CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W. 1, on Monday, 6th January, 1958, at 11 a.m.

Present:
The Right Hon. HAROLD MACMILLAN, M.P., Prime Minister.
The Right Hon. SELWYN LLOYD, Q.C., M.P., Secretary of State for Foreign Affairs.
The Right Hon. ALAN LENNOX-BOYD, M.P., Secretary of State for the Colonies.
The Right Hon. VISCOUNT HAILSHAM, Q.C., Lord President of the Council.
The Right Hon. D. HEATHCOAT AMORY, M.P., Minister of Agriculture, Fisheries and Food.
The Right Hon. HENRY BROOKE, M.P., Minister of Housing and Local Government and Minister for Welsh Affairs.
The Right Hon. HAROLD WATKINSON, M.P., Minister of Transport and Civil Aviation.
Dr. The Right Hon. CHARLES HILL, M.P., Chancellor of the Duchy of Lancaster.
The Right Hon. VISCOUNT KILMUIR, Lord Chancellor.
The Right Hon. THE EARL OF HOME, Secretary of State for Commonwealth Relations.
The Right Hon. JOHN MACLAY, M.P., Secretary of State for Scotland.
The Right Hon. DUNCAN SANDYS, M.P., Minister of Defence.
The Right Hon. IAIN MACLEOD, M.P., Minister of Labour and National Service.
The Right Hon. LORD MILLS, Minister of Power.
The Right Hon. GEOFFREY LLOYD, M.P., Minister of Education.
The Right Hon. REGINALD MAUDLING, M.P., Paymaster-General.

The following were also present:
The Right Hon. EDWARD HEATH, M.P., Parliamentary Secretary, Treasury. Sir HUGH FOOT, Governor of Cyprus (Item 2).

Secretariat:
The Right Hon. Sir NORMAN BROOK.
Mr. B. ST. J. TREND.
Mr. H. O. HOOPER.
Mr. P. R. ODGERS.
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1. The Prime Minister informed the Cabinet that the Chancellor of the Exchequer, after considering the course of the previous day's discussion on the level of Government expenditure in 1958-59, had now felt obliged to tender his resignation. The Financial and Economic Secretaries to the Treasury had also resigned their offices.

It would be right that, despite this, the Government should continue to discharge the responsibilities of office and to pursue the financial and economic policies on which they had embarked. It would be desirable that, in his reply to the Chancellor's letter of resignation, he should make it plain that the Cabinet remained in unanimous agreement on their fundamental policies.

In discussion, there was general agreement with this view. The Cabinet expressed their appreciation of the efforts which the Prime Minister had made to persuade the Chancellor of the Exchequer to accept the views which were held by all his Cabinet colleagues on the extent to which Government expenditure could properly be limited in the coming year.

2. The Cabinet had before them a memorandum by the Colonial Secretary (C. (58) 4) covering a draft Parliamentary statement of policy on Cyprus, together with an outline of measures to be announced simultaneously by the Governor.

The Colonial Secretary said that a new initiative by the Government was necessary if the situation in Cyprus was not seriously to deteriorate once again. The draft statement in Annex A to C. (58) 4, which had been approved by the Colonial Policy Committee and was intended to be made to Parliament on its reassembly, reaffirmed the Government's intention to achieve a settlement of the problem of Cyprus on the basis of the principle of self-determination seven years after the ending of the present emergency, provided that—

(i) questions affecting the Turkish community in Cyprus would be fairly settled and the Turkish-Cypriots no less than the Greek-Cypriots would be given the right of self-determination as a community;
(ii) such bases and installations as might be required to meet the strategic needs of Her Majesty's Government and their Allies would be retained under British sovereignty;
(iii) the people of Cyprus showed during the seven-year period that they were ready to co-operate in working and maintaining a representative Constitution, the details of which would be for discussion, in the first instance, with the Governor of Cyprus in the Island.

At the same time measures would be announced in Cyprus by the Governor to bring the state of emergency to an end in a period of three months. These measures, which were outlined in provisional form in Annex B to C. (58) 4, would involve the progressive release of individuals detained under the emergency regulations and the revocation of the regulations themselves at the end of the period, after which Archbishop Makarios would be free to return to the Island on his assurance that he would use all his influence for the maintenance of peaceful conditions.

Proposals on these lines would not prejudice the final solution of the problem, while they would also make clear our readiness to

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* Previously recorded in a Confidential Annex.
accept at any time dispositions for the future of the Island which had the approval of the Greek and Turkish Governments and of both communities in Cyprus, provided that our requirement in respect of military bases was satisfied. They would also preserve the basic assurance to the Turkish community to which the Turkish Government attached such great importance. There were grounds for hoping, therefore, that they would enlist the support of moderate opinion in Cyprus and would create a new and calmer atmosphere in which genuine progress might be made towards an ultimately satisfactory solution.

The Foreign Secretary said that an initiative of this nature was not likely to be welcomed by the Turkish Government, for whom Cyprus has now become a major issue in domestic politics. At best we could hope to secure no more than their grudging acquiescence. To this end they should be given adequate time in which to consider the proposals, and these should therefore be communicated to them in the first instance by H.M. Ambassador in Ankara as soon as possible. Thereafter the Governor of Cyprus should visit Ankara for consultation with H.M. Ambassador and for discussion, as necessary, with the Turkish Government about the new proposals. He should then make a similar visit to Athens, when he would take the opportunity to meet Archbishop Makarios. The Greek Government would probably reject the proposals outright, unless they were influenced by the Archbishop, who might fear that his own standing in Cyprus would be jeopardised if he rejected a plan which involved the end of the emergency in the Island. If so, it was marginally possible that the Greek-Cypriots would be given a genuine opportunity to seek a solution which was neither Enosis nor partition. On the other hand, if both the Turkish and Greek Governments reacted strongly against the proposals, it would be necessary to reconsider them. In any event it was essential that they should, if possible, remain strictly secret until it become clear whether it would be realistic for the Government to announce them.

In discussion there was general agreement that these proposals and the procedures for implementing them should, in principle, be endorsed. The following points were made—

(a) It might be pointed out to the Turkish Government that their interests would best be served by a settlement which might command a measure of bipartisan support in this country. It was for consideration whether they might also be offered a base in Cyprus.

(b) Any suggestion of negotiation with Archbishop Makarios must be avoided. His return to Cyprus at the end of the emergency should not, therefore, be made conditional upon his giving an assurance that he would use all his influence for the maintenance of peaceful conditions, and we should confine ourselves to providing that those individuals who had been excluded from Cyprus during the emergency, including the Archbishop, would be free to return when it was declared at an end. If, however, the Archbishop volunteered a statement of his readiness to work for peace in Cyprus, we should be free to use it as we saw fit.

(c) It was desirable that we should not commit ourselves even by implication, to continue to enforce law and order in Cyprus regardless of developments; and it might be politic explicitly to reserve our freedom of action if, during the seven-year period, the inhabitants of Cyprus made the orderly administration of the Island impossible. On the other hand any suggestion that we might be prepared to abandon our sovereignty over the Island would be politically damaging and might provoke the Turkish Government to renew intercommunal strife in Cyprus in the hope of forcing the issue of partition without further delay.

(d) It would be desirable to make it clear that the detainees to be released would be individuals who had not been legally convicted.
of any offence, that the least dangerous of them would be released
first and that the process could be suspended if peaceful conditions
were not maintained. Indeed, it was for consideration whether fresh
powers should be taken to retain the most dangerous of the detainees
after the end of the emergency, if the situation so required. In
practice, however, it might prove difficult to single out these
individuals; and all but a very small number of the present detainees
could, in any case, be rearrested if the situation deteriorated again
after their release. The balance of advantage, therefore, would
probably lie in releasing all those now detained by the date when the
emergency was declared at an end.

(e) The cases of those convicted during the emergency would
fall to be reviewed by the Governor in Executive Council. But there
would be no automatic amnesty for persons who had committed
criminal offences during that period and were arrested after its end.
It would, however, be desirable to maintain the previous Governor's
offer of a safe conduct out of the Island for the leader of the terrorist
forces if he surrendered when the new proposals were announced.

The Cabinet—

(1) Approved, in principle, the proposals in C. (58) 4.
(2) Invited the Foreign Secretary, in consultation with the
Colonial Secretary, to arrange for these proposals to be
communicated to the Turkish and Greek Governments.
(3) Invited the Colonial Secretary, in revising the draft
Parliamentary statement and in giving further
consideration to the measures to bring the state of
emergency to an end, to have regard to the points made
in their discussion.

Cabinet Office, S.W. 1,
7th January, 1958.