CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W. 1, on Thursday, 14th July, 1955, at 11 a.m.

Present:

The Right Hon. Sir Anthony Eden, M.P., Prime Minister.

The Most Hon. the Marquess of Salisbury, Lord President of the Council.


The Right Hon. Viscount Woolton, Chancellor of the Duchy of Lancaster.

The Right Hon. Gwilym Lloyd-George, M.P., Secretary of State for the Home Department and Minister for Welsh Affairs.

The Right Hon. the Earl of Home, Secretary of State for Commonwealth Relations.

The Right Hon. Sir Walter Monckton, Q.C., M.P., Minister of Labour and National Service.

The Right Hon. Duncan Sandys, M.P., Minister of Housing and Local Government.

The Right Hon. D. Heathcoat Amory, M.P., Minister of Agriculture, Fisheries and Food (Items 9-11).

The Right Hon. Sir David Eccles, M.P., Minister of Education.

The following were also present:

The Right Hon. John Boyd-Carpenter, M.P., Minister of Transport and Civil Aviation (Item 4).

The Right Hon. Patrick Buchan-Hepburn, M.P., Parliamentary Secretary, Treasury (Items 1-8).

Secretariat:

The Right Hon. Sir Norman Brook.

Mr. F. A. Bishop.
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1. The Cabinet were informed of the business to be taken in the House of Commons in the following week.

On 20th July there would be a debate on Coal. This debate, though held at the instance of the Opposition, would take place on a Government motion to take note of the annual report of the National Coal Board for 1954. It was agreed that the Minister of Fuel and Power should speak first on the Government's behalf, and that the reply to the debate should be made either by the Lord Privy Seal or by the Home Secretary.

The Cabinet were informed that Parliament would reassemble after the summer recess on 25th October.

2. The Minister of Education said that, in a debate in the House of Commons on 21st July on the shortage of scientific and technical man-power, the Government would be pressed to explain what practical steps they were taking to provide further facilities for technical education as foreshadowed in The Queen's Speech. The provision made for this in the Education Estimates for the current year would not go far to meet the increasing demand for technical courses, both at technical colleges and at secondary schools; and the Government statement, if limited to the current year, was unlikely to satisfy opinion in Parliament or in the country. He therefore hoped that he might have authority to refer instead to a five-year programme of expansion.

In discussion the point was made that the Government's statement in this debate need not be limited to the projects for which the Minister of Education was departmentally responsible. Account should also be taken of the Government's plans for expanding facilities for higher technological education, through grants administered by the University Grants Committee. In this connection the Cabinet were informed that the Fine Arts Commission were raising objections to the proposal that the Imperial Institute building in South Kensington should be demolished in order to facilitate the expansion of Imperial College, London. It was important that there should be no undue delay in carrying through the plans for expanding the facilities for higher technological education at Imperial College.

The Cabinet—

(1) Invited the Chancellor of the Exchequer to settle, in consultation with the Lord President and the Minister of Education, the terms of the statement to be made on the Government's behalf, in the forthcoming debate on 21st July, on the Government's programme for expanding facilities for technological education.

(2) Invited the Chancellor of the Exchequer to consider, in consultation with the other Ministers concerned, what steps could be taken to expedite work on the approved project for enlarging Imperial College, London.

3. The Chancellor of the Exchequer said that the Cabinet Committee appointed to review the remuneration of Ministers had come to the conclusion that some informal soundings would have to be taken among Members of Parliament before they were in a position to submit firm recommendations to the Cabinet. He therefore sought the Cabinet's authority to make informal soundings on this subject, both with Leaders of the Opposition Parties and among Government supporters, before Parliament adjourned for the summer recess. If this were not done, the Cabinet Committee would have to suspend their consideration of this problem until the autumn.
The Cabinet—

Authorised the Chancellor of the Exchequer to arrange for informal soundings to be taken among Members of Parliament on the question of increased remuneration for Ministers.

4. The Cabinet had before them a memorandum by the Minister of Transport (C.P. (55) 73) seeking approval for the terms in which he proposed to announce the decision already taken by the Cabinet to bring road haulage disposals to an end.

The Minister of Transport said that the announcement, which he proposed to make in Parliament on 20th July, had been drafted on the assumption that the present status of British Road Services would remain unchanged. This was a point on which there were differing views among Government supporters, but in his opinion there would be no real advantage, and some disadvantage, in converting British Road Services into a nationalised corporation or into a company. From the point of view of the legislation which would be necessary, the simplest course would be to maintain the existing status of British Road Services.

As regards determining the number of vehicles which British Road Services would need to retain in order to operate their trunk services, the Minister proposed to seek the advice of the Disposal Board.

In discussion, it was suggested that it might be preferable if the British Transport Commission’s road haulage trunk services were to be integrated with the railways, since this might make rationalisation of railway services easier. It was, however, pointed out that, if British Road Services continued in being, there would be nothing to prevent the Commission from placing the executive responsibility for the operation of the road haulage trunk services on the Regional Boards.

Further discussion showed that it was the general view of the Cabinet that it should be made clear that a decision to leave the status of British Road Services unaltered would not preclude the development of different arrangements in the light of future experience.

It was also suggested that it might be wise not to proceed with the proposal to offer a Parcels Company for sale in the autumn, since there was a risk that the shares in this Company might not be taken up. The Minister of Transport said that there was a reasonably good chance of selling the Parcels Company successfully, particularly since a few months would elapse before the offer was made, during which the Company would be in operation.

The Cabinet then considered the draft statement attached to C.P. (55) 73. Various amendments were suggested and approved.

The Cabinet—

(1) Agreed that there should not be any change in the present status of British Road Services.

(2) Agreed that the decision to bring road haulage disposals to an end should be announced by the Minister of Transport in Parliament on 20th July, in the terms proposed in C.P. (55) 73 as amended in their discussion.

5. The Prime Minister said that he and the Foreign Secretary had discussed with some of their senior colleagues the general line which they should take, on behalf of the United Kingdom Government, at the forthcoming meeting of Heads of Governments at Geneva. They had also consulted the Chiefs of Staff on the military aspects of problems which would be under discussion at the meeting.
The Western Powers were in a stronger position than they had been in the past and should be able to resist effectively any pressure from the Russians. They must, however, take account of the strong desire of the German people to move towards the reunification of Germany. If German reunification was not secured on terms acceptable to the West, there was a real danger that the Russians might subsequently tempt the Germans by offering it on terms unpalatable to us. Thus, we had everything to gain by pressing now for an agreement on some move towards German reunification. In this, time was not on our side. It was not impossible that the Russians might be persuaded to move in this direction. At the Berlin Conference they had seemed to be adamant in their opposition to the conclusion of an Austrian Treaty. But within a few months they had themselves taken the initiative in seeking a settlement on Austria, because they thought this to their advantage. We might be able to put forward proposals on Germany which they could not afford to reject. For this purpose the so-called Eden Plan would not alone suffice. We should have to show, in addition, that safeguards could be devised to ensure that a united and independent Germany need not represent an increased military threat to Russia. These safeguards might have to include some limitation on the strength and location of forces in Germany and in countries neighbouring Germany, and possibly some arrangement for the demilitarisation of a part of Germany, so as to separate the Forces of the East and the West. These provisions might be accompanied by some sort of security pact which would not involve guarantees of frontiers. Though there were as yet no signs of any new flexibility in the Russian attitude, it was not impossible that they might be brought to discuss arrangements on those lines.

The Foreign Secretary said that it might well prove impossible to make much progress with these proposals in the initial discussions at the Meeting of Heads of Governments. It was, however, important that we should have put forward at that Meeting proposals which would be regarded by world opinion as fair and reasonable. If it were known that reasonable proposals had been put forward and rejected by the Russians, the strength and influence of the Western Powers would be increased. After the Geneva Meeting the Russians were likely to make some tempting offer to Dr. Adenauer during his visit to Moscow in the autumn. But, if Dr. Adenauer was firm in resisting those overtures, the Russians might be more willing to consider our proposals at the next stage, viz., the meeting of Foreign Ministers which was likely to be convened to follow up the discussions at Geneva. We should be in a better position to press our proposals on that occasion if we had taken a firm stand on them at the Geneva Meeting.

The Cabinet—

Took note with approval of the line which the Prime Minister and the Foreign Secretary proposed to take at the forthcoming Meeting of Heads of Governments at Geneva.

Cyprus.

(Previous Reference: C.M. (55) 22nd Conclusions, Minute 5.)

6. The Cabinet discussed the arrangements for the forthcoming conference with representatives of the Greek and Turkish Governments on political and defence questions affecting the Eastern Mediterranean, including Cyprus. The Greek Government had been given to understand that this conference would be held in August and they would deprecate any postponement, since they would wish to preserve the possibility of raising the question of Cyprus at the United Nations Assembly in September. On the other hand, the Colonial Secretary was due to visit Colonial territories in the Far East and would not return from
this tour until 4th September. In these circumstances the Cabinet agreed that the best course would be to suggest that the conference should open on 29th August.

The Foreign Secretary could open the proceedings by putting forward the views of the United Kingdom Government on political and defence questions affecting the Eastern Mediterranean generally. In this statement, though he would deal with the strategic importance of Cyprus, he would not discuss the future constitutional development of the Island. On that question the Greek and Turkish Governments would be given an opportunity to present their views before any proposals were put forward on behalf of the United Kingdom Government. It should therefore be possible so to arrange the business of the conference that the stage of detailed discussion on constitutional plans was not reached until after the Colonial Secretary had returned to London.

The Cabinet had yet to decide what constitutional proposals should be put forward on behalf of the United Kingdom Government at this conference. Two alternative plans had been outlined in the memorandum (C.P. (55) 33) circulated to the Cabinet by the Foreign Secretary and the Colonial Secretary in June. It was important that these should be further discussed before the end of July.

The Cabinet—

(1) Authorised the Foreign Secretary to propose to the Greek and Turkish Governments that the conference on political and defence questions affecting the Eastern Mediterranean should open in London on 29th August.

(2) Invited the Foreign Secretary and Colonial Secretary to submit, for consideration by the Cabinet in the week beginning 25th July, a revised statement of the proposals to be put forward at the conference on behalf of the United Kingdom Government regarding future constitutional development in Cyprus.

(3) Invited the Minister of Defence to circulate to the Cabinet the views of the Chiefs of Staff on the strategic considerations to be taken into account in relation to future constitutional development in Cyprus.

7. The Cabinet had before them a memorandum by the Minister of Housing and Local Government (C.P. (55) 67) on the future level of housing subsidies.

The Minister of Housing said that it would become clear in the autumn that there had been a substantial fall in the rate of house building by local authorities. Local authorities' building programmes for 1956 would have to be decided in October, and the Government's policy would have to be disclosed to Parliament soon after the end of the summer recess. He hoped that it would be possible to concentrate the housing subsidies in future on particular objectives, such as slum clearance and the relief of housing congestion in urban areas. He was working out detailed proposals on these lines which should reduce the cost to the Exchequer by about 40 per cent. This concentration of the subsidy on particular types of new houses should make it possible to maintain a high rate of construction in districts where there was still an acute shortage of accommodation. The loss of subsidy, if spread over the whole area of a local authority, should mean only a small increase in council house rents. Even if a local authority did not benefit from the continued subsidy on special types of new houses, the rents of existing houses would not be likely to go up by more than 1s. per week in the first year, with a further similar increase thereafter.

In order to prepare the public for such a change of policy, and in order to pave the way for discussions with local authority
associations, the Minister wished to announce, in reply to Questions in Parliament, that the Government did not intend to increase the housing subsidy; that the rates and purposes of the housing subsidies were being examined, with a view to considering whether any changes were desirable; and that he intended to have discussions with local authority associations with a view to making a further statement after the recess.

Discussion showed that it was the general view of the Cabinet that for the time being it would be preferable to avoid arousing expectations of a change of policy on housing subsidies. There was no immediate urgency to begin the discussions with local authority associations, and the Cabinet should have an opportunity to consider the proposed change of policy before those discussions were opened. The Minister could make it plain that there was no intention to increase the housing subsidy in consequence of the increase in the rate of interest on Public Works Loans; but he should avoid giving any indication at this stage that the Government were about to undertake a general review of the level of housing subsidies.

The Cabinet—

(1) Invited the Minister of Housing and Local Government, if it were necessary to reply to Questions about the housing subsidies, to avoid giving any indication that the Government were considering a change of policy.

(2) Invited the Minister of Housing and Local Government to submit for their consideration early in September detailed proposals for reducing the housing subsidies.

8. The Cabinet again considered whether the United Kingdom should record a vote in favour of admitting Japan to the General Agreement on Tariffs and Trade (G.A.T.T.).

The Cabinet were informed that it was still not clear whether Japan would secure admission if the United Kingdom did not vote in her favour. It was open to us to record our vote at any time up to 11th August, and it might be that before then Japan would have obtained sufficient votes to secure her admission. If that happened, would it still be open to the United Kingdom to record a vote in favour of Japan? If so, Ministers would need to consider whether we should do so, in order to obtain a measure of goodwill in Japan, or whether we should abstain, in order to avoid exacerbating public opinion in this country.

Discussion showed that the Cabinet were in favour of postponing a decision on this question for a further period.

The Cabinet—

(1) Agreed to resume their discussion of this question at their next meeting.

(2) Invited the President of the Board of Trade to report whether it would be open to the United Kingdom to record a vote in favour of Japan, at any time up to 11th August, even though she had already obtained sufficient votes to secure admission.

9. The Cabinet had before them a memorandum by the Foreign Secretary (C.P. (55) 75) reporting that the United States Secretary of State was anxious to make a public statement outlining the plan (C.P. (55) 35) which had been worked out by the Governments of the United Kingdom and the United States for the settlement of the dispute between the Arab States and Israel.
The Foreign Secretary said that Mr. Dulles felt that he would have to make this announcement (the essential passages of which were attached to C.P. (55) 75) on about 18th August, in order to prevent the Palestine question becoming an issue in the forthcoming election campaign in the United States. It did not seem likely that he could be dissuaded from making some announcement of this kind; and it was arguable that it would be better for the plan to be disclosed if there were a real danger that Mr. Dulles might otherwise be led, under pressure of the election campaign, to make proposals which would be more favourable to Israel and consequently even more objectionable to the Arab States. Nevertheless, there was a real danger that the announcement might provoke serious trouble in the Middle East, including rioting by Arab refugees or incidents involving British property and persons. It might also endanger the progress so far made over the Northern Tier defence and the Treaty with Iraq.

If, therefore, Mr. Dulles were resolved to make an announcement on the lines proposed, we should do our utmost to secure, in return, American help on certain aspects of our Middle East policies, i.e., (i) an assurance of United States readiness to join the Turco-Iraqi Pact in the event of a settlement of the dispute between the Arab States and Israel; (ii) an undertaking by the United States to supply Iraq with British Centurion tanks by off-shore purchase; and (iii) an assurance that the United States would be ready to give us physical support if we were involved in fighting as a result, direct or indirect, of the proposed announcement.

In discussion the following points were raised:—

(a) If Mr. Dulles made this announcement, it would be difficult for us to dissociate ourselves from the plan, which we had worked out jointly with the United States. On the other hand, we could reasonably object to the proposal to make it public before the details, including such matters as the adjustment of frontiers, had been worked out in negotiation with the other parties concerned.

(b) The plan had important financial implications, which should be considered in detail before we were publicly committed to support it.

(c) It was not impossible that we could reach agreement with the United States on some kind of a joint public statement about the plan. But if we were to share the responsibility for such a statement, more time was necessary to study it. Mr. Dulles could be informed that we needed more time to consider a statement of this importance.

(d) In seeking more time for consideration, the Foreign Secretary might indicate that it was his personal opinion that the United Kingdom would need assurances from the United States on the points mentioned in paragraph 7 of C.P. (55) 75.

The Cabinet—

(1) Invited the Foreign Secretary to inform the United States Secretary of State that the United Kingdom Government needed more time to consider his proposal to make a public disclosure of the plan for a settlement of the Palestine question; and to indicate, as his personal opinion, the modifications which might be necessary, and the assurances which might be required, if the United Kingdom Government were to share responsibility for any such announcement.

(2) Invited the Foreign Secretary to inform them of the results of his discussions with the United States Secretary of State, and to arrange for the other Ministers concerned to give immediate consideration to the form of a possible joint statement on this plan on behalf of the Government of the United States and the United Kingdom.
10. The Cabinet had before them a memorandum by the Foreign Secretary (C.P. (55) 74) proposing the exercise of clemency towards Japanese war criminals still in British custody.

The Foreign Secretary said that he recommended that the United Kingdom should fall in with the proposal made by the United States Government that the major Japanese war criminals, for whom the International Military Tribunal for the Far East was responsible, should be released after completing ten years' imprisonment. He would prefer that these prisoners should be released outright but, if the other Powers insisted that they should be released on parole, he would be ready to concur.

The question of exercising similar clemency in favour of minor Japanese war criminals, over whom the United Kingdom Government had jurisdiction, was in a sense more difficult. There were eighty-one of these still in our custody, and the last of them would not be due for release until 1960. It would benefit Anglo-Japanese relations, and would bring our policy into line with the more lenient attitude adopted by other Powers, if we now reduced sentences of more than fifteen years to fifteen years. This would mean that, with one-third remission for good conduct, all these criminals would be released after serving ten years.

Discussion showed that opinion in the Cabinet was divided on this question. It was suggested that, if a more lenient policy was to be followed, it might be better to put it into effect gradually and unobtrusively. If the prisoners still in custody were all released at once, public feeling was more likely to be aroused. Many of these men had been personally responsible for barbarous treatment of British prisoners of war.

The Cabinet—

Agreed to resume consideration of this question at a later meeting.

11. The Colonial Secretary said that there were only two outstanding points on which agreement had not yet been reached in the negotiations for a settlement of the constitutional problem in Uganda. These were the method of election of Buganda representative members on the Protectorate Legislative Council, and the date of the Kabaka's return to the Buganda Province. Originally, it had been stated that the Kabaka would not be allowed to return until nine months after the new Constitution had come into operation. The Province had, however, remained tranquil; and the Buganda were co-operating fully in the process of bringing the new Constitution into effect. He was therefore disposed to think that this period could now be reduced. He proposed that the Kabaka should be allowed to return not later than two months, or even six weeks, after the new Constitution had come into operation and the Buganda representative members had been elected. He hoped that it would be possible to reach agreement on the outstanding points, so that he could make an announcement to Parliament towards the end of the following week.

The Cabinet—

Took note with approval of this statement by the Colonial Secretary.

Cabinet Office, S.W. 1.
14th July, 1955.