CONCLUSIONS of a meeting of the Cabinet held at 10 Downing Street, S.W.1, on Monday, 26th July, 1954, at 11.30 a.m.

Present:
The Right Hon. Anthony Eden, M.P., Secretary of State for Foreign Affairs.
The Right Hon. Lord Simon, Lord Chancellor.
The Right Hon. R. A. Butler, M.P., Chancellor of the Exchequer.
The Right Hon. Oliver Lyttelton, M.P., Secretary of State for the Colonies.
The Right Hon. Sir Walter Monckton, Q.C., M.P., Minister of Labour and National Service.
The Right Hon. Peter Thorneycroft, M.P., President of the Board of Trade.
The Right Hon. Gwilym Lloyd-George, M.P., Minister of Food.

The following were also present:
The Right Hon. the Earl De La Warr, Postmaster-General (Item 6).
Mr. Nigel Birch, M.P., Parliamentary Secretary, Ministry of Defence (Item 5).

The Right Hon. Patrick Buchan-Hepburn, M.P., Parliamentary Secretary, Treasury (Items 1-4).

Secretariat:
The Right Hon. Sir Norman Brook.
Mr. K. L. Stock.
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1. The Foreign Secretary referred to the loss of a British civil airliner which had been shot down by fighter aircraft off Hainan on 23rd July. It was clear that the fighters could only have come from China, and an immediate protest had been lodged with the Chinese People's Government. In reply to this protest the Chinese Government had now admitted responsibility, tendered apologies and offered to pay compensation. Their explanation was that the pilots of the fighter aircraft had mistaken the airliner for an aircraft belonging to the Chinese Nationalist Forces; and it seemed likely that this was the true explanation of the incident.

The Cabinet—

Took note of the Foreign Secretary's statement.

2. The Cabinet continued their discussion on the possibility of an Anglo-Soviet meeting.

The Cabinet's discussion and the conclusion reached are recorded separately.

3. The Lord President invited the Cabinet to take a final decision on the question, which they had previously discussed on 7th and 8th July, whether our atomic weapons programme should be so adjusted as to allow for the production of thermo-nuclear bombs in this country.

After a short discussion, in which the main arguments developed at the two earlier meetings were again reviewed, the Cabinet agreed that in order to preserve our position as a leading military Power and to maintain our influence in world affairs it was necessary that we should possess a stock of the most up-to-date thermo-nuclear weapons. This would enable us to play our part in deterring a potential aggressor from embarking on major war.

The point was again made that careful thought should be given to the publicity aspects of this decision. Was it likely that the decision could be kept secret for any length of time? If not, Ministers should consider how the decision could best be justified to public opinion in this country and abroad.

The Cabinet—

(1) Approved in principle the proposal that the current programme for the manufacture of atomic weapons in this country should be so adjusted as to allow for the production of thermo-nuclear bombs.

(2) Authorised the Lord President to proceed with his plans for the production of thermo-nuclear bombs in this country.

(3) Invited the Lord President to consider the publicity aspects of this decision.

4. The Foreign Secretary said that the Secretary of State for War had now arrived in Cairo and had sent a message (Cairo telegram No. 864) conveying his personal views on the handling of the defence negotiations with the Egyptian Government. He suggested that he should accept a duration of seven years but should press for improvement of the clause providing for consultation on the arrangements to be made after the expiry of the agreement. As regards the period allowed for the withdrawal of British troops from Egypt, he suggested that he should aim at a period of 20 months.
Discussion showed that there was general support in the Cabinet for the proposals put forward by the Secretary of State for War.

In further discussion the following points were raised:

(a) The Chancellor of the Exchequer again said that he was concerned at the probable cost of employing civilian contractors to maintain the Base installations in the Canal Zone.

The Cabinet recognised that it would not be practicable at this stage to revert to the earlier proposal that these duties should be undertaken by military technicians, especially as this would reopen the question whether such troops should be allowed to wear uniform. They agreed, however, that the War Office should be urged to take all practicable steps to ensure that the arrangements made for maintaining the Base installations with civilian labour were as economical as possible.

(b) The Cabinet were informed that those Government supporters who were critical of the Government's policy towards Egypt would probably succeed in finding an opportunity, before Parliament rose for the summer recess, to propose in the House of Commons that, if the heads of a defence agreement were settled during the recess, Parliament should be specially convened to debate the matter. The Cabinet agreed that, if any statement had to be made on this point before the recess, the Government spokesman should not go beyond the earlier undertaking that Parliament would be given an opportunity to debate this matter before a new treaty was finally concluded. It should also be stated that, in the meantime, the Government would retain complete discretion to make such changes as circumstances warranted in the deployment of the British troops now in the Canal Zone.

The Cabinet—

Invited the Foreign Secretary to authorise the Secretary of State for War, in his conduct of the negotiations for a defence agreement with the Egyptian Government, to accept an agreement of seven-years' duration, together with improved provision for consultation on the arrangements to be made after the expiry of the agreement, and to seek Egyptian acceptance of a period of 20 months for the withdrawal of British troops from Egypt.

5. The Cabinet had before them a memorandum by the Colonial Secretary and the Minister of State (C. (54) 245) on future constitutional developments in Cyprus.

The Colonial Secretary said that the Greek Government were now actively pressing their claim to Cyprus. They were canvassing support for the union of Cyprus with Greece and had stated that they would raise this issue in the United Nations unless we agreed to enter into discussions with them. The Chiefs of Staff considered it essential for strategic reasons that we should maintain full sovereignty over Cyprus; and for these and other reasons we could not encourage the idea of self-determination, as opposed to self-government, for Cyprus. We had, however, to consider the presentation of our case in the United Nations and, with this in view, it was proposed that the reaffirmation of our intention to retain sovereignty over Cyprus should be accompanied by an offer of constitutional changes which would mark a further stage in the development of self-governing institutions in the island. A public statement of our intentions would help to remove the doubts which at present existed in Cyprus, and the...
WASHINGTON 

TALKS 

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Proposed Meeting with M. Malenkov (Previous Reference: C.C. (54) 52nd Conclusions)

THE PRIME MINISTER said that, since the Cabinet had last discussed on 23rd July his suggestion of a bi-lateral meeting with the Russians, the Soviet Government had publicly proposed an early conference of all European Governments to consider the establishment of a system of collective security in Europe. This created a new situation, especially as it was clear from its terms that the Soviet Note had been drawn up after the end of the Geneva Conference. It was evident that the primary purpose of the Soviet Government, in making this public proposal at this time, was to influence the attitude of the French Parliament in their forthcoming discussion of the Treaty for the establishment of the European Defence Community. But he was satisfied that he could not proceed with his proposal for a bi-lateral meeting with the Russians while this suggestion of a much larger meeting of Foreign Ministers was being publicly canvassed. He had therefore prepared a revised draft of his proposed message to M. Molotov indicating that the larger meeting which the Soviet Government had now publicly proposed did not seem to accord with the plan for an informal bi-lateral meeting which he had previously had in mind, and asking whether this Soviet proposal was intended to supersede his plan. He proposed to include in this revised message a reference to the place and time which he had been intending to propose for a bi-lateral meeting; this would have the advantage of making it clear that he had not been prepared to attend a meeting in Moscow. The Foreign Secretary had independently prepared an alternative draft, which was similar in substance though somewhat different in wording. The Prime Minister read the two drafts to the Cabinet. He said that, if the Cabinet approved the substance of the proposed message, he could settle the wording in consultation with the Foreign Secretary.

In the course of a short discussion it was agreed that a new situation had been created by the publication of the Soviet Note of 24th July. Though it seemed unlikely that this Soviet proposal would be acceptable to the Governments of Western Europe, its recipients must be given time to consider it and the position must be reviewed again in the light of their response.
it - as desirable that M. Molotov should be given to understand that the Prime Minister's proposal for a bi-lateral meeting would be held in abeyance while the Soviet Note was under consideration.

The Cabinet -

Took note that the Prime Minister would send a personal message to M. Molotov making it clear that his proposal for a bi-lateral meeting with M. Malenkov must be regarded as held in abeyance pending the outcome of the Soviet proposal of 24th July for a conference of all European Governments on the creation of a system of collective security in Europe.

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terms of the public statement which he proposed to make were set out in Annex 3 of C. (54) 245. If this became an issue in the United Nations, we must expect criticism on the ground that we were opposing self-determination; and the United States, in particular, might find it difficult to give us full public support. He proposed that we should oppose the discussion of this question in the United Nations, on the principle that the United Nations was not competent to intervene in the domestic affairs of Member States.

The Foreign Secretary said that, in view of all the help which we had given in Greece during and immediately after the war, it was disappointing that the Greek Government should now be pressing a claim to Cyprus, which had not been under Greek rule in the past 3,000 years. He supported the proposals put forward in C. (54) 245 and suggested that special attention should be given to the need to present our case effectively to the people of Cyprus in Press and radio publicity. He thought that strategic considerations were perhaps over-stressed in the second paragraph of the proposed public statement in Annex 3 to C. (54) 245.

The Cabinet—

(1) Endorsed the recommendations made in C. (54) 245 on future policy in Cyprus.

(2) Authorised the Colonial Secretary to make an early statement in Parliament, defining our policy towards Cyprus on the lines of Annex 3 to C. (54) 245 subject to any amendments which the Foreign Secretary might wish to suggest.

6. The Cabinet had before them a memorandum by the Postmaster-General (C. (54) 244) submitting his recommendations on the membership of the Independent Television Authority.

The Postmaster-General said that it was important that the Authority should be appointed and should set to work without delay. Unless it could hold its first meeting before the end of the summer the Authority might not be able to initiate television programmes until towards the end of 1955. The Authority would have an advisory function, and the qualities required in the Chairman and members were tact and sound judgment rather than energy and administrative ability. The nominations he had suggested were designed to provide a balanced composition within the statutory limit of ten members, and each of the members proposed had special experience which would be of value to the work of the Authority.

In discussion the following points were made:

(a) Though the eventual function of the Authority would be advisory, its main task at the outset would be to inspire confidence in commercial circles in the future of an independent television programme and to ensure that money was forthcoming for the development of this service. It seemed doubtful whether an Authority constituted as proposed in C. (54) 244 would have sufficient influence for these purposes.

(b) For the chairmanship of the Authority an approach should in the first instance be made to Air Chief Marshal Sir William Elliot.

(c) It would not be necessary to appoint a Chartered Accountant as a member of the Authority if arrangements were made for a suitable firm of Chartered Accountants to advise the Authority. The vacancy thus created on the Board should be offered to Sir Charles Colston, formerly Chairman of Hoovers Ltd.
(d) It was uncertain whether the Trades Union Congress would wish their movement to be represented on the Authority. Their decision would be known later in the week. If it were adverse, other candidates should be considered in preference to Mr. Crawley or Mr. Hardman.

The Cabinet—

Invited the Postmaster-General to reconsider the proposals in C. (54) 244 in the light of the Cabinet's discussion and to submit for the Prime Minister's approval revised proposals for the membership of the Independent Television Authority.

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(d) It was uncertain whether the Trades Union Congress would wish their movement to be represented on the Authority. Their decision would be known later in the week. If it were adverse, other candidates should be considered in preference to Mr. Crawley or Mr. Hardman.

The Cabinet—

Invited the Postmaster-General to reconsider the proposals in C. (54) 244 in the light of the Cabinet's discussion and to submit for the Prime Minister's approval revised proposals for the membership of the Independent Television Authority.

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