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SECRET

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C.M. (55)

5th Conclusions

CABINET

*CONCLUSIONS of a Meeting of the Cabinet held in the Prime Minister's Room, House of Commons, S.W. 1, on Friday, 22nd April, 1955, at 10.15 a.m.*

Present :

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| 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. R. A. BUTLER, M.P., Chancellor of the Exchequer ( <i>Items 1-3</i> ). |
| The Right Hon. HAROLD MACMILLAN, M.P., Secretary of State for Foreign Affairs.                                       | The Right Hon. VISCOUNT KILMUIR, Lord Chancellor.                                    |
| The Right Hon. VISCOUNT WOOLTON, Chancellor of the Duchy of Lancaster.   | The Right Hon. H. F. C. CROOKSHANK, M.P., Lord Privy Seal.                           |
| The Right Hon. GWILYM LLOYD-GEORGE, M.P., Secretary of State for the Home Department and Minister for Welsh Affairs. | The Right Hon. JAMES STUART, M.P., Secretary of State for Scotland.                  |
| The Right Hon. the EARL OF HOME, Secretary of State for Commonwealth Relations.                                      | The Right Hon. A. T. LENNOX-BOYD, 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. SELWYN LLOYD, Q.C., M.P., Minister of Defence.                        |
| The Right Hon. DUNCAN SANDYS, M.P., Minister of Housing and Local Government.  | The Right Hon. HEATHCOAT AMORY, M.P., Minister of Agriculture, Fisheries and Food.   |

The Right Hon. OSBERT PEAKE, M.P.,  
Minister of Pensions and National Insurance.

The following were also present :

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| The Right Hon. GEOFFREY LLOYD, M.P., Minister of Fuel and Power ( <i>Items 1-4</i> ).      | The Right Hon. JOHN BOYD-CARPENTER, M.P., Minister of Transport and Civil Aviation ( <i>Items 1-4</i> ). |
| The Right Hon. A. R. W. LOW, M.P., Minister of State, Board of Trade ( <i>Items 1-3</i> ). | The Right Hon. ANTHONY NUTTING, M.P., Minister of State for Foreign Affairs ( <i>Items 5-7</i> ).        |

The Right Hon. PATRICK BUCHAN-HEPBURN, M.P., Parliamentary Secretary, Treasury (*Items 1-3*).

Secretariat :

The Right Hon. Sir NORMAN BROOK.  
Mr. R. M. J. HARRIS.

CONTENTS

<i>Minute No.</i>	<i>Subject</i>	<i>Page</i>
1	Parliament ... ..	3
2	Cotton ... ..	3
3	Railways ... .. Transport Charges.	3
4	Industrial Disputes ... .. Railways.	4
5	European Defence and Four-Power Meeting ... ..	5
6	Disarmament ... ..	5
7	Formosa ... ..	6

**Parliament.** 1. The Cabinet were informed of the business to be taken in the House of Commons on those days in the following week when the House would not be occupied with proceedings on the Finance Bill.

The Cabinet recorded their satisfaction at the agreement which the Leader of the House of Commons had made with the Opposition on the handling of business in the House of Commons during the remainder of the present session.

**Cotton.** 2. *The Chancellor of the Exchequer* informed the Cabinet of the general lines of a statement on the current difficulties of the cotton industry which he proposed to make in the House of Commons that afternoon when replying to the general debate on the Budget. In particular, he proposed to make it clear that the Government were awaiting the outcome of discussions with the Government of India, and to promise an announcement of the Government's final conclusions before Parliament was dissolved.

(Previous Reference : C.M. (55) 4th Conclusions, Minute 3.) Discussion showed that there was general agreement in the Cabinet on the need for some further Government statement on this subject before the end of the Budget debate, and on the terms of the statement which the Chancellor proposed to make.

#### The Cabinet—

Invited the Chancellor of the Exchequer to include in his speech in the Budget debate that afternoon a statement on the current difficulties of the cotton industry on the general lines indicated to the Cabinet.

**Railways.** 3. *The Minister of Transport* recalled that the Cabinet had already agreed in principle that increases in railway charges of the order indicated in his memorandum C. (55) 67 would have to be accepted, but had invited him to discuss the timing of these increases with the Chairman of the British Transport Commission. In accordance with the Cabinet's wishes he had taken steps, in accordance with the procedure laid down by section 82 of the Transport Act, 1947, to obtain the views of the permanent members of the Transport Tribunal, acting as a Consultative Committee, on proposed increases in railway freight rates and dock and canal charges which would yield £17.7 millions. Their views would probably be submitted to him in the following week, and the way would then be clear for him to authorise the increased charges. The Transport Commission had also made application to the Tribunal, under the special procedure of section 23 of the Transport Act, 1953, for leave to make further increases in main-line fares and increases in fares on London Transport lines and on the London lines of British Railways, which would yield altogether £4 millions. From their discussions as a Consultative Committee the members of the Transport Tribunal would already be aware of the changes which were likely to be made in railway freight rates and dock and canal charges. The Minister had reason to expect that, immediately after he had received the views of the permanent members of the Transport Tribunal on these proposed increases, the Tribunal would reply to the Commission's application for leave to make the proposed further increases in passenger fares, and the Commission were under a statutory obligation to publish without delay the reply of the Tribunal on any such application. In the normal course, therefore, the prospective increases in passenger fares and in railway freight rates and dock and canal charges were likely to be announced within the next two weeks. The increases in passenger fares could be brought

into operation within about ten days after an announcement, but there would be a longer delay before increased railway freight rates and dock and canal charges could be brought into operation. The Commission might, however, decide, as they had on a previous occasion, that it would be advantageous from their point of view to bring all the increases into operation at one time. The Minister said that it was likely that, before Parliament was dissolved, he would be asked in the House of Commons whether the Commission had applied for leave to make increases in railway charges. In any case, the dates when any applications had been made and the dates of their approval and announcement must in due course become public when the Transport Tribunal and the Commission issued their reports.

It was the general view of the Cabinet that the arrangements for announcing, and thereafter bringing into operation, the prospective increases in railway charges should be allowed to follow their normal course. This was likely to lead to a fairly early announcement that the increases were to be made, but their introduction might be deferred until the end of May or early June.

The Cabinet were reminded that, when they had last considered this matter, they had taken the view that the Government would be vulnerable to criticism if they allowed extensive increases in railway charges to be announced without, at the same time, providing further evidence that effective action was being taken to eliminate redundancy and restrictive practices on the railways.

*The Minister of Transport* said that it would be possible to include in any announcement of the prospective increases in charges some statement about the measures taken to secure further economies which, as explained in C. (55) 67, were estimated to yield a saving of £15 millions in a full year.

The Cabinet—

- (1) Invited the Minister of Transport to arrange for further proceedings on the current applications for increases in railway charges to follow their normal course.
- (2) Invited the Minister of Transport to arrange that any public announcement of the prospective increases in charges should include a suitable reference to the steps so far taken to secure further economies on the railways.

**Industrial Disputes.**  
Railways.  
(Previous Reference : C.M. (55) 4th Conclusions, Minute 2.)

4. *The Minister of Labour* said that the Chairman and Secretary of the Trades Union Congress had suggested that he should see the leaders of the Associated Society of Locomotive Engineers and Firemen (A.S.L.E.F.), and he had done so on the previous day. The Union had put before him a strong case on the subject of wage differentials but they had not been able to justify their peremptory rejection of the award of the Railway Staff National Tribunal and their decision to call a strike. He had suggested to them that they could have taken the alternative course of lodging a strong protest and, after a suitable interval, submitting a further wage claim; and he had urged them to reconsider even now their decision to strike on 1st May. There was nothing more that he could do at this stage. Meanwhile, the National Union of Railwaymen had declared their opposition to the proposed strike and their determination to keep their members at work if it should occur. There seemed to be a reasonable prospect that they would succeed in doing so provided that nothing was said on behalf of the Transport Commission or the Government to indicate any prospect of a concession to A.S.L.E.F.

The Cabinet—

Took note of this statement by the Minister of Labour.

**European  
Defence and  
Four-Power  
Meeting.**

(Previous  
Reference :  
C.M. (55) 4th  
Conclusions,  
Minute 5.)

5. *The Foreign Secretary* said that he was still trying to obtain the agreement of the other Western Powers to the time-table which he had put to the Cabinet on 19th April for completing the ratifications of the Paris Agreements, admitting the German Federal Republic to the North Atlantic Alliance and settling the terms of an invitation to the Soviet Government to attend a Four-Power Meeting. The French Government were still, however, reluctant to bring the Saar Agreement into force until they had settled to their satisfaction the question of the future ownership of the Roehling steelworks. He hoped that this difficulty might be overcome by an agreement, between the French and German Governments, that this question should be referred to arbitration. It would be appropriate that the Western European Union should undertake, as one of its first acts, to arrange for such an arbitration.

*The Prime Minister* recalled that in the motion which the House of Commons had carried on 5th April, 1954, the suggestion of a Four-Power Meeting had been linked with the aim of preventing a war in which thermo-nuclear weapons would be used. He hoped that, in the forthcoming discussion of the agenda for a Four-Power Meeting, this would not be overlooked. Though it should doubtless include other items, the agenda should not exclude discussion of the general question of disarmament. This part of the agenda should, however, be so framed as to ensure that international control over thermo-nuclear weapons was discussed as part of the general problem of reducing armaments of all kinds.

The Cabinet—

Took note of these statements.

**Disarmament.**

(Previous  
Reference :  
C.C. (55) 19th  
Conclusions,  
Minute 2.)

6. *The Foreign Secretary* said that it was evident that the Disarmament Sub-Committee of the United Nations would not be able to make substantial progress towards an international agreement. In the normal course it might be expected that their discussions would be brought to a close within the next few weeks. Their report to the United Nations, when it was made public, would show that it was the Soviet reluctance to make any concessions that had prevented further progress. On the other hand the public, here and abroad, would be disappointed at the failure of the talks; and the timing of the Sub-Committee's report should therefore be considered in relation both to the Election in this country and to the projected invitation to the Soviet Government to attend a Four-Power Meeting. It seemed to him desirable that the current discussions should not be broken off at least until that invitation had been despatched. He therefore hoped that the Sub-Committee might be able to continue their work for another four or five weeks.

*The Minister of State for Foreign Affairs* said that, in the absence of any further concessions by the Soviet Government, there was little more for the Sub-Committee to discuss, and the other Western Powers might prefer to bring the proceedings to a close so that their attitude could be publicly stated in the Sub-Committee's report. The Soviet representatives, on the other hand, might be in no hurry to bring the discussions to an end and he could try to prolong the proceedings, if necessary by moving a further adjournment. The United States Government could presumably be asked to instruct their representative to co-operate in this attempt to defer breaking off the discussions until agreement had been reached on the terms of an invitation to a Four-Power Meeting.

The Cabinet—

Invited the Minister of State for Foreign Affairs to do his utmost to prolong, for another four or five weeks, the presentation of a report by the Disarmament Sub-Committee of the United Nations.

**Formosa.**  
(Previous  
Reference :  
C.M. (55) 4th  
Conclusions,  
Minute 6.)

7. *The Foreign Secretary* said that he had not yet completed the preparation of the two draft statements on Formosa which he had mentioned at the Cabinet's meeting on 19th April. Meanwhile, however, the United States Secretary of State had asked Her Majesty's Minister in Washington whether the United Kingdom Government could not produce some suggestions for a fresh initiative in this matter. This enquiry gave us a favourable opportunity for putting to the United States Government proposals on the lines indicated to the Cabinet at their last discussion.

*The Prime Minister* said that it was desirable that a further public statement on this problem should be made on behalf of the United Kingdom Government well before the Election. He hoped that our suggestions could be put to the United States Government in the course of the following week.

**The Cabinet—**

Took note of these statements.

*Cabinet Office, S.W.1,  
22nd April, 1955.*