CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W. 1. on Monday, 15th August, 1955, at 2.45 p.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. Gwilym Lloyd-George, M.P., Secretary of State for the Home Department and Minister for Welsh Affairs.
The Right Hon. Sir Walter Monckton, Q.C., M.P., Minister of Labour and National Service.
The Right Hon. D. Heathcoat Amory, M.P., Minister of Agriculture, Fisheries and Food.

The following were also present:
The Right Hon. John Boyd-Carpenter, M.P., Minister of Transport and Civil Aviation (Items 6–7).
The Right Hon. A. R. W. Low, M.P., Minister of State, Board of Trade (Items 7–11).

Cabinet

Secretariat:
The Right Hon. Sir Norman Brook.
Mr. R. C. Chilver.
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1. The Prime Minister said that later in the day he would be discussing with the Home Secretary and the Secretary of State for War questions arising from the recent raids on Army depots in this country by members of the Irish Republican Army (I.R.A.). Further precautions would have to be taken to prevent the theft of arms and ammunition from military installations in this country. He would, however, prefer that these should be carried out as unobtrusively as possible.

In discussion there was general agreement with the view expressed by the Prime Minister. The Government should not appear to be unduly alarmed by these developments. Close watch should, however, be kept on I.R.A. activities in this country.

The Cabinet—

Took note that the Prime Minister would report at their next meeting the results of his discussions on I.R.A. activities in this country.

2. The Chancellor of the Exchequer said that the economic situation continued to be somewhat uneasy. The Banks were beginning to put into operation the policy of credit restriction; and, in order to support their efforts, the Government would soon need to show practical signs of their intention to reduce expenditure in the public sector of the economy. He had given much thought to this and would be in a position to put specific proposals before the Cabinet in the course of the following week. In the last two weeks the pressure on our gold and dollar reserves had relaxed somewhat; but there was continuing uncertainty about the strength of sterling, and he would be glad to have an opportunity for fuller discussion of this question with his colleagues before he left, early in September, for the meeting of the International Monetary Fund.

In discussion the following points were raised:

(a) Inflationary pressures were likely to be increased by further round of wage claims in the autumn. There was no prospect of any drop in the cost-of-living index; and wage claims affecting 4 million workers were now in course of preparation.

(b) There was evidence that conditions of over-full employment were affecting productivity in certain industries.

(c) To the extent that it was applied to farmers, the policy of credit restriction might produce some falling-off in agricultural production, particularly of livestock.

(d) The Chancellor of the Duchy of Lancaster said that inflationary pressure would not be checked unless the Government showed that they were taking effective steps to reduce public expenditure. He had drawn attention to this need in a memorandum (C.P. (55) 98) which he had circulated to the Cabinet at the end of July.

The Chancellor of the Exchequer said that he would take account of that memorandum in the specific proposals which he would be submitting to the Cabinet in the course of the following week.

(e) The Lord President said that, while he recognised the present need to reduce excessive demands for labour, he hoped it would be possible to avoid delaying projects of capital investment which were necessary in order to increase our industrial productivity. Our continuing ability to export at competitive prices depended on progressive modernisation of our industrial plant. He would also
regret any postponement of plans for road development. In the past we had been told that we could not afford to improve our road system because times were too bad. It would be ironical if we were now to be told that the programme on which we were at last to embark had to be deferred because times were too good.

The Cabinet—

(1) Took note that the Chancellor of the Exchequer would submit, for the Cabinet’s consideration in the following week, further proposals for handling the present economic situation.

(2) Agreed that these proposals should be considered at a meeting on 26th August unless the Prime Minister decided on further consideration that they should be considered earlier in that week.

3. The Cabinet had before them a memorandum by the Minister of State for Colonial Affairs (C.P. 55) 97) reporting the result of the discussions which the Colonial Secretary had held during his first visit to Singapore on 1st August and indicating the lines on which the Colonial Secretary wished, subject to the Cabinet’s approval, to handle the further discussions which he was to have with the Chief Minister of Singapore on his return there on 16th August.

In discussion the following general points were made:

(a) The Colonial Secretary was anxious to keep the Chief Minister in power. If his Government fell, it would probably be necessary to face a period of direct rule involving serious disorders.

(b) It should be borne in mind that Singapore and Malaya were the last important Colonial territories to be granted this measure of self-government. They were also the only Colonial territories left in a part of the world where other territories had gained their independence. As against this, it was pointed out that Singapore and Malaya enjoyed a far higher standard of government and administration than other countries in South-East Asia: in none of those other countries had real elections yet been held. We should not be induced by fear of adverse world opinion to move more rapidly towards the grant of full internal self-government than was in the interests of the people themselves.

(c) It was suggested that, when once a Colonial territory had been given a measure of responsibility, fairly rapid progress towards the grant of a full internal self-government was inevitable. On this view it was arguable that, so long as responsibility for defence, internal security and foreign relations was retained in our hands, it was not to our advantage to delay the transfer of full responsibility for other matters.

(d) There was general support for the view that it was too early to talk of revising a constitution which had only been granted a few months before. While showing ourselves reasonable we must avoid the appearance of precipitate retreat under pressure. Certainly the Cabinet could not commit themselves to an undertaking to revise the constitution in the direction of the grant of full internal self-government without being informed of the precise respects in which this would differ from the constitution recently granted and their implications.

(e) The Cabinet were reminded that it had been found necessary to revise at an early stage the constitutions first granted to the Gold Coast and Nigeria. They were also informed that the Colonial Secretary was proposing to broach with the Federation of Malaya
proposals for modifying their relations with the United Kingdom Government on defence and finance. It would be advantageous if similar arrangements were made with Singapore. This might, however, involve reviewing, and indeed revising, the constitution of Singapore in order to get the binding arrangement on defence facilities which was desirable. As against this it was argued that it should be possible to make satisfactory arrangements about defence without amending the constitution, under which defence was a reserved subject.

On the specific proposals outlined in C.P. (55) 97 the following conclusions were reached:—

(i) No objection need be raised to the proposal that the Governor should in future accept the advice of the Chief Minister on all matters relating to the appointment and dismissal of Ministers and Assistant Ministers, and the allocation of duties between them, subject to the reservations suggested in paragraphs 3 and 4 of Appendix B of C.P. (55) 97 regarding the allocation of subjects to ex officio Ministers and the appointment of assistants to them. It could also be agreed that the Governor would in future accept the advice of the Chief Minister regarding the establishment and composition of committees of the Council of Ministers, though retaining the right to insist that such committees should include any Ministers whom he considered to be directly affected by their work.

(ii) The Colonial Secretary might also agree, in the last resort, that the Governor should in future accept the advice of the Chief Minister about the prorogation of the Legislative Assembly. This concession should not, however, be made unless it proved necessary in the last resort in order to prevent a breakdown of the negotiations. Even then it must be subject to the Governor's power to over-ride Ministers in the interests of public faith, public order or good government. The Colonial Secretary should in no circumstances agree that the Governor should be required to accept the advice of the Chief Minister on the dissolution of the Legislative Assembly.

(iii) The changes outlined in the two preceding paragraphs should be made by means of formal instructions to the Governor, in which the reservations mentioned would be incorporated. They could not be made by means of a "liberal interpretation" of the constitution. They required, in fact, an amendment of the constitution; and, although it would be inexpedient to propose any amendment at the present time, they should in due course be incorporated in the next revision of the constitution.

(iv) The Colonial Secretary might propose that Singapore Ministers should visit London next summer for discussions, but in making this invitation he should avoid any language which might imply a commitment to revise the constitution. An appropriate formula would be "to discuss the situation in the light of a year's working of the constitution."

(v) The Colonial Secretary should endeavour to secure that any agreed statement on his negotiations should include a recognition by the Singapore Government that the present constitution was a great step forward and given goodwill was fully workable, and an expression of the sincere intention of that Government so to work the constitution.

The Cabinet—

(i) Invited the Minister of State for Colonial Affairs to inform the Colonial Secretary of the Cabinet's conclusions as recorded in paragraphs (i) to (v) above.

The Minister of Defence said that, if it became necessary to reinforce the British troops in Singapore, he had it in mind that one battalion should be sent from Hong Kong. Further reinforcements could be sent from the Middle East, if the need did not arise before
the beginning of October, since by that time troops could probably be spared from Kenya or the Canal Zone. If, however, reinforcements had to be sent earlier they would have to be drawn from the strategic reserve in the United Kingdom, which had been provided for tasks of that kind. He recognised the political disadvantages of taking troops from Hong Kong, but it would only be a question of taking one battalion out of eleven units there. The precise arrangements to be made, for example the extent to which the initial reinforcements for Singapore should be drawn from Malaya and replaced by incoming troops, would be for consideration at the time.

The Cabinet—

(2) Invited the Minister of State for Colonial Affairs to inform the Governor of Hong Kong that in the event of disorders in Singapore it might become necessary to move one battalion from Hong Kong to Singapore.

(3) Invited the Minister of Defence to keep under review, in consultation with the Minister of State for Colonial Affairs, plans for the reinforcement of Singapore.

Meeting of Commonwealth Prime Ministers.

4. The Prime Minister said that he had been considering when the next meeting of Commonwealth Prime Ministers should be held. He was disposed to suggest a date in January, 1956.

The Commonwealth Secretary doubted whether other Commonwealth Prime Ministers would expect to meet again so soon: the last meeting had been held in January, 1955. It was desirable that at their next meeting the Prime Ministers should consider the aspirations of the Gold Coast to full Commonwealth membership, and it would be premature to raise this question early in 1956. January was not a convenient month for all Prime Ministers. In these circumstances he had been disposed to think that the next meeting might be held in the autumn of 1956.

In discussion there was support for the view that it would be useful to hold the next meeting in January, 1956. While it was difficult to find a time of year which suited all Prime Ministers, experience had shown that it was easier to arrange a meeting in the first part of January than at any other time of year. A meeting in January, 1956 would follow the meeting of Foreign Ministers which was to open in Geneva at the end of October, and would precede the visit which the leaders of the Soviet Union were to pay to the United Kingdom in April. It would therefore be a convenient moment for an exchange of views on international affairs. The Chancellor of the Exchequer said that he would also welcome the opportunity to discuss economic questions with Commonwealth Prime Ministers early in 1956. The Prime Minister said that, if there were any general reluctance to come to London in January, the meeting might be held in some other Commonwealth capital.

The Cabinet—

Took note that the Prime Minister would enquire whether other Commonwealth Prime Ministers would be ready to attend a meeting of Commonwealth Prime Ministers in January, 1956.
5. During the recent Conference of Heads of Governments in Geneva the Prime Minister had, after consulting some of his senior colleagues, invited M. Bulganin and M. Khrushchev to pay a visit to the United Kingdom. They had at once expressed gratification at this invitation and, immediately after their return to Moscow, had confirmed their willingness to visit this country in April. A further exchange of messages on this subject between the Prime Minister and M. Bulganin was read to the Cabinet. It was now expected that the visit would take place in the second half of April and would last for a little over one week.

The Cabinet—

(1) Took note that the Prime Minister and the Foreign Secretary would jointly supervise the making of detailed arrangements for this visit.

The Cabinet were also informed that in the course of conversations at Geneva M. Bulganin had suggested that exchanges of military visits might be arranged between this country and the Soviet Union. In pursuance of that suggestion proposals were now being made to the Soviet Government for a number of H.M. ships to pay a formal visit to Leningrad about the middle of October.

The Cabinet—

(2) Agreed in principle that suitable exchanges of military visits should be arranged between this country and the Soviet Union; and took note of the proposal that, as a first step, a number of H.M. ships should visit Leningrad in October.

6. The Cabinet considered a memorandum by the Minister of Transport (C.P. (55) 101) reporting the advice given by Sir Malcolm Trustram Eve on the number of vehicles needed to enable British Road Services to operate their trunk services.

The Minister of Transport said that, if this advice were accepted, the total number of vehicles to be retained by the British Transport Commission would be nearly 9,000, as compared with the figure of 8,000 which he had indicated to Parliament. Even so, he thought it would be right for him to accept the advice given in Sir Malcolm Eve's report. Subject to the Cabinet's views, he proposed to publish the report and to announce his acceptance of its recommendation. Prospective purchasers were entitled to know how many vehicles would be available for disposal.

The Cabinet—

Authorised the Minister of Transport to publish Sir Malcolm Trustram Eve's report, and to announce his acceptance of its recommendation that the British Transport Commission should retain 7,750 vehicles for operating the trunk services of British Road Services.

7. The Cabinet had before them (i) a note by the Chancellor of the Exchequer (C.P. (55) 103) covering a report by an interdepartmental committee of officials on the present state of the negotiations for a new trade and payments agreement with Japan; and (ii) a memorandum by the Minister of State, Board of Trade (C.P. (55) 104) setting out the views of the Board of Trade on this question.

The question submitted for the Cabinet's decision was whether our negotiators should make a further effort to secure our objectives in these negotiations, as set out in paragraphs 4 and 5 of the report
annexed to C.P. (55) 103, without limiting the volume of Japanese exports to our non-entrepôt Colonies; or whether those Colonies should be asked forthwith to limit their imports from Japan in 1956 to the 1955 level.

In the course of a preliminary discussion there was some support for the view that it would be difficult to defend a substantial increase in Colonial imports of Japanese textiles unless it could be shown that the agreement gave us compensating advantages in other directions. In this connection it was pointed out that other interests in Lancashire would also be critical if the agreement were concluded without any assurance that the Japanese Government would discontinue their policy of subsidising the uneconomic expansion of their mercantile marine.

The Cabinet—

(1) Invited the Foreign Secretary to re-consider the decision that the shipping question should not be raised again in the course of the negotiations for a new trade and payments agreement.

(2) Agreed to resume their consideration of C.P. (55) 103 and 104 at a meeting in the following week.

8. The Cabinet's attention was drawn to a recent statement by the Minister of Industry and Commerce in the Irish Republic inviting German industries to establish factories in the Irish Republic and thereby to obtain the advantage of Commonwealth preferences. The Cabinet had before them a memorandum by the Minister of State, Board of Trade (C.P. (55) 105) commenting on this statement.

In discussion it was suggested that a warning might be given to the Government of the Irish Republic that the settlement of 1948 might have to be re-considered if it were to be used in this way for the benefit of our foreign competitors. Although re-negotiation of the agreement of 1948 would put at risk important preferences which the United Kingdom now enjoyed in the Irish Republic, the consequences of such a re-negotiation might be even more serious to the Irish. The United Kingdom was an important outlet for Irish agricultural produce.

On the other hand, it was unlikely that any German industries would accept this invitation to establish factories in the Irish Republic. The Dublin Government had made similar offers before, without result, and it might be better to defer making any protest until there was greater risk of practical damage to our interests.

The Cabinet—

Invited the Minister of State, Board of Trade, to watch this situation and to inform the Cabinet of any developments.

9. The Foreign Secretary said that he had been considering the handling of the forthcoming conference with representatives of the Greek and Turkish Governments.

It was arguable that, in view of the failure of the Greek Government to control the broadcasts from Athens Radio, we should not proceed with the conference at all, and should inform the Greeks that we were not prepared to enter into a conference with a Government whose radio propaganda was directly inciting people to violence. His own opinion, however, was that on balance it would be to our advantage to allow the conference to take place.

On the composition of the conference, he thought we should take the line that this was a conference between Governments and there could be no question of admitting to it persons who, though not
Public Order.

Broadcast by the Governor.

The conference could, however, take account of written statements submitted on behalf of, e.g., the Ethnarchy and the Muslim community in Cyprus.

On the conduct of the conference, he still proposed to proceed without haste. After an introductory meeting he would himself make a statement, in which he would deal with the historical and strategic reasons for the British administration of Cyprus. He would say that Her Majesty's Government had in mind certain proposals for the future but that he would prefer not to develop these before hearing the statements of the other two Governments. Thereafter the Greek and Turkish representatives would make their opening statements, and the Foreign Secretary would sum up. He would then propose the appointment of a drafting committee to set out with precision the views of each Government; this was important since, although the Greek representative would doubtless express extreme views in discussion, he would probably wish any formal statement of his Government's position to be more moderate.

The conference could next examine the extent of the agreement between the three Governments. If, as was to be expected, a wide difference of opinion was revealed, the conference would adjourn at that point. He would hope that this handling of the discussion would serve to show that the deadlock was due, not to British Colonialism, but to the irreconcilable attitudes of the Greek and Turkish Governments; and that the British aim, as at the time of our original occupation of the Island, was to safeguard the Eastern Mediterranean against Russian aggression.

When the conference was resumed, he would produce the British proposals. Their precise nature would depend on the outcome of the previous discussions; and he would like in any event to consider their details further, with an eye to their reception by world opinion. There would be ample time to refer them again to the Cabinet before they were presented.

The Cabinet—

(1) Approved the Foreign Secretary's proposals for the conduct of the forthcoming conference with representatives of the Greek and Turkish Governments.

The Foreign Secretary said that it seemed advisable that all necessary preparations should be made to handle the disorders which might be expected to break out in Cyprus if the conference were not successful.

The Minister of State for Colonial Affairs said that certain measures had already been taken; for example, the pay of police had been increased. A suggestion which was currently being considered was the appointment of a Director of Operations to co-ordinate the activities of the police and the armed forces.

The Cabinet—

(2) Invited the Ministerial Committee on Cyprus to consider what further measures were needed to ensure the maintenance of public order in Cyprus if disturbances broke out after the forthcoming conference.

The Minister of State for Colonial Affairs said that the Governor of Cyprus wished to make a broadcast, primarily to refute the recent misrepresentations by Athens Radio about the new detention law in Cyprus. He favoured this proposal. The text of the broadcast would be examined in the Colonial Office.

The Cabinet—

(3) Agreed that no objection need be raised to a suitable broadcast on this subject by the Governor of Cyprus.
10. The Cabinet had before them a memorandum by the Foreign Secretary (C.P. (55) 100) seeking the Cabinet's approval for the general line which the Minister of State for Foreign Affairs was to take in forthcoming discussions with the Americans, French and Canadians preparatory to the meeting of the Sub-Committee of the United Nations Disarmament Commission on 29th August.

The Foreign Secretary said that, in his view, there were two outstanding facts. First, it had now become clear that there was no means of establishing an effective control over existing stockpiles of nuclear weapons or new production of fissile material, and that it would before long become impossible to control the means of launching nuclear weapons. Secondly, the Russians had now recognised the full dangers of nuclear war and the existence of nuclear weapons seemed more likely to preserve than to threaten the peace of the world. These two considerations suggested that a convention for the abolition of nuclear weapons might be a positive threat to peace, since it would weaken the deterrent to war, while the fact that it could be evaded would lead to a dangerous competition in the clandestine accumulation of nuclear weapons. He therefore believed that our policy on disarmament needed to be reconsidered. We must be careful not to drift into acceptance of a plan which was in fact unreal.

In discussion the following points were raised:

(a) There was general support for the view that, until other proposals had been formulated, there was no reason why we should not stand by the Anglo-French proposals which had been submitted to the Disarmament Sub-Committee. Those proposals contained ample safeguards. In particular, they provided that substantial progress should be made with disarmament in conventional weapons before disarmament in nuclear weapons was begun, and that there should be no nuclear disarmament until an effective system of inspection and control had been devised. Therefore, so long as it remained impossible to devise an effective system of controlling nuclear disarmament, the deterrent value of nuclear weapons would be retained. If we now withdrew our support for the Anglo-French proposals, we might give the impression that we had abandoned all hope of finding a practical scheme of disarmament and might thereby give a tactical advantage to the Russians.

(b) The Prime Minister suggested that the Minister of State for Foreign Affairs might go rather further than was proposed in paragraph 7 of C.P. (55) 100 in referring to the proposal which he had put forward at Geneva for a practical scheme of inspection in Europe. He recognised that there would not be time for any formal consultation with the North Atlantic Treaty Powers before the Disarmament Sub-Committee met in New York. But he had in fact consulted the Supreme Allied Commander, Europe, before he put this proposal forward at Geneva. There was, therefore, no reason why rather more should not be made of it than was suggested in paragraph 7 of the memorandum.

(c) In paragraph 5 of C.P. (55) 100 it was suggested that it would be difficult for us to reach final conclusions on the means of establishing effective supervision over disarmament until we knew more about the trend of American thinking on this subject. The Prime Minister said that we should be unwise to wait too long upon the Americans in this matter; it might be some considerable time before they produced any views of their own. We should not hesitate to go forward with our own enquiries into this aspect of the problem and to bring forward suggestions of our own as soon as we were ready.

The Cabinet—

Agreed that the instructions for the guidance of the Minister of State for Foreign Affairs at the forthcoming meeting of
the Disarmament Sub-Committee should be drawn on the lines proposed in C.P. (55) 100, subject to amendment of paragraphs 5, 7 and 9 of that memorandum to take account of the points noted in paragraphs (a), (b) and (c) above.

11. The Foreign Secretary said that the Germans were pressing for the immediate release of Admiral Raeder and Admiral Doenitz, who were still serving sentences of imprisonment as war criminals. The Governments of the United States and France favoured the release of both these men. He was disposed to support the recommendation for the release of Raeder, who was aged 79 and broken in health. He could be released on grounds of ill-health, as had Von Neurath in similar circumstances. Different considerations applied, however, to Admiral Doenitz, who was only 64 and might still become prominent in political affairs in Germany.

The Cabinet—

Agreed that the Foreign Secretary should agree to the release of Admiral Raeder, on grounds of ill-health, but should not consent to the release of Admiral Doenitz.

Cabinet Office, S.W.1,
16th August, 1955.