CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W.1, on Friday, 26th September, 1952, at 11.30 a.m.

Present:

The Right Hon. WINSTON S. CHURCHILL, M.P., Prime Minister (in the Chair).
The Right Hon. LORD WOOLTON, Lord President of the Council.

The Right Hon. LORD SIMONDS, Lord Chancellor.

The Right Hon. the EARL ALEXANDER OF TUNIS, Minister of Defence.

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. VISCOUNT SWINTON, Chancellor of the Duchy of Lancaster.

The Right Hon. the EARL OF HOME, Minister of State, Scottish Office.

The Right Hon. SELWYN LLOYD, Q.C., M.P., Minister of State.

Mr. JOHN BOYD-CARPENTER, M.P., Financial Secretary, Treasury.

Secretariat:

Sir NORMAN BROOK.

MR. R. M. J. HARRIS.
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1. The Prime Minister drew attention to newspaper criticisms of the recent ordinances made by the Government of Kenya for the purpose of checking the activities of a secret society known as Mau Mau.

The Colonial Secretary said that, before approving these ordinances, he had satisfied himself that the members of this society who had been guilty of crimes of violence could not be brought to justice by the ordinary processes of law. He had not, however, approved all the proposals which had been submitted to him by the Government of Kenya and, so far as possible criticism in Parliament was concerned, he would have no difficulty in showing that the special powers conferred by these ordinances were less drastic than some which had been approved during the period of office of the Labour Government.

In further discussion the suggestion was made that a show of military force might assist the civil authorities in Kenya in preserving law and order. The Colonial Secretary said that he would consider this suggestion; and the Minister of Defence undertook to enquire whether a small force could be sent from Egypt for this purpose, if required.

The Cabinet—

Took note of the Colonial Secretary's statement.

2. The Minister of State said that Dr. Musaddiq had now sent a formal reply to the joint message from President Truman and the Prime Minister on the Persian oil dispute. This reply was wholly unsatisfactory. The fact that it was addressed only to the Prime Minister suggested that Dr. Musaddiq still hoped to deal separately with the two Governments and to play one off against the other; and this made it all the more important that the joint Anglo-American approach to the problem should be preserved. There would be every advantage in sending a short joint reply to this message; even if this had to be supplemented by a more detailed British note refuting some of the arguments advanced in Dr. Musaddiq's message.

The Prime Minister expressed his preference for a brief reply on the general lines that Dr. Musaddiq's arguments could not be accepted and that his message made no contribution towards a reasonable settlement of the dispute. Every effort should be made to induce the United States Government to stand firm on the offer made in the joint message to which President Truman had set his name.

The Cabinet—

Invited the Minister of State to prepare a draft reply to Dr. Musaddiq's message on the lines indicated in the discussion and, after consultation with the Foreign Secretary, to submit this for the Prime Minister's approval.

3. The Commonwealth Secretary said that, despite the representations made to him by the Foreign Secretary, the United States Secretary of State continued to insist that the United Kingdom could not be associated in any way with the Council established under the Tripartite Treaty between the United States, Australia and New Zealand for the preservation of peace and security in the Pacific on the ground that this would make it impossible to resist similar applications from other countries. This ignored the fact that the United
Kingdom was the only other country which would immediately go to the assistance of Australia and New Zealand if they were attacked. The Governments of Australia and New Zealand had, however, accepted the view of the United States Government and, if we continued to press our claim, we should risk a further rebuff. This did not mean that we should feel precluded from stating in Parliament our reasons for claiming that we should be associated with the Council and our disappointment that our claim had not been conceded. Dr. Evatt's criticism of our exclusion could not fail to embarrass the Australian Government.

The Prime Minister said that he greatly regretted the Australian acquiescence in this attempt by the United States to usurp our special position in relation to Australia and New Zealand, particularly when he recalled our promise in the late war that we would divert our forces from the Middle East if Australia were attacked by Japan. He was disposed to send personal messages about this to the Prime Ministers of Australia and New Zealand and possibly also to the Australian Foreign Minister.

The Cabinet—

Took note that the Prime Minister would communicate personally with the Prime Ministers of Australia and New Zealand on this question.

4. The Minister of State said that the Saudi Arabians were taking steps to extend their influence in the neighbouring Trucial sheikhdoms. Their motive was clearly the desire for further oil concessions. We were taking such steps as were open to us to oppose this encroachment, for example, by dropping leaflets over the oases.

The Cabinet—

Took note of this statement.

5. The Minister of State recalled that on 18th September the Cabinet had agreed in principle that some measure of credit should be offered to the Argentine as part of a general agreement providing for our requirements of meat. The Ministers concerned had subsequently agreed, after consultation with Her Majesty's Ambassador in Buenos Aires, that up to £10 million of credit should be offered in the first instance.

The Lord President said that he was doubtful whether this would be sufficient. It was vital that these negotiations should be brought to a successful conclusion, and if this could be achieved speedily it might be possible to avoid reducing the present meat ration even in December. If our initial offer of credit was refused we ought at once either to increase it or to express willingness to buy more meat than was at present contemplated and pay for part of it in advance.

On the other hand, it was pointed out that the present state of our reserves obliged us to pay careful regard to the short-term prospects for our balance of payments and that the grant of credit to Argentina was bound to affect these adversely.

The Prime Minister said that the timing of any reduction that might have to be made in the meat ration in December would need careful consideration. The Minister of Food would doubtless submit to the Cabinet in due course his proposals about Christmas food generally.
6. The Minister of State said that General Neguib now seemed likely to accept the conditions relating to trade and payments matters which we had attached to our offer to the Egyptian Government of an advance of £5 million to be set off against the release due on 1st January, 1953, under Article 3 (3) of the Sterling Releases Agreement. He had also promised to let us have by 1st October at the latest the Egyptian Government's views on our proposals regarding the Sudanese elections (see C (52) 308).

The Cabinet—

Took note of these statements.

7. The Cabinet had before them a memorandum by the Commonwealth Secretary (C. (52) 306) discussing what attitude should be adopted by the United Kingdom delegation at the forthcoming Assembly of the United Nations on those subjects on which the South African Government seemed likely to be criticised, namely the treatment of Indians in South Africa, the general racial policy of the Union Government and the problem of South-West Africa.

The Commonwealth Secretary said that on these matters the delegation would find themselves in a delicate position. Without implying approval of Dr. Malan's racial policy, we must maintain the principles that political affairs of dependent territories fell outside the scope of the United Nations and that members of the Commonwealth refrained from interfering in each other's internal affairs. If the principle of non-interference were undermined, there would be no limit to the activities of the Fourth Committee of the Assembly and moderate opinion in South Africa would be forced into the nationalist camp. The line suggested in paragraph 14 of his memorandum would avoid these pitfalls and was as favourable to the South African Government as they could reasonably expect it to be. Unfortunately, India's choice of delegates to the Assembly did not encourage the hope that the debates could be kept moderate in tone.

The Minister of State said that it was on the question of the general racial policy of the Union Government that the danger would be greatest. It would probably be argued that the concern of the Assembly with human rights overrode Article 2 (7) of the Charter; and, if there were a debate on the merits of Dr. Malan's policy, it might be difficult for the United Kingdom delegation to avoid any expression of views. Withdrawal by the South African Government from the United Nations would be regrettable, since they were playing an active part in the Korean war and South Africa's vote in the Assembly was often of considerable value to the Atlantic Powers.

The Colonial Secretary said that, if there were a debate on the merits of Dr. Malan's racial policy, the only safe course for the United Kingdom delegation would be to decline to take part in it on the ground that we could not admit that the Assembly were competent to discuss this matter. Any other course would involve us in serious difficulties either with South Africa or in the Colonial Empire.

The Cabinet—

Approved the recommendations made in paragraph 14 of C. (52) 306.
8. The President of the Board of Trade recalled that on 18th September the Cabinet had authorised an immediate approach to the United States Government with the object of securing at the forthcoming session of the signatories of the General Agreement on Tariffs and Trade (G.A.T.T.) deferment of consideration of Japan's application to enter into tariff negotiations with a view to her eventual accession to the Agreement. The outcome of this approach had been unexpectedly successful, and the operative paragraph of the resolution which the United States Government now proposed to move at the Geneva Conference would secure postponement of the whole issue for some six months. Its terms were as follows (Telegram No. 1820 from Washington):

"In order that further consideration can be given to the conditions and timing under which the Japanese application should be pursued, the Inter-sessional Committee should make a detailed examination of the matters involved in bringing Japan into the General Agreement on Tariffs and Trade and report on them."

The draft reply to Washington which he had prepared suggested that the words "the practical issues arising from this application" should be substituted for the words "the matters involved in bringing Japan into the G.A.T.T." but left our representatives in Washington a discretion to accept the State Department's wording in the last resort. There seemed likely to be general Commonwealth support for the line which we and the United States Government now intended to adopt at Geneva.

In discussion it was pointed out that the United States Government had come a long way to meet us and that it would be unfortunate to risk losing the agreement with them which now appeared to be within our grasp. The Prime Minister said, however, that he saw no need to give our representatives discretion to accept the State Department's wording, which clearly went beyond what we should wish.

It was the general view of the Cabinet that we should not give way to the United States Government on this point, but should propose the simple deletion from the resolution of the words "in bringing Japan into the General Agreement on Tariffs and Trade."

The Cabinet—

Invited the President of the Board of Trade to amend the draft telegram in the light of their discussion and, subject to the Prime Minister's approval, to arrange for its despatch to Washington.

9. The Minister of Labour reported to the Cabinet the latest developments in the negotiations for wage increases in the engineering and shipbuilding industries. He had kept in close touch with the representatives of both sides of these industries, and he had that morning received indications that both sides were willing to accept invitations to be represented at a joint meeting to be held under the chairmanship of a representative of his Department. He now had reasonable grounds for hoping that it would be possible to secure an agreed settlement.

The Cabinet—

Took note of this statement by the Minister of Labour.