that, with a view to inducing Dr. Musaddiq to agree that the terms of compensation to the Anglo-Iranian Oil Company should be fixed by arbitration, the United States Government had instructed their Ambassador at Teheran to emphasise the material advantages which would accrue to Persia once such agreement was forthcoming. He had agreed that in deploying this argument the United States Ambassador could point out that the United Kingdom Government had publicly affirmed that they would regard the arbitral tribunal as free to decide whether and to what extent compensation for loss of the Concession should be awarded. He had also

agreed that the Ambassador might indicate that, once the award had been made, reasonable terms of payment could no doubt be arranged. It was very likely, however, that Dr. Musaddiq would continue to reject arbitration and in that event the United States Government might well exert renewed pressure on us to agree to their trying to persuade the Persians to offer the Company a lump sum of \$500 million, to be paid in oil, by way of compensation. Although it was possible that such a solution would yield a higher figure of compensation than arbitration, we still attached great importance to preserving the arbitral principle. The Cabinet should, however, be aware that, if the Americans renewed their suggestion of a settlement on the basis of a lump-sum payment and we again rejected it, this would almost certainly mean the end of Anglo-American co-operation in the handling of the dispute. It was also possible that, if Dr. Musaddiq rejected the latest approach on the basis of arbitration, the Americans would revive their proposal to offer \$25 million to Persia for long-term development purposes.

The Secretary of State for Co-ordination of Transport, Fuel and Power said that, in his view, it was of great importance that we should preserve the principle of arbitration.

The Cabinet—
Took note of these statements.

*Cabinet Office, S.W. 1,
23rd December, 1952.*