CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W. 1. on Tuesday, 10th April, 1956, 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. HAROLD MACMILLAN, M.P., Chancellor of the Exchequer.

The Right Hon. SELWYN LLOYD, Q.C., M.P., Secretary of State for Foreign Affairs.

The Right Hon. JAMES STUART, M.P., Secretary of State for Scotland.

The Right Hon. Sir WALTER MONCKTON, Q.C., M.P., Minister of Defence.

The Right Hon. PETER THORNEycroft, M.P., President of the Board of Trade.

The Right Hon. Sir DAVID ECCLES, M.P., Minister of Education.

The Right Hon. the EARL OF SELKIRK, Chancellor of the Duchy of Lancaster.


The Right Hon. the VISCOUNT KILMUIR, Lord Chancellor.

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. DUNCAN SANDYS, M.P., Minister of Housing and Local Government.

The Right Hon. D. HEATHCOAT AMORY, M.P., Minister of Agriculture, Fisheries and Food.

The Right Hon. IAIN MACLEOD, M.P., Minister of Labour and National Service.

The Right Hon. PATRICK BUCHAN-HEPBURN, M.P., Minister of Works.

The following were also present:

The Right Hon. JOHN BOYD-CARPENTER, M.P., Minister of Pensions and National Insurance (Item 5).

Dr. the Right Hon. CHARLES HILL, M.P., Postmaster-General (Item 5).

The Right Hon. Sir REGINALD MANNINGHAM-BULLER, Q.C., M.P., Attorney-General (Item 8).

The Right Hon. HAROLD WATKINSON, M.P., Minister of Transport and Civil Aviation (Item 9).

The Right Hon. JOHN HARE, M.P., Minister of State for Colonial Affairs (Item 7).

The Right Hon. EDWARD HEATH, M.P., Parliamentary Secretary, Treasury.

Secretariat:

The Right Hon. Sir NORMAN BROOK.

Mr. P. R. ODGERS.
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1. The Foreign Secretary said that during the past few days there had been a series of frontier incidents between Egyptian and Israeli troops in the neighbourhood of Gaza. The Secretary-General of the United Nations had been instructed by the Security Council to undertake a mission to the Arab States and Israel with a view to preventing any extension of hostilities. In support of this action by the United Nations President Eisenhower had issued a formal statement that the United States would observe its commitments within constitutional means to oppose any aggression in this area, and was likewise determined to support and assist any nation which might be subjected to such aggression.

The Foreign Secretary said that there was some ambiguity about this statement. It might mean that the United States Government were seeking to place more emphasis on United Nations action than on action under the Tripartite Declaration of 1950. In most quarters, however, it had been accepted as a firm statement calculated to deter further aggression by either party to this dispute. He therefore recommended that a public statement should at once be made on behalf of the United Kingdom Government in which we would warmly welcome President Eisenhower's declaration and associate ourselves with it. He would at the same time tell the United States Government privately that we were assuming that this declaration applied both to action within the United Nations and to action under the Tripartite Declaration.

The Cabinet approved the Foreign Secretary's proposals. In discussion the following points were raised:—

(a) We should be careful to avoid committing ourselves to any unilateral action under the Tripartite Declaration. In this matter we should be ready to do no less than the United States; but, if they were in fact moving away from a policy of action under the Declaration to one of action within the United Nations, we should hold ourselves free to conform with that movement. Our objective was to prevent an outbreak of hostilities. There would be little public enthusiasm in this country for the employment of British troops, on either side, in a war between Arabs and Israelis.

(b) If the present tension in the Gaza Strip led to war, it might be difficult to determine which side was the aggressor. The Cabinet were informed that it was the United States' intention, in that event, to invoke the United Nations procedure under which both sides would be invited to disengage their troops. Under that procedure, if either side failed to act on such an invitation from the Security Council, it would be deemed to be the aggressor.

(c) The Foreign Secretary said that he might be asked in Parliament what plans had been made for military action in this area on behalf of the Governments of the United Kingdom and the United States. The United States Government would be unwilling to authorise any reference to joint military planning. He was, therefore, disposed to say that planning was well advanced to discharge the obligations undertaken by the United Kingdom Government, whether under the United Nations or under the Tripartite Declaration.

In discussion it was pointed out that, while the military possibilities had been reviewed, little progress had been made in formulating actual military plans. The military conversations in Washington had hitherto proceeded slowly, though there were now some signs of a greater sense of urgency on the American side. It seemed preferable therefore that the Foreign Secretary should decline to be drawn into discussion of the state of military planning. The French Government might now, however, be asked what action they would be prepared to take under the Tripartite Declaration. The Foreign Secretary could then at least say that consultations were proceeding between the three parties to the Declaration.
(d) The best practical step which could be taken to reduce the risk of hostilities in this area was to arrange for some further supply of arms to increase the defensive strength of Israel. Some further fighter aircraft were being supplied to them from this country and from France, and some might also be sent from Canada. In addition, the Israelis had recently asked if we could send them some Centurion tanks. It did not, however, seem desirable that we should supply offensive weapons to the Israelis in present circumstances, especially in view of the current situation in Jordan. It would be better to explore the possibility of providing them with some anti-tank weapons.

(e) We should for the present avoid any public admission that further supplies of arms were being sent to Israel. This was a reason for avoiding, if possible, an early debate in the House of Commons on the situation in the Middle East. This consideration might be brought to the notice of the Leader of the Opposition.

The Cabinet—

(1) Authorised the Foreign Secretary to issue a public statement welcoming the declaration made by President Eisenhower on the dispute between Egypt and Israel.

(2) Took note of the steps which the Foreign Secretary was proposing to take to ensure conformity of policy and action in this matter by the Governments of the United States and the United Kingdom.

Disarmament.

2. The Foreign Secretary informed the Cabinet of the course of the discussions at the current meeting of the Disarmament Sub-Committee of the United Nations. The Soviet Government had now produced a new disarmament plan, which they would doubtless seek to exploit in their propaganda. He therefore thought it desirable that he should make a statement in the House of Commons, in reply to Questions which had been tabled for answer on the following day, putting this plan into proper perspective and drawing attention to its main defects. It lacked precision on the vital question of control, and it contained no provision for nuclear disarmament.

In discussion misgivings were expressed about the turn which the discussions in the Disarmament Sub-Committee were taking. From our point of view it was important that no international agreement prohibiting or limiting the manufacture of nuclear weapons should come into force until we ourselves had adequate stocks of these weapons. Hitherto our position in this respect had been safeguarded by the reluctance of the Soviet Government to reach any agreement for the limitation of conventional armaments. Our flank would, however, be turned if the Russians produced acceptable proposals for limitation of conventional armaments; for we should then be subject to heavy pressure to accept prohibition of further manufacture of nuclear weapons.

In further discussion it was argued that international agreement on a comprehensive plan of disarmament was unlikely to be reached for several years. Meanwhile, we should continue to press for a comprehensive plan and effective machinery for control.

The Cabinet—

Invited the Foreign Secretary to consider, in the light of the Cabinet’s discussion and in consultation with the Lord President and the Minister of Defence, the terms of the statement on disarmament which he proposed to make in the House of Commons on the following day, and to submit the draft of this statement for the Prime Minister’s approval.
3. The Cabinet were informed of the business to be taken in the House of Commons in the following week.

The Chancellor of the Exchequer would open his Budget on 17th April. The general debate on the Budget resolutions and on the economic situation would be held on 18th and 19th April, and would be concluded on 23rd April.

4. The Lord Privy Seal said that there had been some premature disclosure to the Press, apparently from Opposition sources, about the project which he had mentioned to the Cabinet on 13th March for dealing simultaneously with the remuneration of Members of the House of Commons, salaries of junior Ministers and expense allowances for Peers. This disclosure might impair the prospects of persuading Government supporters to accept this project. He would have to take further soundings about this among Government supporters. It was, however, unlikely that early action could now be taken on the lines which he had previously envisaged.

There was general agreement that it was urgently necessary to increase the salaries of junior Ministers and that it was desirable that the whole project should be carried through before Parliament rose for the summer recess. In the meantime every effort should be made to prevent Government supporters from voicing opposition to it.

5. The Cabinet considered a memorandum by the Chancellor of the Exchequer (C.P. (56) 95) on family allowances and the bread subsidy.

The Chancellor of the Exchequer said that he wished to announce in his Budget statement that the remainder of the bread subsidy would be discontinued on a definite date later in the year. The effect of this on people with larger families could be mitigated by an increase in family allowances. The Government had already decided to pass a Family Allowances Bill during the current session; and he proposed that the opportunity should be taken to include in this Bill provision for increasing family allowance by 2s. a week for third and subsequent children. The cost of this increase would be about £10 millions in a full year. The discontinuance of the remainder of the bread subsidy would save £20 millions in a full year. He hoped that both changes could come into effect on 1st October.

In discussion the following points were made:

(a) This change might not be specially popular with Government supporters, but it was sound social policy.

(b) This proposal, though it would add little to its length, would increase the importance of the Family Allowances Bill; and if the change was to come into operation by 1st October, the Bill would need to be passed before the summer recess.

(c) The Minister of Pensions said that, if too much emphasis were laid on the link between the increase in family allowances and the discontinuance of the bread subsidy, this would sharpen the demand for a similar concession to pensioners.

(d) The Minister of Education said that, in connection with the current review of the future trend of expenditure on the social services, he had been considering plans for reducing the subsidy on the school meals service. This service had always been linked with family allowances; and it would be expected that any substantial

* Originally recorded in a Confidential Annex.
reduction in this subsidy should be accompanied by some compensating increase in family allowances. This expectation would be enhanced if the discontinuance of the bread subsidy had previously been linked with an increase in family allowances. In these circumstances it might be worth considering whether changes in the school meals service could also be announced in the Budget statement, together with a somewhat larger increase in family allowances than that now proposed by the Chancellor of the Exchequer.

The Cabinet—

(1) Agreed in principle that the remainder of the bread subsidy should be discontinued from 1st October, 1956, and that some change in family allowances should be brought into operation at the same time in order to offset the effect on people with larger families.

(2) Invited the Chancellor of the Exchequer to consider, in consultation with the Lord Privy Seal, the Minister of Education and the Secretary of State for Scotland, whether it would be expedient to enlarge this scheme so as to cover at the same time the changes which were now contemplated in the school meals service.

6. The Cabinet had before them a memorandum by the Postmaster-General (C.P. (56) 94) submitting proposals for meeting the additional expenses of £20 millions which would fall on the Post Office as a result of recent increases in wages and salaries and other costs.

The Postmaster-General said that he hoped in the coming year to provide £5 millions towards this increase by means of economies, increased efficiency and reduction of his budgetary surplus. His proposals for finding the remaining £15 millions were set out in Appendix A to C.P. (56) 94. The first question for decision by the Cabinet was whether the ordinary letter postage should be raised from 2½d. to 3d. or whether increases should be made in the rates of printed papers and samples. The former measure would raise £6 millions, but the Post Office were already making an annual profit of £10 millions on the letter postage, and an annual loss of £4 millions on printed papers and samples. To increase the charges for both categories would mean raising more money from the postal side than was necessary. To increase the letter postage would take time because of the preparations involved. It would also be difficult politically. For these reasons he would prefer to increase the rate for printed papers and samples, which would yield £3-9 millions in the coming year.

The Cabinet agreed that the ordinary letter postage should not be increased. It was confirmed that no increase would be made in the overseas rates for printed papers and samples.

The Postmaster-General said that the other point on which he would welcome guidance was whether the poundage rates on postal orders should be increased. In Annex A of C.P. (56) 94 it was suggested that the rate for 6d. and 1s. postal orders should be raised to 2d. and that the rate for orders for 1s. 6d. to 5s. should be raised to 3d. This might cause a brisk public reaction, since postal orders of low value were much used in connection with competitions and betting. It would be possible to raise the £1 million extra revenue required by making a further increase in the cheap evening rate for trunk telephone calls. The cheap evening rate was causing increasingly heavy traffic, requiring provision of additional trunk lines. It would be justifiable to remove the maximum limit of 2s. proposed in C.P. (56) 94: this would mean in practice a maximum charge of 2s. 6d. for cheap evening trunk calls.
There was general agreement that no increase should be made in the poundage on postal orders and that the necessary money should be found by increasing the revenue from cheap evening trunk calls.

The Cabinet—

(1) Approved the proposals for increased telephone and postal charges put forward in C.P. (56) 94, subject to the deletion of the proposed increases in the poundage on postal orders and to the removal of the upper limit of 2s. on the cost of trunk telephone calls at the cheap evening rate.

(2) Authorised the Postmaster-General to make a summary announcement of these changes on 11th April, in a reply to a Parliamentary Question, and to circulate the full details in the Official Record.

7. The Cabinet had before them a memorandum by the Minister of Labour (C.P. (56) 93) regarding an International Labour Convention (No. 101) on holidays with pay for agricultural workers.

The Minister of Labour recalled that in February, 1954 the Cabinet had decided not to ratify this Convention on the ground that the powers of Agricultural Wages Boards to fix holidays with pay were not obligatory and that, although the Boards had in fact exercised these powers, it might be thought inconsistent with their discretion for the Government to assume an obligation to enforce the Convention. The Trades Union Congress had subsequently asked that this decision should be reconsidered because of the extent to which it was being misrepresented by Communist-dominated organisations abroad. In view of this the Minister now recommended that the Government should ratify the Convention.

The Minister of State for Colonial Affairs said that the Colonial Office supported this proposal. The application of the Convention to Colonial territories could be made dependent on local conditions.

The Cabinet—

(1) Agreed that the Government should ratify the International Labour Convention (No. 101) on holidays with pay for agricultural workers.

(2) Invited the Minister of Labour to consider whether the announcement of this decision need be made by presentation of a White Paper or whether it would suffice to make a short statement in reply to a Parliamentary Question.

8. The Cabinet had before them a memorandum by the Home Secretary and the Secretary of State for Scotland (C.P. (56) 92) on the attitude which the Government should take towards amendments to be moved during the Committee Stage of the Death Penalty (Abolition) Bill.

In the course of a preliminary discussion some doubts were expressed about the specific recommendations made in paragraph 15 of this memorandum. Thus, while it was desirable that the Government should show their readiness to protect policemen and prison officers from the risk of violence, the retention of capital punishment as a penalty for murders of specified classes of persons would introduce into the law the conception of degrees of murder, to which the Government had hitherto been opposed. Moreover, if in relation to these or other amendments the Government gave definite advice to the House, they would find themselves in an embarrassing position if on a free vote the decision went against the advice which
they had given. Opinion on this question in the House of Commons was changing, and some of the Government supporters who had previously favoured abolition were now prepared to consider some compromise. Some of them, for example, had indicated their readiness to accept the amendment tabled by Sir Hugh Lucas-Tooth, which would have the effect that capital punishment would be retained for murder committed by a lethal weapon in the course of burglary, house-breaking or robbery, or by a prisoner serving a life sentence. Acceptance of this amendment would, however, leave the law in an anomalous condition. The promoter of the Bill might indeed regard it as a wrecking amendment and, if it were carried, might decide not to proceed further with the Bill.

After some further discussion the Cabinet agreed that, before decisions could be taken on the questions raised in C.P. (56) 92, the Lord Privy Seal should discuss with the Ministers most directly concerned the tactics for handling the Committee Stage of this Bill.

The Cabinet—

(1) Invited the Lord Privy Seal to discuss the tactics for handling the Committee Stage of this Bill with the Lord Chancellor, the Home Secretary, the Secretary of State for Scotland, the Attorney-General and the Chief Whip.

(2) Agreed to resume their discussion of this question at a later meeting.

9. The Minister of Transport recalled that at their meeting on 13th March the Cabinet had agreed that one-half of the increases in freight charges proposed by the British Transport Commission should be deferred for an experimental period of six months, after which the Government would review the Commission’s financial position in the light of the progress made in securing greater efficiency and economy. Since then he had sought the advice of the permanent members of the Transport Tribunal, acting as a consultative committee, and he had now received from them a report which advised, not only that the full increase in freight charges originally proposed by the Commission was justified, but that even with this additional revenue and that from other smaller increases in charges the Commission had little prospect of meeting their statutory obligation of securing a sufficient revenue to meet their costs, taking one year with another, and of establishing and maintaining a general reserve. The Minister of Transport was due to answer a Parliamentary Question on the following day asking what advice he had received from the Transport Tribunal, and it would be impossible to avoid making the report public. This would draw attention to the financial difficulties under which the Commission were labouring. He thought that at the end of the six months’ period it might be advisable to publish a White Paper setting out the measures which the Transport Commission had formulated in the interval to increase their efficiency and to improve their financial position.

The Cabinet—

Took note of this statement by the Minister of Transport.

10. The Minister of Defence said that he would be representing the United Kingdom at the forthcoming meeting of the Council of the Baghdad Pact in Teheran. It was likely that Pakistan’s representative, possibly with support from the representative of Turkey, would seek to persuade the Council to discuss at this meeting the problem of Kashmir. It could be argued that this was of interest to the Council, since Pakistan might be unable to fulfil her obligations
under the Pact if she had to protect herself against aggression from India. The Commonwealth Secretary had asked that he should prevent this subject from being discussed at the meeting. He would like, however, to know how far he should go in opposing its inclusion in the agenda or in the communique.

In discussion it was pointed out that it would give great offence to India if, after the reference to Kashmir which had been included in the communique of the last meeting of the Council of the South-East Asia Treaty Organisation (S.E.A.T.O.), this question was again discussed by the Council of another regional defence pact. On the other hand, it would be a mistake to press our opposition to the point of endangering the solidarity of the members of the Bagdad Pact. It might be helpful if a personal message were sent to the Governor-General of Pakistan stressing the disadvantages of attempting to ventilate this problem at the Teheran meeting. The Minister of Defence should also do his best, at the meeting, to dissuade other members from raising the question. If, despite these efforts, it were raised, it was desirable that as little as possible should be said about it in the communique—which should not, in any event, go further on this point than the communique of the last meeting of the Council of S.E.A.T.O.

The Cabinet—

(1) Invited the Commonwealth Secretary to send a personal message to the Governor-General of Pakistan urging him to use his influence to prevent Pakistan's representative from raising the question of Kashmir at the forthcoming meeting of the Council of the Bagdad Pact in Teheran.

(2) Invited the Minister of Defence to deal with this question, at the Teheran meeting, on the lines agreed in the Cabinet's discussion.

Cabinet Office, S.W. 1,
10th April, 1956.