

**LIST OF INTERESTING TOPICS IN THE CABINET SECRETARIES' NOTEBOOK
(CAB 195/7)**

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LIST OF INTERESTING TOPICS IN THE CABINET SECRETARIES' NOTEBOOK (CAB 195/7)

The following extracts give a flavour of the topics discussed by the Cabinet between 12 January 1949 and 27 April 1950:

Census of Distribution

- H.W. As in memo.
Means of minimising political impact.
- R.S.C. Essential to planning – esp. nat^l income and consumption – to get this informⁿ as quickly as possible.
Only quick means of discerning disinflationary tendency. No means now of knowing how spending is related to a normal.
- H.D. Recognise importance of getting informⁿ.
Five year intervals : means won't help much on disinflation.
Politically unwise to do it just before election. Esp. in rural areas.
Small shops won't find this easy. Their diff^{ies} will be exploited by Tories.
Advantages of doing this in 1950 don't outweigh political embarrassment.
Electorally wise.
P'pone for one year.
- H.M. On merits undoubtedly desirable. V. bad luck that it is timed like this.
Cd. political effects be minimised eg. Press conference, help to small shops.
If it has to be, sooner it's announced the better.
- B. Not Departmentally urgent to us.
- C.K. P'ponemt. involves diffy. over accommⁿ for census staff. Wd. mean finding it in Ldn. in 1950.
- H.W. 600 staff to be kept on from M/P.
- H.H.M. I cd. p'pone my re-orgⁿ for 12 mos. with diffy.
- A.B. Popⁿ census will also be held in spring of 1951. An argument against p'ponemt.
- P.M. [Eases the ques. "another little census won't do us any harm".
H.D. Or more vexatious.
P.M. No. Makes it fall naturally into place as an ordinary affair.]
A.B. Don't favour p'ponement. H.D. under-rates intelligence of electors.
P.M. P'ponement wd. give an argument to pol. opponents.
H.W. P'ponement wd. strengthen a nascent campaign v. Prodⁿ Census.
G.A.I. Against p'ponement.
A. Support H.D. Don't even like this on its merits.
E.g. small shops selling many things. How will we select first 4.
How will it cover costs of distribⁿ Or it's misdirection.
Can deal with this problem only on commodity basis. This won't help you to formulate a policy.
Para. 14.
This return won't give informⁿ required.
Politically, this wd. be folly.

- P.M.
R.S.C. Ques. 12. is diff. for village general shop.
Most people wd. be able to select 4 things they sell most.
Will show general pattern of consumption and local differentiation.
- A.
R.S.C. M/F. know that.
Only as regards rational goods.
- P.M.
E.B. Random sampling wd. give you as much informⁿ.
Purposes for which it would be used?
- R.S.C. E.g. purchase tax.
No basic pattern to which to apply sampling.
- H.W. Pressure for a "distribution policy". I am sceptical. Many people mean
by this reducing no. of retail shops. W'out statistical informⁿ. no one
can say what wd. make sense.
- H.D. Will this help? Obvious tht. distⁿ cost cd. be reduced by massacring
small shops. It's the political diffy. of doing it.
We can't frame a policy w'out this informⁿ.
- H.M. I begin to be doubtful. Collecting informⁿ with a view to killing small
shop.
- R.S.C. Ctt^{ee} recommended this. Parlt. passed it w'out divisions. Because it
was thought obviously right. Do you want to go back to 'hit and miss'
methods?
- J.S. Tho' M/F. can p'pone, they do want the informⁿ.
- H.D. And I agree that it is wanted.
- G.T. a) statement on form tht. informⁿ won't be available to other Dpts.
b) no one who has made income tax return will have any diffy. with
this form.
Let us be practical. If this is needed, ignore political arguments.
- H.H.M. This is biggest gap in our informⁿ eg. growth of retail trade in
depressed areas.
For planning if you reduce distr. margins wd. that give you result.
How many people wd. be affected by redⁿ of 10%.
- E.B. P'pone. Results won't justify political diff^{ies}.
- C.J. P'pone.
- C.K. P'ponement means for 2 years not one, doesn't it?
- A.B. Does this discⁿ mean that you can never have any intelligent
economic planning in a political democracy?
"Immaculate conception of safe seats". Rubbish. Safe seats were
made by political courage.
- E.B. Must be able to say what you want this informⁿ for. No one will tell
me.
- R.S.C. We don't know the patterns of trade. We are guessing at
consumption totals. Want better informⁿ for purposes of fiscal and
economic policy.
- E.B. Taxation
- R.S.C. Not mainly – for economic policy generally.
- A.V.A. This argument shd. have taken place before Act passed. Assume no
argument now on merits.
If it's right, we shdn't be deterred by political inconvenience.
If you are going to discuss with certain interests a distribution policy
and at same time deliberately p'pone getting agreed informⁿ.

- The form itself is, however, inadequate. Will this give you much more than genl. impressions from Co-ops etc.
- P.M. Large degree of scepticism re value of this informⁿ.
Feeling that value will endure to another C/Exchequer.
- A.B. Cd. we canvass opinions outside Cabinet? Advice on effects of doing this. eg. from organisers.
- P.M. And other members of Govt.
H.M. Danger of leakage.
H.W. Wd. prefer decision to p'pone one year than p'pone decision any further.
The political effects of prelim^y forms and notices cd. be accepted.
- R.S.C. Can then become election issue wthr. you take the census or not. For notice will have been given.
- H.W. Answer to that is easy.
Agreed : P'pone for one year.

Taken from C.M. 1(49) - Meeting held on 12 January 1949.

Ireland

- P.M. As in brief. Reasons why some legⁿ is required.
Also balance between N. and South.
a) Constitutional Safeguards.
Pledge by all political Parties. Wd. have covered fractionals. Better to have declaration by Parl. – as in Cl. 1(1)(b). Repeats statement which I made in H/C. to wh. no exception was taken. Believe we must do this.
- P. Any territorial guarantee is v. dangerous. Frontier is indefensible.
The 2 counties. No case for stopping them joining N. Ireland.
- P.M. It would be someone else's initiative. Cd. be argued before internat^l forum.
Yours is only one side of argument. There are Unionists in the 2 counties. Need for viability. eg. division in Palestine or Pakistan.
Anyhow, we are dealing with need for consent.
- P. Majority in N.I. wd. never consent to relinquish their grip over minority.
- J. Inclⁿ of the 2 counties makes it more possible to get majority in N. as a whole to vote for unity.
- H.D. Since P's book, there has bn. a war. Has affected my view anyhow.
And many other peoples, too.
- H.M. B/Atlantic. Security given us thro' N. Ireland – what cd. we have done w'out it. Even apart fr. N.I. feelings we must be clear tht. it's not in our interests tht. N.I. shd. go out of U.K.
- P.M. Cession of 2 counties wd. not affect South's desire for the whole.
- P. No.
- P. Agree we c'dn't afford to see all Ireland neutral. But shd. we not be better placed if Ireland had a defence pact with us. What is our real objective. Small N.I. base? Or political unity of Ireland : defensive unity of 2 islands.

- P.M. Aim at that if you like. But nobody has got it in the bag yet.
Frustrated by South – during war : again now. By putting ideological desire for Republic above practical need for united Ireland.
But, for sake of hypothetical strategic unity, I won't risk civil war in Ireland.
- A.B. Can't say less than this now.
We must keep N.I. with us.
- E.B. Support this clause.
b) Defence of N. Ireland.
- P.M. Really follows from a). It is wise to say it? Shall be asked.
Part of U.K. We cdn't help coming to assistance.
- R.S.C. Not "assist". Defend U.K. as such. Not for N.I. to do it.
Ulster volunteers shd. be illegal.
- E.B. Scared of big Protestant re-action. Resentment against R.C.'s as well as v. Communists. Don't take advantage of our tolerance.
- N.B. Wd. rather that statement wasn't volunteered. If asked, you must give this answer.
- P.M. Accept that. Don't want to increase tension.
- E.B. And preface it by saying we hope it will never arise.
- A.V.A. N.I. has never bn. brought into Nat. Service. May be raised that they shd. stand their corner.
- A.B. Same point as Quebec.
- P. Treatment of minorities in South is much better than in North.
Don't give the North a blank cheque.
- C.E. I recognise that diffy. and have pointed it out to N.I. Don't defend all their actions. But we must defend their territory as Kent.
Remember also their problems – faced with armed insurrection.
c) Titles.
- P.M. "Ulster" wd. have trailed a coat among Irishmen in Commonwealth.
N.I. Ministers accepted "N.I." eventually.
They wanted us, however, to go on using "Eire". But other countries won't do so. Suggested therefore we shd. use "Republic of Ireland".
N.I. prefer "Irish Republic".
But let us not speak of "Ireland".
Can we put Republic of Ireland on Bill: but use in official pp. etc.
Irish Republic or Southern Ireland. Agreed.
d) Boundary, and Irish Lights.
- P.M. As in memo. Don't raise boundary issues. Try to get U.K. repⁿ on Irish Lights Commⁿ.
- C.E. C.R.O. to communicate with H.O. on this – to m'tain principle that it is part of U.K.
e) Extra Territorial Powers.
- P.M. Additional subjects : Cl. 6.
- C.E. They want to add "regulⁿ of harbours". O.K. subject to consulting Adm^y and M/T.
- A.B. Don't add to powers of N.I. Part.
- C.E. Cl. 6 is the method to work twds. unity of Ireland.
- H.M. Does it protect Br. Ty.
f) Westminster Franchise.

- P.M. Told them this was politically diff. Asked them to modify their 7 years' qualification.
Debate on prepⁿ. of People Bill.
Message from B. Brooke. He can't reduce his 7 year qualification.
Diff. for us to do this w'out a quid pro quo.
Diff. also for them.
- N.B. They have a v. strong case, in their present circs. Diff. for C.E. to put it across to Parlt.
- C.E. Small increases in Nat. vote cd. swing their repⁿ over.
Suppose you got majority of W'minster rep^{ves}. in favour of ending Partition while N.I. Parlt. were still solid against it. And in an internat^l. court might be asked to say which was the more democratic ally correct vote.
From practical angle, wd. it make any diff^{ce}. to N.I. if their qualificⁿ. were 3 years not 7.
- P.M. Remember Eire has ceased to be member/Comm. People in G.B. voting who owe no allegiance. May be pressed to disfranchise them here. But we can't distinguish.
- A.B. Cd. amend the law later if need proved.
- H.M. We cd. say their's is their affair. If our circs. were same as theirs we shdn't have dropped residence qualificⁿ in Repⁿ of People Bill.
How can you force that on a country with land border with county outside Commonwealth.
- E.B. eg. Nat. Service: 2 years before Dom. citizens called up. Yet allow any one to vote w'out residence qualificⁿ.
- J. N.I. haven't done us well by giving no quid pro quo.
- C.E. Alleg^{ns} of gerrymandering in N.I. elections.
Criticism from Govt. supporters.
- N.B. Dulanty has made it clear tht. they object to alteration in franchise.
That gives the game away.
- Att.G. V. diff. for them at this moment to reduce their 7 year vote.
Our Bill retains right of Eire citizens to vote for U.K. Parliament.
They think of them as foreigners. And we ask them at same time to reduce their qualificⁿ.
In Doms. there is some residence qualifⁿ. for B. subjects.
- A.W. Change now if at all.
Agreed : P.M. to press Sir B. Brooke on this.
(g) Disqualification of Members of Parliament.
- P.M. V. diff. proposition.
- C.E. They want also power to relieve M.P. disqualified by corruption.
Agreed : reject this clause.
(h) Supreme Court.
- J. Not for this Bill.
(i) Other Recommendations of N. Party.
(xxiii) Genl. agreemt. tht. Eire shd. remain on Sterling Area Stat. Cttee.
Time-table.
Consultⁿ : All Crown Govts. to be consulted. Agreed.

Taken from C.M. 1(49) - Meeting held on 12 January 1949.

Palestine

- E.B. Military situation is now quiet.
Lebanon/Jew negot^{ns} have started.
Bunche extendg. invitⁿ to T'Jordan? truce or next round.
Nuri Pasha anxious to get Iraq settlement. Will try to get Ibn Saud to bless this.
Military : reinforced Amman, munitions under our control. Battⁿ to Aquaba.
- C.A.S. End Dec. C-in-C. Med. asked to verify reports of J. crossing frontier.
Second recce. confirmed it. Egyptian A.F. co-op^d. Later, they didn't accompany us, but were informed.
- AA 31/12 : 1/2/4/6 Jan. recce's : proved penetration by J. forces. Light fire but no serious damage. On 1/1 we told C-in-C. not to cross frontier.
7th Jan. lone recce – photo and visual. 2 @ 700/1.500 ft. and 2 above as cover.
Strong cover not considered necessary and also provocative. Risk was recognised – AA or clash with J. Air Force. Briefing : frontier not to be crossed : contact with other A.F. to be avoided : no hostile approach or fire unless clearly attacked : quick in and out of target area.
High recce. by Mosquito with 4 Tempest escort simultaneously.
Leader confirms execution of orders. After turning w. he heard fr. 2 above tht. 2 bandits were at 3pm. overhead. Didn't see them. Then saw companion baling out. Then saw 3 spitfire + 1 with J. markings. He was hit and wounded. Climbed and baled out. Thus assumed : aircraft dived and shot down top pair. Close shot down by AA. Cooper then attacked by aircraft. C-in-C. believes they didn't cross frontier. Now found 3 aircraft 15 miles w. of frontier. 4th not found : presumed removed by Jews.
Recce. showed J. activity over frontier. Therefore ordered another recce. in greater force. 2 squadrons Tempests to cover. These (lowest) were attacked by 5 aircraft : they turned : one Tempest shot down and 3 damaged.
Top cover chased them to frontier – then abandoned chase.
- P.M. Was Tac. R. routine at C-in-C. initiative?
C.A.S. No : follow up on inst^{ns} given from here.
E.B. Approved by P.M. and myself. To ascertain facts. Told U.S. we were going to do it. They [seemed to] approve. Communicated results to U.S.
- A.B. Why did Egypt w'draw co-opⁿ.
C.A.S. Suppose they didn't want to imply they were invoking 1936 Treaty.
A.B. U.S. nor U.N. nor Egypt asked for these recce's.
E.B. But our responsibility for law and order in M/East.
P.M. Point is : we were asked by U.S. to find out wthr. J. forces had crossed E. frontier. Asked for B. military informⁿ about facts.

Para. 32 of memo.

H.M. Closes statement.

C.A.S. Some of the report is demonstrably false. Want therefore to see him.

H.D. Tattersall fell over frontier. Does that mean he crossed it?

C.A.S. May have climbed to bale out. Might have gone over frontier.

H.D. Said you can't see frontier. True?

C.A.S. I wd. know Rafa. Our C-in-C. says easy to distinguish inland also because road visible on Eg. side.

H.D. Not accompanied this time by E. aircraft. Press wrong on this. Embarrassing. Shd. be corrected.

C.A.S. No Eg. aircraft in air during these 2 recces. Similar types : cdn't be sure of markings at all angles. But shd. always be able to see marking in diving down on them.

A.B. Did R.A.F. report results of recces to Egyptians?

C.A.S. Don't know.

A.B. Reasonable for Jews to assume informⁿ wd. be given to Egypt?

C.A.S. Can't answer hypothetical ques.

H.W. Any re-action to Aquaba move?

C.I.G.S. None.

A.V.A. In Nov/Dec. we reported to U.N. J. moves into T'jordan.

A.B. When was decⁿ taken to move land forces to Aquaba.

P.M. D. Cttee. not Cab.

E.B. Lovett's views on getting informⁿ about J. dispositions. "Asked if we had any 1st hand ev^{ce} more particularly fr. B. mil. auth^{ies}. on the spot". Quoted terms of telegram. I then said : we had better find out. Eg. Amb. didn't deny J. troops were over frontier. but E. Govt. didn't want to admit.

H.D. Told by mil. expert it was surprising we had to get informⁿ by recce. Espionage wd. suffice.

C.A.S. Informⁿ obt^d by paying for it is unreliable. 1 lost by AA. 1 damaged by AA. 2 by air attack. 1 prob. by air attack. Locⁿ of AA fire. Craft were well inside E. territory.

E.B. Cab. policy has bn. consistent throughout. We alone were there. We alone had treaties with Arabs. Imposs. to get settlement with U.S. – and imposs. to solve w'out them. Don't regret this flare up. V. sore with Czecho. who criticise in U.N. and don't comply with U.N. resol^{ns} and put us in gt. diffy. over our not supplying arms to Arabs. Made concessions to U.S. over Bernadotte report : then their attitude changed at U.N. P.M. and I decided Franks shd. see Truman. He did : Truman said he backed resolⁿ of 27/11. If J. want add^l territory taken they "ought" to give compensating territory eg in Negev. Then y'day asked to agree that Jerusalem shd. be divided and to press T'jordan to agree tho' Truman said he stands on Nov. resolⁿ under which Jerusalem is to be under internat^l control.

- In Paris saw all Arabs and invited them to negotiate : settle – under auspices of U.N. They still say “never agree to J. State”.
In week before 20.12.48 [of this incident] I had repeated this advice.
And Eg. then agreed. This was start of cease fire agreement. And they are discussing
- P.M. Trouble all thro' : couldn't get U.S. to stand by anything.
Anglo-U.S. report : Anglo-U.S. experts : U.N. resolutions : Marshall's declaratⁿ.
Each in turn deserted by Truman.
Cussedness also on J. and A. part.
Memo. att^d. to C.P. demonstrates this.
How cd. we have done differently?
- E.B. Recognition. Found Schuman in agreement. I am ready to recognise when J. adopt U.N. resolutions. J. won't have B. Consul at Tel-a-viv.
Schuman has 25 m. Arabs in Fr. Empire and 3 Zionists in Fr. Cabinet.
Ready to recognise Israeli Govt. qua Paris : but p'pone because Arabs.
In M/E. I am under no delusion over Muslims or R. activities there.
But all W. Union defence is based on m'taining our posⁿ. in M/E. Shd. have liked to w'draw, as fr. India but we can't. Mil. and oil interests in M/E.
Relations with Arabs are as good as ever – and at last are listening to advice.
W'out a settlement somehow, you will get series of Mufties and perpetuation of conflict in Palestine.
Tory Press say I have bungled this. They didn't come out v. well in 1917-45. All goes back to 1917 dishonesty of inconsistent promises to the 2 sides.
- H.D. Qua settlement. T'Jordan is most important as absorbg. A. part of Pal. Shdn't we encourage Abdullah to negotiate?
Egypt isn't worth backing. They were aggressors and incompetent.
We cd. argue that because of their aggression they can't invoke 1936 Treaty.
Iraqis aren't v. prominent, in this now.
- E.B. Split Arab League and get T'Jordan in agreemt. with J.
Diffy. then is U.N. resolution. I then suggested to U.S. that Hagana shd. take over law and order in J. part and Arab League move into A. part – on ending of our Mandate. But row between Eg. and T'Jordan and Eg. advance into Pal. was really directed v. T'Jordan, at instigⁿ. of Arab League.
I got Abdullah to negotiate separately for truce (Secret).
- C.J. E.B. also tried to get Ibn Saud to support T'Jordan.
- A.B. I have consistently opposed E.B.'s policy on Palestine. Ill advised by F.O. from outset. Agree defence of M/E. is vital to us : but can't be defended thro' friendship with rickety mediaeval states. F.O. and C.O.S. wrong over this. Proved by Monty's advice tht. much larger forces wd. be requ^d. to deal with Arab/Jew together. Misjudged A. strength.

Arab League is creature of Tories and F.O. I said this at the time. Events have proved me right. A. proved to have no morals. Better armed at outset, but even so couldn't stand up to the Jews. C.R.A. went on record in favour of J. State. I never did.

P.M. Denied that. I said we had balanced responsibility to both sides.
A.B. I was never Zionist. But humiliated to find our policy since '45 so far contrary to spirit of Labour Party pledges. E.B.'s policy has bn. hopelessly wrong. We cd. have had mil. bases in friendly J. State.

Look at the countries, includg. Comm. countries. wh. want to recognise Israeli legalistic defence re. frontiers not being defined won't do.

Immediate facts. Hope P.M. nor E.B. will use U.S. as excuse for recces.

Wd. damage our rel^{ns}. with U.S.

Para. 32 misunderstands situation in Eg. No E. Govt. dare invoke 1936 Treaty. But note x/. We had already decided on recce.

Why did we make the recce. U.N. U.S. Egypt – none had asked for it. At first we were accompanied by Egyptians. Natural therefore for J. to fire on B. aircraft wh. keep company with their enemies. Our pilots shd. never had bn. exposed to this risk.

Awkward Parly. situation. Last Cab. discⁿ. (12/13) I said we shd. be in diff^{ies}. if we seemed to be supporting A. against Jews. Certain dec^{ns}. taken : but not to send land forces to Aquaba.

That was decⁿ. of Def. Cttee.

Nothg. said at that Cab. re Egypt.

Incredible tht. Cab. shd. not have discussed.

R.S.C. asks me to make heavy cuts in Health Service expenditure.

Diff. to reconcile that with waste of money on bungled M/E. policy.

Can't we now recognise Israel. And join other nations.

Find it increasingly diff. to support this aspect of f. policy.

P.M. This statement omits –

- a) Part of Govt. policy to support U.N.
No diffy. when it's a matter of enforcing U.N. resol^{ns}. v. Arabs.
- b) J. attitude. Invading territory that isn't theirs.
- c) We have responsibilities in this area. We were right to find out facts and report them.
- d) Not Arab States alone. Whole Muslim world.
- e) Arabs have a strong case on Pal. issue. Bound to see some kind of fair play for Arabs.
- f) Doubtful of J. as bastion in M/E. Doubt if it will be well disposed to us.

A.B. Be careful of argument at a). What is Cadogan saying to U.N. about Indonesia. Asking them to be realistic.

N.B. He isn't supporting the Dutch.

E.B. We have in each case supported U.N. resolutions.

A.W. Recces. How far into E. or N. Africa before A.B. wd. be willing to take an interest in it.

- A.B. We c'dn't w'out U.S. carry out any mil. adventure in M/E. We therefore have no greater interest than our Ally has. Any recce. shd. therefore have bn. done collectively because of collective interest.
- T.W. A.B. implied criticism of Ministers on Front Opposⁿ. Bench pre-war. This is 1949 not 1938.
On last Tory W. Paper (75.000 limit on J. immigration) Labour Party disagreed – both on nos. and implications of continuing A. majority. Post war problem : J. refugees : situation completely changed. Charge of inconsistency are really irrelevant.
Friendly J. popⁿ in Med. cd. be of help to us. Why? Because of our M/E. interests. Can't put the argument at all unless we have M/E. interests outside of Palestine.
- C.J. Important to have clear statement of Labour Govt. policy since '45. I am ready to defend it.
Don't forget Mandate obliged us to defend rights of Arabs as well as support J. national home. Not until after war tht. J. put to us a case for a J. State. Even in 1946 J. w'dn't put fwd. any plan for partition. Nov. '47 U.N. Assembly resolution recognising divided Pal. But never implemented.
Nor wd. U.N. re-affirm it later. We did all we cd. to bring A. & J. together to secure peace on our w'drawal.
We played largest part in U.N. in trying to get truce. These facts shd. be explained to Party.
Recognition. For 7 or 8 mos. made every effort to get arrangement for A. acceptance of existence of a J. State w'in Palestine. It is J. which have repeatedly flouted U.N. decisions. Can't recognise them now, while disc^{ns}. are at last p'cdg.
- N.B. C'dn't agree that we have abandoned pre-war Labour Party objectives.
We haven't betrayed idea of J. national home.
We must uphold auth^y of U.N. Arabs began aggression, I admit. But U.N. applied sanctions (arms embargo) and stopped the fighting. Recently, 3 resol^{ns}. wh. we have tried to support. They are now negotiating : and prospects of settlement are better than ever. Strong case to put to Parlt. But doing so may imperil these negot^{ns}. Prs. we cd. put pressure on Eg. But we want a settlement by common agreement : Folly to prevent that and try to impose somethg. on them. Can't we avoid debate? (Agreed : no). Then be careful.
- C.E. Nothing to gain by tracing history from '45.
We can do nothing unless we carry U.S. with us.
F.O. have recent informⁿ. we haven't got re attitude of U.S.
Early recognition of Israel.
- J. Many resolutions calling on J. to go back to settle lines.
We can use Bunches report of 25/12.
Is it legitimate to say tht. before we did the recce., U.S. had said they wd. be grateful for any informⁿ we cd. get.
- E.B. Recce's had bn. going on for some time.
Didn't regard U.S. view as leading to new need for recce. – or worse new methods of recce.
- J. Then "U.S. said if you can get reliable informⁿ let us have it".

- Shd. that be made public?
- E.B. Have done.
- A.B. That wd. do : but only if accompanied by de facto recognition.
For a united Cabinet and Party.
- R.S.C. Cdn't we get rid of the recognition diffy.
Recall Baltic States, where we were driven to give de facto recognition tho' we were v. hostile to events leading up to it.
Find excuse for recognising now.
Might help the negotiations at Rhodes.
True we used to delay until boundaries defined. But that is out of date. And recognⁿ of Govt. is a bit difft. from recognⁿ of State.
- E.B. Advised Ibn Saud to settle. And if Rhodes goes well, thought that wd. be moment to recognise. Promised to consult Schuman before we recognise.
Two things we could do. (In a debate, this time I'm going to defend myself, gloves off, and be damned to U.S. or to critics within Party. Crossman, Observer and leakages from Cabinet).
a) Put in diff^{ies} over Cyprus because of U.S. Haven't bn. able to shift 9.000 of mil. age tho' 100.000 have gone in fr. elsewhere.
Not fair to C.O.
b) Won't change my policy re recognition because of pressure of debate or pressure in Cabinet.
If I am to help Rhodes
If I recognise Israel, must clear up all round. Get them out of Cyprus.
Won't go back to Truman.
Decide, if you will, tht. U.K. can follow own policy.
- A.V.A. Timing. Don't recognise under duress because recce. incident.
All for it, if it emerges from Rhodes.
- H.M. I'm not looking for a debate. But I wd. have thought it was inevitable.
Tories may be divided.
Concern therefore to m'tain unity of Cab. and Party – and avoid collision with J. community.
- Bound to be anxiety in Party. Wd. be helpful if P.M. and E.B. came to Party mtg. on Wednesday.
Favour recognition. Sugg^d earlier Tel-a-viv consular post.
Appreciate A.V.A.'s point. But cd. E.B. at least pick up earlier point x/ say the J. wdn't have it, refer to Rhodes and indicate sympathy with recognⁿ at proper time.
- R.S.C. On recce. shdn't we say we recognised risk but thought it outweighed by security of M/East.
- A.W. In debate will be pressure for recognⁿ : don't want to look as tho' we have given way to pressure.
- E.B. Must consider this. Can't let down R.A.F.
- P.M. If it's to be done early, do it before Party mtg.
- R.S.C. Eg. has recognised by mtg. at Rhodes. A new development.
Put it at x/ : then say Rhodes is new argument : foreshadow recognition.
- E.B. Does Cabinet endorse my policy to date?
Further developmt. of policy is another matter.

P.M. That can be stated as Cabinet conclⁿ. Agreed.
 E.B. Timing : why shd. I do this before Wed. Party mtg.?
 why shd. there be a debate this wk.?
 Can't statement be made in H/Lds. on Wed^y. Try to get as much into
 it as poss. Must, however, consult Schuman and speak before we
 recognise.
 H.M. I can't defer H/C. debate if there is one in H/L.
 A. I cd. prs. keep H/L. off Pal. – it is a For. Affairs Debate. Agreed.
 E.B. to try to keep Opposⁿ. fr. pressing for debate.
 Tell U.S. to ask Jews to remove their people from Cyprus.
 Play for time – to work twds. de facto recognition.

Taken from C.M. 3(49) - Meeting held on 17 January 1949.

Palestine

E.B. a) Have considered this morning's discⁿ. Suggest we tell U.S. we
 are willing to recognise Israel if they will recognise T'Jordan. Then
 try to get both done simultaneously.
 Am consulting other Govts. interested in recognition of Israel.
 U.S. b) General strategy and policy re M/East. Have bn. unable to get
 concurrence.
 Asked U.S. recently if they wd. support this.
 If it cd. now be announced tht. there is Anglo/U.S. understanding over
 M/E. as a whole, it wd. help us with Muslim countries.
 Suggest I now press them to agree to such an announcement now.
 These 2 things wd. give us a new slant in policy.
 A.B. Need to act quickly before pol. kettle here boils over.
 E.B. Will try to report to Cab. on Monday next.
 A. Debate in H/L. Swinton has agreed to lay off Palestine.
 A.V.A. Statement in H/L. on recce's. Shd. A.H. answer?
 E.B. Try to restrict it to operational point.

Taken from C.M. 4(49) - Meeting held on 17 January 1949.

Palestine

E.B. Done my best. But pledged to Arabs for more than 100 years (?)
 Acute phase of Pal. problem has started intense Arab nationalism –
 among the younger men. Need therefore for caution.
 Arabs haven't had a square deal from U.N. – will say so on Wed.
 Must therefore pay attentⁿ to both sides, not Jews only.
 Consulted Ibn Saud. His secret view has always bn. tht. Anglo/U.S.
 policy shd. be settled and imposed. Asked him earlier to propose to
 Arabs negotiation for settlement. Told him we are now considering de
 facto recognⁿ of Israel. He replies : we are quite wrong if we suppose
 Jews will settle down w'in any frontier. That sums up view of all
 Arabs.

Supply of arms to Arabs. Apart fr. war, requ^d for internal security : and they are nervous of that now. Fr. promised supply Syria with rifles etc. on understandg. won't be used in war v. Jews.
 We have held up all supplies to T'jordan – tho' ammunition in Amman now under our control. Have refused requests fr. Egypt.
 Advice fr. Arab countries : recognition of Israel will complicate our diff^{ies}.
 Have always believed in settlement by negot^{ns}.
 Consulted Comm. and W. Union countries. Canada and S. Africa have given it already and recognise T'jordan (in a way). Australia wants to do it – not before 28/1. N.Z. wants to do it – after Cabinet decision. India prefers federal solution : realises now recognⁿ may be necessary but isn't ready to do it yet because of relations with Moslem world. Pakistan strongly opposed : wd. put premium on aggression. Ceylon not ready yet to recognise.
 French. Wanted agreemt. before recognising. May settle today : and if so will recognise. Benelux stress need for acting together : suggest it shd. be discussed at mtg. later this week.
 Ty. points outstanding also. Shd. we wait and settle those first? Or give de factor recognⁿ, settle before de iure win recognⁿ.
 Is it proper to recognise while U.N. resol^{ns} are being flouted? eg. troubles over Dutch disregard of U.N. resol^{ns} in Indonesia.

With these warnings I recommend:

- a) Keep in step with W. Union Govts.
- b) Don't outrage Arabs by yielding to Press campaign.

Therefore : I wd. prefer to announce only tht. we are consultg. Comm. and W. Union Govts. with a view to ascertaining possibilities of giving de facto recognition at an early date. [Read a careful formula. M/East is essential to our defence. If it goes, money voted under item 1 will be wasted. Important therefore to show that in this Comm. countries and W. Union countries are acting together with us. This is at least as important as Anglo/U.S. agreement.

Also want to avoid x. purposes with Pakistan. The 2 ends of Moslem world Turkey and Pakistan are v. important. Which way will they lead the Moslem world? We may be sowing seeds today.

Believe in Moslem revival. Can't assume it will be friendly whatever we may do.

Counsel caution accordingly. To prevent outraging Moslem world.

P.M.

Austr. Cab. meet Thurs. N.Z. on Weds.

N.B.

They don't want us to go ahead of them. Good case because earlier they were restrained only by us.

T.W.

Do we contemplate cond^{ns} like French?

E.B.

No : wd. be thought to be designed for delay. Wd. prefer to have negotiations betwn. de facto and de iure.

J.

U.S.?

E.B.

Believe they will give de iure recognⁿ to Israel : T'jordan tomorrow if elections in Israel go well.

Asked them for joint declⁿ on M/E. policy. But they wanted to tie it up with what we had done in Palestine. And I therefore dropped it.

A.B.

Unfortunate tht. announcemt. shd. now be p'poned.

One reason we had in mind was to avoid seeming to do it under Parly. pressure.

Does E.B.'s formula mean tht. if India and Pakistan won't recognise, we won't?

E.B. No.

R.S.C. No one can doubt meaning of E.B.'s formula.

It is wise to avoid doing this in a way inconvenient to our associates.

E.B. Will try to get France to p'pone any unilateral recognition until we can indicate intentⁿ to try for genl. W. Union agreemt. to recognise.

H.M. Support the formula. Shd. satisfy H/C.

A.W. R. decl^{ns} of anti Zionism?

E.B. R. will switch over soon to support of Arabs.

A.B. R. will always make effective inroads into countries with primitive econ. organⁿ.

That is why they will have success in Arab States.

That is why I doubt if any possibility in modern world of any effective homogeneity in Moslem world or any strategic unit.

Our problem is now to extricate ourselves with least damage.

Diff. Parly. decⁿ. Unwise to decide today to send arms to Arabs.

If informⁿ to that effect leaked out, our Parly. diff^{es} wd. be v. gt.

I have no confidence in Iraq etc. Pouring money down drain. If we have to secure our oil, we may have to act, but not by buttressing Arab States.

P.M. Remember our oblig^{ns}. Also how J. have bn. receivg. arms etc. thro' the Truce. How can we stand well with Asiatic nationalism if we don't see fair play.

R.S.C. eg. non intervention in Spain.

H.D. How urgent is this? Ques of timing.

E.B. Ready for Def. Cttee to examine urgency of need and what is required for internal purposes.

H.D. Can't we clear recognition first?

Agreed : E.B.'s formula for debate.

Def. Cttee. can consider appl^{ns}. re supply of arms to Arab States.

Warning re leakages of Cabinet discussions.

Taken from C.M. 6(49) - Meeting held on 24 January 1949.

Lynskey Report.

(a) Position of M: Belcher.

P.M. Must be a debate. In course of it, Belcher will prob. make statement : hope he will also resign. Precedents the other way : Boothby, Hayes-Fisher (Fin. Secy. Ty.) But attitude stiffened recently. Expulsion Arrighan[sic].

Acquitted of corruptⁿ but influenced. I think he shd. resign. Wd. be diff. to deal with Motion for expulsion. Think I shd. ask him to resign his seat.

A.B. That wd. be simply your advice?

P.M. Yes.

T.W. Suppose he refuses? Wdn't we be in worse posⁿ?

N.B. No : better.

R.S.C. He might say he was going to consult his constituents.

A.B. Not offence v. Parlt. (as Allighan) : and not so serious as Boothby's.

H.W. Regard this ques. Govt. and Party. – wh. we haven't bn. able to do so far.
They have come off ill thro' Tribunal. Herbert Williams cdn't have escaped so lightly.
If we advise B. to resign fr. Parlt. it gives further opening to Tories.

H.M. Likely tht. motion for expulsion will be tabled. By amendmt. of our Motion.
Wdn't be happy to put Whips on honour of Parlt. Don't know what result might be. Awkward if House took stronger view on this than House.

P.M. Cd. be said we had a lower conception of what is requ^d. of a M.P. than Opposition.

A.B. Boothby is our answer to that.

Att.G. Feeling in Party "We knew Tories were worse : we hoped you knew better".
Boothby not an answer. Belcher found guilty of corruptⁿ, for wh. he cd. be prosecuted. D. & P.P. is considering procdgs. Shd. find it diff. to go on with cases v. B/T. Offls. if B. left an M.P. and B. left unprosecuted.

R.S.C. Prosecution of B. (nothing to do with Cab). wd. turn on prosⁿ of others involved in Tribunal procdgs.

Att.G. The B/T. cases are not involved.

C.E. Don't forget it was Labour Party wh. expelled A. against advice of Govt.
I believe some of our supporters will vote for A's expulsion.
I shd. find it v. diff. to vote against expulsion.
B's conduct was outrage on traditions of Party.
We dare not advise House not to pass such a Motion.

N.B. I agree. Boothby : we think he shd have left H/C.

A. P.M. shd. advise him to resign. Best in own interests.
Support C.E.'s view. Degradation to public life.
P.M. shd. ask him to resign. Cdn't resist a motion for expulsion. We shd. vote for Motions if raised.

P.M. If you argue the Boothby precedent, you adopt Tory standards.

G.A.I. Strong feeling among "industrial" supporters of Govt.

P.M. I will advise him to resign, and report again to Cabinet.

W.W. If he rejects that advice, Parlt. must decide : and diff. for us. Before publⁿ of Rpt. feeling in Party was v. strong against Belcher.
B. mtg. his constituents on Sat. week.

P.M. Too late.
(b) Contact Men.

P.M. Raised in Press. Former Civil Servants. Income tax reputable.
Suggested we shd. have an enquiry – proposed t. of r.
Don't suggest public enquiry – Governmental. Cd. quote t. of r. but shdn't promise publⁿ of report.

- A. Where do you stop? French employed by Rank because his knowledge of Govt. Dpts.
- P.M. Not same as man setting himself up as agent for others in arranging contacts with firms.
- A.B. On t. of r. "Permits and licences" invites attack on economic controls. Change those words.
- P.M. Agreed.
Sunday Times article. Business world concerned. My informⁿ shd. not be limited to what comes fr. officials.
- R.S.C. "How far persons are offering themselves for payment as intermediaries"
Don't suggest they are giving a useful service.
- H.W. One diff. Parly. case. M.P. setting up as industrial consultant and offering, inter alia, to make contacts with Govt. Dpts.
- P.M. V. improper.
- P.M. (c) Personal applications.
Need for care.
Minister gets much informⁿ fr. lrs. add^d to him.
Expedition secured by personal letters.
On the other hand, dangers eg. escape fr. Nat. Service when you want buttress betwn. Minister and applicant.
Posⁿ differs in different Dpts.
- A.B. Minister mustn't facilitate anything for his friends – since Lynskey. Because we drive with our friends, it is implied there is corruption. This was evidently basis of Police enquiries.
Value of informⁿ occurred for my Dpt. and others by personal contacts.
Integrity depends on character, not on isolation.
- H.W. Tried to deal with this in my evidence.
Contacts with business most useful over meals. But must be careful whom you meet.
Valuable thing tht. we get appl^{ns} and rep^{ns} fr. personal friends because we can trust their motives.
- P.M. Effect of inexperienced P.S. saying "Minister is keenly interested".
Att.G. Agreed with R.S.C. and H.W. No sugg^{ns} such as made by A.B. weren't discussed by Tribunal. Not a ques of obtaining informⁿ ques. of granting concessions etc. to friends.
Proposal approved – with some reluctance.

Taken from C.M. 7(49) - Meeting held on 27 January 1949.

Lynskey Report

- P.M. Outlined his speech.
Appl^{ns} from personal friends.
Diff. to generalise. But considering wthr. further guidance shd. be given.

Hospitality.

Matter for good sense. But mistake to put oneself under oblig^{ns}.

Position of Parly. Secretaries.

As in draft speech.

Contact Men.

Two types (i) real experts : even here possibilities of abuse.

Because access.

Announce Cttee. under Edwin Herbert.

A.B. & others. Suggested omission of reference to ex civil servants.

Amended formula agreed.

(ii) agents who claim they can put people in touch with

Ministers or M.P.'s and abuse the facilities of

H/Commons. Speaker thinks Wigg case is too stale for

Cttee. of Privileges. He is willing to review rules re

adminⁿ of strangers and their use of its facilities – with

a Cttee. of 5 members (all Party).

This enquiry was welcomed by Cabinet.

Att.G. Tribunal's use of anonymous lrs. Can't be disregarded : basis of much Police action. Not used in Tribunal procdgs. unless Police enquiries showed there was substance in them.

J. Procedure is necessary on exceptional occasions.

Taken from C.M. 9(49) - Meeting held on 3 February 1949.

Germany: Reparations

E.B. Betwn. millstones – France and U.S.A.
Worst trouble, prohibited industries.
Advised U.S. to put two together and make clean sweep. Thought this wd. be agreed. Intended to meet Eur. Foreign Ministers with Douglas. But even if I got over Humphrey Cttee. ques. by this means, I wd. be in diffy. over war potential – even with U.K. Dpts.
Cd. wear U.S. proposals on Humphrey Cttee recomm^{ns} save on Hamborn Steel plant.
U.S. plan that U.S./U.K. shd. run this for 3 yrs. (to produce Steel for Europ. re armament) cdn't be justified to U.K. public opinion. And most provocation to Russia. Output wd. have to go to Germany – cdn't defend it otherwise. This is quite clear to me.
Asked U.S. to consider Schuman's pol. diff^{ies}. If he goes fwd. on H. Rpt. alone and has to make concessions on that, he will have overwhelming criticism on security ground – His Govt. might fall.
Our public opinion isn't so difficult – tho' keen Dpt. feeling on m. potential.
On shipbldg. conflict betwn. Dpts w'in U.S.A.
Urged to agree by 12.2 because Congress hearings on E.R.P.
On Humphrey Cttee. ready to seek settlement betwn. Europe. and U.S.

- makg. such U.K. concess^{ns} as I have to. But on security argument, am I to insist on simultaneous decision on restricted and prohibited ind^{ies}.
- If I don't U.S. won't give way at all on latter.
Want clear Cab. decⁿ. F.O. interest isn't decisive.
- A.V.A. Discussed with C.O.S. At short notice diff. to assess war potential effects of changes proposed in earlier decⁿ on H. Rpt. 45 plants are to be kept more than Cab. wished. No concession by U.S.A. – who stand by H. Rpt.
Diff. to assess addl. risk. Can M/S. say wthr. experts have considered the 45?
From security angle.
- J.F. No chance to consider fr. that angle.
If any further conc^{ns} made, we can give up hope of security check on G. industry beyond proposals in E.B.'s memo.
- A.V.A. What of balance betwn. various plants. Will it be preserved?
E.B. Probably not.
H.W. Agree with memo. Give discretion. Overriding considⁿ : don't jeopardise Congress vote on E.R.P. Tho' this means disappointment to us in repar^{ns} – all O.E.E.C. countries will receive prop^{te} cut and we shall get v. little. R. will get 60% of what's left. Will U.S. put their quota into Eur. pool?
Restricted ind^{ies} – diff^{ies} here, but support E.B. – subject only to looking at capacity for ball bearings, when they wd. get dangerous w. potential.
- H. E.B.'s proposals minimum harm to security. Stress para. 6., wh. is important.
Warning, however, tht. abolition of reslⁿ on radius of shipping will give rise to concern. For will provoke early demand for liberty to build more tonnage. H'to agreed no bldg. of ocean going ships till 1951. E.B. shd. insist on retaining principles accepted Aug. '47.
- B. General support of E.B.'s memo.
On radius, any concession given shd. be limited to Mediterranean, if possible. Wd. not then give rise to diff^{ies}. Have had to make concessions ad hoc to certain places in Med.
- P.M. Will be criticised on basis tht. rep^{ns} are still going to Russia.
E.B. Tried to carry out agreemt because reciprocal deliveries wh. we needed to reduce dollar imports. But U.S. wdn't take these except delivered into Berlin. Agreed y'day to tell U.S. we wd. take outstandg. deliveries at Hamburg. 600.000 t. of Krupp's machinery (tail end of it) I will send to R. To compensate I.A.R.A. countries do no more allocⁿ to R. and let I.A.R.A. have it. Wd. end rep^{ns} quickly.
- A.B. Three ques. a) rep^{ns} both must continue or stop simultaneously – both to W. and E.
b) am opposed to reducg. G.'s industrial capacity for sake of reducg. her war potential. Esp. as we are pursuing expansionist policy over whole world – and for that G. steel wd. be of greatest value. Nec. to our policy of checking Comm. throughout world.

- c) Expansion of our steel output and restⁿ of G's. is indefensible.
- d) Can't achieve security by holdg. down ind-capacity. Must do it by inspⁿ of finishing ends.
- e) Can't accept any arguments based on competⁿ with our industry – eg. shipbldg.

E.B. oughtn't to be requ^d to argue with U.S. on grounds repugnant to Labour principles.

- N.B. Sympathy with A.B.'s view.
But on Hamborn, U.S. view doesn't stand up. Cd. not operate now w'out depriving others of raw materials. Cdn't be destroyed after 3 years.
Can't defend using it for steel for Eur. re-armament.
Must get agreement with U.S.
- H.D. Much concerned.
Reject N.B.'s view tht. G. cdn't fight for 20 yrs. Hitler re-armed G. in 6 yrs.
We shd. have no illusions tht. G. is still the biggest menace to us and our children.
Don't oppose memo – tho' reluctant to refrain from opposing it.
Assume we will stand firm on 5 plants. I wd. risk Congress vote for sake of these 5 – they are overwhelmingly important.
- E.B. Have always bn. willing to risk E.R.P. – did so over Preferences.
That shdn't determine our policy.
- H.D. Havg. gone all this way to meet U.S., if E.B. can't argue U.S. out of anything save 5 plants, I doubt if we shall jeopardise E.R.P. vote on that posⁿ. U.S. opinion cd. be made to understand our special posⁿ.
Hamborn. U.S. plan must be rejected.
Figures. U.K. popⁿ over 50 m. – steel 15 m. and over.
W. Germany 46 m - “ 11.1 m.
No case for claiming they shd. have larger output. If Hamborn were retained they cd. go up to 13. m. – outrageous.
On Hamborn, risk E.R.P. vote by all means.
Thus, give E.B. wide discretion on basis tht. he will make no concession below his minima and in hope tht. with Fr. aid he will do better.
Some U.S. soldiers want to use G. prodⁿ and man power in war. But wdn't other U.S. soldiers agree with me?
Rep^{ns} to R. will be awkward. Also : are we still paying for G. food out of Exchequer? We shdn't now G. exports are reviving and competing “unfairly” with B. industry. Diff. electoral posⁿ for us.
- P.M. Are H. Ctt^{ee} all altruists? What is U.S. interest? Any financial interests?
- E.B. Ever since G. was “zoned”, have always believed U.S. wd. seek to make it Pittsburg on low wages. That has bn. defeated by our policies, eg. over Ruhr.
Can't answer P.M.'s ques.
My diffy. W.O. administer : State Dpt. policy : H. Ctt^{ee} concerned for E.C.A.

- H.M. Support memo.
Mustn't allow R. deliveries to continue if we abandon our claims.
- H.W. Competⁿ with B. industry. [General agreemt. on that.
We shd. never determine policy on basis of preventg. fair competition. Wd. welcome Cab. decⁿ of principle on that.
"Unfair competⁿ due mainly to price fixing : valuation of mark : wages of Germans too low because food subsidies now reduced.
- D.J. New Fusion Agreemt. now being negotiated. M'while we are makg. some contⁿ to cost of G. food.
- E.B. But U.S. are takg. lions share. We have done pretty well out of Fusion. Extended original Agreemt. – to avoid discⁿ in U.S. election – for 3 months to April.
- Wdn't object to another 3 months' extension – to tide over Congress hearings on E.R.P.
- A.B. Wd. R. really get 60% of all reparations? What are the figures?
- P.M. Thought E.B. was intendg. to close down on R.
- E.B. Yes : adopt a diff. form of allocⁿ by wh. we cd. compensate ourselves for what we give up by this decision.
Delivery of free 10% has bn. suspended. Delivery of 15% against reciprocal supplies has bn. cont^d. For our interests eg. German potash is essential to our agriculture (60% of our supplies come from Silesia).
Memo approved.
- A.B. Even to endangering E.R.P.?
- H.D. Para. 2. of memo. states it clearly enough. Paras (b) and (c) state a final line.
- G.T. Inspⁿ at finishing end. (A.B.'s point). Argued for 5 years : I'm still convinced tht. A.B. is right. Cd. this be examined?
- A.B. Are Allies workg. out system of inspⁿ.
- E.B. Yes – in discⁿ of Occupation Statute.
I hold A.B.'s view; but have never bn. able to persuade French.

Taken from C.M. 10(49) - Meeting held on 8 February 1949.

Blood Sports Bills

- H.M. Two Bills a) fox hunting b) more general including coursing, but not foxes.
H.O. have helped in drafting a clause – without prejudice.
Do we wish in principle to avoid getting involved in this controversy.
Predominantly a farmers' recreation – not aristocrats!
- T.W. Govt. shd. not support at all.
Diff. to keep down deer by shooting or poisoning.
Purely rural recreation – part of rural life. Little point in cruelty point – as cpd. eg. with Jewish slaughter house. Much exaggerated.
Destⁿ of this traditional feature of country life wd. undo all the good we have done by our agricultural policy.
Awkward if we let it pass H/C and H/L turn it out. Tories wd. then get all the credit in rural areas.

- C.E. Support T.W. largely. Two approaches a) There is some cruelty, tho' amount is exaggerated. b) Traditional rural life. b) is strongest argument v. Bill.
Strong Labour vote (fr. urban members) in favour is likely. Majority of Party will prob. vote for it. Bill shd. be opposed by M/Ag. not H.O. (Agreed).
- H.D. Height of political lunacy to bring these Bills fwd. just before Election.
P.M. Means legislating in advance of public opinion.
Cruelty case at least as strong v. shooting.
- H.W. Does Coursing Bill extend to animals other than hares?
T.W. Yes.
W.W. Cdn't talk this out – Spkr. wd. accept closure after 5 yrs.
Party mtg. guidance will be necessary. Many of our people are asking for guidance from Govt.

Taken from C.M. 11(49) - Meeting held on 10 February 1949.

Prevention of Corruption

- Att.G. Illustrate by ref^{ce} to recent B/Trade case.
Betwn. them rec^d gifts totalling £200. Import licensing of cars from U.S.A.
Six cases – only one or two.
Seventh (Hadfield) – w'less set, fur cape, 2 carpets, 4 botts whisky and sherry, frocks, electric iron, cigars etc. Prosecuted. No direct ev^{ce} of corruptⁿ.
At C.C.C. defendant didn't go into box : relied on submⁿ. of no ev^{ce}. of corruptⁿ and was found not guilty.
Clear from this we shall never be able to prosecute. Because no direct ev^{ce} of corruption. In cases of discretionary licence. In contracts Parl. has put onus of disproof on defendant.
Proposal supported by D. of P.P. and Judges.
- P.M. 1916 Act passed in war. Has it bn. used?
Att.G. Yes : when allegⁿ of corruptⁿ is made in contract case.
Ld.Adv. Objⁿ: not based on diff^{ce} of Scotts law – but on principle.
Wd. apply to all public servants. Further departure fr. principle of law tht. onus is on Crown. Proof of innocent transf^d to accused.
Pol. and publ. criticism unless amply justified.
If this establ^d prosⁿ wd. have finished if it establ^d. tht. "money" passed. True diff. to get direct ev^{ce} of intent. But inference fr. circs.
Contract case : some cond^{ns} and standards by wh. conduct can be judged.
Here it's more discretionary. Much more diff. for accused to establ. innocence – in contract cd. show tht. all cond^{ns}. were satisfied.
Ques. principles of law, therefore ample justifⁿ needed. Ev^{ce} of racket wh. can't be handled otherwise. In 10 yrs. in large cities in Scotl. no case reported which cd. have gone fwd. if law thus amended. In England, don't know if ref^{ces} in memo. are to contracts : but in any case not enough to warrant this change in law.
Invidious to do this now, when controls are being relaxed.

J. Favour this change. So diff. to prove corruptⁿ. Have to show he wdn't have given licence if he hadn't received the gift – can't do that. Why not apply proved and welcome procedure of 1916 Act.

H.M. Recognise obj^{ns} to shifting onus.
 Onus wd. be only to explaing. circs. of acceptance.
 Corruption in public life is gt^{est} danger to democracy. Lucky we haven't had v. much of it. Where it exists, largest diffy. is always proof.
 For all participants are interested to keep it dark.
 "Lunches" point. No need to worry about that. No Att.G. wd. give his fiat unreasonably. Much more need to worry over failures to bring rogue to book.
 "Revive Lynskey". Why worry? We came well out of it.

P.M. Did Humphreys J. suggest amend^{mt} of law? As in 1916.
 Att.G. No. But L.C.J. favours change in law.

A.B. Spkg. qua local Govt. In small group of Ministers divided opinion.
 If we legislate, Bill must extend to Scotland. Ques. of principle.
 Politics. Why so masochistic? Before Genl Election : resurrect Lynskey and invite muck raking. Why? Area of possible corruption has narrowed in last 18 mos. Why give impⁿ tht. Lynskey uncovered a small area of trouble only.
 Agree we shd. do this, all the same, if need existed. But no grounds save one recent acquittal.
 We shd. involve all I.a.'s, on heels of controversial local elections.
 In l. govt. contracts are cause of whatever trouble there is. E.g. bribes for appointments. Covered by existg. law.
 Object to extension of A.G.'s power. Accused is to defend himself on "subjective" grounds. No standards of procedure for licences. Att. G.'s decision on fiat will equally be "subjective". What matters is weight att^d to certain actions. A. v. dangerous discretion. Many earlier examples of dispute over powers of Law Officers – rights of prosecution, search etc.
 Never raised by I.a. associations.
 Will it be possible to restrict this to officials and not extend it to members of I.a.'s. But if you extend it there will be trouble.

P.M. Officials and permits only.
 C.E. But I.a.'s have wide discretion in permits eg. bldg. plans. etc.
 Att.G. Willing to drop fiat if that helps.
 H.W. Que. central Govt.
 a) Political – Lynskey again.
 b) Legal principles.
 c) Effect on Civil Service.
 Standards are high. Came out of Lynskey enquiry v. well indeed, despite attempts to discredit on political grounds. These are not enforceable by law. Disciplinary methods w'in Service are all the deterrents requ^d. to keep up traditions. In spite of gt. expansion of Service and delegation, standards have bn. preserved.
 Strong powers of discipline. Used v. the "rest" mentioned by Att.G. – incldg. retirement. The more diff. to use these if procdgs. are readily

- available. Eg. Hadfield, being acquitted, must now be disciplined for “indiscretion”. May be challenged eg. in H/C.
 “Lunches” point did worry me. But Att.G. has removed my apprehension.
- T.W. Particular case. Junior offl. offered parcel “for his wife” and found £100 in it.
 Procdgs. taken. Briber sentenced : 9 months.
 Do we need more power?
- A.W. Two ques. a) Offl. behavg. wrongly. Can be dealt with by C.S. discipline.
 How can you prove corruptⁿ unless man confesses tht. his judgmt. was influenced.
 Are we not exaggerating prevalence of this evil?
 By introducg. special legⁿ. Disservice to loyalty of Service. I am opposed to it.
 Bad advertisement in f. countries.
 b) L. Govt. There have bn. cases. But no more corrupt today than it was in Tory days.
 Bribes offered to enforcemt. officers eg. on Purchase Tax are ineffective.
- E.E.B. Timing.
 C. Service had diffy. in administering controls. Did it pretty well.
 Lynskey enquiry : debate.
 Herbert Cttee. on contact men.
 If this legⁿ taken now, may suggest there is more corruptⁿ about than there is. I wd. prefer that it shd. be done later. Assumg. there isn't a lot of corruptⁿ.
- P.M. Must extend to L. Govt. officials. And that may cause diff^{ies}.
 Is this the right time? No real ev^{ce} there is much corruptⁿ.
 Political – will be said the controlled economy is to blame for any increase.
 Wd. prefer to let this stand over for a time.
- A. Must extend to Scotland.
 C.S. standards depend, not on law, but on tradition.
 Read memo. with increasing misgivings.
 Natⁿ etc., extends scope for malpractices. Wd. suggest we had reason to think further powers are required.
- C.E. Favour legisⁿ.
- N.B. Corruptⁿ less than 40 yrs. ago. But v. serious thing. Wd. have favoured legⁿ. But after hearing discⁿ, favour delay.
- G.T. V. diff. for innocent man to displace the onus.
 What wd. be posⁿ of Minister who eg. accepted a gift for opening school built by special method : Key was presented to buildg. firm.
- H.W. Even when 1916 Act is extended to licences and permits, you haven't covered anything like the field of C.S. discretion. Other “acts” which may be more valuable to “applicant”.
- Att.G. Onus. Enough to explain to satisfⁿ of jury circs. in which gift was offered or accepted.
 Said v. little corruptⁿ. But in 1947 : 85 cases : 1946.
 1948 : 87 cases – 21 proceeded.

Satisfied law can't be enforced, as it stands.
Don't regard reprimand as enough.
Shall go on prosecutg. in such cases. If I continue to fail, Court will comment.

- A.V.A. Think law shd. apply equally to all.
1916 Act hasn't disadvantaged Service. Why shd. its principle not be applied to wider field.
On timing – shd. be content to wait.
- C.J. Agree with P.M. No sufft. ev^{ce} for radical extension of 1916 principle.
- P.M. Divided view in Cabinet. Take no decision.

Taken from C.M. 33(49) - Meeting held on 9 May 1949.

Ireland Bill

- C.E. Civil Guard have inf^d N.S.Y^d tht. 50% cut made in funds for watchg, illegal drilling etc. and given hint not to be over zealous.
Dublin Govt. won't therefore discourage recrudescence of violence (in Ulster: prs. U.K.)
Disposⁿ being taken here. Some Ministers may need protⁿ.
- H.M. 17 Labour supporters deliberately abstained in Divn.
Mainly on R.C. basis for this.
- A.W. Will N.S.Y^d communicate with Glasgow?
- C.E. Yes.
- H.M. Cab. decided N.I. wd. be defended as any other part of U.K. Didn't volunteer this y'day because ques. not raised. Shd. we see tht. ques. is asked on 3rd Rdg.
- N.B. C.E.'s statement fits with McBride's statement tht. wdn't have another civil war. Thought this was a threat.
- P.M. Don't engineer a ques. as sugg^d. by H.M.
- E.B. Dulanty said to me, v. Atlantic Pact, that this whole policy came fr. Cork where I.R.A. members promised Costello they wd. disband if this policy adopted. May be cut in funds means they are getting to trust I.R.A.
- A.B. Cond^{ns} of elect^{ns} in N.I. casts doubt on rep^{ve} characters of N.I. Parl. Cd. we consider this point after Bill is thro'.
Otherwise, Clause means we are conniving at gerrymandering.
- P.M. Both sides cheat on elections.
- H.M. Not our business – don't burn our fingers.
Agreed : p'pone disc^{ns} of this.

Taken from C.M. 34(49) - Meeting held on 12 May 1949.

National Health Service

- A.B. Genl. obsers.
Diffy. of fitting civil & adm^{ve} opⁿ into annual budgeting, when shd. take 3/4 yrs. to show its shape. Diff. to take it up by roots annually.
350.000 people & various professions, not all friendly. Vol. hospitals

worked on fraudulent balance sheets to attract subscriptions –

no knowledge of hosp. finance. L.a.'s kept no separate hosp. a/c's: mixed up with general admin^{ve} expenses.

Whole health world in process of reviewg. salaries.

Financg. of vol. hospitals was brkg. down. Unknown addl. figure wd. have had to be found in any event.

Had to submit first Estimates v. all these unknown factors.

E.g. salaries of specialists not fixed even yet.

Ty. cut those estimates – that led to first Supplementary.

Figures for 2nd yr's Estimates had to be subm^d by Hospital Bds., w'in 6 wks. of taking office. V. diff. for them, with new staff & no previous experience to guide them. T. asked for cut of £28

m. We sought economies. M'while I had begun series of op^{ns} to reduce fees of eye-men, chemists & dentists. Not much room

for sums not v. large in relⁿ to totals. [21.5, 25.5, ...] £88 m in all for these 3.

Dentists – soured public opinion by behaviour. Cdn't have got their co-opⁿ at lower fees. Allowed them to misbehave to get

atmosph. for cut – now cutting 40% net, from 1/6. Don't get full benefit this year. Opticians: 20% cut accepted. Chemists: small cut for bottles. In full year this will give £13 m. saving on the £88 m. Assumg. use of services stays as at now. Tho' I wd. believe demand will fall, as old needs are satisfied.

Adminⁿ – remarkable figures. Adding all adm^{ve} expenses together: HQ at M/H., Dental & Hosp. Bds. etc., = 2.1% in E. & Wales, or around £5. and 3.5% in Scotland. Not scope for big money savings here. 10/11.000 volunteers is explanⁿ of low costs.

Dental, optical & pharmaceutical: not much room for economies. Backlog is only hope. Statute forbids me to make a charge, even if I thought it advisable. Alternative therefore = reduce service.

Hospitals. 54% of total cost is for wages & salaries. Nurses increase £7 m. p.a. since Estimate – widely welcomed. 50.000 beds closed. Another £8 m. to bring x of these into use. Of £28 m. Ty. cut, 25 m. was to fall on hospitals. Have re-examined Bds. estimates. Salutary for them to learn need to justify estimates. Revision indicates that they under-estimated. Expend^{te} will be greater because underestimation of needs. Far fr. makg. £25 m. cut, we shall have to find more money still or reduce services.

Examples: Bristol. £118.000 cut demanded. W^d mean closing some Dpts.

E. Anglia. £3.822.000: cut 167.000. W^d close 8/900 beds. Revised £3.924.000.

This takes a/c. of some economies – but net increase overall.

Can “improved” Health Service begin by closing beds & reducing services?

Must find more money or make a charge.

Obj^{ns} to a charge. a) Surrender. Political debacle.

b) Admin^{ve} cost wd. be enormous. Hosp. beds wd. give biggest yield. W^d involve means test: almoners etc. W^{dn't} reduce social cost: wd. only relieve Budget at expense of sufferers.

Ty. diffy: w'in 2 yrs., two v. large Supplementaries. But can be met by argument of new & unknown service.

Must face a big increase of cost over what we thght. But common fate of all Social Services. True of educⁿ & housing. Demand is much greater than we thought.

Must avoid destroying good will which N.H. Service has created for Labour Party.

Figures don't show incalculable benefits to population.

Only 2 courses: cut the Service or find the money.

A.W. In Scotl. signs of recession in demand on teeth & eyes.

Economies in prescript^{ns} etc. But big money is in salaries &

hospitals.

Spens Rpts have bumped up specialists fees. Can be met in

part

by reducg. real specialisation: tendency has gone too wide.

Politically calamitous to infringe principle of free service. W^d be better even to increase N.I. contⁿ.

Before war £25 m. spent in Scotland for what will now cost £34 m.

But preventable disease cost £300 m. pre-war (G.B.) & some of this must be off-set.

In the main, Sc. story is same as English.

Service is appreciated & in the main is not abused.

Special Sc. diffy (because rising incidence of t.b.) is cutting back hosp. services.

P.M. Any ev^{ce} of unnecessary prescription or unnecessarily expensive ones?

A.W. Yes: some – especially the latter. Dangers also where drs. are prescribing what are in effect foods.

Shall in the end bring doctors to book on this.

But not big money.

A.B. £11 m. p.a. on drugs in E. & W. And £13 m. to chemists for services.

Arranging for drs. to hold small stocks of e.g. bandages & aspirin.

Also prohibiting prescription of "foods".

Identifying cheaper drugs to exclude fashionable costly drugs.

R.S.C. What Supplementary this year?

A.B. As only £6 m. out of £13 m. (this year) fr. dentists etc.; & as no large saving on hospitals & £7 m. more for nurses; in region of £52 m. for E. & W.

A.W. About £5 m. for Scotland.

R.S.C. Diffy: we had no basis for decision in favour of free service.

We took risk: we are all responsible for it.

Balance in Budget £14 m. Demand for £57 m. for this Suppl. knocks one right out. If I had known I shd. have had to propose

increased taxation. I am therefore in gt. diffy. esp. because statement (app^d by Cab.) tht. there wd. be no Suppl^{ies}. Agree we can't cut hospital services down at this stage in Party's fortunes.

Ques: a) Is this £57 m. inevitable?
b) Are checks on expend^{re} adequate?

Machinery for controllg. expend^{re} is novel. Bd. have no finances: no "own pocket" to encourage thrift as in grant-aided l.a. services. Bd. are volunteers – not same fear of the sack. Can't surcharge them. Thus, no means of insistg. upon economy. Exp^{re} controlled by people with no responsibility of finding any part of the money. System must be watched. Dependant [at this stage: A.B.] on goodwill of Bds. for ensuring due economy. Must be sure it's a good enough system of controllg. exp^{re} of order of £350 m. and more.

Thusa) How can I square this with my Budget?
b) Is new exp^{re} essential?
c) Is system of control adequate?

Cab. must consider. Mⁱwhile recommend putting pressure continuously to get w'in Estimate figure. Say nothg. yet of Supplementaries. Make it as diff. as possible to get more money – as means of forcing economies. But give M/H. assurance that we don't intend to solve this by drastic cuts in hospital services.

A. No substantial alternative, in the end, but to pay. Can't close beds. But two comments:-
(i) Spens Rpt. V. expensive scheme. Junior clinicians – extravagant. C^d junior grades rates be reviewed? Must cost a lot in aggregate.
(ii) Delay in getting on with clinics. That is approach to real economy.

A.B. Agreed. Tho' too expensive to start it now.

H.M. Not surprised at all this.

Always thought 2 difficulties:-

- a) Hospitals, taken over & put under Bds., wd. spend & spend & Ty. & Min^y cdn't control them. Respons. for financial control must be with M/Health because the Bds. have no financial responsibility whatever. Know from L.C.C. experience how much hospitals can spend and what pressure they can bring by agitation. Problem of public adminⁿ.
- b) Decided to have one appt^d day. Tremendous task. Admin^{vely} much better to have brought it in by stages. 2-3 years wd. not have bn. too much.

Allegations are widespread, but no names are given.

G.p.'s are prescribing recklessly.

Congestion of services, causing discontent. e.g. Moorfields. Delay of 2 months in getting specs. (precision worker)

Spens Report. Was it brought to Ministers for approval?

- A.W. Decided to accept recomm^{ns} in advance & so announced.
- H.M. Was that line approved by Cabinet?
 Ramp over abdominal belts for women. G.P. certificates, for cosmetic reasons. Too many surgical boots etc.
 Invitation (much feeling aroused) to foreigners. Leaflet advertising the service. This surely shd. have come to Ministers. Offering facilities to visitors is a ques. of principle.
 Is also in danger of turning an asset to our political disadvantage.
 Can always prove things are necessary? When do we consider what we can afford?
 Ty. will get it again over services remaing. in I.a. control.
 Hope Health Centres won't be extravagantly done. Frightened by Stoke Newington plans - £350.000 or so. For I.a. exp^{re} will or may automatically involve Ty. charge.
 Can we check up on abuses? E.g. by Social Survey.
 Shd. have periodical reviews & reports.
- A.B. i) Foreigners. a) Leaflet prep^d last year to provide informⁿ for e.g. sailors. Finds its way into visitors' hands. Always assumed foreigners wd. have advantage of Service. We seek reciprocity – M/N.I. are concludg. agreemts. for it.
 Assumg. they stayed 1 month & made comparable use of service, it wd. cost 1%.
 Cdn't exclude foreigners w'out perpetuating identity card.
 ii) Prescribing. Can be tackled by disciplinary methods. Recently approved fine of £250 for dentist. Bound to be some bad cases – are they representative?
 iii) Opticians. Some misbehave. Only long-term cure is to get all on salaried basis. Abuse is due to fact tht. Service is operated by private enterprise operators.
 iv) Belts. Only thro' hospitals on recommⁿ of specialist. If latter recommends wrongly, it's a matter for professional judgment.
 v) One appt^d day: necessary to bring hostile professions into line. Need for a dramatic change.
- H.D. Supported R.S.C. view.
 Hope A.B. won't abandon pressure to secure economy whenever and wherever it can be secured.
 Nervous of admin^{ve} overheads. Even small percentage = large sums of money.
 Much talk among Govt. supporters.
 Tho' a new method of financial control, had hoped we shd. get comparative costings methods.
- A.B. Can't get them yet.
- C.J. Bulk purchase of appliances?
- A.B. Doing it already. See Appendix.
- G.T. a) Repercussions – esp. on I.a.'s. Disturbed by effect of Spens in Universities & I.a. services. Must get these earnings in right relation – reducg. dentists' earnings etc.
- Rpt. b) Financial control. Method must be different. But we must find one – urgently.

Taken from C.M. 37(49) - Meeting held on 23 May 1949.

Economic Situation

H.M.

Dangers of delay –

- i. U.S. will expect us to have acted.
- ii. Weak negotiatg. posⁿ.
- iii. Shd. appear in end to act under U.S. pressure.

We ought therefore to act soon.

We have done much – socialist economy – all the worse to drift now into a mess. Political as well as economic smash.

Importan^{ce} of sound economy – incldg. for cold war. Signs of R. rejoicing already.

R.S.C.'s memo on Budget expenditure – rising expend^{re} must mean no surplus to play for: taxation already as high as it can go: moving twds. inflationary Budget. He made no proposals for action.

Memo. on Signs of Disinflation – shows inflation not disinflation.

Consumptⁿ in April (as in my memo). Clearly inflationary.

Wages: not enough co-opⁿ for T.U.'s: co-council roadmen have gone up 3rd time & hours down from 47 – 44. M/T. memo. on Rlways show effect: coal prices & wages confronting rlways with dilemma. Socialised indust^{ies} demandg. pensions.

Public opinion lulled re economic sitⁿ. Social survey has bn. good reflection of opinion: last one in March showed 55% (r 28%) thought things were going well. Shows we shall have to work hard to secure acceptance of hard decisions.

Exports to hard-currency countries. Still think devaluation right.

What other expedients? Incentives – incldg. taxation devices. Improved salesmanship.

Public expenditure. £3.000 m. out of 10 nat^l income. High and growing - & in some fields growing out of control. Factor in costs & production. Want to see our policy administered in controlled way wh. doesn't put intolerable burden on taxpayer. Nearly £3.500 m incldg. l.a. expenditure.

Many aspects are marginal. 5% in public expend^{re} isn't much: but wd. materially affect posⁿ.

Supp. Estimates. Policy of R.S.C. needs applying.

Shd. not some Ctt^{ee} of Ministers consider how to reduce & control expend^{re}.

Public Staffs. Have we done all we can to keep nos. down?

Planned redⁿ by 19.000 (Ex. Survey) in Nat. Govt. Small target. Is it being reached?

Local Govt. planned to expand by 4.000. Last year, tho' C.J. nos. kept w'in ceiling; Local Govt. exceeded it by 17.000.

Rate at which Dollar & Gold reserves are going. We can't drift into a crisis – and be on our knees to U.S. & Canada.

Cabinet shd. frame a policy to put us right before W'ton talks.

Surely U.S. wd. be in better mood to talk if we had acted first.

It is a world problem. But we must play our part. Otherwise we can't hope for U.S. & Canadian support.

P.M. Don't discuss devalⁿ this a.m.
 But want to get broad economic posⁿ.
 Fallacies – “consumptⁿ up”. Because prodⁿ is up.
 Don't accept critics view we're living beyond means. We are in overall balance – Only dollars are difficult.
 Budget. Remember how much capital reinvestment we are makg. out of income. Govt. expenditure isn't all waste: much is transfer. e.g. medicine.
 First establish truth re internal economy & relation to dollar.
 Don't see the connection.

H.D. Publ. exp^{re} – shd. be judged on character as well as amount.
 Opponents assert heavy exp^{re} & taxⁿ as root of troubles.
 Believe this is economic fallacy. Think Keynes wd. agree. So wd. many young economists.
 Mistake to let it be thght. tht. these matters have a close bearing on dollar trouble.
 Some exp^{re} is excessive. Staffs. for example. Disappointed we haven't got that down. Esp. Local Govt.
 But most of our exp^{re} is desirable & necessary.
 Food subsidies. When said costs inflated – food subsidies operate as subsidy to low costs & exports. W'out them, wages wd. rise.
 Other examples not so clear. But social services do keep wages down.
 Taxation. Mistake to say 39% “taken” by Govt. Much of it put to profitable use cf. in cap. investment. Budget surplus: new conceptⁿ of overall surplus is v. virtuous for includes all capital exp^{re} covered out of revenue. Don't let's argue tht. Budget is out of balance when that turns negative. Real test is revenue a/c – wh. is still near £500 m. surplus. U.S. ended with deficit of \$1800 m – this year. We are doing v. well compared with tht.
 Times to-day quoting M/L. Gazette. No ev^{ce} for rising inflationary pressure. Index at 108 – steady for months. Retail price index up by 2 points because adjustments in food prices, planned in Budget.
 On other hand, disturbed at continuing dollar drain.
 Have come round to view that devaluation wd. be right.
 Agree Aug. will be wasted. Diff. sitⁿ in Sept. Agree with that.
 But mistake to allow discⁿ run off into internal situation.

H.W. We are in overall balance. Not therefore living above our means.
 Reasons for sitⁿ = decline in sales to dollar area of U.S.A. Our dollar sales aren't falling more in propⁿ than Belgium & Switz.
 Can't see tht. publ. exp^{re} is disinflationary.
 But signs of returgn. infl. pressure. Events in internat^l field might intensify them.
 Supp. Est. are increasg.
 Not ques. of direct effects. But effect on opinion in Canada & U.S. – in Sept. Need to do more to bring it home to them tht. deterioration isn't due to happenings in U.K. But even then. we

- shall be up against feeling tht. high exp^{re} in U.K. is part cause of sitⁿ. R.S.C. wd. be in stronger posⁿ if he cd. show we were doing somethg. on it.
Our costs are out of line with dollar costs. Will mean 20%-30% more for Comm. Countries to buy from us.
- P.M. We must fight for the right. Don't surrender on false point.
H.W. Not wholly false. If p. exp^{re} reduced, there are items wh. enter into prodⁿ costs. P. tax does affect level of wages. Income tax & profits tax probably don't enter into prodⁿ costs.
- P.M. Thought we had freed all but luxuries fr. p. tax.
H.W. Applicants for wage increases take a/c of other things than luxuries. Some scope for economy in most Dpts. – w/out infringing on major Socialist policy.
Long-haired stuff. Managemt. Design, F/Britain – all prob. not paying their way. These cuts mght. avoid cuts on more fundamental policies.
- P.M. They wd. be chicken-feed. Not a "slashing cut on public exp^{re}".
Do we stand on ground tht. no large cuts are necessary?
H.W. Yes: we shd. But H.M.'s target of 5% cut is reasonable & shd. be tried.
- A.B. Economies, if possible, shd. be made on merits – not in context of U.S. talks.
Deprecate 5% overall. Psychol. disastrous – admⁿ we have bn. spending too much.
Might have a look at it when we come back in autumn.
Agree – ominous expansⁿ in l.g. staffs. Believe it's due to lose of efficiency in l. govt. Also to transfer of functions to co-councils, where l.a. doesn't really control staffs.
- P.M. Less financial responsibility because Grants?
A.B. A factor: but not decisive. Lack of local control is more important. Promised earlier to look into this. Thought it useless to ask l.a.'s for red^{ns} when work necessitated by central consents.
Also too narrow a control over capital exp^{re} by l.a.'s.
Ctt^{ee} under Ty. Chairmanship: gone a long way on this: will in autumn put to l.a.'s drastic slimming of central consents & will then go out for big staff red^{ns}.
Much exp^{re} due to bad luck. E.g. N.H. Service rates for doctors etc., had to be negotiated in inflationary atmosphere.
Suppl. Estimates. On N.H.S. we shd. have had to contract the service.
Couldn't do it. Result of policy decision, not wasteful adminⁿ.
Serious diffy: negotiate with reserves running down.
Must find some way of boosting reserves to strengthen our hands in negotiation. Now favour devaluation – as a preliminary to W'ton.
- H.G. Agree little or no direct relⁿ betwn. exp^{re} & dollars problem.
But an indirect relⁿ thro' inflⁿ – wh. makes it diff. close gap.
Price control kept on to check diversion to profitable home market, but control can't extend over whole field. We are swimming r. tide. If it got worse, we shd. be in real diffy.

- What closing gap mean? Less imports or more exports. Result must be less in home market. Encourages inflation. Tobacco, cut imports & sales & erratic inflⁿ because loss of revenue. Cotton. Less for home market, & inflationary pressure.
- Overall b/payments doesn't help us. For unrequited exports & investment abroad. Running down sterling balances e.g. by India does us no good. Surplus with other countries is investment or paymt. of debt.
- That is the relⁿ betwn. internal & external.
- Is there infl. sitⁿ at home? Disturbg. signs of it. Worse than 6 mos ago. Budgeting sitⁿ, judged by historical standard, is good: but if inflation must deal with it.
- What cd. be done? Capital investment: credit restriction.
- H.D. Rate of interest is rising because fall in gilt-edged. But on short-term debt you cd. reduce Budget by increasing rates.
- H.G. Wasn't suggesting any alteration in short-term rates. Drop in industrials & gilt-edged is disinflationary. If it hadn't happened, we cd. & shd. have provoked it.
- If devaluation, we must see tht. inflation doesn't run away. Action required might not have to be drastic. But we shd. make survey to see if we cd. get 5% cut: by next Budget. It is relevant to ques. of confidence.
- A.W. Cut in exp^{re} no good unless it releases production energy. What guarantee tht. cuts in N.H.S. wd. help dollar problem? Cuts on merits. But no immediate effect on dollars. Freeing of labour wdn't help exports. Doubtful about devaluation. Lack of recognⁿ by public of need to keep down costs – cop. by refraining from wage increases. Another round of wage increase wd. be fatal. Support H.M. on that.
- H.McN. Don't know E.B.'s view. Official F.O. support H.M.'s memo. Negotiation in Sept. No use if arguments aren't acceptable. If we can't get accommⁿ with U.S. there might be immediate loss of confidence in our posⁿ. Disastrous.
- A.B. Why?
- H.McN. Drop in actual sales to dollar area in summer weren't so serious. Drop must have bn. due to expectⁿ of devaluation. That will be more strongly felt if we don't get accommⁿ in Sept. There are other things than logic. U.S. have come to conclⁿ tht. our high costs are due to high taxⁿ. They will say: we must do somethg. to put our house in order.
- P.M. Avoid posⁿ in wh. we admit our policies even wrong.
- H.McN. Don't suggest we concede their case or take panicky action. But believe we shall have to go some way to meet them if we want them to go a long way for us.
- H.D. 1931. Suicide.
- A.B. Don't betray our friends in U.S. Wd. damage Atl. Pact & W. Union. Concessions to get help – 100% against that. Not necessary.

- Lack of confidence in sterling because we have bn. talkg. like mendicants – to avoid upsetting U.S. opinion.
- P.M. Not merely economic qua U.S. talks. We have cards. They depend on us militarily and strategically.
- A. True. But on H.M.'s memo. Our case isn't put to public –
- B. a) Gravity of situation
b) What we have done.
Don't like reserved attitude.
- Take e.g. situation in R.O.F.'s y'day. Why? Because people don't appreciate gravity of situation.
- J.S. Agree with H.G. But more pessimistic re increasg. inflat. pressure over next few months. Econ. & pol. dangerous to invite deflation.
But we shall have to work hard to hold inflⁿ back.
Mistake to concentrate on p. exp^{re}. It is exp^{re} as a whole – esp. in investment. That's when we cd. cut & increase counter-inflatⁿ.
Wd. give direct & immediate relief. We are being over heroic.
Trying to re-equip too fast.
Cd. we think out methods?
- G.T. Drifted into sitⁿ in wh. can't deal with genl. w'out the particular.
We have all refused to face a wages policy. But inflationary pressure is due to wage increases. In 3 yrs. a revolution.
Miner is now getting same pay as teacher. Teachers now pressing for more, purely on ground of relativity to labourer.
We have bn. told wages & salaries cut be raised w'out any effects.
E.g. Chorley.
Must look at this. What about a ceiling? Not easy, I know.
Must take a stand somewhere. The levelling up of dirty industries has taken place. We have a chance now of a general settlement.
- J. Must convince public of gravity.
Must convince U.S. they are asked to help a people prepared to help themselves.
- A.V.A. U.S. attitude unfair.
"Our costs are out of line". Are they – save on mass prodⁿ items.
Vampires e.g. are cheaper and better than any U.S. type.
This impression artificially created by political critics.
And they are asking us to bolster W. Union, & increase defence expend^{re}.
- P.M. Tory criticisms. Put across here and in U.S.
- G.S. Our engineering goods are competition.
- H.W. Yes: but our consumer goods aren't. And it's those we are trying to sell in U.S.A.
- C.E. Support G.T.
Social revolution of last 4 years. Middle Classes. Never again!
- P.M. L.P.'s memo. shd. go to E.P.C.
Investment p'mmes may be too ambitious.
Want to be ready to check inflationary pressure.
- H.W. Subsidy or bonus to dollar earners. Can't identify them.
Can't have free dollars floating around.

Ty. are considering remⁿ of profits tax.

Taken from C.M. 50(49) - Meeting held on 28 July 1949.

Use of National Health Service by Aliens

- A.B. No ques. of law. (out of room for a time)....
- J.G. Reciprocity. Want to go ahead on narrow specific points – wide genl. talks get us nowhere. Want to go ahead with present agreement.
- A.B. I agree.
- A.W. Many foreigners come to Edinburgh for special operations. And pre-schemes, he got it free in R. Infirmary under their charter. Can't give worse treatment under N.H. Scheme.
But there are abuses. e.g. patients coming fr. Jersey to Guys.
In 1st year 1.860 foreigners consulted g.p.s – small no cpd. with f. visitors to Edinburgh Festival. That costs nthg. In drugs, prob, under £500.
Dentists: 34 in July (inclgd. 3 B. subjects on leave & 10 f. seamen). Cost £106. Spot check. Only one denture. July: 17 sight-tests £12. no specs. provided. Hospitals: 150 in the year.
Not therefore a serious problem qua size. Admin^{ve} complic^{ns} of dealing with it.
Believe it will die away.
- Wtr. we shd. advertise it to visitors is another ques.
- H.M. This was important policy point because of political controversy. Yet attentⁿ was not drawn to it, in advance, in Cabinet. Or Legⁿ Ctt^{ee} on the Bill.
Applicants cd. have bn. made to sign declⁿ tht. they are B. subjects. Even if service is to be available to foreigners: they might become a traffic in this & we shd. then have to deal with it. Must watch it. My main complaint is tht. issues of policy with political implications were not brought up for discⁿ with colleagues in Cab or Ctt^{ees}.
Look at the leaflet.
- A.B. This isn't addressed to foreigners – it's to all populⁿ.
- H.M. Why throw it at aliens when they got identity cards. (para. 3 of 206)
Why include x/ on front page of leaflet.
Why push these facilities at foreigners.
Do we need to go on distributing these to foreigners?
- H.H.M. All appliances etc., supplied by M/P.
Limbs, eyes & tricycles [sic] only do we deal direct with patients.
8 cases – of which 6 wd. be controversial politically.
Greatest risk of abuse is fr. Eire – increased visitors to Belfast.
We have means of checkg. abuse. We did stop one Dane from getting artificial leg for nothing.
- A.B. Less humane than mediaeval practice.
- J. Law requires us to provide the facilities for anyone who is here.

- H.O. cd. impose condⁿ or refuse leave to land. But once landed they are entitled to the facilities.
- A.B. On point about Cab. Ctt^{ee} etc., agree tht. ques. of pol. controversy shd. come fwd. but it's Minister's discretion to decide what is likely to prove controversial. Had I known this wd. be so controversial I wd. have omitted x/ from leaflet.
- Am prep^d to consider amendg. legⁿ, to enable me to discriminate against non-residents.
- R.S.C. That is the way to do it. Take power to discriminate – power to make a charge on non-residents.
- A.B. Might put it in current Bill.
- Agreed. 1) M/H. to consider amendg. legⁿ.
2) M/N.I. to go on with current agreement.

Taken from C.M. 59(49) - Meeting held on 18 October 1949.

Council of Europe

- E.B. Must consider this in relⁿ to O.E.E.C., Commonwealth, & our posⁿ as 1st Class World Power. Some U.S. tendency to consider us as merely European power.
- Our geogr., Comm., & world posⁿ makes inevitable some tight-rope walking over this.
- Opposed to special session. Due mainly to U.S.C. agitⁿ re Germany. Procedure. Council of Ministers, representg. Govts., can't be regarded as reporting to or answerable to Assembly, which consists of individuals not representg. Govts.
- O.E.E.C.: must not be jeopardised until 1952.
- Germany: Propose we indicate to Adenauer that if they apply for admission as associate member applⁿ will be sympathetically received.
- France, however, want Saar admitted as associate member. France hasn't absorbed it as Department of France. Ques. of principle is involved. We accepted associate status as interim arrangemt. pending full independence. Diff. therefore to accept Saar unless France willing to admit they may eventually become independent.
- Austria. Some wd. like immed^{te} admⁿ. But Treaty may be thro' by end of year. Don't want to set that back. Might offend R. by admittg. her to C/Europe. Opinion on this in Austria is divided. Some, tho; urging w'drawal of all troops, don't want ours to go. I've made clear my firm intⁿ thr. B. troops shall go.
- My conclⁿ: get Treaty, w'drawal of troops by specified date, & at once after that date admit A. to C/Europe.
- R.S.C. i) Careful to avoid giving impⁿ tht. we are ready to go further than we are in economic co-opⁿ in Europe. Shd. we not also consider makg. that publicly clear.
- ii) Econ-resolⁿ of Assembly. 3 courses. I favour the second viz, ref^{ce} to Govts., who might be expected to have it considered by O.E.E.C.

- H.M. Agree re Germany.
Saar. V. unrealistic to contemplate eventual independence. Farcical to bring them in as associate member, tho' I see French difficulties.
- H.W. Tories are trying to pretend Comm. preferences can be linked with W. European economic co-opⁿ. Wd. be helpful if other Comm. Govts. cd. declare r. that.
- H.D. No need to take that seriously.
Veto on accessions. What they were afraid of was Spain – not Germany.
Safe in turng. this down, if it's not in fact intended to add Spain.
Believe Fr. will accept Germany, so long as it isn't over-publicised.
Let them have Saar if it will ease Fr. agreemt. to Germany's admissⁿ. Saar might be politically independent, tho' remaing. in Customs Union with France.
- R.S.C. Dangerous precedent. Not separate sovereignty. Might be followed by Morocco, or even Wales.
- H.D. Human Rights Convⁿ. Don't mind so long as emphasis is on "in principle." There is a lot of nonsense in it: & some danger (e.g. inclⁿ of protⁿ for property rights & religion).
- A.B. V. blurred picture – inevitably.
Support E.B.'s view on Austria.
Looks as tho' Europ. Govts. haven't enough domestic authority to settle own conflicts. Trying to get some auth^y. fr. outside to support them.
Ought we not therefore to encourage maximum Europⁿ co-opⁿ. For we are in a dangerous posⁿ. Italy: Commⁿ is by no means to be ignored. Tito-ism might be introduced into Comm. Party in Italy, just to confuse it.
R. bound to try to make trouble in W. Germany. She must get hold of Ruhr if she is to satisfy economic needs of countries she controls.
Thus, tho' we shd. remain practical, we shd. not be slow to encourage maximum econ. integⁿ of Europe – to stem Comm. tide.
Don't be too cold.
- P.M. No: but we mustn't allow ourselves to get too deeply comm^d in Europe – economically & politically. For they wd. rely too much on us. And we can't carry them – as well as our world responsibilities.
- E.B. We ourselves shall be drawn rather to an Atlantic Fedⁿ than to a European Fedⁿ. Our main task is to attach Canada to U.K. rather than run after Europe. Let Europe federate on its own.
- G.T. Cultural & scientific recomm^{ns}. Take care to avoid duplicating these bodies. Quite enough already.
Memo approved.

Taken from C.M. 62(49) - Meeting held on 27 October 1949.

South East Asia & Far East.

- E.B. This is a policy.
- R.S.C. Raises large economic issue – paras. 8-10. Contrary to dirⁿ in wh. we are movg. to sterling balances.
We shd. mislead if we suggested we are ready to do much by way of unrequited exports to that area. We shall be able to do v. little. Hope we may do somethg. for Burma. But pretence tht. we will fight cold war in S.E.A. by large-scale assistance in econ-developmt. wd. be most misleadg.
At conf^{ce} we must say we shall do less in next 50 yrs. than we have done in last 4 yrs.
- E.B. Much is investment for dollar-earning.
Don't swing too far.
Paras 8-10 don't commit us to much.
If you don't have investment e.g. in Siam, must we hand it to U.S.A. Surely we must study implic^{ns}.
- R.S.C. F/E. Cttee are studying it. And aren't agreed. M'while don't create impⁿ we can do more in S.E.A. than we have done.
Remember India is part of it. In last 2 yrs. it was mainly in I., P. Burma & Ceylon: £200 m. p.a. Shall have to cut to 50% or 25% of that.
- A. This is one place in world where we can dollars in return for our investment.
Voice of Britain radio station at Singapore. Delayed. R. are now getting ahead of us.
- A.B. This memo. is pivotal. World so disturbed tht. it can't attract private capital investmt. We can't retain political control over these areas & accept responsibility for industrialisg. them. U.S. must do the second.
Also scale of enterprise is too large now for private investors.
We shd. raise this ques. at highest level.
We alone, even as Govt. can do no more than stutter over this.
- R.S.C. We put this in W'ton.
On sterling balances, we said we can't go on: but someone else must provide the capital goods if Comm encroachmt. is to be stemmed.
U.S. have at last begun to realise it.
Back to original point.
This must be linked with M/E. & African proposals.
We've said we shall cut down. We must. We must get out a p'mme in consultⁿ with W'ton. And in wh. we must avoid commitment.
- E.B. x/ V. well: will instruct Dening accordingly.
My policy is to retain political control in these countries & make U.S. pay for it. I think they will.
- R.S.C. Content subject to x/.
Want to get p'mme worked out.
- E.B. Want continuing body W'ton to get crackg. & aim at mtg. with Acheson & Pearson in New Year in Ldn.

Taken from C.M. 62(49) - Meeting held on 27 October 1949.

Bechuanaland: Chieftainship of Bamanqwato Tribe

- P.M. V. diff. to accept conclusion on arguments adduced. Seems mainly directed to appeasing opinion in Union & S. Rhodesia.
- N.B. Carefully considered. V. disagreeable. And recommend disagreeable conclⁿ.
Cab.'s provisional view of July – as quoted in memo.
Enquiry - concl^{ns}, as in memo. But their reasons are v. diff. to accept.
- i) prohib. immigrant. Can't accept that. H.Q. in Mafeking – wd. produce a row. We shd. have to get round that one.
 - ii) hostility of Union & S. Rhodesia. Cdn't accept.
- a) The real case is tht. (p. 12) Tribe has never shown it wants Seretse & wife. They welcomed him only to get rid of Tsekedi. He wd. have to go anyhow.
- b) A white wife wd. disrupt the tribe. Internal discussion: & trouble from neighbouring Tribes.
- c) Seretse wdn't make a wise chief. Hasty & irresponsible over marriage – adviser – drink.
- d) A v. unhappy future for him & his wife, if he went on. Much African opinion v. him. C.O. say we mustn't put W. African opposⁿ too high. Tho' Comm. will exploit our action.
- e) Transfer of H. Commⁿ territ^{ies}. That is taken as test of faith on our part by Tribes. W'in Union more opposⁿ than usual to this. Malan has much opposⁿ. But our recognition of Seretse wd. throw much opinion over to his side. Have recommended tht. Seretse & wife shd. come to U.K: That Tsekedi shdn't return: tht. we shd. administer directly for a time & introduce constitutional reform in Tribe.
- Draft W. Paper – to make real case, instead of Enquiry arguments. Subject to amend^{mt} to meet C.O. view.
- C.J. Support N.B.'s conclⁿ.
Not because S. African views. But because in best interests of Tribe. Tribe wd. be divided if Seretse confirmed. African opinion divided: but substantial weight of opinion v. Seretse. Means a period of direct rule. V. diff. to handle.
- P.M. On what basis? What reasons? Mixed marriage?
- C.J. Hampered by most unfortunate report.
Basic reason = long-term interests of Tribe.
- N.B. My reasons are extracted from Rpt. Facts are there. But their arguments are wrong.
- P.M. Legal points?
- S.G. Enquiry is advisory. Decision is for High Commr. He can decide on grds. other than those recommended by Enquiry.
- J. Deplorable Rpt. Their reasons are excuses – bogus.
If a White Paper, let us throw over those reasons more

- a/ definitely & base decⁿ on interests of Tribe.
 Can't you get Seretse over for disc^{ns} before decision? May he not w'draw, after hearing our views? Then it wd. be much easier all round.
- N.B. W^d like to do that. Want to bring him home. He expects adverse decision.
 Don't intend to publish W. Paper until he has come home.
 As regards a/ I propose some re-drafting. But it's called a Judicial Enquiry. cf. Pakenham row. I wd. like to suppress Rpt. altogether, if I could.
- H.W. What is our final reason? P.8. says tht. apart fr. marriage he is fit.
 Do we think him unfit, apart fr. marriage?
 Will then not be dissension in Tribe if we press him to w'draw.
- Baring. Danger of disruptⁿ whatever we do. But danger greater if S. is recognised. We disagree with rpt. on that. They are too tepid.
- A.B. Yet, on p. 13. top para., re-call of Kwatla wd. produce the same result.
 This Enquiry has found all in order – on only "judicial" matter wh. they were competent to deal with. On the other consid^{ns}, we really disagree with them in toto.
 Cdn't we talk to Seretse. Then, after delay, re-call Kwatla who might take diff. view now Tsekedi is out of way.
- N.B. Thro'out Rpt. they say decⁿ wd. have bn. diff. but for Tsekedi.
 If Kwatla re-called – no-one cd. say what they wd. now decide.
 V. unsatisf. body.
- A.B. But constitutionally it has the power & right to decide.
 N.B. But 100.000 in territory: only 18.000 rep^d in Kwatla.
 P.M. But we shd. have accepted it if it's decision had bn. acceptable to us.
 A.B. Want to press suggⁿ of ref^{ce} back to Kwatla. Cd. you not broaden it's basis?
 Then, if they do select him, gt. trouble in unseatg. him.
- J. P'pone decision on this until we've seen Seretse.
 A.V.A. What are we to say to him. Advice him to w'draw?
 It will come out.
- H.M. i) We can't accept reasoning of Rpt.
 ii) On merits – what are we to do? If a black chief (heir apparent) marries a white woman, it's asking for trouble. Colour bar in reverse. Bound to cause controversy in Tribe. From Br. pt. view, how wd. public opinion re-act to Pr. Margaret or Eliz. marrying coloured person.
 On substance, surely N.B. and C.J. are right.
 Ques. is – how deal with this Rpt.
 If S. can be persuaded to w'draw – prs. Rpt. mayn't have to be published. If it has, we must dissociate ourselves fr. arguments.
 Have we got to publish?
- S.G. Not in law.
 C.E. There will be demand for publicⁿ – even if S. is prevailed upon to w'draw.
- A.B. If this will create dissension in Tribe, why not allow that to happen

- as illustⁿ of unwisdom of mixed marriages. Only 100.000 people.
- And prs. it may work.
- C.J. Risks are far too great. Surrounding prejudices of S. Africa & S. Rhodesia. Can't expose Tribe to those risks.
- P.M. Not a lab. condⁿ because of that contiguity.
- T.W. And fact tht. he is a Chief makes a v. big difference.
- N.B. Cab. was right in July in saying we shdn't base decision on mixed marriage ques.
- P.M. Practical step is to get Seretse & wife home.
- A. Agree with that.
But we must keep in mind trad^{ns} of Tribes. Whatever our views on mixed marriage, we must be guided by their views.
Don't rush into publishg. Rpt.
- Baring. Chances are tht. S. wd. w'draw.
But what do we do, if he persists.
- H.M. Authorise N.B. to say in that event High Commr. won't confirm.
- P.M. No: that wd. be under pressure. Prefer to get him to go in genl. interests of all.
- T.W. Can confront him with concl^{ns} of Rpt. W'out bullying him out.
- A.V.A. He is educated man: he will prob. demand publⁿ of Rpt.
- A.B. At present Cab. can't agree to more than have him over & put it to him tht. it's in interests of all tht. he shd. w'draw. No commit^{mt} to anythg. beyond that.
- Baring. Allowance & help to get a job. On understandg. tht. he doesn't return.
- Agreed.
- N.B. If he says no: we detain him pending another Cabinet.
- M^cN. Try to keep his wife from Press.
- N.B. W'draw copies of Cab. memo. To avoid Press stunt.
- N.B. Organisations supportg. nature rights (liberal opinion) will support a decⁿ tht. he shdn't become Chief.
- J. Bring him by boat – to carry beyond Election.
- M^cN. Anyway, don't hurry this.
- N.B. Reasons in memo.
- P.M. Malan won't make his request until after Electⁿ.
- C.J. Points in Rpt.
a) Seat of adminⁿ in Mafeking. Shd. be brought into terr^{ies} quick.
b) Shd. be proper Council.
- N.B. Agree on both points. Whatever the cost of a).
b) will be slow.

Taken from C.M. 3(50) - Meeting held on 31 January 1950.

The General Election

- P.M. V. diff. sitⁿ – unprecedented.
Elim^d odds & ends. Major Parties face to face. V. slight majority.
Remember 2 Chairmen of Ctt^{ees}. V. vulnerable posⁿ. Ministers abroad on f. affairs. Exposed to snap dec^{ns}.

Tories in minority. No ques. of Coalⁿ.
 K.'s Govt. must go on. I propose to carry on.
 Can't do this for long.
 Another Electⁿ. After Budget. Summer or Autumn.
 Favour declⁿ: intend carry on: job carry Budget & carry on affairs
 of country: but will have to be another appeal to country.
 (Wrong to suppress that because effect on f. policy etc.)
 M'while call for economic effort by all.
 No statement about legⁿ until K. Speech considered.
 Avoid controversial legⁿ.
 All Ministers shd. place portfolios at my disposal, but carry on
 m'while.

- H.M. Agree, in general.
 Doubt wtr. at this stage we shd. mention election – wait for debate
 on Address. Chance to consult Party executive. Party mtg.
 Wed.: cd. consider it then & announce in debate on Address.
 No decl^{ns} by Ministers on Govt. policy m'while.
- E.B. Don't like to decide at this small mtg. in favour of announcg. early
 election.
 Agree futile to try legⁿ.
 But worried because we've taken over so much (natⁿ) & have so little
 to show. A little more time & we cd. have better story. I was
 rattled in Electⁿ over coal & housing.
 Spiteful attitude twds. people who own their houses – alleged v. M/H.
 in Election. Shows lack of common-sense.
 Gas, electricity, transport. All nat^d industries have made a bad
 showing. Can we expect a better answer in a few months' time?
- R.S.C. V. diff. fin. & econ. situation.
 Hoped for firm authority. Haven't got it. Back in a pre-election
 temper. Will be pressed to relax all round - & can't, for
 Budgetary posⁿ is worse.
 Must be Election in autumn. Ques: shd. we say it now?
- A. Sympathise with E.B. This feeling has created hostility.
 Also resentment at decl^{ns} of some Ministers.
 Doubtful re wisdom of announcg. now early election.
 W^d perpetuate Election need.
 At least want opportunity to reflect.
 Parly. business = Budget. Gt. help if Ch. of Exch. can make it more
 pleasant. C^d we not have some talks about its content before
 R.S.C. frames it. V. desirable tht. R.S.C. shd. know our views
 on genl. principles. At least avoid a provocative Budget.
 Problems: abate middle-class hostility.
 continue quietly Govt. of the country.
- H.D. Must carry on. But imposs. to do so for long. Parly. arithmetic.
 Ministers will be chained to H/C. Wears down efficiency of
 Govt.
 This Parlt. can't last more than few months.
 Don't contemplate going on beyond summer. Plan for Election
 as soon as poss. after Budget.

- Agree with H.M., - we shd. have a word with the other governing bodies.
Don't drift on, pretending we are a Govt. when we aren't.
- A.V.A. Symp. with E.B: but you can't avoid Electoral atmosphere in H/C.
R.S.C. has to get Suppl. Estimates & Vote on A/C.
- R.S.C. Also fix farmers' prices.
A.V.A. Iron & steel?
P.M. Vesting date not until after summer.
A.V.A. Can't therefore avoid a fairly early announcement. Support P.M.
J. P.M. must carry on. Wtr. you announce early election or merely say it's inevitable before long, that is the fact.
We shall be doing right thing by carrying on King's Govt. Leave Tories to end it, if they like. We can get credit for that.
- C.E. Carry on pro tem. Don't expect to last long. Election in summer better than autumn.
Seeking report of Postal & Proxy Vote: believe Tories organised that better than we did.
Agree with E.B. on grumbles.
- G.A.I. Bad quality coal: housing – "in spite of that" we will vote Labour.
Wage freeze. Can defend it as policy to get prices down. Easier if prices cd. be forced down. Downward move in c/living index.
Better for P.M. to take initiative by saying we intend to go to country again soon – rather than risk adverse vote in H/C.
Housing: so much more remains to be done.
- P.M. Commiseration to Creech Jones. (Hear hear!)
C.J. Tories exploited past statements of some Ministers.
Diff^{ies} of getting our long-term aims across. Lack of positive policies. These were special handicaps in my middle class constituency.
Budget will be specially diff. And many electoral issues will arise on that. Wd. like E.B.'s period of consolidation, but see no chance of getting it. Period of gt. pol. instability.
Against early announcement.
- N.B. Announcement. Delay decision for a time.
Wd. like period of prepⁿ. Cdn't mount same effort in Midlands w'in a few months.
Liberal Vote. More chance of moving them to Left if we had time because they don't want Tories. I shd. have liked to wait until summer of '51.
- G.T. Won't rest with us to determine date. Work for Tories turning us out on indefensible issue.
I didn't experience in Lancs. grumbles mentioned by others this morning.
- H.W. Agree – no hurry to announce another Election. Wait a few days.
Housing, c/living, dirty coal were damaging issues.
Wd. like to see improvements. before we go to country again.
Worried re c/living.
- R.S.C. Bound to go up.
H.W. Clothing: I shd. have increased it 2 mos. ago.

P.M. Carry on pro tem.
Announcement. Much to be said for taking initiative.
But admit it shd. be p'poned to debate on Address.
Support A.'s suggⁿ of discⁿ on principles of Budget before R.S.C.
frames his proposals.

(R.S.C. agreed.)

Don't start big controversial issues, fr. Manifesto.
(This needn't prevent Bill on Developmt. Areas)

P.M. Want Speaker to stand again. I will write, asking him.

Mover: Rhys Davies has longest service.

Agreed: Better a member who hasn't bn. Minister.

Try David Kirkwood. Ch. Whip to get Tories to
to put up a seconder.

Chairmen of Ctt^{ees}.

Shd. we offer one to Tories. Has bn. done before, with minority
Govt.

Agreed: Offer one to Tories.

If they decline, try a Liberal.

All Ministers to carry on in office. Get on with decisions.

No formal announcemt. Let it be known P.M. is
re-constructg. Govt.

Taken from C.M. 5(50) - Meeting held on 25 February 1950.