



CAB 195/11

C A B I N E T M I N U T E S

C.C.(52)101st Meeting – C.C.(54)12th
Meeting

1. Housing : Licensing of Private Building. [Enter Sw. and B.H.

P.M. Arises from Cab. decision of 20/11. Seek greater bldg. of private houses. Point outstanding was criterion of need. Have met Ministers : we agree it wd. be wiser not to have a test – won't provoke more Parly. row than we shall have anyhow, and will be more likely to get private bldg. going. Many Soc. Councils wd. refuse licences on principle whatever the test of need.

R.A.B. What no. of private houses do you expect to get?

P.M. 45.000 in 1953 and 80.000 in last year : completions (?)

J.S. I support this. We can say we are still bldg. more houses to let.

2. D. Scheme for Furniture. [Enter H.S.

R.A.B. Scheme for standards won't now be ready after all. Suggest I go on none the less. If I p'pone to Fin. Bill, I shd. have a schedule with articles specified in it & open way to amendments.

Sw. P'ponement wd. not bring trade together on standards – on contrary, wd. give impⁿ. of weakness.

[Exit H.S.

[Enter D.S.

3. Parliament.

H.C. Business for next week.

To rise on 19/12, we shall have 3 more days on Transport, 1 on D. Scheme and one to spare (or rather unallocated : for Wales an C/Europe have bn. promised.)

Delegated legⁿ : Cttee. has bn. agreed. Opposⁿ. insist on separate H/C. Cttee.

Sw. Not a bad thing : our procedure is v. different.

H.C. May be asked for a day on P.M.'s statement on Def. P'mme.

P.M. Cd. make them wait until after N.A.T.O. & W. Paper is pub^d. in Feby.

A.E. C/Europe : will be diff. for me. C.E.C. may run until 12/12; and thereafter Paris (O.E.E.C. and N.A.T.O.). I wd. prefer to be there e.g. Thurs. of next

week. Generally agreed, p'pone C/Europe debate until after Xmas.

H.C. May put on Wales instead.
Decided months since to pass time-table motion for Steel Bill before Xmas.
Reluctant to propose another at present because of state of feeling in H/C.
Moreover, I wd. now prefer to try their offer of gent's agreement. They mght well break it. But I wd. like to see if we cd. make a deal with them.
Sanction wd. rest with us : to impose time-table if they don't play the game.

D.S. I agree with that idea. Wd. help to keep pol. temperature down on Steel Bill.

P.M. Very well.

H.C. Approach them before Xmas. If I fail, can put the time-table thro' as soon as we come back.

4. Defence Programme.

Agreed, when P.M.'s statement made, contractors may be told. No need to wait for N.A.T.O.

[Exit D.S., B.H.]

5. France : Political Situation.

A.E. Good that P. shd. come here sometime. He wanted to announce it at once to stave off pol. defeat. Tricky because of C.E.C. Have now agreed with Massigli tht. no announcemt. be made until we have bn. able to talk it over with him in Paris and settle what he is to see.
Fr. pol. situation is v. shaky. Schuman's posⁿ. however is improving.
Mght be able to clinch Saar settlement while we are in Paris – prs. getting Adenauer over.

6. Czechoslovakia : Political Trials.

A.E. In Hungary much apprehension lest their turn comes next.
There may have bn. some "Tito" move in Czecho.
Not v. unhelpful for us. Tho' B. public pay little attention to this sort of thing now.

[Enter H.G. & Mackeson]

7. Meat : Argentine Negotiations.

A.E. Latest news is better. They have come to meet us on all save dollars.

R.A.B. We may now get £160 p.ton. If we give way, we may lose \$39 m. from reserves w'out any real surplus being earned by Argentine. I'm inclined to settle at this.

H.G. At £160 we are doing as well as we expected. And if we don't settle before Xmas, we shall bring stocks down by end/53 to point as low as any reached by Socialists & ration m'while at 1/8d.

R.A.B. They wdn't use whole of £20 m. credit in this way. We cd. seek a settlement with limit of about \$20-25 m. for loss of dollars.

A.E. On whose Vote will credit be carried?

R.A.B. Legⁿ will be needed to carry it save on F.O. Vote.

A.E. Is there no way round? F.O. have never done it : will be thought to be political : will be misunderstood abroad. Solely commercial credit.

R.A.B. Let us consider this again – betwn. Ty. & F.O.

P.M. We can't have legⁿ : we do want meat : Ty. will pay.

[Exit Mackeson.

8. Food : Decontrol of Sweets.

P.M. Stock up first.

H.G. They are 30% higher than at earlier attempt. Shd. be fairly safe. But there must be some risk in it. Production is now about consumption. Price increase is inevitable anyway. Early in New Year or mid-summer are best moments.

Sw. Do it after Xmas.

H.G. Price increase will be about 2d. a lb. V. competitive trade. Prodⁿ now 6 oz. p.wk. cpd. with 4½ oz. on last attempt.

[Exit H.G.

9. Middle East : Move of Headquarters. [Enter A.H. and de L.

- P.M. Don't like approving this w'out scrutiny of members, or prejudging our w'drawal fr. Egypt.
- A.E. Ask only for agreemt. in principle tht. we shall have a H.Q. in Cyprus and agreemt. in prelim. works costing £500.000 over a period. If we don't start, it will take much longer to complete the move.
- A.E. On merits, Cyprus is better place for M/E. H.Q. now that Greece & Turkey are in N.A.T.O.
- Turkey wd. like this. Greeks wd. dislike it, and it would do them good to know we intend to remain in Cyprus.
- P.M. Don't accept these figures. Want to examine them.
- A.E. They aren't final – can't be when we don't know what Forces we shall have there.
We shan't be able to move for 18 mos. after work begins.
- P.M. May we approve in principle, subject to detailed examination of plans.
In principle we approve project of base in Cyprus.
Agree that by New Year detailed examⁿ of projects for expense shall be approved.

Foreign Affairs.

P.M. Unique exp^{ce.} – preside at Cab. attended by rep^{ves.} of Comm. grave matters affectg. all our lives – immense power to influence course of f. affairs.

A.E. Germany. Ad. battle for closer union with Eur.
Saar: month ago in sight of agreemt. Solved pol., but failed on econ. wh. is imp. to France who w'out Saar coal can't be balancg. factor in Schumania. Since elect^{n.} better chance. Sch. has replied to Ad. makg. reasonable offers. Shall pursue it during NATO

Russia. Content with G. sit^{n.} – consol. in East while we do in W.
Tho' division unsatisf., it really suits a no. of us quite well.
R. believes she can stand cold war better than us – increase our diff^{ies.} & drive wedge betwn. us & U.S.

Czechoslovakia. Mainly due to econ. diff^{ies.} – failing econ. plans : also internal div^{ns.} w'in Comm. Party. R. doesn't like excessive concent^{n.} of power in one man or group.

Similar trials coming in Rumania & Hungary – Dep. P.M.'s.
In Cz. it may reflect incipient Tito-ism, being nipped in bud.
Jews behind Curtain. No concl. ev^{ce.} tht. this is anti-J. movemt.
In R. & Cz. J. have bn. in trouble : but not in Bulg. or Hung. But Moscow is strongly anti-Zionist – mainly because dislike people leaving for Israel.

E.D.C. Treaties. G. votes at end/wk. Ad. expected to have majority.
Then court, wh. won't prob. upset. Will therefore be ratified by G. before end/year.

France : more uncertain. Govt. may fall. Further undertakgs. fr. us may be sought. Tho' don't see what more we cd. do – we can't become members. Some in Fr. think U.K. wd. come in if a looser non- federal plan were launched – we discourage this de novo start.
Fr. have all reasonable guarantees : what frightens them now is loss of sep. Fr. Army & strain of Indo. Ch. war. They aren't bldg. up effective Army in Europe. But if E.D.C. doesn't go through, case for admittg. G. to N.A.T.O. cd. not be denied.

P.M. Soldiers won't fight for cosmopolitan idea – for his own country & home.
I was against eliminatg. nat^{l.} spirit fr. E.D.C. – on this as well as practical grounds : language, weapons etc., But Fr. were bitten by federal idea. I wdn't be sad therefore if E.D.C. failed & Germany came into N.A.T.O.

A.E. That wd. be better militarily, but not politically for French.

Austria. Shan't get solution because R. won't w'draw.
But improvemt. in rel^{ns.} betwn. A. & Balkans, largely because Y are havg.
mil. talks with neighbours – beginning with Austria, then Greece & T.
These are going well. Fr. U.S. & U.K. also opening staff talks with Y.
The snag is Trieste, wh. symbolises Y/Ital. strains.
Thought I cd. get agreement on Zones, A. to Italy. B. to Y.
Tried to get U.S. to press this on Italy but they wdn't because of Pr.
Elections.
Now U.S. want us & Fr. to press Y. to accept modific^{n.} re Capodistria.

Don't like this idea. It will leak before It. elections. Also new U.S. Govt.
may take a diff. view.

Turkey. Visit here was successful. Rel^{ns.} are more cordial than ever.
They want to return for Coronation.

Egypt. Defence & Sudan. Farouk's departure has eased situation. N. has
abandoned claim to unity under E. Crown. Trouble over S. Sudan, wh. is
less advanced & tends to split away fr. N. We therefore think Gov. Genl.
shd. retain some powers over S. for a time. If we reach agreemt., early
elections under Comm^{n.} with Indians & U.S. rep^{ves.} as well as U.K. & Eg.
On later advisory body Pak. will be rep^{d.}
Defence is more diff. Tho' N. now says no disc^{n.} until we have gone, I
believe he will in end be ready to talk on this while we balk on M.E.D.O.

P.M. Violence in E. last year. Socialists put up 4 Power Plan. That remains our
policy. Our burden in M/E. is v. heavy : shd. welcome help of other
countries in defending intern. waterway. Can't carry burden alone.
Seek dignified method of sharing this burden.

A.E. Worried by econ. diff. of E. Diff. in selling cotton. N. won't last unless
econ. strength improves. We don't need the cotton.
Grateful to A.N.Z. & S.A. for their share in M/E. defence.

M/East. Syria have asked for Treaty.
Trucial Sheikdoms. Troublesome.
Persia. Split in Nat. Front. Tudeh and others may combine v. M.
May come quite soon. Talk with Eisenhower on oil dispute. U.S. Govt.
thinkg. now of \$30m. offer to secure settlement. Won't work until after
pol. upheaval.

M. Why do you insist on Court?

- A.E. Originally, U.S. idea wh. we accepted. We don't expect large sum. But thought it fairest method of fixing compensⁿ.
- A.E. S.E.A. Malaya improving, but Indo.China is not. Serious for Burma & Siam. U.S. helping Fr. (50% of cost, they say) in money & supplies. Will China intervene directly? We think not.
- Korea. Jap sitⁿ needs watchg. Comm. pull fr. China will be strong, esp. in trade. J. popⁿ increasg. at 1 m. p.a.
Eisenh. said going solely for mil. review : no pol. decisions. Some U.S. wd. like to use Japs : but S. Koreans hate them more than Chinese.
- Some wd. like to use Chang's troops : only 2 Divns, however. Hope it won't be done – pol. troubles wd. outweigh any mil. advantage.
Choice: continue holdg. opⁿ with increased S. K. troops.
Seek to destroy Ch. Army by op^{ns} up to Yalu.
Second wd. be costly – U.S. unlikely to wish for it.
F. Affairs is holding opⁿ all round. Grateful for Indian initiative in U.N.
Hope we shall persist in it. Thanks too for Pearson's help.
Can only try to consolidate non-Comm. nations.
- P.M. Cease fire pending negot^{ns} over p.o.w.?
- A.E. Sh^d. never get p.o.w. away then.
Also, fear build-up during cease fire.
- P.M. Relations with U.S. a corner stone of policy. Our ½ world – stretchg. out a hand to other E. spkg. people.
- A.E. New Adminⁿ – Ike is choosing well. His views on Eur. are unchanged.
Assured me tht. he wished to work with Comm. & France.
- P.M. Thanks to A.E. for general review. Welcome others' views.
- St.L. A.E. has just returned from U.N. We were all encouraged by India's initiative over K. Glad to see they got 55 votes for their resolution.
Encouraging demonstrⁿ.
- M. Cool U.K. Press receptⁿ of Dulles' appoint^{mt} was unfortunate. If warmer response were given he mght be more f'coming.
Complexity & respons. of A.E.'s task. Regional diff^{ries} as well as world trouble. Many signs of improvemt. in last 12 mos.
We are grateful for A.E.'s knowl, perception, wisdom.
- Hav. Thanks for review. His policy will carry S.A. approval. To keep us out of further war. Don't like U.N. attitude : we are doing our share in Korea for

U.N. principles & shall do so despite heavy cost.

Des. Situation shows signs of improvemt. Indo-Ch. & Korea – trouble spots. We have fewer illusions re China than is sometimes thought. Agree unlikely Ch. will go directly into Indo-Ch. They have more than they can chew on the north. Situatⁿ. there must be cont^d – U.S. will have to carry it. Will they tire?

Korea. 3rd choice extensⁿ. by conflict. Cdn't be localised. Risk of sudden extension beyond control. Expect that will be discarded.

Cease-fire gives Ch. time.

Peace is only safe objective. Strength & continuing resistance.

Heavy price for U.S. to pay. Casualties are heavy : & U.S. are sensitive to them. Can see no alternative, unless one can get (uneasy) peace on lines of our resolution.

P.M. We oppose blockade because of risk of conflict with R. Want op^{ns}. confined to Korea. Large armies in China.

Sen. Thanks for survey.

Holl. Thanks. V. useful to me. Small country – made best contⁿ. we can in Korea. Have sent a force to M/E. : they are now in Cyprus. This sort of survey is most valuable – shd. like to hear it more often. In N.Yk., A.E.'s personal presence secured agreemt. on Indian resolⁿ. of gt. value & importance to the world. Experience here will help to consolidate Comm.

Naz. Join in chorus of compliment to A.E. – on review & on U.N. achievement. But remember tht. resolⁿ. won't end K. conflict. Danger of complacency. If we assume R. preparg. for a war, R.'s present procedure is v. dangerous for us. Softening up their opponents. Weakening powers arrayed v. her. Fr. in Indo-China & is being bled white. U.K. in Malaya & elsewhere finds resources seriously strained. In Korea even U.S. is finding diffy. – longing for an end to it : tiring of it.

Genl. sitⁿ. therefore is weakening all-round of countries opposing R. Can't say what counter-moves shd. be made. But we shd. try to consolidate our posⁿ. more effectively. Get our friends more ready for struggle if it comes. Where diff^{tes}. exist, they shd. be resolved quickly – so tht. if war shd. come we may face it united.

G.H. No comments. Thanks for review.

P.M. Mtg. in Map Room & consider mil. aspects of situation before P.M.'s

leave. Look particularly at places where we have common dangers & interests. Review by Alex. Can we fit that in?

My ideal for Canal wd. be internat^l control with token forces & prs. an Egyptian C-in-C.

A.E.

Thanks for compliments.

Objective in F/E. policy : divide China fr. Russia. That was why I welcomed Indian resolⁿ – on those lines. May take years.

Agree with N. tht. U.S. is tiring. But remember tht. K. called into being U.S. Army & Air Force & prodⁿ.

1. Commonwealth Economic Conference. [Enter Sw.
- A.E. Decide i) not to go on with plan on a 4 power basis.
ii) Not to enter on formal Ministerial disc^{ns}. with other countries until we know tht. Asiatics will come in.
- O.L. Agree.
- R.A.B. Can't contemplate India being linked with \$ & conting. to draw on central reserves.
Conference has gone well. Shd. try to achieve at least opp^y. of informal talk with U.S. Their attitude, if favourable, wd. influence Asiatics.
But let's be plain tht. I.M.F. will get to know Indian posⁿ. & it will come out.
Large chance tht. India will come in, at the end.
- A.E. Not so sure. Nehru will see the pol. diff^{ies}. more clearly.
- Sal. D. will press. Scheme will be changed after consultⁿ. with U.S.
- A.E. Prs. Makins cd. talk it over first. If their re-action were favourable, we cd. ask India where they stand. Must get their posⁿ. clear before Ministers go to Washington.
- R.A.B. Importance of political issues. We cd. make a better sterling area without India and Australia. But of course it wd. be politically disastrous.
We must, politically, hold together. The plan together, or something different together.
Advantage of the plan is that it enables us to talk to U.S. on a positive, forward-looking plan.
- H.M. Must preserve st. area. Plan, if it goes fwd., must commit area as a whole. They must therefore accept fl. rate : & all the safeguards for ourselves. Are these being whittled away in Conference?
Risky even if we hang together. If it breaks us up, no advantage in going fwd. with so dangerous a plan.
- A.E. What have we whittled away?
- Ch. No q.v. : then standstill on q.v. : now all are opting out.
- R.A.B. We now abolish q.v. only to extent tht we reduce dollar gap.
- Ch. Good creditor policies by U.S. No action before Congress approves.

Now intended to rest on assurances by U.S. Govt.

- A.E. No. We wdn't launch anythg. w'out real assurance of U.S. support.
- Sw. Don't become convertible until Fund is in existence.
- Ch. E.P.U. Break-up.
- A.E. Only if other arrangemts made wh. they approve. We won't act until we have Eur. countries lined up too.
- R.A.B. We have also to be satisfied on future pattern of world trade.
- Ch. I.M.F. statutes must be altered.
- R.A.B. Yes. But new Cttee. will be advisory. And proposal for annual review has bn. dropped.
- H.M. If this fails, we shall have to do somethg. on our own.
- Ch. No need to despair. U.S. surplus is shrinking. And past crises were due to Socialist blunders.
- R.A.B. Want to approach U.S. with a plan tht. doesn't involve continuing discrimⁿ. v. the \$.
Redⁿ in dollar gap is largely due to U.S. generosity.
- O.L. U.S. has bn. obliged to play old game for creditor countries – save tht. they gave their surplus away instead of lending it.

2. Imperial Preference.

- Sw. Reported results of consⁿ of the “limited issue”. Doms. will support us in seeking relief there.
Accordable preference. Thought unwise to link this with present approach. But sympathetic to later ad hoc approaches.
On specific duties : no advantage to us on balance to get freedom to increase amounts.
- H.M. We free ourselves fr. this inconvenience. But Imp. Pref. as an instrument of economic welfare has had a severe set-back.
- A.E. We shall be lucky if we get even the limited concession.
- H.C. Shall we be free to say tht. Doms. didn't want it?

Sal. We must. Tell them before they leave tht. we shall feel free to say so.

3. Pacific Pact.

P.M. Talk with M. & Holl. re Anzus at Chequers.
Holl. wants a public announcemt. suggestg. approach to an
“understanding”. he suggests joing op^{ns}. (? talks) betwn. Anzus & Anzam.
I promised further talk.
Sitⁿ has changed – by their intimate conversations with us.

A.E. Doesn’t alter the fact tht. Anzus draws them into U.S. policy on F/E.

4. Pakistan.

Sal. Cttee. on Constitⁿ has recommended tht. P. become a republic w’in the
Commonwealth. They argue tht. India gets better treatment fr. U.K. than
P.
Rpt. will be publ^d. before end/year. Discussed with Constit. Ass. Final
decⁿ. not before Coronation.
N. asked for talks with PM’s. Oppose this – in absence of Nehru & Malan
– & no previous notice.

Consultⁿ is required : but it cd. be done by telegram.

Agreed : no discussion at Conference.

5. Kashmir.

Sal. At P.M.’s request, explained state of U.N. discussions. Our resolⁿ. (likely
to be supported by U.S.) is acceptable to P. If India makes diff^{ies}. what
next?

Will circulate a memo. to Cabinet on this.

1. Parliament.

[Enter Sw., B.H.]

H.C. Storm over plan to take Hire Purchase Order after genl. debate on Tues. on Kenya. Shall we trim?

B.H. Dangerous to persist. All-night sitting. 1922 Cttee. restive. Pairing is in chaos, & we have many sick.

1) Either leave Order over until after Recess & resume one day earlier.

2) Or sit on Friday all day : Order until 4 p.m. : adjournment until 10.0.

3) Or sit on Sat. until 4 p.m. for Xmas adjournment.
Opposⁿ likely to prefer 2).

P.M. Why must we get Order before Recess.

R.A.B. Announced it in Finance Bill – successive pressures to drop it – can't forego sources of revenue. Order operates fr. Mon. : better to debate it quickly. Trade oppose & obstruct. Concessions or apparent weakness will encourage revolt by other trades.

P.M. Can't keep H/C. all night for this.
Must not prejudice Transport Bill. Can't push that thro' plus an all-night sitting on Order.

B.H. Method 2) will involve closure at 4 p.m.

R.A.B. P'ponemt. until after recess will increase trade pressure for concession.

J.S. Offer Opposⁿ choice betwn. 2) and 3) ?

P.M. Prefer to p'pone until after recess.
Don't like 2) or 3) because people will have planned to be away on Friday.
Assure R.A.B. of our determⁿ to push it thro' immed. after recess.
Get agreement with Opposⁿ on that basis.
If they won't settle for quiet finish on that basis, offer them choice of 2) or 3). Of those I wd. prefer 3) : offer that first.

Kenya debate. H.M. to reply.

[Exit B.H.]

2. U.S. and Canadian Loans.

R.A.B. Pay. Bad start for C.E.C. approach to U.S. if we asked for waiver.
Anyhow we can't satisfy 3rd condⁿ.
Take up revision of conditions in genl. talks with U.S. And, if we can, get
provⁿ. for paymt. back retrospectively.
Even if we pay, reserves at end/year will be 1,800.

P.M. Agree.

O.L. Favour paying. But doubt wthr. we shd. whine publicly about it.

P.M. Pay : but look proud about it.

[Enter Serv. Ministers.]

3. Service Pensions.

Al. O.K. on scheme & will announce before Xmas.
On other ques. do we turn down or promise considⁿ.

R.A.B. Repercussions, if we yield are endless.
Adjournment debate : can we stand on main scheme & say v. little on the
other.
Don't be quick to promise considⁿ in terms too encouraging.

M.F. V. gt. feeling on this ques. generally.

P.M. Say it's under considⁿ but raises v. grave issues affectg. wide nos. of
people.

R.A.B. Language to be agreed with Ty.

[Enter 3 Service Ministers & D.S

1.

**CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000**

2. Visit of Chancellor/Exchequer to Paris.

R.A.B. Told Europeans outline of plan for m.t. and c. Italy concerned. Will see O.E.E.C. rep^{ves.} further in London.

Print is in a bad state : no money : no confidence.

Waiver : Sugden advised us to pay & ask new Adminⁿ for reversion of terms, wh. we have good chance of getting.

3. Commonwealth Conference.

R.A.B. Too late for a Govt. statement before recess?

P.M. Yes. Wait for opportunity for full debate – after recess.

R.A.B. Then I will say wait for debate.

4. Aircraft Production : Priorities.

D.S. Scheme has accelerated prodⁿ. w'out impinging much on other p'mmes. Materials common to other p'mmes are not v. large.

Has increased prodⁿ rate by 12/18 months.

Civil : must m'tain our lead. U.S. trying to overtake us. All turns on our ability to go on offering earlier delivery dates than they.

E.P.C. app^d. plans for Govt. under-writing, to enable firms to run bigger p'mmes.

P.M. For B.35's only to govern existing order for 50 machines.

R.A.B. May compete with Valiant. Then need for switchg. prodⁿ.
Leads to extra expense. Suppl. Est. of M/S. includes £20 m. from this

super-priority scheme.

Suggest review of scheme – to see what other things it shd. cover.

D.S. Only means paying sooner, not more. And dollars earned more quickly.

deL. Bombers : it's only 50. We need our bomber force as quickly as can get it. Tho' it's true we can't say yet wthr. we prefer B.35 or Valiant. Valiant is first of series : will be basis of bomber force for some time. The other 2 will come on later, as improvements.

D.S. Choice will lie betwn. one or other of B.35 as successor to Valiant. Can cater in new Estimates for effect of super-priority. Don't recommend w'drawing a-priority fr. Canberra because of effect on overseas sales.

Won't have any Domestic effect because p'mmes are being cut.

Memo. approved.

R.A.B. to discuss with M/S. ques. of priority for Canberras.

5. Orders for Clothing & Textiles.

Took note.

[Exit D.S. & 3 Serv Ministers

[Enter F.H.

6. Charges for School Meals.

Sw. Press for March date. Mistake to announce before Xmas & removal in cold weather period.

F.H. Nos. fall off at first whenever charge is raised. Against doing it in Jan. Saving is about £1 m. p. qur. Wd. accept redⁿ in March, tho' wd. prefer summer.

R.A.B. £10 m. suppl. estimate on Educⁿ. How else can I get economies.

P.M. By reducing school-leaving age.

R.A.B. Can't save money on it, unless we sacked teachers.

F.H. The teachers set free wd. be used for making smaller classes.

P.M. Why not start with new financial year?

F.H. L. Govt. elections. Wd. prefer March.

Memo. approved – date – March.

7. Alan Nunn May.

M.F. As in memo. He is not married.
Bad effect on other prs. – who are not so well disciplined.
I can't guarantee tht. he won't go to Russia.

P.M. I see the diff^y. tho' I believe it may cause a row.

U.S. re-actions. Propose to tell State Dpt. not to seek to influence U.S.
Press, but be ready to deal with enquiries in U.S.

M.F. U.S. on policy have refused remission to Alger Hiss
Convict licensing has bn. abolished. Considered artificial methods but
they wouldn't work.

P.M. There will be trouble : I wd. keep him for whole term. But

Memo. approved. R.'s plan endorsed.

8. Toy Coshes and Offensive Weapons. [Exit R.
[Enter H.S.]

M.S. Problem can be handled by Trade, wh. is co-operative.
Chc.'s sugg^d. legⁿ. making it offence to carry weapon in public.
The Mosley act did stop the carrying of knuckle-dusters by B.U.F.
Wd. re-assure p. opinion. Wd. consult C.E. & see wthr. it cd. be
controversial.

P.M. Draft a Bill & talk to C.E. [Exit H.S.]

9. Strike in Yorkshire Coal Fields.

72 pits working normally, 21 partially stopped.

1. Parliament. [Enter B.H., 3 Serv Ministers
D. Eccles.
- H.C. Business for week after Recess.
Asked for more time for Report Stage of Transp. Bill. Ready to offer one more day.
Will announce to-day.
Steel : likely to get vol. agreement covering same time as we wd have imposed by time-table. Hope to announce Friday, if Oppⁿ gives final agreemt. to-night.
2. Palace of Westminster.
- Oppⁿ are pressing for Sel. Cttee. on managemt. of Palace of W'minster, incldg. staff etc., W^d. have to be Joint Sel. Cttee. wh. Oppⁿ. don't like.
- D.E. Old diff^y – Ld. Gt. Chamberlain & M/W. frontier demarcation. R.R.S. had trouble & is pursuing vendetta.
- Two points i) who controls W'minster Hall. Clear enough it's in which M/W.
Members are interested. ii) remainder : L.Gt. Ch. is responsible but that does not accord with modern requiremts. He is less amenable than other Ministers. Yet we pay. Point is tht. we in H/C. might get more of available room if M/W. were in sole control.
- Sal. It is a Royal Palace. Gt. pity to alter basis of arrangemt. & bring it wholly under Govt. control.
- Sw. Little waste of space in H/L.
- H.C. Flats inhabited eg. by lady caterer to H/L.
Staff : cases of nepotism eg. in Library & Serjeant/Arms.
x/ Prs. stave it off by saying we are considering this but clear it and leave to be Joint Cttee of both Houses.
- P.M. Let us agree to x/.
- [Exit D.E.
3. Duke of Edinburgh Military Rank.
- Sim. Read his recommend^{ns}. No legal, constitutional or other reasons why

Queen's wish, to make him F.M., Adm. of Fleet and Marshal of R.A.F.,
shd. not take effect early in Jan.
P.M. I will submit Cab.'s decision : to-day.

[Exit B.H.]

4. Coronation : Amnesties.

a) For Deserters.

P.M. I favour this.

A.H. Put the case against doing it.

Sal. How long is this to be cont^d? No amnesty ever?

A.H. This moment anyway wd. be bad because of Korea.

P.M. Associatⁿ with Coronation : I wd. seek the Queen's views. Mercy has
often bn. assoc^d with national rejoicings.

b) For Civil Prisoners.

M.F. Obj^{ns}. are v. strong. Many injustices wd. be involved. Cdn't do it for
Borstal (training). Many real thugs cd not be enlarged. Agreed.

a) Deserters (resumed).

A.H. No other country with N.S. has done this. All 3 Serv. Min + M/D. advise
v. it.

I believe it wd. increase incidence of desertion – damage Service
discipline for sake of v. small no.

J.S. Unfair to those who surrendered and were punished under Labour Govt.
offer – also to those who fought all through.

A.H. Nos. now at large are estimated at only 2.000. And v. little crime among
them.

Sim. 28.000 charged : 260 deserters – in 1951 in M.P.D.

W.M. Await M/D. views. M.F. In favour. R.A.B. In favour. Sal. In favour.
Bad hats won't be effected : many who have made good shd. be given a
chance.
Not always an unpardonable crime. H.M. In favour. Balance has
changed.

Next time it won't be safer in U.K. than in front line. SW) L) In favour if assoc^d. with Coronⁿ.

P.M. (Balance in favour – doing it in Coronation year.)
(Draw up memo. showg. how it wd. be done & announced.

J.S. Test opinion in H/C. before we act.

[Enter T.D.

5. Common Land.

T.D. H.A. Cttee. agreed – so many complexities & interests tht. R.C. is best method.
Ld. Chanc. agrees.

P.M. Don't ignore rights of ramblers – free access to countryside etc.,

Sal. Yes : that's why we don't concede to agriculture all it wants : safeguarded by t. of r. Want a member who can spk. of rare birds, plants etc.,

H.C. x/ "wthr" vice "how" in t. of ref. (Measure of agreement with this.)

H.M. Mght sometimes be better to use it for housing than to poach on good agric. land.

P.M. Why hurry? Use marginal land first. Tories won't get much credit out of it.

R.A.B. Support because of need for increased agric. prodⁿ.

Ch. Only 1% of common land was bght under cultivation during the war.

P.M. Wd. provoke cry for nationalisation.

Agreed – defer.

6. Iceland Fishery Dispute.

[Exit A.H. de L.
[Enter Heald, Nutting,
H.G. Mackeson

P.M. V. complex. Swindle by Iceland Govt.
If it goes to Court & we lose, others will follow suit – to our gt. disadvantage.
But case mght drag on for a year : during that time Iceland wd. not do v. well and we mght force concession fr. them. V. diff. for us to dragoon our trade interests m'while.

L. We shdn't get favourable decⁿ. fr. Court unless they went back on Norway decision.

Nutt. Norwegian base-lines were drawn on much narrower basis than Iceland.

Sal. We shd. not abandon our trade interests. Tell Iceland we can't interfere with free decⁿ. of our traders. Risk retaliation v. our exports.

Sw. Agree. Court is a bad bet. Greenland etc., will be more influenced by seeing tht I. has tried it & failed, as result, to sell fish here. Favour 11(b).

Sal. Don't go as far as 11(b). Make no declaration. Merely say it's for our traders.

Sim. Shall have to go to Ct. some day. And they are not likely to go so far as support of Iceland interpretⁿ.

P.M. Trouble if we go short of fish. Awkward to go to court then.

Sal. No : by then general public interest wd. have bn. damaged – a cause for Govt. intervention.

Ch. Court won't go back on judgemt. but mght say Iceland line isn't reasonable.

Att.G. They might like chance to say "we didn't mean that".
No need to try to stop our trade retaliation while we are arguing before Ct.
We cd. say we can't control our trade. And Icel. Govt. won't relax their rest^{ns}. m'while.

P.M. Then go to Court : but do nothg. m'while to press our trade to lift the ban.

Mack. Exports : signs of retaliation, but trade is small.

H.G. In Jan/Mar. we are dependent for 10% of fish on Iceland.

R.A.B. Will B/T. consider o.g.l. on fish & abolition of q.v. for fish. To keep in reserve in case this applⁿ. fails.

Nutt. Can we ask, tho' not press, trawler owners to lift ban m'while. Agreed.

7. G.P.O. Employment of Coloured Workers. [Enter P.M.G.
[Exit J.T. H.G. Mack,
Att.G. Nutting

P.M. Don't want a parti-coloured U.K. – or P.O.

P.M.G. Not a P.O. ques. I haven't added any, on balance. Taken on at request of M/L. If you don't want them here, Govt. shd. keep them out. I can't be only Dpt. to apply a colour bar. Other Dpts. employ some, incldg. R.A.F.

M.F. Col. aliens can be excluded. Coloured B. subjects can be required to establish nationality. Has, however, for years bn. policy that B. subj. has right to enter U.K. Tho' it has always bn. recognised tht. a point might come when because of colour problems we shd. have to impose some control. There are some isolated diff^{ies}. in certain towns. About 3.000 p.a. enter.

Shd. we have fact-finding Cttee of officials to look into this problem – getting informⁿ fr. local people incldg Police. Private enquiry.

O.L. Support enquiry – C.O. shd. be included.

[Exit P.M.G.]

8. William Hughes : Commemoration in St. Pauls.

Sal. Denman sugg^d this. Menzies, whom I asked, supported it. No precedent because of his Imperial record.

P.M. 10 year rule for H/C. We broke it for Smuts. But Hughes isn't comparable with him.

Sal. It wd. not be a Govt. initiative. Tho' Govt. blessing wd. be desired.

P.M. Say Govt. have high regard for H. but this is for private initiative & discretⁿ of Dean & Chapter.

9. Report of Employment Committee.

Sw. Let this Cttee lapse. Let E.P.C. keep under review. Ad hoc Cttees. as required.

R.A.B. Thanks to D.S. for prompt action avertg. unemplt. in S. Wales.

1. Persian Gulf.

[Enter C.O.S., 3 Serv Ministers., GLI.

A.E. Part of legacy of Abadan. Despatch from Hay circ^d. on 4/11 brings that out.

Effect on Qatar and Kuwait.

Arbitⁿ offered. Doubt if they will accept. They will play it long & seek to detach these States from us by bribes etc. We have important oil interests. Sultan of Muscat has lost his auth^y. over these Sheikdoms.

I.P. Co. are puttg. up fair amount of money. We must increase levies, & show the flag if our posⁿ isn't to be whittled away.

Armoured cars. R.A.F. squadron. Visit by H.M. ship. Increase levies to 3/400.

Provide cadre of force of 200 to be raised by Sultan of M.

Not much at this stage. But warn Cab. tht. it may involve us in doing more.

U.S. behaving quite well up to date. But nervous of upsetting Ibn Saud.

If Cab. give general approval, F.O. with M/D. can work out details.

Alex. Not much involved at this stage. R.A.F. can move from Iraq. Will take a month to arrive. Any threat of force must be accompanied to will to use it. We must get on quickly with levies – will take some time to improve them.

Ch. Cdn't U.S. take stronger line with Saudis?) A.E. But U.S. are
) dependent on Saudi oil.
P.M. They have substantial oil interests in Gulf)
oil also.)

Sal. Need to be firm.

R.A.B. Strong support for A.E.'s line.
If Ibn Saud dies, disruption wd. involve raids on Sheikdoms.

C.A.S. Local Arab is the answer, backed up by us. Cdn't we send a wing of Aden levies – mobile & conditioned to climate. Can't keep B. forces there indefinitely. Cd. bring squadron along in emergency. Wd. O.L. press Gov/Aden further on this.

A.E. Consider this suggⁿ. at mtg. with C.O. F.O. M/Def.

Sw. Want to inform Doms. in advance, incldng. I/Pak.

A.E. Want to do this quietly.

P.M. Do this at about double the scale now envisaged. Must be strong – in most silent fashion. Tell I./P. as & when for civility.

[Exit de L'l. C.A.S. 1st
S.Ld. GL.I.

2. Gurkhas : Recruitment.

Sw. W.O. want to see 7 years' ahead = term of recruitment.

Alex. Support.

O.L. 8 Batt^{ns}. out of 23 in Malaya are Gurkhas.

P.M. Tell Nehru tht. if he interferes he will get no arms fr. us in future.
Make it a major issue with him.

[Exit V.C.I.G.S., A.H.

Agreed : Bring major pressure, threateng.
no more arms etc.

3. Sudan.

A.E. Unhelpful statement by Neguib. Have spoken to Fawzi about that.
Later telegram shows better attitude by E. Govt. who are now sending some people to look around in the South. Can't give way on that : if necessary, we must break on it.
Powers of Govr. in emergency. Believe we shall get that.
Third ques. concerns retentⁿ of B. officials. Sudanese may want to keep them. Believe we shall get that.
Final ques : wthr. Commⁿ. arrangemt. be referred to S. Parlt.
Probably E. are right in saying this is for co-domini not for S. Parlt.

O.L. Commⁿ. of gt. interest to me. P.3(ii). Repercussions on Colonies, esp. in n. Africa, of putting Govr's reserve powers into commission. Hope these will be kept in mind.

A.E. Yes : but posⁿ. is diff^t. This isn't a Colony. Commⁿ. will be operatg. on behalf of co-domini.

J.S. On last point, it wd. be reasonable to consult Parlt. But don't break on that. Generally agreed.

A.E. If we get agreemt. on Sudan, we shall have to go on with Defence

discussions.

P.M. I want to see the pp. on this.

Sal. We are all comm^d. to principle tht. B. occupⁿ of Egypt shd. give place to a M.E.D.O.

H.M. That means no occupⁿ of E. by any troops save those which E. welcomes – as U.S. are welcomed into U.K.

4. Central African Federation.

O.L. We can't go back on this. Our prestige is at issue. Lab. Govt. tried to persuade when they shd. have led. No vocal African favours fedⁿ & they are misled by propaganda suggestg. that via C.O. rule they will get somethg. à la Rhodesia.

We must now go fwd. on basis tht. this is to be imposed.

Troubles fr. weakness now will be greater than those fr. firmness.

Must stand firm on safeguards for Africans. If we give more, the plebiscite in S. Rhodesia will go wrong. If we give less, we shall lose Labour Party support.

Will cause temp^y troubles in these territories – e.g. strike in N. Rhodesia & some rioting. Ugly situation for 2 mos.

Sw. Support that view. Ultimate trouble will be worse if we don't act now. This is opportunity for real partnership betw. black & white in Africa. If we don't, S. Rhodesia will join Malan.

Sal. A victory for extremists on both sides if we back down.

P.M. We must be resolved & united in seeing this through. Are we?

Agreed : we all are so resolved.

5. Persia.

A.E. Agreed with Acheson on modifⁿ designed merely to satisfy M. that the arbitⁿ award wdn't be so v. great.

Acheson's other line was \$500 m. to A.I.O.C. in oil via arbitⁿ. We don't favour that approach. U.S. argue we may get more money by arbitⁿ. We don't want it in principle. Eventually I think U.S. may make such an offer – can't stop them : we shall then have to say 'No' and that wd. be parting of ways with U.S. over Persia.

Warn Cabinet that this may happen.

1. Kenya.

O.L. Latest developments.

P.M. No case of privilege in Lt. Pritt wrote to M.P. The privilege can't extend to the private side of corr^{ce} with an M.P.

O.L. Spkr. gave his ruling wrongly.
Anyhow Pritt communicated with Press also.

M.F. It is privileged qua libel : by decⁿ of C.C.A. on a lr to Craven Ellis.

Sim. But H/C. can't enforce it's privilege v. Govt. or a Judge in a self-gov. Colony.

M.F. O.L. is respons. for justice in a Colony in last resort : it's not fully self-governing.

Sim. Appeal to Privy Council is safeguard : not a matter for H/C.

O.L. I told Kenya Govt. they were clear on basis of what Pritt said in Court or to Press : but shd. take care because of privilege on what he comm^d to M.P.'s.

Agreed: M.F., Sim & L.P.S. – with L.O.'s – to consider what is posⁿ of H/C. privilege in this matter.

2. Korea.

A.E. Looks (fr. various indic^{ns} includg. talk betwn. M/State & Dulles) as tho' new U.S. Govt. will be disposed to get rid of Truman's statement re neutralising Formosa Strait. This wd. free them to raid mainland or Comm. held islands fr. Formosa.

We think this wd. look as tho' they meant to use Ch. Nat. Forces.
Wd. be mistaken move.

Want to urge them to make no such move, at least until we have discussed whole F/E. situation & policy with them.
Will send P.M. a note for discⁿ with Ike.

P.M. Endorsed A.E.'s view.

3. Middle East.

- A.E. Value of U.S. investment \$726 m. – in M/E.
If they wd. back us up there, as we do the French, things wd. go better.
- P.M. Egypt : I will put it to Ike tht. we can't go on for long with 70.000 men there. Unwise disposⁿ of available Forces. With U.S. influence & help, we cd. do with a lot fewer.
- A.E. U.S. may be more ready to think in terms of Air – e.g. agreemt. giving facilities to U.K. & U.S. for air.
- Sal. Diff. for us to offer agreemt. while [Neguib's Deputy] spks as he does publicly.
- A.E. If N. falls, we shall have a more diff. Govt. to deal with.
- P.M. Do all we can to get U.S. involved.
- A.E. N.'s Deputy is prob. intriguing to unseat N.

4. Persian Gulf.

- A.E. Shall say nothg. to U.S. Govt. of our intentions. Will tell them afterwards.

5. Iceland : Fisheries Dispute.

- A.E. Cab. decided to go to Hague Ct. : & to seek raising of ban by our Grimsby men. This is right. But no hope of corr. action by Iceland re their rest^{ns}. We go to Ct. only on Bay, not on rest. We can't therefore offer to Grimsby tht. we will ask Iceland Govt. to lift restrictions m'while.

We shan't get I. Govt. to agree : so don't let us ask them – again.
They have legislated : they won't repeal legⁿ pending decⁿ of Ct.

6. Kashmir.

- Sw. Resolⁿ in amended form was adopted by Sec. Council.

7. Egypt : Release of Sterling Balances.

- P.M. Hoped we cd. keep the £10 m. as a card in our hand while negot^{ns} are continuing. Don't admit that they have any right to it.
If we have to w'draw and move base, I wd. pay for cost of move by cancellg. remaing. balances.
- A.E. Last year we w'held release, exceptionally, because E. was behaving v. ill.
This year : on 22/10 : we said (in tel. circulated to Cab.) tht. we wd. release the normal sum on normal date in Jan.
- R.A.B. Agreemt. made July '51. W'out it E. wd. be able to draw £179M. With it they can draw only £15M p.a.
- P.M. This shd. have come to Cab. in Oct., before indicⁿ was given that we wd. pay this year.
- R.A.B. Agreemt is so much in our interest tht. It must not lapse.
- P.M. No : I wouldn't pay.
- R.A.B. Default wd undermine confid^{ce} in sterling.
- R.A.B. Can't avoid this contractual release of £10M.
Diff. issue for Cab. is what our attitude shd. be when E. Govt. ask for larger sums to be released.
Importance of E. cotton to U.K. trade.
If we trick them over this, they will be up to all sorts of tricks.
(Agreement is : £5M. on No. 1. A/c if it falls below £45M. (and it has fallen to £6M.) and £10M. on No. 2. A/c. Total £15M. p.a).
There isn't now nearly so strong a case for departg. fr. Agreement.
- H.M. We had a better reason to "default" last year – fighting & rioting in Zone.
There isn't now nearly so strong a case for departg fr. Agreement
- P.M. We are committed.
It shd. have been brought up to Cab.

8. Life Peers.

- Sal. Simon consulted me : I told him he cdn't expect any support fr. Govt.
Now, a further developmt. Lt. fr. Simon. He will address a Ques to me askg. wthr. Govt. intend to hold 3 Party Conf^{ce}. & legislate on its results by midsummer. If answ^d. in affirm^{ve}. I wd. not press my Bill beyond 2nd Rdg.

This doesn't alter situation. Can't be blackmailed on timing re Conf^{ce}. I

want to get on with that, but not under pressure.

If we give 2nd Rdg. & Conf^{ce}. breaks down we shall be comm^d. to going on with Bill.

Labour Party, w[']out Addison & out of office, won't try to get agreemt. with us. We must call the Conf^{ce}. but it will fail. We are all pledged to enter into these consult^{ns}.

* I cd. suggest tht. instead of w[']drawing Bill, we shd. defer 2nd Rdg.

If we don't start conference this summer, we can't finish in this Parlt.

A.E. Don't like *. Better to stand on a request for w[']drawal. And if he won't, try to vote him down.

Sw. If this Bill gets 2nd Rdg. no chance of getting any other reform of H/L.

P.M. My view : 2 things shd. be done i) Peer shd. be enabled to renounce his Peerage & sit in H/C. ii) Restore "veto" to 2 yrs.

Sal. Can I say, in reply to Simon's Ques. tht. we will summon this as soon as we can?

P.M. x/ We might, in Feb., ask the Leaders if they will join in conference express their views on procedure.

Agreed at x/. Sal. to prepare a draft for P.M.'s consideration.

Avoid 2nd Rdg. of Simon's Bill.

9. Alan Nunn May.

A.E. Wd. prefer to decline ppt. if he asks for one.

M.F. Agree – if he asks, F.O. shd. refuse.

1. Persia.

[Enter G.H., Att.G.]

A.E. M. has accepted arbit^{ns}. – because of \$100 m. loan. We want also to secure satisfⁿ on future flow of oil, wh. will alone pay for the compensⁿ. Best way is to link them. Awkward because we have h'to sought to separate them.

Arbitration : we shd. be able to get round the diff^{ies}.

Court will prob. be unwilling to constitute a panel – but we shd. not involve ourselves in that.

Get U.S. to give no more than 30% of the \$100 m. – holding remainder until oil begins to flow.

We shall then have ques which oil co. M. will deal with in future. Clear it can't be a B. registered co. But A.I.O.C. wd. have to do all or most of the actual handling of the business.

Gain tht. M. will now accept arbitⁿ. Doubt is wthr. M. is genuine. If no oil flows, there will be no payment of compensⁿ : and we shall all look v. silly. Must therefore link future sales of oil with the doling out of \$100 m.

L. Marketing Council (under Marcus) claims to have contract with M. They will have to forego this if they can't implement it in a few days. M. reluctant to accept link of oil sales with compⁿ because of his commit^{mt} to Marcus. Hope we can get this out of the way before we go further. Don't want to strengthen Marcus' hand. U.S. have given him more encouragemt. than they shd.

Sw. Consortium incldg. U.S. big cos. wd. keep Marcus out.

A.E. We are working out a scheme for this, to put to U.S. Govt. M.'s reference to confirmⁿ by Majlis is an argument for paying the \$100 m. by instalments.

R.A.B. Endorse memo.
Reserve my posⁿ only on form of consortium.
Must get oil flowing.

W.M. M. has moved away fr. compⁿ only for value of assets – to a readiness to consider compensⁿ for what we shd. have made if concession had continued.

A.E. Received message fr. Henderson – hope U.K. won't insist on linking future sales to compensⁿ arbitⁿ. Want immed. advance of \$50 m. plus agreemt. for interim sales by U.S. agency.

L. 25% of receipts on U.S. agency sales is set aside for our compensⁿ. fund.
75% of it goes towards payment of \$100m. loan.
Only new thing in this message is \$50 m. instalment : whereas we prefer \$30 m.

A.E. Tell him we prefer \$30 m., compromise on \$40 m.
But insist tht. consortium be announced simultaneously with other points.
For purposes of presentⁿ.

O.L. Isn't it a bit much to insist, as in (b), tht. first instalment of \$ 100 m. shd. be accompanied by a contract re consortium.

A.E. We mght. be content with an assurance tht. he will agree to marketing via a consortium.

O.L. Or say "no further payments unless there is an agreement"

L. Leave it as at (b).

A.E. Urge U.S. not to give more than \$30 m. as first instalment.

H.M. Or \$50 m if the whole package can be secured.

Agreed : Interim reply to Henderson as in amended draft.

A.E. : & others to see Byroade i)

Marcus out ii) \$ 30 m. for 1st instalment

iii) some assurance fr. M. re consortium.

Auth^y to go to \$50 for the whole package.

Remaining \$50 m. to be paid only if consortium is in operation. Perhaps by separate, but consistent, time- tables for each.

Sim. T. of reference.

Att.G. Have Co.'s legal advisers considered draft?
They follow in main the reference for Coal Natⁿ. award.

Sim. (b) don't read.

Att.G. They do follow the Coal formula.

G.H. And are approved by Co.'s advisers.

H.C. Cdn't we relate it to Coal Royalties via Nationalisⁿ.

W.M. No need : compensⁿ formula was agreed betw. Govt. & coal-owners.

Sim. Add to (b) “to be determined by Tribunal”.

Sim., Att. G., G.H. & W.M. to consider.

[Exit G.H. and Att.G.]

2. Duke of Edinburgh : Instruction in Flying.

de L. Has flown 20 hrs., & solo.

Ques is wthr. he shd. now go to advanced type of aircraft.

CAS. Apt. pupil. He shd. fly 2 intermediate types – Harvard accepted type of aircraft. Not Balliol, which is less well tried. – tho he wd. prefer it.
After that Anson. Before he flies Devon or Dove.

A.L. I wdn’t allow him to fly jets.

But he has or will have a Devon or Dove. He shd. learn to fly that.

Go to Wings’ standard. But if he flies a 2 seater he shd. have a co-pilot with him.

Much more dangerous if he isn’t allowed to complete his training.

C.A.S. Go on to Harvard Stage. Then re-consider further stages. P.M. will be back by then (Feb).

[Exit C.A.S. & de L.]

3. Transport : Passenger Fares.

L.B. Where charges scheme exists B.T.C. have no need to ask my consent to go to Tribunal. Their applⁿ is rest^d to Ldn., wh. is politically awkward.
Also tht. decⁿ will be announced at end/April, shortly before municipal elections. Can’t interfere with course of “justice”.
Want to keep it in public eye tht. decision, when it comes, is Trib. not Govt.

Sw. i) Is this the only one on this round – not to be followed by applⁿ for provinces.

ii) Cd. objectors ask for another month – to spin out beyond elections.

L.B. i) is correct. ii) can be considered.

L. Time-limit is shorter than ever before. But Trib. wd. say ground has bn. fully traversed so recently.

[Exit L.B.]

4. Central African Federation.

Sw. Afr. Affairs Board proposed in W.Paper wd. have power to consider wthr. any legⁿ etc. discriminates unfairly v. Africans & to recommend Govr. Genl. to reserve approval of any legⁿ wh. does so to the S of S. Those powers must stand. But objⁿ raised is tht. this Bd. is extra Parl^y & tht. the powers shd. be exercised by elected people. To meet this it is now sugg^d tht. 6 African members (2 fr. each territory, 1 black one white – with a Chairman) of Parlt. shd. constitute the African Affairs Bd. as Select Cttee. of the House.

Advantages i) If you are to choose best rep^{ves}. of S. Afr. interests, those elected for that purpose wd. be best rep^{ves}.
ii) Good men are scarce : Govr. mght. not find them.
iii) With this duty alone, separate Bd. wd. not have enough to do.
iv) Might be in conflict with the rep^{ves}. in Parlt.
v) Elected men will be in closer contact with Parl^y work etc.

Do not favour adding outside members as well.
Can defend this on merits as improvement on original plans not as concession to S. Rhodesian pressure.

O.L. Our opponents will extol advantages of outside body not subject to political pressures.

Agreed.

5. Procedure.

A.E. One mtg. a week during Recess - ? on Wednesdays at 11 am.

1. Egypt. Defence Negotiations. [Enter C.O.S. & J.T.]

A.E. Texts subject to approval of U.K. and U.S. Govts.
U.S. accepted our 1st choices. V. helpful.

C.I.G.S. Satisfied & welcome U.S. acceptance of our view. They agree tht. Case A is necessary & reasonable. Anything less wd. mean long interval betwn. outbrk. of war & re-activation of base. Must go for case A. On conduct of negot^{ns}. we hope to get U.S. to join in workg. out details (who is to be left in base, respons. For care of stores). Wd. be v. helpful.
If guerrilla warfare started & we had to reinforce, we shd. have to embody some T.A. Divns.

Sal. Para.7. "our w'drawal cd. only be made to pave way to good will". Not to appease only. To secure agreement – good will following.

A.E. Badly worded. Envisage this as genl. agreemt. – a package.
Will re-consider that paragraph. Para.9(b) puts it clearly enough.

C.I.G.S. If negot^{ns}. go well, we shall be pressed to expedite w'drawal. We can't do it in less than 18 mos. – w'out hardship & waste of materials. U.S. accept that.
Equipment & aid : none until they show real signs of makg. agreemt.

A.E. E. have purchasing commⁿ. now in U.S. – to buy \$10m. I induced Byroade to give no more than \$5m. to start with. They will give something. C.O.S. shd. press U.S. mil. auth^{ies}. not to go too fast.
I will report concl^{ns}. to P.M.

2. Sudan.

A.E. Disturbing that our E. visitor shd. achieve so much, w'out our knowing much about it.
3 Tels. passed round.
Favour 3(b) in F.O. tel. 67. (a) wd. be satisf., but E. v. unlikely to accept. Weakness of (b) is tht. South will be in minority in Parlt. But v. diff. for us to go on defendg. South if all the Parties in S. have given up doing so.
Shd. Cab. nominate small group on Sudan?

R.A.B. I think (b) is best line. We shall have criticisms in H/C.

Sim. South mustn't boycott the Elections.

R.A.B. Religious leaders have now gone over, with pol. Parties, to E. view.
Committee appointed.

[Exit C.O.S.]

3. Iceland Fishery Dispute. [Enter T.D., H.G., H.S. & Att.G.]

A.E. Thors seems willing to go to Ct. on Faxa Bay alone. This is best on whole,
tho' it doesn't suit Scots who fish elsewhere.

Generally agreed : no alternative, tho' not v. satisf^y.

Att.G. V. satisfy. if Iceland willing so to limit it.

J.T. Adm^y. wd. prefer to avoid Ct. until U.S. views clear.

A.E. U.S. (because base) unlikely to be helpful.
Better, fr. Admy view, to restrict it to Bay. More dangerous to go to Ct.
on whole of terr. waters issue.
We shd. not concede the 4 mile limit.
We shd. make the reference clear, with Icelanders.

T.D. Trawlers can't be shifted. And they are landing fish, m'while.

Sw. Don't press them any more.

[Exit J.T. Enter Snadden]

4. Control of Cereals & Feedingstuffs.

T.D. Farmers fear freedom. Also nervous of being let down on Pt. I of Agric
Act.

They won't accept respons. for estimate of demand : not content with
assurances of supply : think the whole thing v. risky.

They want assurances on Pt. I before de-control to restore confidence &
prevent Unions coming out in opposⁿ to Govt. plan.

We can't give them assurances wh. will satisfy them : but we are
discussing with Ty. This is linked with eggs. We may have trouble with
farmers.

With this warning, I support the scheme. This is our chance – otherwise
we shall never escape into free-er economy.

H.G. Diff^{ies}. of trade are greater – yet only 2 Assoc^{ns}. opposed this plan.
4 gave unqualified, 16 qualified, approval. The problems they raise will
arise whenever decontrol occurs.

Flour is what affects the public. National loaf : but whiter cd. be made
w'out subsidy. Saving : £13M. Home-made loaf will be dearer – by 4^d p.
head p. wk. Nos. now are not v. large.

On pastry etc., only ½ or 1^d a wk. increased cost.

May be some cheating by bakers. Examining means of checking it.
Stocks : farmers are unduly pessimistic. Cdn't buy, ships or store the extra amount suggested by farmers. 2½ tons.

R.A.B. V. diff. pol. sitⁿ threatens in rural areas.
Must go ahead with this. We believe in abandong. control : if we don't do this now we shall never get rid of it. No fundamental diff^y on this, with farmers, that we can't get round.
Reserve proposed by farmers we cdn't afford. Have given formula (not in terms of £10M.) with wh. they must be content. Will also set aside ½ m. for small men.

Small farmers & new ones (not enjoying 3g. basis) will like it.

?5. [sic] Eggs is more diff. No marketing scheme ready. First class crisis on that. They have put in alternative on marketg. bd. lines.

This may not cure black market. But M/Ag. shd. consider it.

May find an alternative – somewhere betwn. the two. Pol. wise to take longer over that.

Demand for assurance on Pt. I. is near blackmail. Refuse general promise : offer to discuss commodity by commodity. Say that. if we have to alter policy we will do it cleanly, not going behind Act.

T.D. Agree with R.A.B.'s view. Row over eggs goes pretty wide – first proposal for free market : this brings out Pt. I. point. Long-term stability. We ought to consider their alternative plan for eggs.

A.E. Para.3 – requirement on millers to add ingredients : is it necessary?

H.G. Millers make no bones about it?

Ch. Did people no harm pre-war.

Sw. J.S. supports M/Ag. tho' he cdn't sign the memo.

Sw. Canada will want informⁿ about method. Will trade have the dollars to buy in cheapest market? Or will there be a dollar ration?

R.A.B. If add^l imports needed, there will have to be rapid deliveries : therefore no discrimⁿ v. dollars. We shall get supplies where we can.
X R.A.B., Sw., & H.G. to confer on this, together with B/T. X
Before announcement is made.

H.M. Will the trade have the finance to take this on?

H.G. We have bn. discussing this with them, with Ty.

H.C. Statement. V. long. Wd. prefer a Wh. Paper. Can that be considered.

H.G. & T.D. Wd. prefer that.

Sugg^{ns}. for amendment to go to Ministers in writing.
(Consult Agric. M.P.'s before W.Paper comes out?)

[Exit H.S. Snadden.

5. Coronation : Food Supplies.

H.G. Marg. & fat : I shd. have to buy it. Take up only 90% now.
Ox-roasting : wdn't be more than 500. Not keen, but pressed by supporters.

R.A.B. Agree with memo.

6. Persia.

[Exit T.D. H.G.

[Enter G.H.

A.E. As in memo. U.S. are now in line with what is proposed.
Form of Arbitⁿ. M. will want U.K. Govt. acting on behalf of A.I.O.C. If so, it's not a brkg. point.
Relⁿ to commercial sales is now more satisf. It is now linked with DUMPA. And U.S. have given verbal promise tht. they won't go on giving money if P. doesn't come along with comm.. sales. agreemt.
They will advance \$130 m. – 100 m. to M. and 33 m. into escrow. Pretty good bargain for us.
A.I.O.C. are well pleased.

Att.G. Get that in writing. Want to be able to say publicly tht. t. of r. are approved by C.O.

A.E. Subject to final agreemt. of C.O., we shall go ahead on this basis.
Agreemt. needed before 22/1.

[Exit Att.G.

7. Coal Prices.

L. £8M. loss by N.C.B. on years' working (estimated). Due to constant local adjustment of wages, wh. can't be estimated closely in advance.
More of that this year because of no nat. agreemt. on wage increase.
N.C.B. now think settlemt. with N.U.M. on 150,000 lower paid will be reached soon – at 6/=-, or a little more. We cd. take that into a/c. Then, w'in next 2 wks., we cd. authorise early increase in price – in order to save further loss on 1953 working. Looks like a 10% increase.

Average of 5/6^d p. ton (6/= on domestic : 4/6 on electricity coal : 5/9^d on railway coal).
Increase is inevitable.

R.A.B. No decision until wages award is given.
£36M. deficiency in '53 if this increase not made. 10% increase (less tax) will bring in only about £33M.

Sw. Announce v. soon after wage increase – link it closely with that.
Put the blame on miners.

G.H. Will be consequential rise in gas prices – about 6 wks. later.
L. Mght forecast that in original announcemt.

[Enter D.S.]

8. Atomic Energy Organisation.

H.C. No reflection on M/Supply or Minister. Faulty organisation.
Details shd. be examined by Cttee. of experts. Opposⁿ shd. be consulted because wd. be contrary to Parl^y views on grant-in-aid.

D.S. Prob^y wd. be better if it had bn. organised this way at outset.
On long-term prob. advantages in makg. change.

Ch. Diff^{ies} in transition. Hope experts will help us with that.

A.E. I will report to P.M., who can settle composⁿ of Cttee.

R.A.B. Don't think this is sound. Wd. prefer remit to Waverly to leave ques. of principle open. But can't press my view further.

A.E. Language in para.5. meets R.A.B.

O.L. Surely we can take a decision of principle now.
Industrial use may be some way ahead ; but it will come & Dpl. organⁿ can't handle it.

Agreed : Waverly to seek way thro' diff^{ies}.

[Exit G.H.]

9. Alan Nunn May.

M.F. (a) Employment.

W.M. He wants to be empl^d here. Lookg. for work for him in medical research.
He doesn't want to go abroad.

M.F. He may decide to go to Argentine.

(b) Change of Name.

M.F. Wants to drop the Nunn.

10. Iron & Steel Bill.

D.S. Much feeling about foundries. Much exaggerated – or worked up.
Discussed with interests concerned : amendmts. devised wh. meet fears
w’out going beyond assurances given on 2nd Rdg.
Met rep^{ves.} y’day : agreed statement publ^{d.} today. Stress last sentence.

11. The Royal Title.

[Exit D.S.]

[Enter B.H.]

a) Latin version.

Sim. As in memo.

M.F. J.S. warns Cab. tht. there may be trouble over Eliz II.

b) Bill.

H.C. Consult Opposition.

Sal. Can take this in H/L.

M.F. On W.Paper : omit “subject to the will of Parlt.” and insert “subject to
passage of R.Titles Bill”.

Agreed : subject to that amendment.

[Enter Sw. & Solr. Genl.]

12. Leasehold Reform.

H.C. May this start in H/Lords?

Sal. Yes.

White Papers approved.

1. Estimates Committee. [Enter B.H., Att.G.]

A.E. Corr^{ce}. with Glyn. There may be trouble. Warn colleagues.

2. Party Publications : Use of Queen's Portrait.

M.F. Memo. circulated.
Dudley & Stourbridge – Coronⁿ. Year Book : shots of Queen facing U.S.C. photo & statement below that Tory Party is national – representg. all classes.
Opposⁿ know of this. Local assocⁿ. have declined to explain.

Courses a) Statement by Central Office.
 b) Reply to PQ
 c) Wait and see what Wigg does.

Danger : Wigg may ask wthr. this action accords with the rules. We prob. have as Gov^t. responsibility for use of Royal portraits – tho' none for Stourbridge organⁿ.
Shd. we take initiative? Risk is tht. we appear to assume, as Ministers, more respons. than we need.

Sw. Circular of guidance to all Assoc^{ns}. fr. Central Office. We shall have done what we can. Also some fools may be restrained.
Better case in H/C. if it is raised.
Issue by Central Office in form in wh. it cd. be made public if necessary.

R.A.B. Agree – subject to verbal amendmts. – esp. no reference to Morrison.

Agreed : M.F. to arrange for this to be done today.
 Commⁿ. to go to Chairman & agent in each
 assocⁿ.

A.E. Shd. Central Office publish it when issued?

R.A.B. Let it take its course – no special action.

3. Parliamentary Privilege.

Att.G. Saw Spk. y'day. Gave him record of procdgs in Kenya. His provisional view was tht. he shd. adhere to his earlier ruling.
Soskice, who consulted me, agreed with this view : but warned that they

might feel obliged to press it.

A.E. Thanks. Take note.

[Exit Att.G.

4. Central African Federation.

Sw. Agreement is now in sight.

(a) All 4 Govts. want simultaneous publⁿ. of W. Paper in each country.

Propose tht. O.L. shd. announce today W.Paper will be available as soon as poss. after Conf^{ce}. ends & m'while no statement.

Will be in Vote Office on 5/2 – Press on 6/2. – delay of 8 days after end of Conference. Lobby Conference 4/2.

I will also tell Lobby tht. suggⁿ. of abrogⁿ. of Afr. Affairs Bd. powers is w'out foundation. Huggins agrees to my doing so.

Salisbury will write to Times (Haley) about his leader. I told Lobby there would be no disclosure while Conference was proceeding.

O.L. Hope H/C. will be content to wait for 8 days.

(b) Time table for Legislation.

Referendum in Rhodesia at end/March or early April. Other legislatures will approve at same time. New adminⁿ. shd. be appt^d. in Aug. Our legⁿ. must pass before then – & convenient that contentious procdgs. on it shd. be over before Coronation.

H.C. Have allowed for this in P'mme.

O.L. Hostile 2nd Rdg. But cd. avoid advance debate (in Govt. time) on Wh.Paper : tho' if they take it on Supply Day (as v. likely) one day wd. suffice for 2nd Rdg.

Sw. 1st is that we want completed before Coronation.

[Exit B.H.

[Enter T.D. & H.G.

5. Cereals' Control.

T.D. Early Jan. threat of genl. row with farmers – let down on Pt. I. They sent to all branches lr. suggesting break with Govt. was inevitable. V. general anxiety.

In last 2 wks., much consultⁿ. : re-assurg. statement by me on 10/1, welcomed in statement by them. Private mtg. (R.A.B. & me) last week. As result, whole posⁿ. altered – by R.A.B.'s plea for statesmanship on both sides.

I met them all on Friday : & I got away with it. Agreed statement of re-assurances : aide memoire to help them to allay anxiety among farmers. On procedure, they wanted to damp down publicity but wanted somethg. to refer to if challenged. I promised to consider how the statement cd. be publ^d. Right moment is when M/F. present his W.Paper. Re-assurance with minimum publicity. R.A.B. was doubtful & advised us to come to Cabinet.

N.I. mtg. today. Think they can hold posⁿ. w'out publ^d statement. Scotl. “ “ “. They are more hopeful than they were. Private session with announcemt. later wh. will say consultⁿ with Ministers has taken place & early Govt. statement is expected. E. & W. next week. They will want publⁿ of statement. I still favour doing it at end of M/F. Lobby Conf^{ce}. tomorrow on Wh.Paper.

R.A.B. New idea. But if nothg. is said it will look mysterious. Turner recognised need for new kind of Annual Review. Don't yet know what form it will take. Danger of saying too much now : will or may be misinterpreted.

H.G. Am against makg. this statement at all. No ques. h'to of a Govt. statement – because of impending Annual Review. Ref^{ce} to economic price – interpreted differently & will involve charge of breach/faith. On one interpetⁿ wd. cost Ty. £5M. on eggs alone. More on other commodities. Needed to allay anxiety. Poultry Keepers have increased substantially orders to hatcheries since de-control of eggs was announced. That reflects confidence – not lack of it.

T.D. They have got the document. Can't imply that we don't stand by it.

R.A.B. “An element of consumer demand will be brought in, this year & in future Reviews”. That was Turner's statemt. Cd. we add it to the statement.

Agreed : R.A.B. to settle wording with T.D. and H. George.
Omit “realistic & economic” and substitute other words preferably in terms used in Agric. Act, 1947.
But don't risk a row on substitution of words, e.g. add “In accordance with this policy” and retain original words.

6. Miners' Wages.

[Exit H.G. and T.D.
[Enter Watkinson & G.H.

L. Negot^{ns}. with N.U.M. N.C.B. have offered 6/= to lower paid men, 140.000.
N.U.M. suggest 15/= for 420.000 men. This can't be entertained, esp. as men are working ill.
Arbitⁿ? N.U.M. are unwilling to go to Tribunal – a serious development.
N.U.M. now realise they must go to Tribunal or accept 6/=. Believe they will accept 6/= but will warn tht. trouble will follow all over country.
I think there will be some in certain areas, but not universal.
Doubt if N.U.M. will try to stop local trouble, but believe it won't last v. long.
Daren't encourage N.C.B. to go beyond 6/=. Tribunal wd. not give as much.
Must take risk of possible trouble – drop in output (already bad) and even some isolated strike action.

W. Support this line.
More generally – risk of provokg. another cycle of wage increases, if other T.U.'s think Horner has got away with it.

L. Miners may approach Govt.
Want assurance tht. Govt. will support N.C.B.

G.H. We risk strikes in Scotl. & Wales – under wh. Govt. might be disposed to give way.

[Exit Watk.

7. Persia.

A.E. We put up a satisf. 'package'. M. hasn't accepted it – twisting.
We are standing pat. tho' U.S. are not. U.S. wd. drop "enterprise" – we won't.

Shall send message to Dulles tonight.

[Exit G.U.

8. Sudan.

A.E. Reported discussion & drew attention to telegrams despatched.
We shall m'tain our view, despite disagreemt. of Howe and Stevenson.

9. Germany.

A.E. Reported facts. 2 room-full's of documents seized. May be somethg. in it.

Tels. etc. can now be circulated to Cab.
Adenauer wished us luck in private – tho' he is a bit sharp in public.

10. Malaya : Use of Tear Gas.

O.L. New tear gas – B.B.C. : purely lachrymatory.
Will be used to beat them up in jungle. Not persistent.

Authorised.

1. Parliament.

[Enter B.H., G.H., L.B.]

H.C. Business for next week.

Friday : Sunday Observance Bill. Free vote : no Govt. guidance.

M.F. Much feeling on both sides in favour of enquiry – because of sports etc.

Will prepare memo. and send to some Ministers – to see wthr. there is a case for enquiry. This Bill wd. legalise professional sport as well as theatres, & that goes too far.

Sw. Diffy. is tht. on report of an enquiry, Govt. wd. have to act.

B.H. Better to hope tht. this Bill wd. be lost on 2nd Rdg.

H.M. Likely to be lost because it goes too far, as M.F. says.

H.C. Diff. to get an enquiry on its legs – members wd. expect tht. no Govt. wd. touch it.

A.E. Easiest solution wd. be for it to be lost.

H.C. Debate (Tuesday) on Credit for Argentine – Spokesman : Ec. Secy., Ty.; unless the debate goes wider. We can't control character of debate.

A.E. Wd. it be preferable to let it be known we are ready to have wider debate in followg. week on Argentine agreement. Ec. Secy. & M/F. to speak.

R.A.B. Or offer to have it wide on Tuesday. It will run until 10 pm.

B.H. Prob. can arrange that.

2. Royal Title.

M.F. Asked Opposⁿ to agree – non-controversial, little time & start in H/L. They have accepted first & second, but don't want it to start in H/L. It is true tht. in 1927 both Bills started in H/L.

H.C. Arguable both ways. Tiresome that Opposⁿ shd. dictate to us on this. Awkward also to leave it lying around after introduction.

B.H. Cd. meet them on starting in H/C. in return for agreement to pass in a day.

A.E. I promised W.Paper “shortly”.

[Enter Watk., D.S.]

3. Nationalised Industries : Pensions for Board Members.

R.A.B. Memo. can’t cover all cases. Exceptions can be discussed with R.A.B. & L.

Reasonable general policy.

L.R. Civil Avⁿ and applies only to 2 Chairman. Cd. bring them in administratively pro. tem. and tuck a statutory provision into some Civil Aviation Bill w’in next 2 yrs.

Watk. Suppl. pensions scheme for manual workers expected in Jan. Publicity for this might prejudice that.

L. No special or general publicity will be given to it.

D.S. Best that can be devised. But don’t like 10 year qualification – wh. will mean tht. people who aren’t up to the job will be kept on in order to earn his pension.

L. Cdn’t justify lower limit.

[Exit L.B.]

4. Miners’ Wages.

L. N.U.M. seeking to exclude younger men, as not deserving increase – in order to cover wider range of older men. Want to extend to all day-workers.

Wd. mean another £2¼-£2½ m. This wd. look weak & wd. provoke another round. Eg. rlwaymen working alongside.

N.U.M. more disposed to encourage Sat. work & more helpful than before.

But that element in N.U.M. don’t control Wales and Scotland.

N.C.B. showing some signs of weakening : Houldsworth wd. like to give way.

G.H. Because he argues tht. he wd. by this means get right wing of miners with him.

Sim. Houldsworth will stand firm if Govt. encourage him to do so.

G.H. Wants to be sure miners won’t get more by coming to Govt. behind his back.

Repercussions on prices – mentioned.

D.S. I'm already being pressed to increase steel prices. Resisting it temporarily because of assocⁿ with selling the industry back.

[Exit Watk., G.H.]

5. Japan and G.A.T.T.

P.T. Applⁿ comes to Cttee. on 2/2.

Two groups of problem – i) get Japan into internat^l organisations.

ii) find means of accommodatg. J. competⁿ

wh. will be more intense because of her

loss of old markets in Asia.

Admⁿ of J. wd. give her m.f.n. treatment : & any who resolved to raise tariffs v. J. wd. have to raise them v. all. Genl. increase in tariff barriers wd. be contrary to general policy for expanding world trade.

Paras.6 of paper & 17 of memo. sets out our solution – best we can devise. Recommend we try for that. Austr. and textile producng. countries (eg. France) might support us.

A.E. V. unhappy about this. We are really seeking to discriminate v. Japan – at a time when U.S. are trying to build her up as sole anti. Commun. bulwark in F/E. Most other countries will dislike our approach. J. of course will – & we are about to negotiate paymts. agreemt. with J.

This, however, seems best way to start. Rumour tht. U.S. might prefer waiving of no new pref. rule v. Japan only.

x/ Unlikely to succeed : certain to arouse opposⁿ.

R.A.B. Discuss with Canada & U.S. first. If their objⁿ is violent, seek an alternative method – eg. on no new pref. lines.

Agree with A.E. on x/.

Safer to explore this with Canada & U.S. first.

P.T. Start with all members of Cttee. likely to be friendly. French are likely to support us. U.S. will be among these.

Sw. Inform all Doms. even tho' not all are on Cttee.

R.A.B. Still prefer to speak to U.S. first of all, because of talks followg. C.E.C.

R.A.B. Unwise to exclude J. imports to Colonies on b/p. grounds. That isn't consistent with our line in payments negotiations. Am writing to B/T. on this.

R.A.B. and P.T. to consult together.

Saunders:

- A.E. Offer to release in exchange for Chin. woman captured in Malaya. & under death sentence.
She has appealed to Pr. Council.
Can she be released pending appeal.
- O.L. No adv. in executg. even Ch. women.
Avoid this by trading her away.
- Sim. No reason for not takg. her outside jurisdⁿ. of appeal Ct. by prerog. of mercy.
- M.F. Solrs. wd. w'draw appeal.
- O.L. I shall have to press Sultan of Perak to exercise gnt. of mercy. Also to square Templer.

1. Germany. [Enter de L., Heath., J.P.L.T.]

A.E. Some informⁿ. obt^d. – doubtful if enough for prosecⁿ.
Tel.62 (F.O.) re firm of English solrs. askg. grounds of arrest, liberty to interview.

2. Parliament.

H.C. Bentley decision – no reprieve – is not discussible in H/C. Spkr. is alive to this.
Not too many statements after Ques. H.M. Mistaken practice.
Business for next week. Rot. Housing and C.E.C. on Consol. Fund Bill. Thereafter Transport Bill – Cttee.

Sw. Simon's Bill. Sal. has seen indep. Peers, and later persuaded S. not to press for Divⁿ. on 2nd Rdg. but wd. adjourn the debate.

3. Beaverbrook Press.

A.E. Read draft answer to P.Q. Approved.

4. Egypt : Supply of Jet Fighters.

A.E. P'mme of delivery sanctioned by Cab in (?) Nov.
Pilots here from Egypt to take delivery of first 4.
P.M. wants delay. We can produce technical hitch wh. will cause one weeks' delay.

de L. May not look v. convincing.

A.E. Many P.Q.'s for answer tomorrow. I can't hedge on those. Must say we are going to supply. May be asked if any have gone : or, if I admit they haven't, improves case for adjournment.

Ch/Al. Nguib's behaviour has worsened since Nov. Delay might sober him.

A.E. I must take a line in H/C. tomorrow. Don't want to make a rapid change of policy, on eve of talks re Sudan. Can say no more will be sent for the moment.

General view : Hedge in H/C. Wed. & see how talks go.

* Techn. hitch shd. be arranged & notified before H/C. discⁿ. on Wed.

[Exit de L.

5. Coronation : Naval Review.

J.T. There won't be room for all H/C. – only about 60 couples for both Houses outside Ministers etc., 1.200 “foreigners”.

H.C. You must provide more for Parlt.

J.T. Another ship – at cost of £14/15.000. To accommodate 250.
R.A.B. to consider with Adm^y. 60 is too little.

[Exit J.T.]

6. Sunday Observance Bill.

M.F. I am against an enquiry. Play for a direct negative vote.

J.S. Opposed to enquiry. On a report, Govt. would be involved in legislation.

Heath. Minority only favour enquiry. Good chance of getting negative vote.

A.E. Deprecate enquiry w'out positively turning it down – in debate Friday.

M.F. May Under Secretary take debate - Agreed.

[Exit Heath.]

7. Transatlantic Telephone Cable.

[Enter P.M.G.]

P.M.G. Radio service unreliable – 80% only because of atmospherics & no privacy. Will be saturated by 1960. U.S. are keen, and if we don't go in with them they will go ahead with a route wh. will lose us traffic.

Cost £10 m. (50/50 shares, unless Canada participates). Over 20 years total cost mght total £25 m. : income during that period might be £40m assumg. continuance of present rate of traffic. U.S. are more optimistic.

Anyhow, cost will be at least covered.

Initial dollar advantage. Our co. will prob. get contract for cable, or most of it; and majority of laying.

We wd. adopt U.S. system fr. U.K. to N'foundland and Br. fr. N. to M'land.

Will cost a little more & involve some loss of efficiency : but U.S. scheme is more fully tested. Adoptⁿ of ours wd. involve delay.

Want to insist tht. 2nd cable shd. come to U.K. Believe U.S. wd. agree.

If Cab. approve this, we shall approach Canada. Welcome it if she comes in (on Empire grounds) but don't press her (we shd. lose some dollars).

R.A.B. Go ahead as proposed.
Wdn't want Canada in.
*Hope G.P.O. can include it w'in their investmt. p'mme.

P.M.G. Will discuss * with Ty.

Sw. R.A.B. wdn't press Can. out if she wanted to come in?

R.A.B. No : but don't encourage them.

[Exit P.M.G.]

8. East/West Trade.

R.A.B. Fin. controls won't work – failure wd. have bad effect on sterling.
Wd. prefer to discuss with B/T. wthr. physical controls can be applied.
Dutch are the problem.

O.L. Tran ship^{mt.} control wd. put me in gt. diff^{ies.} in H. Kong & Singapore.
I must have good advance warning.

Ch. Cd. get Dutch in if we promised fin. control : we cd. then allow them to be ineffective.

R.A.B. Other reasons too – bad for confidence if we appear now to extend the control.

O.L. Physical transhipmt. control is cumbersome because of mixed cargoes.

L. I agree.

P.T. Support R.A.B. on fin. controls. Cdn't make it water tight enough to get Dutch agreemt. Ready to look at physical, tho' wd. involve legⁿ.

A.S. We are seekg. return to priv. trading in metals etc. This wd. be delayed by controls. I wd. prefer physical to financial control, even tho' legⁿ needed.
Support R.A.B.

A.E. I had hoped for both.

P.T. Dutch only ask us to impose transaction control : wdn't insist on its applying to Colonies.

Agreed : Ty. & B/T. to consider further the possibility
of transaction control.
Recognise tht. legⁿ wd. be controversial.

Ch. Can't U.S. bring pressure on Dutch? It's action by Dutch that is wanted & they are makg. it condⁿ. tht. we impose control.

[Exit A.S.

[Enter A.H. & C.I.G.S.

9. Egypt : Rodeo.

AL. Short of troops for Rodeo because Brigade w'drawn and Battⁿ gone to Kenya.

Need to bring them up to strength they had.

Now at 96 hrs' notice. Takes 48 hrs. to fly a battⁿ fr. U.K. That battⁿ shd. therefore be at 48 hrs' notice here. Can't be done w'out being known.

A.E. Will suggest sitⁿ is deteriorating.

J.S. Can be said to be due to Kenya.

A.L. Wd. it be bad thing qua negot^{ns} with Neguib?

A.E. Was thinking of alarm in U.K.

C.I.G.S. We cd. do with 96 hrs. – for they are wanted only in support.

A.H. 96 hrs. wd. only mean suspending overseas leave.

Agreed : do this, with no advance statement. If asked, say
we keep 1 battⁿ alerted in case of emergency
overseas. * P.M. to be informed on return. *

A.E. M'while, risk of trouble in Iraq has receded.

[Exit A.H. & C.I.G.S.

10. Central African Federation.

Sw. Preface will be signed. This follows precedent.
First public announcement of determination to proceed.

O.L. There will be P.Q.'s and a row. We shd. face it now.

A.E. Reference is "full membership of Comm" – first mention?
What of other Doms' views?

O.L. Ambiguous on that point.

Sw. Must point the goal.

- A.E. Shd. other Doms. be told in advance?
- Sw. Ambiguity of words lets us out on that.
- A.E. Para 2. "No one of these Territories" wd. be preferable because of Europe.
- x/ Sw. Will try to get that changed.
Subject to x/ text approved.
- R.A.B. Are we to finance Nyasaland in interim? What will that cost?
- O.L. No grant. Finance prs. but not aid.

12. Brazil : Exports.

- R.A.B. E.P.C. – degree of agreemt. on proposal for U.K./U.S. agreement & action by Bank and Fund. Brazil owes £50 m. to U.K. Sugg^d tht. drawing on Fund for that might upset Doms. But it is not really a sterling advance by U.K. – and we may get dollar advantage. If presented thus, it shdn't be embarrassing to Austr. Money will be drawn from Fund and Brazil will become liable to Fund.
Involvement of Fund will be best means of exercising control over Brazil.
- O.L. How much involved is drawings? Only £12 m. out of £50 m. What of remainder?
If they let us down, we mght do better to take some imports fr. Brazil.
- Ch. Eg. 5/6 wks' supply of cotton at U.S. prices.
- O.L. Plan still leaves £38 m. outstanding. Shd. we not reduce that by a purchase – even if goods we don't much want.
- R.A.B. 1935 settlement funded part of debt. We may have to fund part of £38 m.
Cotton : gives physical result : but Brazilian law governing sales.
Cotton Bd. won't buy it. Think we shd. at least wait to see wthr. their price falls.
- Ch. Don't suggest buying above U.S. price.
- R.A.B. Sugg^{ns}. tht. Brazil realise they must be more realistic re price of cotton.
- P.T. If we buy cotton we don't need, pressure to buy fr. Pakistan & Sudan will be v. gt.

R.A.B. Believe my plan is only safe course pro. tem.

P.T. We were under a v. gt. pressure to extend credit to Brazil – tho' it now appears we went on too long.

1. Formosa.

[Enter J.P.L.T.]

A.E. Circulated draft of statement.
Must say something. For Dulles may argue tht. P.M. was consulted in N. York.

“Concern” is not too strong a word.
Design to quieten public opinion here, while avoiding offence to U.S.
Effect of attack on mainland by Chiang – on Sino-Soviet Treaty.

Statement approved, with minor amendments.

2. Electoral Reform.

P.M. Memo. supplied by R.A.B. – to me & L.P.S. – amountg. to polite negative, promising to weigh arguments w’out commit^{mt}.
I had thght P.R. in larger cities might be useful. But am disheartened by extent to wh. P.R. in any form has brght Parl^y. Govt. into disrepute – lack of stable Govt. eg. in France. This is not favourable moment for experiment.

H.C. Agree : Tories wdn’t look at it.

P.M. Alternative vote & 2nd ballot. I’m not so much opposed to 2nd of these.
But involves 2nd election after delay.
Altern^{ve}. vote is “child of folly & the father of fraud”.

R.A.B. Single transferable vote in big cities may have to be considered one day.
For big transference of popⁿ. fr. cities into country will alter balance of voting in dormitory areas. But no action now.

[Enter C.N.S.]

3. Falkland Islands.

P.M. Risk of acting on narrow margin.

C.N.S. Cruiser (Superb) will be there by 14/2. (Falkland 1st) 17/2 Deception.

O.L. Will consider wthr. that delay can be accepted. But can’t hang on for long.

Al. You will have to wait for her marines – w’out wh. you can’t run effective landing-party.

P.M. Speed up the cruiser & wait for her. Let her be there in 14 days.

C.N.S. Stay as planned in Salvador & steam faster thereafter.

Sim. Wd. have bn. easier in '47. Since then Argentines have establ^d base in Deception Island. Are you going to move them too?

W.Sc. Better be right than consistent. This is an affront & shd. be dealt with as such. We cd. ignore the other better if we bounced this one. Don't take them to Falkland Islands.

Sim. We claim whole of Deceptⁿ Island?

O.L. Yes : & shd. prob^{ly} win in Int. Court.

A.E. Wd. prefer to treat Chileans & Argentines similarly. And don't want to take them to Montevideo : prefer to dump them in another of their bases.

P.M. Don't like last proposⁿ

Agreed : (Superb to arrive in 14 days.
(Plan app^d in principle. Sim. O.L. A.E. rep^{ves}.
& M/D. to consider refinements : esp.
destination.

[Exit J.P.L.T. C.N.S.]

4. Commonwealth Economic Conference.

A.E. Arrangements for visit must await a word with Dulles.

P.M. They will need time to digest this memo.

R.A.B. Yes : 10/14 days before we arrive.
Dulles was warned tht. French & Italians wd. protest to him.

A.E. We must go, because of Comm. partners and daff^y of contain. Europe, and must go before Budget season sets in.

O.L. Memo. : P.5. Moves a long way fr. earlier concept of floating rate.
Also Para. 28. wraps it up pretty much.

R.A.B. Good chance of U.S. co-op^{en} (cf. Ike's statement y'day).
E.P.U. will be diff : shall have to extend it temporarily.
Ike favourable to "Trade not Aid".

- Ch. Thought p.5. & Para. 28 was intentional because of Indian objⁿ.
- O.L. The principle was accepted at C.E.C. We shd. be more bold on it in memo.
- R.A.B. No intention to fluff this : will look at these passages again.
Memo. approved, subject to review of p.5 (flexible rate).
- P.T. Add to Para. 8. More than “modification”. Agreed : “some changes in”.
 Alternative to E.P.U. : we needn’t say we have firm belief : we haven’t a plan yet. “Aim” vice “firm belief”. Agreed.
 O.L. will send in some drafting amendments.

5. House of Lords Reform.

- P.M. Lord Shepherd has since seen Sw. Sugg^d. we see C.R.A. & H.M. before invit^{es}. sent. I’m opposed to that : for they will decline, and stymie our gesture. They wd. press at least for p’ponement until late in Parlt. & stultify our declared policy.
- A.E. Will be diff. to man the Cttee. if it comes off. Was bad enough on last occasion, in Opposⁿ.
- Sw. No hurry to start mtgs, – only to issue invit^{ns}.

[Enter H.G., T.D., A.S., McL.]

6. Supply Expenditure.

- P.M. Shd. we not do more in cuts? Industry needs relief.
- R.A.B. Cdn’t do it, save on Health, Education, Housing or Defence.
 External posⁿ improved. Reserves £2.000M. (or \$). But that, and our deflationary policy, has affected our internal revenue posⁿ. Customs & intl. revenue returns have fallen. Shan’t get surplus we had planned.
 But deflation relieves us of need to budget for surplus.
 Can’t slash much more expend^{re} in a hurry. Must, however, plan policy for next year. Thus – enquiry on defence, on health service, and my own scrutiny of education : we shall be better able to make a dent in this for ’54.
- P.M. Want to see tax relief for profits ploughed back into industry.
- P.T. Industry can’t sustain present level of publ. exp^{re}. If we attempt to go on, we shall fail in our other objects (eg. convertibility, exports, liberalisation) because they depend on industry’s competitive capacity.

Agree we can't do much before April. But ask for Cttee. of Ministers to study long-term means of securing real redⁿ in expenditure.

- P.M. Cttee. (R.A.B., L.P.S., Sw., Cherwell, P.T., M/F. and J. Stuart
x/. (to examine these short-term proposals, and to examine
(long-term issues as far as can be done at present.
- T.D. Para. 9. assumes under-recoupment at review. That wd. undermine
production. In certain commodities, yes – but not overall.
- A.S. Cut in strategic materials p'mme gives me gt. anxiety.
Wanted £33M. Economy in this is less valuable than any – not
inflationary : doesn't weaken our reserves.
- Ch. Support P.T. on long term. 37% 21% pre war 8% before 1914
propⁿ of national income wh. is spent by the State.
- R.A.BN. A substantial cut in public exp^{re} will result in unemployment.
- P.M. Shall we publish worst picture in Estimates?
- R.A.B. Favour publishing all save sugar & meat.
- H.G. Ceiling £250. If estimates are publ^d to bring it down, you will because of
cereals imply tht. ceiling is coming below £200.
I wd. sooner have it all p'poned to Budget.
- T.D. So would I. Otherwise we appear to pre-judge issue before annual review.
- Sw. Prefer to keep all food items until full picture can be presented in Budget.
- McL. Prescript^{ns}. cdn't wait until then. Planned to come in on 1/3.
- R.A.B. Won't be compensatg. reliefs this time.

[Exit T.D., H.G., A.S.]

7. National Health Service.

- McL. Want this – tho' not optimistic re results.
Wd. like Health Ministers, not Ty, to announce.
- J.S. They may recommend more exp^{re}, not less. But still, favour risking it.
- P.T. Cd. they recommend a charge?
- McL. Yes – or block grant, wh. teaching hospitals favour.

McL. Prescripⁿ charge : interim method is hold posⁿ m'while.

J.S. Must stop abuse : but sometimes 2 prescript^{ns} are needed for one disease – can't that be a single charge?

Approved : Let Cabinet see list of names and revised t. of r.

[R.A.B. Hetherington envisaged as Chairman.

[T. of r. Omit words "having regard [- to the other claims on the national economy".

[Exit McL.

8. Sudan.

A.E. Produced draft tel. to Cairo. We are most vulnerable on Sudanisation : & I therefore offer tht. internat^l commⁿ shd. decide wthr. B. offls. remain for more than 3 years. / This shd. bring negot^{ns} to a head. Likely there will be a break.

1. Parliament. [Enter B.H., D.E.]

H.C. Business for next week.

2. Historic Houses.

H.C. Motion only urges early legⁿ to give effect to objects of Gowers Rpt.
“If time permits”. It won’t before the summer.
M’while, L.P. has raised the major issue again.
Legⁿ. Cttee. has agreed a line for Govt. spokesman (Molson) on Motions.
He cd. repeat P.M.’s assurance on Debate on Address : can’t indicate what
Bill wd. do : mght promise a White Paper.

A.B. Don’t want to raise major issue on L.P.’s absence.
Aug. – announced we shd. make some money available.
Cab. agreed on a Bill. 21/10. P.M. foreshadowed it in Parlt.
Why shdn’t we promise the legⁿ on Friday.
Tax reliefs cd. be done in Budget – tho’ I wdn’t favour it.

P.M. Impressed by L.P.’s memo.
There is a view – opposed to Socialist idea of grants – which is more
congenial to Tory Party.
Can’t settle this in L.P.’s absence. Can’t announce in Friday’s debate
somethg. which wd. prejudge full considⁿ of his alternative.
Surely we can temporise on Friday.

D.E. Even with tax remission, there wd. have to be grants as well. Some of the
families haven’t a big enough gross income to run on basis of tax reliefs.

B.H. Promise W.Paper this session – legⁿ next session if not earlier?

[P.M. Let D.E. and then J.S. speak to L.P. Suggest he can speak
to P.M.]

Agreed : M/W. to speak himself on Friday & temporise.

3. Arms for Wales.

M.F. Pressure for some time : inclusion in R. Arms rejected in 1910 by Cttee. of
Pr. Council. New Cttee. have now rejected separate arms for Wales. But
recommend tht. existing Badge (since 1800) shd. have Crown and motto
added & approved.
Want it issued by St. David’s Day.

P.M. Bring it up next week.

4. Housing Policy.

H.M. If anything is to be done this year, Cab. Auth^y is needed to prepare Bill.
The important points of policy can be reserved, while structure of Bill is prepared.
Want it introduced in May : taken in Cttee. upstairs, & sent to H/L. in Aug.
Let us also have a Cttee. of Ministers (as for Steel & Transport Bill) which can bring to Cab. the issues of policy wh. emerge.
Cdn't deal with rent save v. background of rising results in new house bldg.

P.M. Proceed with drafting of both Bills.
Appoint Cttee. to supervise and report to Cabinet.) Agreed.
L.P.S., H.M., J.S., M/W., M/H., Econ. Secy. Ty.)

R.A.B. Want Rent Bill early. Will strengthen Budget position.
Urge speed in prepⁿ and decision.

H.M. Favour W.Paper covering whole policy and Rent Bill in May.

R.A.B. Better still in April, if possible.
Exchequer liability on rescue work. Must be related to cost on new housing – Cttee. shd. be careful over this point.

Ch. i) Plan as it stands is v. hard on landlord : some aspects need review.
ii) £180M. p.a. now on repairs. Serious if that were doubled. Wd. draw off too much fr. new bldg.
Hope Cttee. will consider i) and ii).

B.H. We are 15 days behind on Legis^{ve}. P'mme.
Avoid any public indicⁿ of legⁿ on this.

[Exit D.E. B.H.]

5. Coronation Oath.

M.F. As in memo.
The 1910 Act was necessary – to authorise a less militantly Protestant attitude in the Accession Declaration.

P.M. Very well.

6. Royal Title.
- P.M. Why have a Latin Title? What's wrong with English.
Record my preference for English. – even on Great Seal.
Lord Chancellor's alternative for Latin version.
[Enter H.G. R.]
7. Argentine Credit.
- R. We don't contest any more. Accept it for F.O. vote.
[Exit H.G.]
8. Peking Economic Conference.
- P.T. Object is Comm. propaganda. Advise as in last para.
- R. x/ Tell them (4(1)) tht. by attending they will lend themselves to Comm. propaganda.
Para. 3. There is more serious objⁿ. Reversal of policy followed on Moscow Conf^{ce}. mght confuse opinion here & raise doubts in NATO about our cold-war sincerity. T.U.C., who backed us before, may be embarrassed. But trade with China is diff^{nt}.
- P.T. Doubtful about x/. You shd. then advise him not to go. Enough to warn him about risks.
- Ch. Cd. say Moscow led to v. little trade in fact.
- R.A.B. We can police trade better if it's handled by reputable firms.
- P.T. Agree : tendency now to get it into doubtful channels.
- P.M. Opposⁿ will construe it as move in favour of Comm. China.
- Al. U.S. won't like it. Strassen spoke of it y'day.
- P.T. No relaxⁿ. of resl^{ns}. on strategic goods.
- P.M. Over 1½ m. U.S. troops have bn. under fire in Korea (because of quick rotation) – involves families totalling 7½ m. American people. They are sensitive about our tenderness to China, incldg. our recognition.
Review, fr. angle of effect on U.S. opinion, our genl. attitude to China and F/E. policy. Review this in light of U.S. re-action to our statement on Formosa.
- P.T. We ban more exports to China than any other Eur. country.
I will discuss this further with A.E. in light of latest state of U.S. opinion

& bring it up again to Cab. on Tuesday.

[Enter D.S. Watk., G.H.]

9. Coal Prices.

- L. N.U.M. rejected offer by N.C.B. They will not appeal to Govt. They will ask for the 6/= award to extend to a larger no. of workers, involving increase of additional £2¼M. in cost. They recognise tht. Sat. work must go on for another year : and that stoppage etc., must cease if NCB is to pay its way. This recommⁿ. will be made to large mtg. on 12/2.
N.U.M. have sugg^d. joint visits to coal-fields, with N.C.B., to get better spirit & more work. Better spirit fr. N.U.M.
With all this, I think N.C.B. cd. give the 6/= to the additional men.
This increases my case for 10% increase in prices (because award will cost £2¼ m. more). Deficit for '53 was previously thought to be £36M. will now be more. But 10% increase is all I ask for.
- Wat. This wage award will be regarded as hang-over fr. '52. Don't oppose it. But past promises of miners for increased output have not bn. met.
5% increase in productivity wd. wipe out deficit by end/53. Cdn't we hold it over miners' heads as incentive to work harder?
Wage increases in '52 cost £232 m. Don't want to add more of that to export prices.
- R.A.B. Don't relish idea of carrying deficit by taxⁿ. Policy is to make people pay econ. prices.
Don't like carrying deficit on nat^d. industry.
But we must explain it – not wholly on wages.
Effect on c/living : only ¼ of 1% at first followed by similar secondary effect. Less than M/L. estimate.
Must show public we aren't putting nat^d. ind^{ies}. on backs of taxpayer.
- P.M. M/L. memo. appeals to me. Serious repercussions. Delay might help us to extract a spurt fr. miners. Hold it over their heads for a year.
The other users will take opportunity to increase prices above level of coal cost.
- P.T. Support that view. There wd. be 12/= more on steel. Transport etc.,
Runs thro' whole economy, at a time when we are trying to make our costs competitive.
- L. Better chance of getting miners to work if we don't carry this on taxation but let public opinion re-act from increased prices.
- Watk. We didn't mean to take it on Exchequer.

- R.A.B. The cost while you delay will come on Exchequer (unless eventual price increase is larger).
- P.M. Don't fancy the pressure by making the people hate the miners.
They are impervious to abuse, but not to flattery.
Will miners' leaders advise us to pass this on to consumers?
This is a critical year – dangerous to risk round of price/wage increases.
- H.M. If miners work better & coal prices are reduced at end/year, you won't then get the other prices down.
- Ch. You won't be able to justify price increase on basis of this wage award.
- L. There is already £21M. accumulated wages payments, apart from this £6 m., which we haven't recovered from public.
- Wat. Cd. M/L. consult miners' leaders, in consultⁿ with L.?
- R.A.B. NCB provide for £3 m. for increase prodⁿ – in estimate for next year.
How can you expect them to make up another £30M. or so?
- P.M. May be better to pay out of Exchequer than cause econ. repercussions.
- R.A.B. Economists think increase in price of coal mght help the economy & get more into exports.
- D.S. 12/= a ton on steel wd. mean £9M. to steel consumers.
- O.L. Inflationary risk of delaying price increase. Caution.
- Wat. Put the alternatives to NUM (& NCB) when the wages award has been settled.
- R.A.B. No hope of getting £30M. or so addl. profits out of N.C.B. in '53.
A dishonest negotiation.
- P.M. No decision until next week.

10. Steel Prices.

- D.S. Small increases on certain types of steel.
- R.A.B. Only sugg^d at E.P.C. tht. he shd. come to Cab. because of 12/= rise on a/c of coal. He cd. do this smaller.

1. Coronation Oath. [Enter H.G., McL.

P.M. Times & Manchr. Guardian articles. Ques. shd. be re-considered.
Cd. we not add a clause to Titles Bill.

Sim. Oath prescribed in 1688 has bn. modified several times to accord with constitutional change – both Church and Commonwealth – and always without legⁿ.

Agreed : Sim. to consider and report.

2. Coal Prices: Public Expenditure.

P.M. Ty. gets £9 M. out of this increase in price. Is this right? (Income tax).

W.M. Food Prices. Concerned about wages increases in '53. We have held c/l. index for 3 mos. & likely to do so for another month. Employers say however tht. they won't be able to hold wages (either in negotⁿ or at arbitⁿ) if food prices rise. Accept need to remove food subsidies in this Parlt. Proposed here that margarine shd. rise and milk (wh. otherwise drop ½^d) stand as now. It's household costs wh. impel earners to seek rises.

Coal Prices. To increase exports we must keep wages fr. rising. My plan in C.49 is compromise betw. 2 views at last Cabinet. Want to avoid practice of automatic reflectⁿ in prices of all wage increases. Two objns. raised to my plan. i) 5% increase in productivity won't wipe out deficit : too optimistic. [I don't want to intervene in wage dispute : only afterwards. Times article on absenteeism in Yorks. 4.1 shifts last year cpd. with national average : if they came up to average, wd. get 2 m. tons of coal.]

L. Productivity increase needed wd. be nearer 20%. And many mines are now at maximum output – can't handle more if men worked it. Also many are producing at uneconomic cost - £1 to 30/= over selling price. N.U.M. are prep^d to co-operate in getting larger output. Much done already on line sugg^d in M/L. memo. That effort is under way. But what will it produce? Losing £3 m. a month now, on deficit.

G.H. Tax. N.C.B. write off equipmt. at faster rate than Revenue allow. Many industries do the same. Can't therefore get as business allowance the full rate of depreciation.

- R.A.B. They are in same position as private industry – and should be.
- O.L. All cos. have to set aside for replacement of plant more sums than they are allowed in tax relief.
- R.A.B. Trying to steer course betwn. policy of financiers, who want drastic cuts to reduce taxation, and need to avoid provoking wage increases.
Shall be said by our Party tht. we haven't done enough. All we have done is to prevent expend^{re} from rising. With help of M/F. I can hope to keep a level in '53. Won't satisfy our supporters.
While we continue with Defence, Housing & Soc. Services we can't achieve reduction in exp^{re}. Rent Bill will therefore be valuable for confidence. Similarly dangerous to subsidise nat^d industries.
Having failed to cut exp^{re} back as much as we ought, we mustn't funk this. Won't have bad effect on nat^l economy. Coal prices are not high. Exports prices are now 25/= p. ton higher in price than domestic.
- L. Trade won't bear a higher export price. Sellers' market is fading.
- R.A.B. Steel : export price is £13. 10.0 p.ton higher than domestic .
Must avoid impression tht. we are putting wages cost on State.
Moreover, don't believe Govt. intervention with miners will succeed – more likely to involve us in pol. diff^{ties}.
We cdn't hope for 20% increase in productivity. Dishonest to talk on that basis.
- W.M. Even if you can't cover the whole of it, why not ask industry (both sides) what part they cd cover. Don't be automatic.
- P.T. Agree no subsidy on coal. M/L. doesn't suggest it.
Don't believe dearer coal (domestic) will make increased exports easier.
Exp^{re} £146 M. above last year. Not holding it steady, over-all.
Our critics will say : we are takg. £150 M. extra for defence & not makg. room for it – just adding it to everything else.

Can't relieve industrial taxⁿ when supply exp^{re} is rising.
Only 2 chances for cuts i) Housing subsidy. £61M. p.a. on subsidising rents for people with cars, television & in some cases surtax. Doesn't affect housing target. ii) Food subsidies. £63M. left excldg. welfare. £38M. on milk. Is that justified? – for adults.
And another £25M. of oddments. We shall be attacked for cereals & eggs : no more criticism if we did more.
If you are to incur unpopularity, do it now rather than later.
I want more than R.A.B. proposes.

- P.M. We are in defence emergency. That, added to other p'mmes. Wd. have justified paying for it out of Budget surpluses by slowing down repayment of National Debt. Finance by loan or by retarding loan-repayments. Rising costs & wages may bring us a more serious situation.
- Ch. Eng. prodⁿ. worth £450 p.ton of steel. Rise in cost of coal & steel doesn't have much effect – less than 1^d. in £.
- P.M. Read memo. by Cherwell. Shows that whole of deficit cd. not be wiped out by increased productivity.
- W.M. Gain in understanding by workers generally, if 1/3rd of deficit cd. be met by extra work. And wdn't forfeit good-will of miners.
- O.L. Price of coal must be raised, to some extent. But ready for M/L. to try along lines recommended. Rise in productivity, if it comes at all, will come v. slowly. Can't live on deficit budgeting. We cd. discuss what the price increase should be.
- W.M. Ready to compromise as long as we avoid automatic reflection of wage increases in prices.
- L. Miners' leaders realise now tht. increased productivity is essential to any new increase in wages. Ground for some optimism.
- H.C. Risk of Govt. intervening. My experience is that it never pays. If we subsidise, and can't recover it w'in a year, we shd. end by continuing subsidy to mining. It is a v. slippery slope. Bedevilled mining between the wars. Support R.A.B.
- Sim. What is most tht. M/L. hopes for?
- W.M. Not more than 1/3rd.
- H.G. Automatic reflection in prices may have bad effect on miners.
- McL. Rise in prices is inevitable. Link it with wages in public mind. Wd. like to believe in coming increase in productivity : but don't fancy our chance of getting it.
- P.M. Genl. body of support for R.A.B.'s approach. Confirm it finally at next mtg. M'while, P.T., W.M., and others shd. discuss with R.A.B. wthr. we shd. delay a month before we fix actual amount of increase. Make clear at once need for increase.
- R.A.B. Ready to meet at 3.30 pm. today.

[Exit G.H.

Public Expenditure.

- McL. Doctors wdn't work the suggⁿ. made by J.S. – they wdn't indicate which was prescribed for which complaint.
- R.A.B. x/ Paragraph 9. (a). Not in Estimates, but in Budget. Won't make big different in c/l index. Cab. can look at it again before Budget so long as they approve it in principle now.
- W.M. Wd. like to discuss with R.A.B. – it's .3 of 1% on index.
- H.G. With eggs & flour might reach 1 point.
- b) P'pone : consider later.
c) Means ½^d. on meat. But cd. all go on dearer cuts : the cheaper cuts mght cost less. Agreed.
d) Agreed : shd. be examined.
- H.G. Stress need for care.
£364M. contⁿ. thro' subsidy. Another big slice this year wd. give us trouble.
Milk consumptⁿ has dropped 2% overall and 6% in larger families.
- R.A.B. Have a plan for milk – for next year, not this. M/Ag. can't take it yet.
- P.T. Can we then look at the other £25 M.? {Also needs Marketing scheme.
- P.M. e) Do this now. For you can say it's to reduce abuse.
- McL. I proposed this : only quick means of checking uncontrolled expendit^{re}.

Awkward time because of floods.
- J.S. We failed a year ago, apparently. Awkward to have to admit it.
Esp. when we are about to launch a general enquiry.
- P.M. Must have a row on something.
- H.C. It was a row with our side last year. Deprecate doing it now. Cdn't do it in March. Aprl. or May (floods, then elections). Leave it to the enquiry.
- J.S. Agree : wait for Cohen Cttee. Do all you can by admin^{ve}. action.
- W.M. Won't satisfy as many of our people as we upset.

M.F. Para. 5 is discouraging. Not worth another row for £6 m.

H.C. Cd. do it later. Legⁿ is not required.

O.L. I agree.

Agreed : Wait. That carries (f).

(g). Approved.

[Exit H.G. & McL
[Enter 3 Serv Ministers.

3. National Service.

P.M. No escape from this now.

Wd. have healthy effect in U.S. & N.A.T.O.

R.A.B. Reserve my position on bounties for men re-called. Will communicate on that with M/Def.

A.H. Puts us worse off (reserve liability) for cold war needs. Wd. like to find means of calling them w'out ref^{ce} to imminent emergency.

Ch. Can in presentⁿ – can be put as alleviation : avoid appearance of add^l imposition.

[Exit Serv. Ministers.
[Enter S.H. & Foster.

4. East West Trade.

R.A.B. Will consult O.L. on transshipment controls.
Subject to this, memo approved.

5. Japan and G.A.T.T.

P.T. We obt^d no support for our plan.
Secretariat has now put up proposal – on much same lines but involvg. getting permⁿ of Contr. Parties before we discriminate.
Suggest we try to get this amended, to knock out permⁿ If this fails let plan be reported back to Govts.
If that fails, merely a report saying what was discussed etc.,

S.H. And try to force U.S. to show hand before we adjourn.

R.A.B. Link with Art. 19 vice 23.

6. Pekin Economic Conference.

P.M. Agree – don't think it worth antagonising U.S. for small trade involved.

New line app^d.

[Exit Foster.

1. Sudan.

[Enter B.H.]

A.E. Agreement virtually reached on points outstanding.
Our posⁿ. was largely compromised when E. & S. pol. Parties reached their agreemt. Since then all we cd. do was to improve on that agreement. We have improved it.

Do we sign to-morrow or not?

P'ponement. Followg. day is Friday : shd. have to defer to Saturday : awkward to leave Parl^y. statement until next week. P'ponement until next week involves risk that E. will run out. Pressures in Cairo : because this is first time E. has abandoned claim to sovereignty over whole of Nile Valley.

HC is under criticism for that.

Dangerous to lose it : because S. want the agreement.

Dates. E. claim to sovereignty dates fr. 1819. Never abandoned before.

1951 Oct. Wafd. denounced Con-dominium. We decided in Oct. '52 to go on with elections none the less. Nov. '52 E. renounced claim to sovereignty, in agreement with S. S. want it signed on that a/c by both Co-Domini.

If we decide to go on, I cd. explain to 1922 Cttee. before I announce it in afternoon.

We can't improve on this. If we don't sign S. will stand by their agreemt. with E. wh. is less satisfactory. How cd. we stop them going thro' with it.

P.M. Don't trust N. He hasn't power to settle himself. He is thinking of getting us out of Canal. Then he will bribe his way back into Sudan.

A.E. S. is richer than E. They have large surplus. Don't love Egyptians.

P.M. Why hurry? Need time to explain to our followers. Newspapers will be hostile. General retreat of Britain. Even Howe says "blow to our prestige".

B.H. F. Affairs Cttee. Y'day : 50 members : all but 2 were critical of agreement.

Played our hand badly : muscled out by E. : N. not to be trusted : repercussions in M/E. Specific points : Commⁿ contains 4 Muslims to one Br. : no chance for S. to opt for admⁿ to Br. Comm.

V. widespread disquiet. 12 have said cdn't vote for it.

At present we haven't support of Party.

- A.E. Answers to many points. Don't want S. in Comm. But of course any independent country can ask for membership.
- O.L. S. was promised self-govt. and self-determination. That is source of trouble. We wd. have had to repudiate that or try to carry it out.
- A.E. Not only a Labour Govt. promise. Even in 1936 Treaty we confirmed joint nature of tenure in Sudan & avowed our object as for the welfare of Sudan.
This is much easier to defend to our public than the agreement which E. made with the S. Parties.
If we don't take this, we shall have both S. & E. v. us.
Defence. If Sudan is settled, they can ask for def. talks to begin.
But in those talks our position won't be prejudiced by what we have settled over Sudan.
- P.M. Had hoped S. wd. associate with us by Treaty.
- A.E. No reason in this why they shouldn't.
- Al. We cd. say that we have wished for years to work for S. independence.
But don't want you to be overrun : offer mil. guarantee of continuing independence. Such a treaty wd. help us to prevent E. from worming themselves back.
- M.F. P. 3 of notes : para. 2. Can Parlt. determine period as soon as it assembles?
- A.E. May be so de iure But unlikely they wd. do it before end of 3 years.
- A.E. Want elections in spring. Must start arrangements by end/Feb.
We agreed earlier tht. quick elections were in our interests.
- P.M. Will be regarded as a Br. collapse. May put us in gt. political diff^{ies}. Wd. wish A.E. to see 1922 Cttee. To-morrow & see what feeling is.
Opposition wd. exploit our diff^{ies}. M'while delay decision until Monday.
- A.E. I was told tht. Press (other than B'brook) wd. be critical if this chance of agreement were missed.
- P.M. Recognise tht. we are committed to some extent. But concerned about world re-action.
- A.E. This is much better than anything I had hoped to get since E. made their agreement with S. Parties. Text improved – even in last week greater advances have bn. made. U.S. have helped in this.

If we delay, there will be criticism wh. I can't answer because text is not available. And what I say to 1922 will leak to B'brook Press.

2. Egypt.

P.M. Hear M/D. on what we cd. do if, after a break-down over Sudan, E. tried to edge us out of Canal.

Al. Explained dispositions of Br. and E. troops in Egypt, and plans for dealing with trouble if it arose.

1. Sudan (resumed.

J.S. & H.C. Let A.E. see some Tories to-night and quieten them.

Sim. We have promised self.govt. and self determⁿ. Have we any chance of giving it to them on better terms?

A.E. I think we may well get worse terms.

P.M. Wait – E. may do somethg. foolish.

A.E. Risk of finding ourselves in worse posⁿ. If they return to Neguib agreemt., we shall be v. E. & S. & how do we handle that situatⁿ.

Agreed : F. Affairs Cttee. to meet with A.E. at 9.30 pm.
Cabinet to meet thereafter : 10.40 pm.

3. Corporal Punishment.

M.F. Free vote.
My advice : oppose this Bill on b) and c) in memo.

P.M. Dont “oppose”. Say don't think this a good Bill because defects.
Also say this isn't a good time.

M.F. Ministers shd. not vote y. this advice : they can abstain.

Sudan.

[Enter B.H.

B.H. Effect was good. Not all were convinced. Clear tht. Party wd. support it.

A.E. Many are unhappy – for same reasons as we are; e.g. tht. N. may fall.
J. Amery & Cranborne were only 2 who said they were unconvinced.
200 present.
Was right to hold the mtg.
Main concern : impⁿ of scuttle : distrust of N. where are we if he falls.
If N. refused, we shdn't agree to go back to E/S. agreemt., but shd. try to
rally S. opinion.

P.M. You are negotiating with people who have renounced 1936 Treaty.

Agreed : Authorise Ambassador to conclude Agreement.
Announce to H/C. in statement after Ques.
To-morrow.

1. Parliament.

[Enter B.H.

- H.C. Business for next week.
Labour Party wanted ½ day on export of jets. This was refused : but if they ask for debate on Sudan we cd. offer Wednesday.
- A.E. Agree. Keep jets on adjournment.
- H.C. Opposⁿ insist tht. R. Titles Bill shd. start in H/C. Can't take 2nd Rdg. much before Easter.
- B.H. Abbey seating will be OK. for H/C. No need of ballot.

[Exit B.H.

2. Falkland Islands.

[Enter J.T. & G.Grantham

- Sim. Clear title to Deceptⁿ Island. Right therefore to resist aggression or enforce d.o.
- Wiser to act on second basis – illegal entry vice act of war.
Superb cdn't go beyond Falkland Islands – otherwise wd. be breach of Tripartite Declaration. Marines from Superb would go on in Snipe.
Final destination : Montevideo recommended, unless party will go back on their own ship.
- O.L. I wd. wish to leave marines on Deceptⁿ while Snipe is takg. party away.
- J.T. If Argentines then arrive in force, they will take marines prisoner.
Moreover, they aren't equipped, and can't be in time, for Antarctic weather.
- O.L. Surely R.N. cd. see off any force likely to arrive there.
- A.E. V. unlikely that they wd. try.
Put them on Argentine whaler at S. Georgia.
- J.T. It's 1.000 miles off : tanker wd. have to be delayed.
- Al. Unlikely that Argentines will attack our civilians.
- P.M. Call for volunteers – incldg. 2 offrs. and 2 n.c.o.'s.
Put them ashore – & see they don't get left there all winter.
- V.C.N.S. Second frigate will arrive in area in 2 weeks' time.

P.M. Take them off : put them on tanker : 2nd frigate can tell us in 2 wks. what has happened : [and take marines off : if we agree.] M'while diplomatic exchanges will have occurred.

Don't at this stage leave marines behind.

P.M. (Snipe takes them off.
(She leaves 10/12 marines, with offrs. & n.c.o.'s, with
(survey party.
(2nd frigate reports (or Snipe) what has happened.
Move some aircraft down to Falkland Islands.
(There is a landing strip in Deception.)

[Exit A.E.

[Enter J.T. & V.C.N.S.

3. Political Activities of Civil Servants.

R.A.B. As in memo.

J.S. Para.15 of E.E.B. Sc. Dpts. shd. be added.
No canvassing. Not to apply to J.E.O.'s.

Memo. approved.

4. Coal Prices.

[Enter D.S. & G.H.

L. M/L. doesn't think it possible to p'pone for long.

W.M. Agree tht. it's diff. to p'pone any part of increase until we see wthr. prodⁿ. will increase. Wages dispute will be settled soon. The 6/= will be awarded to 400.000. N.C.B. will then see Press & stress need for increased prodⁿ. in view of wage increase. That will be the important annoucement.

The price increase can be announced later.

Employers' view on c/living. Since Tuesd. Ec. Cttee. of T.U.C. have taken same view & intend to press it on R.A.B.

There will be more unemployed, however. May be incentive to harder work. Tho' it won't go above ½ m. But that won't improve indust^l. relations. It will be a diff. year. Next 6 months we may be able to hold posⁿ. of unemplt.

L. Increase in price fr. 2/3 – announce 10 days previously.

P.M. Regret this decision – as I think we all shall. No doubt it is orthodox

finance. We can blame it on natⁿ. Ty. will pay dearly for their orthodoxy.

P.T. Hope ques. will be examined wthr. whole of increased coal price need be reflected in steel prices.

D.S. Want this allowed. A year ago we prevented steel industry fr. passing on increased costs : made them carry £19 m. of increased costs. The big profits of past years were derived fr. high export prices & those are now dropping. Developmt. plans (£60M. p.a.) based on assumptⁿ tht. 50% will come out of earnings. Profit level in steel proper is only 6½% of turnover. Want steel increase to be publ^d. v. soon after coal increases.

W.M. Avoid suggⁿ tht these prices are automatic consequence of wage increases.
That undermines collective bargaining.

x/ May drafting of last sentence be re-considered - Agreed.

(Coal Price Increase – Approved, subject to x/.

(Steel Price Increase – E.P.C. to consider.

[Exit D.S. G.Ll.

5. Ministry of Pensions.

[Enter O.P., McL., H.Am

R.A.B. Amalgamate announcemt. with M/T. – M/C.A. at same time. Will take some time (M/P.). Also with amalgamation in Regions : closing some Regions down and having all trade/industry Dpts., housed in one Regional bldg.

Announce in perhaps 4/6 weeks.

Approved.

[Exit O.P., O.L., H.Am.

6. National Health Service.

P.T. Dislike t. of r. Want to avoid risk of report recommending more.

P.M. Let P.T. settle with R.A.B. and McL. wording of t. of ref.

Agreed.

[Exit McL.

[Enter H.G.

7. Arms for Wales.

M.F. Augmentⁿ of Badge wh. is 150 yrs. old.
Cttee. of Privy Council think this is minimum.

P.M. Odious design expressing nothg. but spite, malice, ill-will and monstrosity.
Words (Red Dragon takes the lead) are untrue and unduly flattering to Bevan.

L.I.G. Wd. rather be on R. Arms. This (dating from Henry VII) will be somethg.
We get no recognition in Union – badge or flags.

J.S. Regimental use. Refused in Scotland. Shd. be re-considered.

M.F. This is only suggⁿ for discussion.

8. Education. Adult Studies.

[Exit L.I.G.
[Enter F.H.

P.M. No cuts save in arts classes doesn't reassure me.

F.H. It's "cultural" and crafts classes – not humanities.
This was a leakage to N. Statesman by W.E.A. – who have now apologised.

R.A.B. Will support M/Ed. But leakage was most unfortunate.

F.H. Outside bodies must be given advance warning because of academic year.
Am seeing a deputⁿ : will seek joint statement deprecating the premature publicity.

R.A.B. Aim at making it up by continuing provision but charging higher fees.

- (2. Egypt : Defence Negotiations. [Enter 3 Service Ministers
(1. Sudan.

A.E. Tel. 309 from Cairo. But statement issued is more downright. Waterhouse is demanding P. Notice Ques. Can only repeat tht. independent country can do what it likes – incldg. any form of assocⁿ with any foreign State.

P.M. Party troubles : Low's cartoon in M. Guardian.

2. Egypt : Defence Negotiations.

O.L. Negotiations : insist on our terms.

M.F. Must get it clear tht. M.E.D.O. is real, not paper, before we w'draw. We cd. then hold pol. situation here : not otherwise.

L. Canal : world is used to having Br. protⁿ there : tho' maritime countries shd. contribute. Mustn't w'draw our protⁿ before substitute is available. Fr. personnel wd. not stay there w'out it. & Fr. provide large propⁿ of the technical staff.

Ch. Take a strong line. They have renounced Treaty : let them suggest an alternative. Tho' if we can't hold base w'out E. labour Show of firmness mght serve as it did over Sudan.

Sw. Sudan. Reactions fr. A. & N.Z. are wholly favourable to Agreemt. Right to join Comm : we shd. insist upon that, as A.E. did.

H.C. Endorse A.E.'s paper on Egypt. What part wd. U.S. take? Wd. Caffery have same negotiating status as Stevenson.

R.A.B. Turns on a) – f) in C.17.
b) is most important. Case B. wdn't give us certainty of re-entry, which is vital to us, strategically & politically.
d) All depends on reality of M.E.D.O. & full U.S. support for that. Will Tories accept it as imaginative alternative to Disraeli's purchase of the shares. If N. won't play on that, we shd. not be hurried. Unilateral plan with E. wdn't get us thro'.

P.T. Endorse R.A.B.'s remark.
Annex B. – delay U.S. supply of arms until progress made in talks.

W.M. Para. 6 – “package” plan. That is essential. Esp. b) and d).
Can’t look at a) without those.
Timing therefore is v. important. And in present uncertainty we shd. not go beyond Case A. The 5,000 men being uniformed & with personal arms.

Al. Sudan solⁿ was best attainable. Later E. re-actions on independence indicate E. dishonest view of agreemt. This means care on defence ques. Agree with R.A.B. Tell N. we are ready to discuss a) on condⁿ of b) Case A. and d) with E. contⁿ to M.E.D.O. W’out those guarantees refuse to negotiate.

Sim. Support R.A.B.’s views.

P.M. C.17 awaits my endorsement.
Are a) – f) interdependent?

A.E. Slim says his criticism of Case A. is tht. the nos. are unnecessarily large for purpose in view – they total nearly the 10,000 allowed under Treaty. Jordan. Have indicated they wd. like our Armoured Brigade there permanently. Tel. 92 from Amman.

P.M. Paper No.2. Concentⁿ of power round Israel – will be controversial.

A.E. We and U.S. would never attack Israel. They wdn’t mind M.E.D.O.

P.M. If it’s a package, we cd. go fwd. & see how it goes. But this is minimum & not to be whittled away. Case A. is least we can accept. Must be joint Anglo-U.S. approach. First thing is to make it clear to U.S. tht. we are at end of tether. Wd. wish first to telegraph privately to Ike & verify tht. he will go in with us whole-heartedly on this.

Are Stevenson and Caffery big enough to handle this big & military issue? I thght Slim wd. be better. Saw him last pm. – gave him C.17. Wd. involve p’poning his arrival in Austr. : but they have an interest in this & might agree.

I wd. feel greater confidence if he handled it. He stood up to Farouk. A.E. does not consider Slim’s previous contacts there wd. disqualify him. Then prs. we cd. ask Ike to send military figure also, to match Slim. If they agreed and nominated Bedell Smith, Bradley or even Ridgway, the appearance & weight of influence on N. wd. be impressive. We mght then be better able to make some small concessions.
If Cab. approves, I will send message to Ike. Sw. must seek permission of Austr. Govt.

Sw. Support this plan. P.M. to Menzies personal.

A.E. Am enthusiastic for this. A big Anglo-U.S. heave will be needed to get Case A. Stevenson has asked for mil. help.
I don't like Caffery.
Seen Slim this am. He will do what he is asked. But timetable –
Due to be sworn in 27/3 : A. Parlt. Adjourns on 26/3. Was to sail on Tuesday. Who will act until he arrives? Cd. he know to-day? Slim says Bedell wd. be better than Bradley.

P.M. Order : i) Telegram to Menzies.
ii) Telegram to Ike : not waiting on
i) or saying Slim for certain.

P.M. I am prepared to make C.17 (package) as counter proposals to
* N.'s initial proposals in negotiation.

A.E. cd. clinch an Anglo-U.S. plan on arrival in W'ton.
M'while don't let N. hustle us. He can unfold his proposals, if he must start talks. We are in position of strength & can resist any forceful attempt to hustle us out.

Fight for "package" with A. as our irreducible aim.

Must have 2/3 weeks to settle it all with U.S.

[Enter Solr. Genl.

3. Army & Air Force Acts : Mutiny.

P.M. Why bring this up?

A.H. We didn't. H/C. insisted on Select Cttee. to re-write the Acts. And this point has now arisen.

Service Depts. have considered posⁿ. Believe these small reductions in death penalty cd. be accepted.

M.B. Sel. Cttee. have not yet reached any conclⁿ.

A.H. They want our views.

O.L. This is an improvement. Wd. mean tht. more people wd. be shot because it wd. give fewer degrees of mutiny than existg. law, under which too many people escape.

M.B. Para.5(2) wd. make it v. diff to get a conviction because of "intent".

O.L. Can rely on 5(1).

Sim. Shdn't L.O.'s be given opportunity to discuss with Service Ministers.

P.M. Brilliant suggⁿ. So proceed.
Sw. Comm. Govts will need to be

[Exit Serv. Ministers.
Solr. Genl.]

4. Supplementary Estimates.

R.A.B. Not all reprehensible.
But one group - £6.5 M. wh. makes a bad impⁿ.
But asked for £22 M. extra by M/F. – intolerable.
Want only to get on record need for more accurate estimating wherever possible.

Will communicate with Ministers on this re next year.

Took note.

5. M. Sanders and Mee Leng.

P.M. How else bring pressure on Hungary?

A.E. Can do no more : have stopped all trade. If we have to wait 4 months for appeal it will be too late.

Wait until appeal applⁿ result is known.

[Exit A.E.]

6. Coronation : Homage.

Sim. At Coronation Cttee. y'day (self in Chair) C.R.A. suggested tht. Leader of H/C. shd. join in Homage. I sugg^d. appoint^{mt}. of Cttee. to consider and report.

Sw. Will raise v. gt. diff^{tes}. in all Comm. countries – whose Speakers wd. equally need to be given same opportunity.
Have a draft telegram, wh. Shows the diff^{tes}.
Circulate this for Thursday's Cabinet.

R.A.B. Labour spokesmen were all in favour.
Shd. be something : e.g. Speaker shd. make a bow. cf. Prayer Book recognition of Parliament.

7. Floods.

(i) Drafts of Govt. Motions.

M.F. Intended to appoint Cttee. to examine long-range problem.
This has occurred 3 times in 1.000 yrs : must be careful to see how far we shd. go.

Sw. H/L. shd. pass the 1st Motion.
M.F. Will consult Opposition before tabling these.

P.M. Names. I will put mine to 1st Motion.

(ii) Financial Assistance.

R.A.B. L. Mayors' Fund is not going well. But Eve is now to come in to run it. If it becomes effective, I wd. like to put compensation ques (except farming) to it. Then I wd. be ready to give £1M.

M.F. 1947 – total £3M. includg. £1M fr. Ty.
No estimate yet of total damage. Hollands' estimate is £100M. – indicates extent of damage.

P.M. Don't hurry to name Govt. contⁿ.

H.M. Don't yet know amount uncovered by insurance – esp. by smaller people.

M.F. Can't get thro' debate w'out being able (i) to show tht. Fund is efficient or (ii) to name Govt. contribution.

R.A.B. Ty. to consider Departmentally what shd. be done by Govt. to relieve agriculture.

(iii) Lynmouth Fund.

M.F. Lynmouth Fund has ½ m. unused. Can't legally be used for floods. Suggest we take it over for this purpose – by legⁿ.

Sim. Usual opposⁿ.- - from people who gave £10 because parents lived in Lynmouth.

P.M. Also people of Lynmouth wdn't mind sharing it out.

Leave this for further thought.

1. Parliament.

[Enter B.H.]

- H.C. Business for next week.
Wed : Opposⁿ. may want statement by M/D. on Korea (M. ready, if required) – because of speculⁿ. over relief of Comm. Brigade.
- P.M. No need to do this in advance of Defence Debate on 3/3. Wd. be exploited by anti-Americans.
- H.C. Will say this will be covered in Def. Debate.
- A.E. M/D. was to talk on Egypt to Def. group and I to F.A. group – on same day.

Diff. to say anything at this stage. Must co-ordinate our statements.
- P.M. Mght indicate there may be somethg. they will like fairly soon.

2. Malaya.

- O.L. C.O.S. consider tht. if French are driven out of Indo-China, only defensible posⁿ will be on Sonkla posⁿ in Siamese territory. Wd. take 4 months to make it firm : wd. take same time for Comm. to get there.
Cab. shd. be warned tht. they may be asked at short notice to authorise this, w'out Siamese consent.
- P.M. Suggest small Cab. Cttee. shd. go into this in detail.
No immediate hurry – L.P. cd. preside : other members as in brief.
M'while, utmost secrecy. No word to U.S. yet.
M/D. mght visit U.S. later in summer, and take this up inter alia.

3. Egypt.

- P.M. Read letter to Eisenhower.
- A.E. Message rec^d. y'day tht. new Adminⁿ. in U.S. accept C(53)17. documents.
They have also told E., w'out provocⁿ. fr. us, to shut up re Sudan.

4. Scotland : Postal Services.

- P.M. Best method of indicatg. disapproval is to do nothg. An ungainly temp^y.

structure for a long time.

J.S. Don't want any more "E.II" boxes in Scotland – to avoid further trouble. Cd. we not have Scottish crest instead? M/W. use it on bldgs and Mint on Sc. shillings. The Queen uses it on her notepaper in Scotland. Geo V. instructed G.P.O. not to use the V.

P.M. I wd. have left them without a box – to suffer inconvenience.

G. It wasn't local residents who blew up the box.

P.M. Cd. you not take it away now?

G. E.R.II is on R. Scots Memorial in Princes St. and on M/L. bldg. in Motherwell.

Ready to use up old G.R. boxes, but that wd. be only temp^y. solution.

P.M. J.S. remedy wd. be complete scuttle. No decision for future : m'while take the box away & leave them w'out the facility. Or, if you are afraid to do that, leave it there. Use G.R. boxes (will last 1 year) & avoid sending E.R. vehicles to Scotland.

J.S. What do we do at end of 6 mos?

P.M. That might be a subject for individual meditation.

5. Flood Damage.

[Exit Gammans.

[Enter Dugdale.

Government Contribution

M.F. Sugg^d. to R.A.B. £1 for £1. Unlikely tht. subs. will exceed £1½M. Wd. encourage subs. Govt. gave £1M. in '47. But also £ for £ to an agricult. fund, so total was £1.8 m. Eve supports that suggⁿ.

R.A.B. Outlook for Govt. expend^{re}. on this is serious, apart fr. contⁿ. to Fund. 100% grants for various measures. Lodging allowances : troops : free transport : N. Assist^{cc}. – £2½ M. prs. already and will increase, esp. on sea defence work.

Govt. cd. not have done more, Ty. included. We have a good case.

Fund. If Eve is going to do all outside insurance co. field, there is a big liability for compensⁿ. If he is content with £ for £ that suits me. This is best arrangemt. we can make pending final adjustment. Can cover matching overseas cont^{ns}. except those earmarked for specific purposes.

(as a hedge v. getting U.S. counterpart aid).

P.M. Need you put animals on the Fund?

M.F. Only 1.000 cattle, 8.000 sheep etc., Not a v. large problem.

R.A.B. Don't want a new & separate Fund for agricultural relief.

T.D. Livestock loss will be only about £200,000.

[Lynmouth.

Sim. Fortescue is seeking means, thro' charity Commⁿ, to divert balance of Lynmouth Fund to Floods Fund. A Ch. Commⁿ scheme.]

H.M. Opposⁿ will argue tht. whole loss be carried by Ty. – by W. Dam. scheme. I shall reply tht. this wd. mean premium : and payout every 300 years. Vol. adminⁿ is more satisf. than Govt. adminⁿ of public money.

P.M. We hold to principle of private charity aiding the State. Let the Opposⁿ put their Socialist view – I don't care.

J.S. Canadian offer of help. We wd. like tractors to clear timber. Wd. be of continuing value to us.

R.A.B. O.a.p. tobacco coupons – inclined to give concession there. But want to resist claim re purchase tax. (remission on new stocks?)

H.M. That can be done thro' Fund : it was done at Lynmouth. Tobacconists' stock is 80% tax.
Loss of houses, at most, will be 700-1.000.

J.S. Honours – an immediate List. Proposals to go to P.M.

6. Cotton : Importing & Marketing. [Exit T.D.
[Enter A.S.

P.T. Can't see our way to re-open Lpl. Cotton Exchange. Lancs. agreed. Hopk. Cttee. appt^d instead. This broke monopoly of Cotton Commⁿ 30% contracted out last year : probably will be 60% next. This involves two problems i) cover ii) future of Commⁿ Para. 5 of memo.
Decisions sought are in para. 15.
Lpl. Cotton Exchange : unlikely we shall be able to re-open. Merchants agree.

O.L. Memo. is constructed on premise tht. opening of futures market is out of ques.

- P.T. Merchants say it is unless free import & export.
- O.L. But study wthr. those cond^{ns}. cd. be restored.
- Ch. Proposal of Govt. insurance v. fluctuations in price goes rather far. Encourages private enterprise w'out risk.
- Sw. We are in diff. transitional stage. $\frac{2}{3}$ rds will be bought by spinners : only $\frac{1}{3}$ rd by Commⁿ. But same insurance v. loss is to be offered to the $\frac{2}{3}$ rds when we have only $\frac{1}{3}$ rd. chance of making countervailing profit.
- O.L. Remember merchants sell as well as buy. They sell overseas.
- R.A.B. I am running inconvertible currency – with inadequate reserves. I can't therefore take the risk involved in convertible commodities.
- P.T. I agree. I cdn't press Ty. to accept that risk.
- Ch. I agree. Mght have v. dangerous dollar drain. But why shdn't traders carry the risk?
- P.T. Because they can't deal freely in dollars.
- A.S. This has disadvantage of $\frac{1}{2}$ way house. But with currency posⁿ. as now there's no alternative. Can't have free market unless merchants are free to trade in futures on U.S. market – an unknown commitment in dollars.
- P.M. Cd. they not have that freedom w'in limits?
- Ch. No : there wd. be a drain, as under arbitrage scheme.
- H.C. Can't you promise a date for legⁿ. in '54. Merely take note that legⁿ. will probably be needed next Session.
- H.M. Present this as covering only 53/54 season.
- P.T. Yes.

[Exit A.S.]

7. The Coronation Oath.

- P.M. Can't discuss to-day.
Wd. say on Mon. tht. it has all bn. considered v. carefully & promise to circulate a memo. with Hansard.

Sim. Para.15 is the awkward point for public discussion.

Sw. Raises the whole ques. of legⁿ. at W'minster for all Doms.
They wd. have to legislate. And they wd. decline.
We have them in line now. This wd. re-open it altogether.

P.M. x/. Can argue tht. the process wd. be endless. It is already too late to secure
Comm. agreemt. on this in time.

Sim. Can urge the same considⁿ. v. proposal re Speaker.
I hope to get Coronⁿ. Cttee. to squash this proposal.

P.M. Let Sim. prepare answer on ques. of legality.
The line of resistance shd. be x/.
With M.F. & Sw.
Precedence of Foreigners – Note taken.

P.M. Hope Germany may have higher place. A.E. Will consider that again.

8. Industrial Disputes.

Austin Motors. Position noted.

1. Persia.

[Enter G.H. and Att.Gen.]

A.E. Not optimistic tht. M. will accept new proposals – tho' they are satisfy. to us.

Ques. is wthr. new U.S. Adm. will stand by them or press for modificⁿ. I believe they may be more firm than their predecessors.

L. I agree.

[Exit G.H.]

2. Germany : Arrest of ex Nazis.

A.E. Good deal of material : examⁿ. not finished. Hope tht. w'in 1 week we may be able to hand it all over to Adenauer – in state in wh. he may be able to take procdgs.

Clear links with Moseley & French Fascists.

Pol. and financial links between Banmann (not arrested) and Russia.

M'while protests v. our refusal to allow prs. to see their counsel.

Hope that, when this appeal is determined, we may be able to transfer to Adenauer. At present, no charges : merely investigation.

We must see this thro'. The defence counsel are suspect.

Sim. Last point cd. be brrht out.

P.M. We can say tht. full facilities can be given when we reach stage of procdgs.

Sim. We have reached that because habeas corpus procdgs. have bn. instituted. Tho' they are not under a charge.

W.M. Mistake was to allow the procdgs. to start. We shd. have stopped them. Once procdgs. have begun, we can't put too high the objections to his seeing counsel.

P.M. Avoid a row over this. Say : i) as soon as any charge is preferred they will have full access to counsel. ii) No intentⁿ. to hold them indefinitely, w'out trial.

Att.G. Issue is referred to higher court. We are not intervening qua Govt.

3. Magistrates' Courts : Part-time Clerks.

M.F. April next the clerks become subject to requiremt. to retire – unless service is extended by Mag. Cttees. Efficiency of new scheme turns on wthr. the part-timers go. 12 counties have made scheme, & ques of their introdⁿ turns on compensⁿ ques.

Other points: b) breach of faith.

c) this is diff^t from the other categories.

R.A.B. Act was said to be going to cost £¼M. – coming out at £1 M.
Don't admit we are pledged.
Repercussions : N.I. part-timers wd. have to be conceded.

M.F. Have stressed need for economy. Will prob. not be more than £800.000.

Sim. Tho' no pledge, the Bill clearly passed H/L. on footing tht. this compensⁿ wd. be paid. Salisb. finds gt. diff^y in going back on that understanding. Whole time Clerks wd. be an improvemt. in efficiency.
Believed other Ministers were now convinced tht. repercussions cd. be resisted.

R.A.B. Opposⁿ will press for them.
Can I re-consider with Dpts. means of ensuring a slow transition.

Att.G. Reform can't work w'out this compensⁿ.
Pol. diff. to say now tht. we aren't going to put our back into this Act.

W.M. Only reason for delay : repercussions. And you ought to be able to m'tain tht. these people are different from the others.

R.A.B. Don't see the need for making these courts efficient.
Can't we at least do it slowly?

M.F. We don't control the pace : it's the Magistrates Cttees.

No conclusion.

[Exit Att.G.]

4. European Defence Community.

A.E. (i) Extend N.A.T.O. commit^{mt} to 50 years. Propose to amend, so as to indicate merely willingness to propose it to all members of N.A.T.O. – to avoid suggⁿ tht. we are bringing pressure to bear on U.S.

P.M. No objⁿ tho' I don't believe U.S. will agree.

A.E. (ii) Propose addⁿ to para.7.

Al. Put in alternative version of para.7.

A.E. This is a plan for additional discⁿ with the Six Powers.

Discussions to be resumed – on Thursday.

5. Treaty with Libya.

A.E. Reports stage reached. Ready to initial.

R.A.B. Support this.

Al. So do I.

Approved.

6. Hungary : M : Sanders.

O.L. Applⁿ for leave to appeal was dismissed. I represented case to Malaya.
Att. G. strongly favouring commutation. Not certain tht. Ruler will commute. When sentence is commuted, may we proceed with the exchange.

P.M. Odd that. Hungary shd. show such interest in Malaya.
The swop wd. be disreputable & in no relation to any conceptⁿ of justice.
No connⁿ betwn. the 2 cases save R. behind the scenes.
Where will this lead? May provoke R. to lock up some more hostages.
New process in rel^{ns}. betwn. civilised States.

A.E. Hankey's tel. puts the case strongly. If we don't do this, we shall never get Sanders out.

P.M. V. dangerous process to embark on. R. will always get more hostages than we shall.

A.E. No need for us to make it public that we had made the swap. The two decisions cd. be announced separately.

P.M. You won't be able to keep it quiet.

A.E. Let me consider, before Thursday, wthr. there is anything else we cd. do., on behalf of Sanders.

Decision p'poned until Thursday.

Sentence shd. be commuted before Cab. decⁿ. is taken.

7. Coronation : The Homage.

- Sim. Sub. Cttee. has reported tht. time-factor won't allow of Speaker taking part.
C.R.A. was a member of the Sub. Cttee.
Has been based wholly on time-factor.
- R.A.B. Still think it wd. have bn. a good idea.
- Sim. There the matter will rest unless Cor. Cttee. wish to discuss it because of dissent from Sub. Cttee.'s recommend^{ns}.

1. Parliament.

[Enter B.H.]

H.C. Business for next week.
Defence debate – form of Motion. Opposⁿ. wd. prefer “takes note” vice “approves”.

We suggested that form ourselves in 1951.

P.M. Circs. are entirely different. We wd. not be content with anything short of “approval”, now. We shd. insist on “approve” even tho’ this invites a reasoned amendment.

R.A.B. Judges Salaries. 2nd Rdg. before Easter : but cdn’t do Cttee. stage until after.

2. Hungary : M. Sanders.

[Exit B.H.]

A.E. Now suggest consultⁿ. with Pekin before final decision is taken.

P.M. Am opposed to this still on moral grounds.
“Cold war” is only a journalistic cliché.

A.E. It is a stark reality.

P.M. Anyhow it has no juridical foundⁿ. warranting exchange of p.o.w. etc.,

M.F. Napoleonic precedents? Civilians arrested after Treaty of Amiens. Believe we managed to exchange some of them.

O.L. If I have to bring pressure on Ruler to comment L.M.’s sentence, I want to make it clear to him tht. there is a possibility of exchange.

3. Anglo-Soviet Fisheries Agreement.

A.E. Our fishermen have gone too near R. coast : and R. have denounced Agreemt. – w’out publicly saying so. I want to threaten, privately, to denounce Comm. Agreemt.

P.T. Don’t like this because of genl. trade cond^{ns}. This Agreemt. does us no good.

Agree tht. A.E. may have latitude to threaten, if he so wishes.

4. European Defence Community.

P.M. Sympathise with de G.'s line – preserve “body & soul” of national Armies in a Grand Alliance.

A.E. Annex D. Subject to addⁿ to para.7.; and some amendmts. agreed with M/D. to meet his N.A.T.O. point.

Al Agree.

R.A.B. So do I.

Approved.

5. Public Expenditure.

R.A.B. Vote on A/C. went better than hoped. Thanks for co-opⁿ of colleagues.

But if you add Suppl. we haven't saved.

P.M. * Record skill & resolution shown by M/F. in development of policy.

R.A.B. Future i) Review of Defence Exp^{re} will be crucial. Can't spend more.
ii) Cttee. on civil exp^{re}. Preparing statement for inclⁿ in Budget
Speech on fwd. attitude twds. exp^{re}. Will consult Cttee. on that.

6. Commercial Policy in Europe.

P.T. (i) Tourist Allowance & Relaxation of Imports.

Eur. will restrict our exports to them unless we liberalise somehow.

This is an easy way.

When? Sooner the better. O.E.E.C. meets on 4/3. Easter is coming.

This may forestall rest^{ns} by Europe. Import rest^{ns} can await return of A.E. & R.A.B. & decision before second mtg. of O.E.E.C. on 23/3.

R.A.B. We must relax imports (esp. Italy) to avert retaliation. Ready to relax up to £30M. as B/T. propose.

Tourists. There is a case. I wd. prefer £35 (O.E.E.C. minimum) or £40. Ready to have it discussed betw. Dpts.

P.M. £50. Disgrace that Englishmen shd. go like beggars thro' the Europe which they liberated.

R.A.B. But don't want tourist concession announced separately from imports. Shan't have much to say at O.E.E.C. on 23/3.
Promise on 4/3 a statement before end/month.
Only loss & not before Easter.

L. Arrangements will have to be made for traffic : need for 6/7 weeks preparations.

P.M. £50 minimum. Any applⁿ to cost £1. Ballot. Then a market in allowance units.

A.E. On 4/3 give indication tht. we are considering relaxations.
My advisers wd. prefer tourist allow^{ce} to come in on 4/3 : but I don't press that. I agree we shall want somethg. good to say on 23/3.
With £30M. relaxation of trade, I wd. accept £40 vice £50 tourist allowance.

R.A.B. Don't want to put it up & have to bring it down again.

P.M. Prefer to revert to old figure of £50.

R.A.B. Let it all be worked out & sanctioned finally by Cab. after my return – or earlier if urgent need arises.

Agreed: P.T. to prepare recomm^{ns}. re relaxations
(with Ty. & F.O.) & submit that & final
recommⁿ. on amount of tourist allow^{ce}
for Cab. decision.

(ii) Long Term.

P.T. Paras 8-end. Hope these will be taken into a/c in W'ton talks, & tht. Dpts. may study these sugg^{ns}. m'while.
If we do nothing, Schumania will spread. Better that we shd. take initiative.

P.M. No harm in that.

Sw. May be a chance to get somethg. confined to Europe, w'out m.f.u. throughout the world.

R.A.B. Bear this in mind in W'ton talks.

H.M. These pp. are of v. gt. importance as bringing us into Europe again instead of being crowded out by Schumanian methods.

P.M. “With not in” applies here as to E.D.C. etc.

7. Germany : Former Nazis. [Enter Att.G.

A.E. K. reports enough ev^{cc} to warrant charge of conspiracy v. group : also espionage v. Bormann. We cd. prefer other charges later, when all documents examined.

Authorised him to explain sitⁿ to A., show him ev^{cc} & ask wthr. he will take procdgs. If asked, K. can say tht. we might be prepared to consider procdgs. in a Br. court.

When charges preferred, free access to counsel will be allowed.
Appeal will be heard on 5/3. Prs. before then it will have bn. decided to charge them.

[Exit Att.G.

8. Film Industry.

P.T. Somethg. like levy must go on, but must dissociate it from Budget.
Hence plan for forcing industry to make voluntary scheme.

R.A.B. Support this plan.

H.C. Must a threat of legⁿ be used at this stage?

P.T. I fear so. W’out that I can’t get them off the Budgetary concession.

H.C. Premature to prepare the legⁿ anyhow. Next Session.

P.M. Only a preliminary sketch : don’t press draftsmen if they are busy.

9. Egypt.

P.M. Read Eisenhower’s reply., and his own answer.

10. East/West Trade.

A.E. Things which will affect Anglo-U.S. relations –

Ships carrying strategic goods to China wh. can bunker in B. ports.
Tankers re-fuelling in H.Kong.
Freedom for ships chartered by Communists to get H.K. registry.

- L. Ships on time-charters to a foreign country are beyond our control.
We hamper them by refusing bunkering facilities.
- P.T. We have a good case on trade.
Don't be pushed into doing more than other Europ. countries.
- P.M. This may all be considered by Cab. on Tuesday – with a view to giving
A.E. some concessions to trade with.

11. Mission to Washington.

Cabinet's good wishes.

12. Coronation : Bracelets.

- Sw. U.K. shd. be in too, if asked.

1. Royal Title. [Enter B.H., L.B.]

M.F. May I use this in debate this p.m.?

P.M. Yes. Bring out the fact tht. clash in numerals has recurred before, w'out any point being taken.

J.S. Omit []. There were complaints re Edw. VII and VIII : and P.Q.'s were answered.

P.M. Say : never previously became an issue.(?) Or, better, refer to answer. C.85 is a diff. theme. Don't try to ride 2 horses. Prefer to rely on arguments C.83. Take the line tht. we are following the precedent of 1901 (Ed. VIII).

J.S. Elliot may make the statement in C.85.

P.M. It cd. be described as interesting : mght be considered before it arises. Things have worked out that way, happily.

2. Parliament.

H.C. Business for next week.

[Exit B.H.]

[Enter P.M.G & Maudling]

3. Television.

P.M. Strong feeling in Party.
Temp^y television facilities cd. be provided by B.B.C. before Coronation, at P'smouth, Plymouth & Aberdeen.

P.M.G. Mock-up for Coronation mght cost betwn. £15-30.000 for each.

P.M. Brighton is served by booster & gives gt. satisfⁿ. I think this shd. be done because of public feeling.

P.M.G. Limited & unreliable service. W^D. cover not more than 5, prs 3 (?) miles. W^D. only cover ½ the town. Dissatisfⁿ. v. likely. No stand-by equipment. People will have bought their sets to v. little purpose. Unreliable because subject to atmospheric interference. They mght. not see the Coronation on the day.
Can't continue this service afterwards. Sh^d. have to go ahead with the 5 permanent transmitters, wh. R.A.B. opposes.

P.M. Now too late to lay on anything satisfy. And if we offered to provide, people wd. buy sets and be dissatisfied.

[Exit P.M.G.
[Enter J.P.L.T & C.N.S., S.H., G.H.]

4. East.West Trade.

L-B. Two major concessions : para.19(a) and (b). These are our most vulnerable points. Shd. help A.E.

Sw. Sugg^d. tht. U.S. and U.K. shd. make joint approach on bunkers. We are more likely to get Doms. to co-operate if we handle it alone.

L-B. Agree.
Storing. Can't control ship's chandlers all over world.
H.K. Register. Better keep them under our control.

J.T. Against giving public warning v. Straits.

P.M. What if Nationalists try to interfere.

S.Ll. Want to say m'while tht. owners will be discouraged.

O.L. W^d. need legⁿ. in Singapore.

S.Ll. Bunkering : Plan to refuse bunkers if we know tht. ship is carrying strategic goods.

M.F. Cab. shd. be aware tht. this means keeping D.R.46, wh. M/T. were ready to discontinue. There may be trouble in December.

* Have L.O.'s bn. asked wthr D.R. can be used in these circumstances?

P.M. They should be.

S.Ll. Hong Kong ships?

L.B. D.R.46 will give us chance to control their carriage of strategic goods.

S.H. and L.B. with G.Ll. and Adm^y. to concert draft telegram to A.E.

P.M. Adm^y. shd. give at least friendly advice to shipping cos. re Straits.

[Exit L.B., J.T., C.N.S., G.Ll.]

5. International Labour Conventions.

Approved.

6. United Nations : Personnel Policy.

Approved.

7. Iceland Fisheries.

-

[Exit S.Ll.

[Enter T.D., Ll.G.

8. Farm Price Review.

T.D. my compromise is $5/8^d$ – wh. can be defended as dividing betwn. producer and consumer the advantage of increased farm efficiency. Diff^{ce}. means only 6 wks. of extra $1/2^d$ p.g. to consumer. But £3M. to farmers wh. wd. bear hardly on small & less efficient producer. Farmers will ask for 2^d p.g.

H.G. Even $1/4^d$. is a concession. Milk is not unprofitable now : average net profit is $9\frac{1}{2}^d$. p.g. or $33\frac{1}{3}\%$. If you make it more profitable, you induce more prodⁿ by high-cost producers : & we can't do with more high-cost milk. Consumptⁿ has dropped by 2%.

W.M. Must be careful of food prices. $1/2^d$ pint for 9 wks. wd. be just under $1/2$ point. Milk prodⁿ is profitable now : unjustifiable to make it more so.

Sw. Higher price is to base policy on worst farmer & worst cow.

T.D. No : it's geographical : eg. N.I.
Average profit doesn't show posⁿ of small farmer. £650 p.a. on 100 acre farm : & milk wage wd. be £500.

Ch. Sh^d. encourage beef at expense of milk.

M.F. Accept economic arguments. But small farmer depends on milk cheque.

H.C. Agree. This is crisis year because of decontrol. Must m'tain confidence. $1/4^d$. wd not be enough.

B.C. Increased price will stimulate demand for feed – & worsen b/p.
We support M/F. view.

T.D. Not much danger of that on milk. Pigs mainly, & we are checking that.

P.T. £90 m. subsidy on milk now. Can't do more. Nor put more on price.
Support M/F.

H.G. Subsidy has increased by £10M. this year because of increased production.

P.M. Begin with ¼d. & don't go higher w'out reference to Cabinet.

T.D. If you impose a ¼d. settlemt., you will lose confidence & get pol. trouble.
As Labour did by under recompmt. on milk in '50.

J.S. Mainly a pol. problem because of anxiety of farmers.

H.M. Will there be an agreemt.? If a settlement is imposed, we cd. do what we
thght right.

T.D. No agreement with milk at less than 5/8d.

P.M. Diff. to decide.
Advice from another Ctt^{ee}. O.L., M.F., Ch.

1. Egypt : Defence Negotiations. [Enter Slim, SLI.
W.Strang.
- P.M. No. 518. – assurance.
- Slim Adhere to Case A. in principle – principle being tht. depots & installations are under Br. control. Under B. they are not. And impracticable to put Br. officers & men under command of E. offrs. in a base – pilfering etc. This is safeguarded in latest tel. 523.
Ready to concede on no. & on depots we hand to Egyptians.
- P.M. A.E. has managed to achieve minimum conditions.
We are not on a slippery slope.
Horrible business. But can't go on with 80.000 men & £50M. p.a. indefinitely.

Shock to public opinion. “Phased departure” fr. E. as fr. Sudan.
- J.S. V. strong feeling in Party.
- O.L. Para.1 of log 5 – not satisfied until we had x/. in 523.
- Slim Cafferty may lead U.S. delegation.
- P.M. I wish the 2 soldiers to lead. Slim anyway will lead for us.
- Slim May come down to pull betwn. us and U.S. delegⁿ on what constitutes a working base. Bedell seems to have a low view, on this.
Supposing Hull is content with eg. base under E. control in peace – Mil. cons^{ns} : also pol. need to be able to say we have achieved our aim & not merely “scuttled.”
- P.M. Doms. esp. A., will attach v. gt. importance to our actg. with U.S. in this.
- Al. Must decide first what is necessary in base, peace & war : before Slim or Hull goes.
- P.M. Send 2/3 men to do this specifically – and tell Slim/Hull there and us here.
- Al. Get firm Anglo/U.S. understandg. on this before we start.
- P.M. Not throwing away £200M. on threat.
- J.S. Treaty doesn't expire until '56. Party will say we are condong. breach of

it.

No reason why we shdn't have stood it out until '56.

P.M. Sympathise, as you know, with that. But reasons i) wd. we be any better off after paying £50M. p.a. for another 3 years.

Sw. P.M. promised Menzies early informⁿ. about outcome.

P.M. Await A.E.'s longer message. Then draft on basis of that.

Sw. Must also tell other old Doms., before announcement.

Slim. Stressed need for handling all 5 proposals as a package.
Have U.S. accepted that?

P.M. Let me have a note on your desiderata, wh. I can convey to Ike.
Inclgd. point tht. any diff^{ces}. betwn. you & Hull shall not be communicated to Egyptians.

1. Flying by M.P.'s.

[Enter L.B., B-H.
S.Lloyd. Maudling.]

L.B. Large nos. in new aircraft : M.P.'s Manufs. anxious tht. M.P.'s shd. be satisfied.
Manufs. havg. invited a no. of M.P.'s to ground display, then asked them to fly – & Labour Members accepted.
Manufs. unwilling now to put it off on pretext of a technical hitch.
Flight element has now bn. cancelled.
But can parties of 4 or 5 M.P.'s be allowed to do this in future.

P.M. Was proposed to take 40 up together. Think of constitutional diff^{ies}. which wd. arise if all were killed.
Don't object to parties of 4 or 5. Or rather, 2 or 3. Or 2.

L.B. Rule cdn't be enforced thro' Corp^{ns}. alone. These are private companies.
W^d. have to be arranged thro' Party Whips.

B.H. Not more than 2 on each side – maximum of 4.

P.M. Willing to agree to that – chosen by Air Cttee.

L.-B. Will you explain to C.R.A.?

P.M. Ch. Whip can do it thro' u. channels.

2. Japan : Sterling Area Trade in 1953.

P.M. Read telegram (520) giving views of A.E. & R.A.B.

Ch. We cd. try the Cttee's. line & tell our negotiators to refer back if J. won't take it. I don't think they will.

Sw. Pol. diff^{ies}. here in going v. much further than that.

P.M. Conscious of those – Lancs. Also prejudice v. Japanese e.g. ill treat^{mt}. of p.o.w. etc.

S.H. Para. 11 is difficulty.

M. Para. 10 of my memo. will meet views of A.E. & R.A.B.

P.T. But don't ask J. what they want.

Agreed : as in para. 10 of Maudling's memo.

[Exit S.Ll., Maudling.

3. Adult Education.

[Enter M/Ed., Fin. Secy.

P.M. No decision had bn. taken. Have drafted reply to Tewson.

F.H. W^d. prefer to omit ref^{ce}. to waste until I have the facts.
“No wish to reduce the total amount” W^D. prefer to say “no wish to take any steps wh. wd. have adverse effect on total”

P.M. Don't want a row all round for sake of £250,000.

F.H. Courses & pupils are decreasing while cost is rising.

P.M. Don't reduce the total this year.

H.M. Give more to the good ones.

B-C. Estimates will show redⁿ of £27.000 on adult education – for these bodies & Universities. Now printing.

P.M. There must be none.

F.H. Ad. educⁿ as a whole – exp^{re}. will be up: tho' w'in the total there will be a reduction on these two.

Agreed : Estimate to be altered to show no reduction.
P.M. to reply – amended to meet points in discⁿ.
Decision when facts are known.

4. Teachers' Superannuation.

J.S. Fund will run into deficit. Agreed we must force teachers to pay more. Legⁿ will be needed. Sh^d. it be interim measure only to raise cont^{ns}, or shd. some add^l points be included.

F.H. Bill will be opposed. L.a.'s want time for radical review of 1925 Act. If we aren't going to have early legⁿ it wd. be wiser to allow that. C^d. then have decⁿ next year with less opposⁿ from interests.

Ch. I question calculations. There is no fund : it's notional. Will be v. diff. to explain.
Why antagonise all teachers for £1M.

H.M. If no legⁿ this session, what of Bill in para. 8 – an “agreed measure” wh. will be hotly opposed. Will give us valuable experience. Wait and profit by it – esp. as we have an Actuary’s mistake in ours.

F.H. Support delay.

B-C. Actuary has reported (1951) tht. cont^{ns}. won’t cover liabilities.
Deficit increases with delay.

H.C. No time for this legⁿ in present Session. [Exit B-H.
It can wait a year. Disc^{ns}. m’while to get somewhere nearer an agreed measure.

Agreed : No legⁿ this session.
L.a.’s to start enquiry.

[Exit F.H.
[Enter de L., C.I.G.S.

5. Kenya.

Memo. approved.

6. Married Servicemen Overseas.

B-C. Sh^D. married unaccompanied allow^{ce}. announced last night for Army & R.A.F., apply to shore-based ratings. Cost v. small £100.000.

P.M. How cd. you justify paying more to those ashore than to those who brave the greater risks afloat.
Discrimⁿ v. R.N. is justified. For men joined it on basis tht they wd. be separated fr. their wives & all sorts of arrangemts. were made on that basis. Recruitg. is going well. Army has, however, undergone a revolⁿ now tht. all are overseas.

J.T. Since war equality betwn. Services has bn. preserved. And R.N. men will be workg. alongside others ashore (with no sea-going privileges). Enquiries from ports already, since y’days announcement. Only 1.800 men are involved.

P.M. Don’t offer it. If a row develops, we can consider it.

Agreed : M/D. to discuss wth Ty & Adm^y.

[Exit de L., J.T.
[Enter L.I.G., T.D.

7. Farm Price Review.

P.M. O.L.'s report was clear.
Report read out.

[Exit L1.G. and T.D.
[Enter de L.

8. Denmark : MIG 15 Aircraft.

de L. Danes will hand it back on Monday.

1. Parliament. [Enter D.E., G.Ll., B.H., B-C.

H.C. Business for next week.

2. Floods .

P.M. Supplementaries recently. Never assumed we wd. compensate for loss of profits.

M.F. Ld. Mayor was concerned about fences & crops in ground : M/Ag. proposes to cover them.

He was thinkg. of raising figure from £¼ to ½M. to cover some small businesses.

I have encouraged him in this. Believe Fund will cover all save large cos. who chose to carry risk vice insuring. Eve thought £4M. wd. suffice : Fund will be £6 m. Believe we shall get thro'.

Propose re-assurg. statemt. on Wed., after high tide on Tues.

3. Coal Prices.

G.Ll. Answer to P.Q. – takes a/c of the Motion now tabled.

We shd. take firm line against enquiry. Miners are getting sore – thinking Tory back-benchers re seeking to re-introduce Lancaster plan. Govt. rejected that 2 wks. after entering office : that created good feeling in mines : must not seem to be indecisive about a Lancaster proposal now.

P.M. Worried about the £9M. wh. comes to Exchequer out of this.
P'pone this P.Q. until R.A.B. is back.

G.Ll. We took a decision on prices. Don't want to appear hesitant over this.
If he w'draws this P.Q., it will be known we asked him to do so. And appearance of hesitⁿ will be given.

H.C. Diff. on Business (time for Motion) if answer isn't to be given.

G.Ll. Is there much feeling among back benchers?

B.H. Yes : quite a bit.

J.S. Party is divided.

G.Ll. Then we shd. give a firm lead.

H.M. Sh^d. we be so firm to-day about not having an enquiry.

Sw. Prefer shorter form of 2nd para. – as in earlier draft.

P.M. So do I.
 Agreed : P.Q. to be answered as in original draft.
 Motion.

G.Ll. Ridley Cttee. recommended tht. consumers be free to use what fuel they choose.
 We accepted that. But Cttee also recommended incentives to use more efficient coal. We must get Ty. decision on that, w'out delay.

B-C. Industry hasn't taken advantage of concessions offered.

[Exit G.Ll.]

4. Coronation.

P.M. a) Lunch for Abbey Guests. Shabby to ask them to pay 16/=.
 Agreed : Provide at public expense.

b) Catering in Stands. Can't get tenders unless beer can be sold.

D.E. Govt. will have to support applⁿ. to Licensing Jj.

P.M. We should.

D.E. No chance of getting tenders unless I also provide the "services". They made a loss in '37, w'out Catering Wages Act millstone?

P.M. We shall have to provide the services.
Expense. Loss on seats.

P.M. Receptions. Only 1. Agreed.
 Rising Cost.

B.C. This morning's decisions have added another £10.000.
 Most serious increase outside M/W. is W.O. Overtime for civilians at Ordnance Depots and victualling.

Al. Travel is another main cause of increase.

P.M. Let M/Def. go into this & see wthr. any economies can be made.

5. Korea : Trials of Prisoners of War. [Exit D.E., B-C.
[Enter J.T., Att.G., S. Lloyd.

S.Ll. Dulles attaches gt. importance to our agreeing.

J.T. Serv. Dpts. don't like moving away fr. Geneva Convention.

P.M. What will other nations do?
U.S. keep them in custody : surely we shd. help them if they wish.

Att.G. Geneva Convⁿ. doesn't apply to this at all : it isn't a war.
Comes into it only as repercussion for future.

Sw. Canada were reluctant : but think we shd. not be only countries not to
comply with U.S. request.

Sim. This wd. work.

M.F. We nominated Allied offr. to our war-crime courts : & no diff^y. arose.

H.M. The risk for the future is not v. gt. R. won't bother about Geneva
Convention.

P.T. The real risk is immediate retaliation by Chinese.

Sim. The obj^{ns}. are not v. substantial.

Agreed : Give a lead to Doms. in favour of going in with
U.S. on this.

Tell U.S. thereafter : without touting round all
Govts.

6. Immunities : European Nuclear Organisation.

S.Ll. Add words "if any" – so as to make it clear tht. we don't assume that any
will be needed.

Ch. I agree.

[Exit J.T., Att.G.

1. Parliament.

[Enter B.H.]

H.C.

Business for next week.
Date of Budget – will be announced. 14/4.
Recess dates : 2/4 to 14/4 (H.C.)

2. Germany : Former Nazis.

A.E.

Adenauer told U.S. & Fr. tht. he approved our action & is willing to bring procdgs. in German courts. Hasn't announced it yet.

3. Washington Mission.

R.A.B.

a) Economic Talks.

Good tht. we went early. Have put these issues in front of their minds.
They have put in hand urgent review (under Len Douglas) by N.A.C.
Financg. their overseas surplus, if they mean to give less aid. We urged them to do so by increased trade. But their pol. diff^{ies}. are great because they haven't come to grips with Congress – will Executive master Legislature? Doubt if any move will be made this summer, twds. “good creditor” policies. They may take some admin. steps first e.g. on customs.

Humphrey was v. friendly. Asked me to rept. how we cd. improve our trade with dollar area. Want to send him memo. v. soon – workg. on it with B/T. Want to include lowering of tariffs, export credit policies. Then either U.S. will follow our plan (inclgd. convertibility) havg. first assured themselves of trade pattern wh. wd. support convertibility : or they will produce alternatives of their own. We did impress them with size & importance of sterling area.

W'in 6 months there may be developmt.

In Canada Ministers promised to put gt. pressure on U.S. to get moving.

A.E.

Endorse statement – in particular, need for caution. Attitude of Congress.

b) Political Talks.

A.E.

Persian Oil. U.S. have endorsed our proposals & told Persians so.
New firmness is v. welcome.

But U.S. are concerned at spare tankers available, wh. may carry oil to be sold at prices below world-price. They disagree with A.I.O.C. tht. this isn't a problem. – & say A.I.O.C. have bn. wrong before.

Suggest Dpts. look into this at once. We may have to take action.

P.M. Let F.O. circulate memo. on history of Rose Marie (?)

A.E. Egypt. U.S. agreed to joint approach : put Hull into it : agreed basis.
But Pres. insisted tht. U.S. must be invited, by Egyptian as well as U.K.
Govts. E. won't give the invitⁿ. Have told U.S. we can't accept E.
attitude. Interim fr. R.M. suggest U.S. won't bring pressure to get in.

P.M. Can't ask Slim to wait for more than 2/3 days. If E. delay. we shall have
to choose someone else.

Sw. Ship sailing 26/3. Some grumbles developing in Australian Govt.

A.E. If U.S. won't push in, we shall have to say we won't talk evacuation
alone. Then deadlock for some time. Can't see early prospect of talks.
Told U.S. Amb. this a.m. tht. we wdn't talk on evacuation alone. Shall
repeat it formally when U.S. attitude is cleared.
Report of Nequib's interview with Caffery. Clear tht. N. and Fawzi were
over-ruled by Cabinet. N.'s posⁿ is less strong evidently.

P.M. U.S. can't go back on merits of policy which they accepted. We can
afford to wait. Our posⁿ is stronger.

Sudan.

A.E. Tel. fr. Howe. Nominees. {Mergani Magadi} does want Nequib's
nominee.
V. annoying. We shall have to concede it. Bad for Commⁿ.

P.M. Bad tht. Govr. shd. resist first and then have to give way.

A.E. Suggest M/State shd. go out and have a look round.

P.M. Yes : Howe hasn't been v. clever – or strong.

4. Shooting down of Lincoln Bomber.

P.M. Read statement to be made in H/C. this p.m.

A.E. Agree.

H.C. Why was training flight so close to frontier?
Can't they be stopped?

P.M. 100 sorties in this area per week – no interference previously.

Sal. Final sentence gives R. excuse for saying tht. in last resort we shd. shoot :
and this justifies their action.

P.M. I could omit final sentence. Don't wish to do so. Will consider.

W. Whatever you say, they will twist it. Leave it as it was.
and by adopting

5. Hungary : M. Sanders.

A.E. I find Templer's arguments compelling.

P.M. So do I. Risk of a Chinese Joan of Arc.
[Enter C.I.G.S., Dawson.,
C.N.S.]

6. Trucial Sheikhdoms. [J.T. and de L.

A.E. As in memo.

Sw. Tell old Doms. as before. Consider posⁿ. of Asiatic Doms.

A.E. Tell U.S. – not consult them.

C.I.G.S. 400 Levies there : 12 R.A.F. cars & squadrons can support, if needed.

A.E. Let mil. give us date when they will be ready.
[Exit C.O.S. and J.P.L.T.]

7. Silverman M.P. Visit to U.S.A.

A.E. Silverman refused U.S. visa. Made rep^{ns}. to U.S. They won't reverse their
decision unless I will say his visit is of vital importance to Anglo-U.S.
relations. I won't.

8. Comm. Economic Conference (resumed).

R.A.B. Can't tell Europeans details of a plan. Tell them our objectives. Extend
E.P.U. Get them to agree to means of modifying E.P.U. if new U.S.
initiative.
Will have to renew E.P.U. Get Eur. to try to work out a wider system with
us, and be ready to move into it by agreemt. when U.S. are ready.

Draper will be here on Thursday. Can discuss broadly with him.
Then memo. for Cab. on Friday. Can take it with Tourists etc.

10. Flood Damage.

- A.F. Statement. Approved subject to amendment.
- R.A.B. All Exchequer liability. Now up to £30/40 m. – not counting l.a. expenditure. Is it really a national disaster. If so, we must pay up – makg. all these concessions. £8-10 m. when I left and Fund to £4 m. £ for £ for addⁿ. of Lynmouth. Liability has trebled since I left. Now equals Dankwerts.
- M.F. It is a disaster unprecedented in our history.
Also pol. pressures are v. strong.
- R.A.B. Para. 13. 2nd alternative goes too far (“in full”).
Accept H.M.’s general approach : but shall not want to prejudice general settlement.
- T.D. If l.a.’s included at this stage must include all River Bds. (para.12).
- M-F. Para.12 affects only l.a.’s in special diff^y. Any diff^{ies}. can be discussed betwn. T.D. & R.A.B./M.F.

12. Farm Price Review.

- T.D. Farmers seeking to see Ministers. Want settlement to-morrow.
Eggs. Recommend 4/= no concession. New and important principle.
Believe this price will be profitable to farmers.
Fixed Commodities. Offered £14.6M., against £16.9M. envisaged by Cabinet. Diff^{ces}. Remain’g. are milk (we have gone to ½d meat (3/= per cwt.) & wool. They ask for ¾^d and 4/=.
- Milk : they will take ½^d. in end. They have a case on wool.
No cost to Ty. Bd’s funds are satisfy. Cost wd. be £800.000 above the £14.6M. Price guaranteed now 4/6^D : shd. leave £1½M. in fund.
Market price is rising : now around 4/4^D. Prefer to [raise not reduce] wool rather than mutton. Agreed.
- Meat. I cd. give 1/= w’in limits. But wd. raise row over milk.
Better stick to it.
I’m for taking a stand on this.

Approved. M/L. to be consulted on method qua c/living.

1. R.A.F. Loss of Bomber. [Enter L.I.G., T.D., de L.

de L. Now establ^d. tht. bomber was unarmed & cd. not have returned fire.
Shooting was unprovoked – and prob. w'out warning.
Bomber was off course. Rear gunner thght. he was over Hamburg
& shot down by U.S. fighters.
Some ammo. on board – collected by R. and displayed to our
experts who came to see it 4 days later.

P.M. My statement is justified.
Be prep^d. for criticism why were these unsuitable aircraft so exposed
to attack etc., Doesn't look v. good.

de L. 2 Lincolns: breach of discipline – shd. have gone back when out of
radar contact. Fastest & largest bomber we have.
Normal training flight – covers practice by crews as well as radar tests.
Prepared to answer those criticisms. [Enter A.E.

A.E. R. invitⁿ. to conference. K. says we shd. accept.
Techn. diff^y: R. may try to narrow present rights.

de L. In principle I'm ready to go into the conference.

A.E. So am I. Want dipl. rep^{ve}. there as well as RAF experts.

de L. Saceur has issued proposals for handling air infringemts. Need close
understandg. with U.S. F.O. and Air Min^y to confer.
[Exit de L.

2. Judges' Salaries. [Enter B-H., Att.Gen.

R.A.B. Opposⁿ. in Tory Party must be heeded. Little bitterness. But they are
on the point re Judges' duty to interpret income tax law.
Labour – strong feeling bound up with c/living. & M.P.'s salary.
Not v. good for Judges to have this controversy.
May have to consider another method e.g. gross salary & travel
allow^{ce}. W^D give £850 or £900 benefit. Indicated figures.

P.M. What of P.M.'s first £4.000?

H.C. Equivalent to £120.000 gross.

R.A.B. P.M. & Speaker (not announced) are unique in this.

P.M. No advantage in hiding Speaker's posⁿ.

R.A.B. Diff^y. of defendg. original Bill. Money resolution (tho' it cd. be p'poned until after Easter) wd. have to be revised. Speaker might say it was a diff^t Bill. May be better to w'draw this Bill because rep^{ns}. re method & put in another after Easter.

M.F. Heard no a/c of 1922 Ctt^{ee}. mtg. save that in D.T.

B.H. That was accurate.

M.F. Then, if we don't alter Bill, we risk defeat. Better to alter Bill.

P.M. In 1922 Ctt^{ee}. 14 spoke against.

B.H. Full mtg: 80/90 remained throughout & supported demand for w'drawal of Bill. Not enough support for this method of tax-free allowance. Fear of extension to other people. Fear it will provoke other wage appl^{ns}. is secondary. Genl. admⁿ. tht. remuneration be improved – but no agreemt. on method (salary or allowance).

A.E. Must stand to general policy. Not shocked by high gross figure – £10.000.

B.H. Good deal of opposition to that method also.

P.M. Not surprised.

Ch. If that method chosen, and tax is reduced, advantage will be v. great.

R.A.B. My memo. of 14/10 to Cab. included all the arguments now advanced v. it.

P.M. Serious to retreat now. I cd. influence Tories in debate. Bound in honour to improve remunⁿ. : method is a matter for discussion, when Fin. Resolⁿ. comes to H/C. on report. We can't run away from propⁿ. tht. Judges shd. have £1.000 more in real money. Let us debate Bill on that basis on Thursday. Interval before Resolⁿ. comes up on report : during that we can consider views re method.

B-H. Won't get 2nd. Rdg. of Resolⁿ. unless you say v. clearly tht. method will be altered.

M-F. Consider means of avoiding loss of confidence.
Sh^d. P.M. see 1922 Ctt^{ee}. before debate?
V. serious if Govt. had to w'draw after debate.

P.M. Must also avoid humiliation of admittg. mistake.

H.M. V. awkward if we can't alter Bill by amendmt. & have to produce a
diff^t. Bill.
x/ Can't we get first discussion on basis of resolⁿ. vice 2nd. Rdg. of this
Bill.

P.M. Awkward. But no slur on us.

R.A.B. We need more time to get Tory Party right on this. P'pone until after
Easter. Get time to negotiate a settlement.

P.M. Don't like looking irresolute.

O.L. Can't do it on allowances. Choice is between our plan & high gross
salaries.

Sw. Support x/. Then negotiate with Party.
Why not take on Thursday a motion advocatg. increased
remuneration for Judges.

B-H. Mistake to p'pone discussion. Take it on 2nd. Rdg. & adjourn it if new
Bill wd. be needed: or take it on a resolution.

P.M. Consider if new Bill is necessary. If so, do it on a resolⁿ.

H.C. | Prefer to take it on 2nd. Rdg. – wh. is a declⁿ. of principle in favour
y | of improved remuneration. But defer takg. Money Resolⁿ.
| If amend^{mt}. of that causes Spkr. to say a new Bill is needed,
| that's his responsibility, not ours.

R.A.B. Will mean spending much more Parl^y. time on Bill.

*P.M. Tactics as at y/. Gives time for negotiation.

R.A.B. I know tht. enough members of Fin. Ctt^{ee}. will oppose present method
to prevent us getting this accepted.
[Exit L.I.G.]

*H.C. Meet 1922 Ctt^{ee}. m'while.
|
| P.M. Not unless I can offer to compromise on method.
|

|*B.H. P.M. & R.A.B. shd. see Executive of 1922 Ctt^{ee}. on Mon.
& leave it to them to communicate to Ctt^{ee}.

R.A.B. If we pledge ourselves to £1.000 and have to choose a diff't. method
we may be in v. big figures. We may have to come down a
little on net figure.

P.M. Not disposed to go below £1.000 in real money. [Exit Att.G., B-H.

3. Farm Price Review.

T.D. Completed on basis of 17/3 Cab. Concl^{ns}.
Farmers accept as settlemt. with reserv^{ns}. on eggs & milk. We shall
have their support in prodⁿ. drive.
Ask auth^y. to present Wh. Paper to-day.

J.S. A good result. [Exit T.D.

4. Kenya.

Al. 2 Batt^{ns}. leavg. by air 30/3. Stage thro' Khartoum. Will arrive
7/4 in Kenya. Personal weapons & kit: no transport.

P.M. If E. make trouble m'while, we cd. stop them at Fayid or Khartoum
in terrorem. Kenya cd. wait for a bit. Keep this as a
manoeuvre in reserve.

Al. They cd. bivouac – for a time.

P.M. M'while no change in p'mme. M/D. to be ready (w'out any commⁿ
to Sudan) for a change of plan.
Disturbed at M^{rs}. Braddock's disclosures re treatment of 4 men in
Lanc. Fusiliers.

O.L. Await report: may not be well-founded. [Exit Sim., O.L., J.S.

5. Commercial Policy.

R.A.B. Further liberalisation proposals. Trade & tourism. Announce in
Paris and in H/C (by B/T) on Monday p.m.

P.M. Diff^{ce}. betwn. £40 & £50? RA

A.E. Object: to prevent others from raising import rest^{ns} v. us.
 Tourist. If we go to £50, Scandinavia will ask for higher sum
 under an old agreement.
 Support £40. That will satisfy France.

Ch. Press for countervailg. increase in their purchase of our exports –
 otherwise we shall go back to deficit in E.P.U.

H.M. Plea for tiles to be on liberalised list.
 Agreed: Tourism at £40. Rest approved.

R.A.B. U.S. & Canada will support our line on gen. ques.

6. Sudan.

A.E. N.'s signature with Sud. Pol. Parties upset Br. offls. & Khartoum.
 As result, they are hurt – and lying back. “You get on with it.”
 That won't do.
 The Parties are ashamed of themselves.
 Want M/State to stiffen up both sides.
 N. has re-acted v. courteously to this Mission.

7. Flood Damage.

M.F. Oppⁿ. motion, Mon. We can accept it.

C.C. 22(53).

24th March, 1953.

1. Judges' Salaries.

[Enter B-H.

P.M.

16 members of Executive of 1922 Ctt^{ee}. were unanimous v. Bill.
4 declared they cd. not vote for it. They don't challenge
principle: they are at a loss re method.
Diff^y. of method of gross salary – cartoon in D. Herald.
Impressed by complaint about being rushed. Too short an
interval betwn. introdⁿ. and 2nd. Rdg. Clear now that delay is
only course to take. Decided therefore to p'pone until after
Easter. Announced last night because it began to leak – either
thro' 1922 or Labour Whips.

H.C.

Read statement to be made in H/C. this p.m.
Sh^D. we declare support for principle of some increase in
remuneration or the increase declared in Bill?

J.S.

By a diff^t. method unlikely to secure same as the £1.000.

O.L.

Introduce the words “approximate equivalent”.

P.M.

Inclined to favour “expenses” method, if Bill can't be put across.
My priorities are i) Bill method ii) expenses w'out detailed
proof.

Agreed. “Increase in remuneration of the order
[proposed] in Bill.”

2. Parliament.

H.C.

Business for next week.
Adjournment Thursday: there will be P.Q.'s.

[Enter 3 Serv. Ministers & Solr.G.

3. Amnesty for Deserters.

P.M.

Why not burn their lrs. and ignore posⁿ.

M.F.

Don't dissent from that. But must avoid saying tht. Executive will
dictate to prosecutg. auth^{ies}. wtr. they shd. prosecute or not.
cf. Campbell case.
If we follow (3) in M/D. memo: I cd. consult Police & other
prosecutg. auth^{ies}. on civil offences & get them to say tht. a man
with cert. of transfer to reserve wd. not ordinarily be prosecuted

for any civil consequential offence.

P.M. Then you encourage another class to write in & be forgiven – extends classes.

You avoid interference with prosecutg. auth^{ies}. by burning the evidence.

Al. Won't be believed if police pick him up later & prosecute.
300 out of 1,500. No solution is ideal. Favour course 3); but we shd. have to say at once no more wd. be forgiven for further mistakes. Otherwise those who deserted post-war wd. try to angle for same benefit.

A.H. Favour course (3). But make it clear tht. no more writing in now will be let off.

P.M. Gives premium to those who were foolish enough to write.
Burn letters.

Sw. No: when man has written he will prob. have taken other steps which give him away – e.g. call at Food Office.

Solr.G. 3) extends the amnesty. Why not say confessⁿ. will be taken into a/c as mitigation but each case will be considered on merits.

Al. There is no perfect solution: choice of evils.

A.H. Yes 3) is least evil.

Sim. Disregard of lrs. wd. get you into other difficulties.

P.M. Let us have report by Ctt^{ee}. L.P. (Chair), M.D., M.F., att.G., or Solr.G. with Service Ministers in attendance.
Let them also consider: i) those who deserted pre-war & served in war thereafter. ii) those who served will in war & deserted after.
Ctt^{ee}. to complete in time for announcemt. Mon. next.

[Exit Solr.G.

[Enter B-C.

4. Officers' Retired Pay.

Al. Much feeling in Parlt. Won't be dropped. Causes much antagonism among good Tory supporters. Grave hardship among these senior officers. V. small cost. Diminishing commitment

because old men.
Believe this small concession wd. satisfy them for some time.

B-C. Stabilised above the then c/living figure.
Ch/Ex. feels v. gt. diff^y. because effect on higher pensions. Same was
done for senior C. Servants – who equally are restive at present
rates.

Ch. That wd. also be a diminishing commitment.

B-C. W^d. involve raising higher levels of pension for first time.

W. C^d. make a case for warriors wh. wdn't apply to C. Servants etc.,

B-C. On the cut they were treated exactly same as C. Servants.

Ch. Sh^d. we not get figures & see what is involved.

P.M. After Judges am shy of taking up case of the Generals.

A.H. This (restricted to a few senior officers) wdn't silence the clamour
in H/C.

L. (Asked) favoured M/D. proposal.

H.C. You won't hold it on this alone. We shd. examine repercussions first.
If it opens flood-gates it's millions
{ Defer decision until R.A.B. returns.
{ Ty. to put in memo. on nos. cut in same way at same time.

[Exit 3 Serv. Min.
[Enter D.E.

5. Historic Houses.

Sal. Spk. fr. special knowledge – Nat. Trust, Georgian Group & Chairman
of informal group of owners of most important historic houses.
Can spk. for them tho' haven't consulted them.

Co-opⁿ. of owners is essential to success of Bill.

Think of posⁿ. of man who inherits : he can't pull it down, or sell it :
told it's his duty to m'tain it : yet he is crushed by taxⁿ. Is it
unreasonable tht. he shd. be left enough of his own money to do
his duty.

He will be suspicious of grants – wh. lead to acquisition. This feeling
not confined to house-owners : it's shared by C/E, who have
rejected Govt. help for this reason. Proposal re houses
requisitioned in war : tht. Govt. shd. take over houses on wh. they

- had spent certain propⁿ. of money.
 Told Bill is designed for unoccupied houses. These are not the ones we shd. preserve. Even Labour Party recognise tht. it's the occupied houses wh. we shd. cherish – even foreigners want to see them. Tourist traffic is important : asked to keep Hatfield open in winter on that a/c. Not houses “elegantly embalmed” by M/W.
 Bill is dangerous in principle & ineffective in practice.
 Non-controversial : yes because it adopts opponents' plan.
 Must record my protest v. it.
- Sim. Diff^y. we faced. To do Gowers. plan involved much more money than Ty. will spend. Cost of covering all designated houses, by tax relief or grant, wd. run into millions. This Bill has a different object.
- Sal. Don't ask for Gowers. Ask for no more houses to be assisted than Ty. propose.
- Sim. W^d. that money go v. far on your line?
- Sal. C^d. spend a bit more to get a worth-while return.
- Al. Is tourist traffic bringing in £115 M. p.a.
- Sal. Owners won't co-operate on this basis. Cheaper to aid owners. Montacute – dead now, since turned into museum.
- B.C. Some owners cdn't m'tain even with assistance.
- D.E. Some good houses are coming into market. We cd. buy & m'tain. Others are not owned by people who incomes aren't enough even with tax reliefs. Others wdn't do what architects wanted. If money won't cover whole job, we shd. make it go as far as it can. Give it only where needed. Tax relief wd. give most where it was least needed. Grants wd. be negotiated voluntarily. Tax relief method wd. be controversial w'in Tory Party.
- Sal. I contemplate no more than allowance for tax purposes [Enter H.M. for specified approved maintenance.
- P.M. L.C.'s Ctt^{ee}. went into all this & they support the limited scheme. Formidable opinions.
- M.F. Mistake to prevent salvage operation merely because we can't do somethg. better.

H.C. Will never be able to do more than this.

Sw. This Bill will concentrate available money on small no. of houses
& un-inhabited ones.

P.M. Fear Ctt^{ee}'s conclⁿ. must be accepted.
But this may not be the end of it. Public educⁿ. may continue.

[Exit B.C., B.H.
[Enter P.M.G. & Nutting

6. Royal Cypher.

J.S. Arms vice cypher. All Govt. bldgs. & property.

W. Throughout U.K. W^d. save expense. Don't have to alter.

P.M.G. Concessions will spread – stamps : special ones for Scotland,
Wales etc.

P.M. Do nothing. Use up G.R. boxes. Catch culprits.

M.F. Announce acceptance of “highest numeral” & face it out. W^d take
away much of the sting.

P.M. New bldgs : wise to avoid use of cypher. [Exit P.M.G., D.E.

C.C. 23(53).

26th March, 1953.

1. Death of Queen Mary.

[Enter B.H.

P.M.

Wreath of behalf of Cabinet. Funeral. Tuesday.
Ministers (Cabinet) to meet bier in W'minster Hall at 3 p.m. Sunday.
Ministers & rep^{ves}. of Oppⁿ. to attend Funeral on Tuesday.
Those who served King Geo. V. as P.C.'s shd. be asked to Funeral
(L.P. will so advise Ld. Chamberlain).
All Ministers of Cab. rank will be invited to Funeral.

2. Parliament.

H.C.

No mtg. Monday because lying-in State.
Remainder of business re-arranged.
Thursday: adjournment: Ques. at 11 a.m. [Exit B.H.

3. Germany: Defence Contribution.

[Enter A.H., de L.

A.E.

Go on as now until E.D.C. is ratified.
Blucher has said tht. m'while G. is ready to help on infrastructure.
That wd. give indirect help.

Approved.

[Exit A.H. & de.L.

4. Commercial Policy.

R.A.B.

Relax^{ns}. – have made deep impⁿ. : will be good for Eur. trade.
Satisf. resolⁿ. on E.P.U. – renew for 1 yr., but freedom to re-negotⁿ.
if move to coll. approach.
Convertibility : some wd. follow us, if we did (e.g. Belgium &
Germany). Scandinavia more cautious because more
dirigistes. Italy alarmed. French v. nervous. All ready to
work on it with us. Sitⁿ. v. satisfy^y. If U.S. get along, progress in
due course : but no “risk” of anything immediate.

5. Congo Basin Treaties.

O.L.

Fin de siècle Treaties. No provⁿ. for renunciation. Can't alter them –
R. wd. have to sign. Policy of “quiet disregard.”

P.M.

Or innocuous desuetude.

O.L. They have bn. disregarded already in S. Rhodesia.

A.E. Agree. Cab. shd. know. For provⁿ. e.g. re liquor may be raised in U.N. "Colonial" discussions.

6. Iceland Fisheries. [Enter Nugent.

A.E. Saw trawler-owners y'day with Parly-Secy. After mtg. separately they came back to say not prep^d. raise ban after Hague decision. They have reverted to claim to go to Over-Fishing Commⁿ. & intend to m'tain ban m'while. But Iceland not prep^d to go to Commⁿ. : & Commⁿ. has no power to enforce its decisions. We must have a line. Iceland willing to go to Court on Faxa Bay, if trawler owners agree to raise ban afterwds. We cd. say that's our posⁿ. but owners won't agree. V. weak. A Cab. Ctt^{ee}. to consider alternatives. A.E. to summon : Friday.* Dawson's agreement with Iceland has stiffened, vice frightened, owners.

[Exit Nugent
[Enter C.N.S., J.T.

7. Persian Gulf.

a) Trucial Sheikhdoms.

A.E. T.L.C. have arrived. Unloading suspended because bad weather.

Al. Op^{ns} can start on 30/4, unless bad weather persists. Have asked for greatest expedition: must be ready as soon as poss.

A.E. Will tell U.S. 48 hrs. in advance.

P.M. 4-engined aircraft. No ques. of principle, but they wd. have to use Bahrain.

A.E. Also jets frighten Arabs better.

b) Islands in Gulf.

A.E. Rumours tht. Persians may try to occupy some islands – containing red oxide. Iraq told us : encouraging them to leak it. Must have 2 frigates in Gulf during summer.

J.T. We can do this. [Exit J.T. & C.N.S.]

8. Germany: Arrest of Former Nazis.

A.E. Statement (& Adenauer's) p'poned for 24 hrs. because
Queen M.'s death. Will be made this p.m.
Germans have undertaken prosecⁿ.
General view : this has turned out v. well.

9. Industrial Disputes : Austin Motors.

W.M. Believe men will not decide to-day to go back. But T.U.C. are going
to ask them to go back & me to investigate grievances. Too late
if Lord persists in telling the men they will be sacked if they
don't return. May be able to fit this in if they decide Fri. a.m.
to return.

10. European Defence Community.

A.E. German ratifⁿ. (lower House) has altered posⁿ. Fr. will then come
along. We shan't have to worry over H.M.'s dilemma.

P.M. Tell H.M. tht. his memo. can come up later if sitⁿ arises.

11. Coronation.

P.M. Naval Review. Fares of wives (not mistresses) can be paid.

R.A.B. V. Well.

H.C. Case for asking them to pay. It's not much. Aus Parlt. votes the
money.

P.M. Harsh to make Members sole exceptⁿ.

B.H. I wd. favour paying – feeling is rising re poverty of Members.

1. Parliament: Pay of Members. [Enter B.H.

- P.M. H.M. has asked leave to bring deputⁿ. on salaries of Members – to-day at 4.30. R.A.B. & H.C. will accompany me. I shall say – interestg. ques., shd. be debated in H/C., why not use a Supply Day? I can't help it if some of our people support it. It puts on Opposⁿ. the responsibility of raising it, w'out committing us.
- O.L. W^D commit Govt. if H/C. carried motion in favour of it – with support of a few Tories.
- R.A.B. Thinking of enquiry – to cover also pay of Ministers, esp. Junior Ministers. Tempted by idea of adding Judges too.
- P.M. Spoils the case for saying tht. Judges are unique.
- R.A.B. Anyway, Judges wd. be easier if enquiry into other came first.
- Sal. What about expenses for Peers. Is that to be included in enquiry?
- P.M. What of workers' pay : enquiry wd. whet appetites.
- W. V. poor effect on p. opinion.
- H.C. Enough to-day to listen to deputⁿ?
- P.M. If you have to have enquiry, don't drag Ministers in. For Junior Ministers we cd. get larger expenses.
- R.A.B. Prefer to-day to do no more than listen.
- P.M. They won't rush into debate – will play for Govt. to take initiative.
- B.H. Consult Party before suggestg. Debate : for there cd. be a vote even on adjournment debate.
- O.L. Listen to-day : play the other card later. [Exit Sal.

2. Coal Mining Industry : Enquiry.

- L. Mtg. with Fuel Ctt^{ee} of H/C. last evening. Persuaded them not to press for enquiry.

P.M. My informⁿ. is tht. they were dissatisfied.

B-H. And mine.

P.M. At least it puts us on side of miners.

L. Not opposed to enquiry – but not just yet.

3. Parliament.

H.C. Business after Recess. Budget. To be compiled on followg. Monday.
Transport Bill on Tues. 21/4 – p'poned from y'day.

[Enter A.H., J.T., Solr.G., Birch.

4. Amnesty for Deserters.

M.F. As in memo. Para. 5. Prosecutg. auth^{ies}. will follow same course for
mistaken claims as for others. Others, not covered by this
statement, will continue liable to prosecⁿ.

Memo. approved.

Statement to be amended as proposed in my brief
on paras. 3 and 5.

[Exit A.H., Solr.G.

[Enter S.Ll., C.N.S.

5. Falkland Islands.

O.L. Only need is for frigate to stay so long as threat of Arg. action.

J.T. No such threat.

P.M. Take marines off at once in frigate. Let John Biscoe rescue
stranded Chileans.

[Exit Birch & C.N.S.

[Enter D.S. & A.S.

6. Steel Allocation.

Sw. Shipbldg. plate is scarce, but bulk allocⁿ. doesn't help over that :
Ministers will take admin. action to ease that.
Export. B/T. will consider separately.

D.S. Want to be consulted.

D.S. Industry asked to send more plate to firms in Sunderland who are
short.

J.T. Those dismissed from Shortts have bn. absorbed into repairs.

D.S. Will announce the admin^{ve}. action re plate before we announce abandon^{mt}. of genl. allocⁿ. scheme.

[Enter J.S.

[Exit J.T.

7. Timber Damage in Scotland.

J.S. Movement to mills of timber wh. can't be sawn locally is causing the greatest agitⁿ. Purchase for s'piling wdn't help because they can't saw it locally.

P.M. More use of portable saws – by tractors – shd. make it poss. to saw more locally. It's v. small timber.

J.S. We shall do all we can locally. But there will be a surplus to move.

R.A.B. Either direct grant (2/3rds. up to 50/= a ton) for transport south : or M/Mat. cd. buy.

A.S. Obj^{ns}. to second course. Unsuitable timber at higher price : reverting to public trading for a v. small amount. (about 1% of our total consumptⁿ). Nor have we now the staff.

Sw. Support A.S. No precedent (first course) because unique disaster.

R.A.B. V. well : pay the grant. Let J.S. announce to-day as proposed.

[Exit D.S. A.S.

[Enter F.H.

8. Adult Education.

F.H. This is a mess : we aren't getting dividends for money spent.
Average : we pay £4 and student 2/=.

Suggest appoint^{mt}. of Ctt^{ee} to go into finance & adminⁿ. of those schemes. M^owhile for this year pay 75% of remuneration & expenses of teachers on condⁿ. tht. fees are not less than 6^d p. lecture. Mght. mean slightly more or less grant : can't yet guarantee it wd. be no smaller. W^d try to exempt the few who cdn't pay even 6^d.

W^d negotiate this plan with responsible bodies. There will be trouble because some people won't pay even 6^d. Tho' I wd. say either lecturer can't be good or the pupil can't be keen.

R.A.B. Support in principle. But who not have enquiry, saying aim is that students shall pay more. But m'while let it go as now.

F.H. Must I go on ignoring the Regs. re fees.

R.A.B. You will get unnecessary trouble.

F.H. My plan is consistent with P.M.'s letter to T.U.C.

Agreed : as proposed by R.A.B.

F.H. Then the grant will increase by about £10,000. [Exit F.H.
9. Coronation : Representation of Irish Republic.

Sw. As in my note to P.M.

P.M. What wd. Brookeboro' say?

M.F. Unlikely to object, so long as he is asked.

Agreed : avoiding a row with N.I.

10. Korea.

P.M. Will make a statement to-day on Chou's latest offer.
Will afford opportunity to say how right A.E. was in foreseeing all this – eg. supportg. Indian resolution etc.,

Sw. Corr. statement in H/L.

P.M. Must do nothg. to discourage friendly approaches – tho' not be deceived.
Tho' don't suppose R. will relax hold on satellites – or U.S. their hold on atomic weapon. But even a milder atmosphere for a few years mght. make the difference.

11. Iceland Fisheries.

S.L.I. Trade unwilling to lift ban. We have told Iceland Govt & await reply. M'while trying to ventilate it in Over-Fishing Commⁿ – technically.

Danes are now going to impose (lesser) rest^{ns}.; but will consult us.

J.S. Awkward to raise this at first mtg. of Commⁿ.

S.Ll. Trying to get French to raise it.

12. Austin Motor Works Strike.

W.M. Time now to appoint Ct. of Enquiry to elicit facts.
Union ask for, with support of T.U.C., w'out seekg. condⁿ. tht. men
be taken back. Have said they will accept Court's findings.
Firm wd. prefer not to have it, but will co-operate tho' they
can't be expected to bind themselves to accept findings.
Redundancy & individual empl't – matters for management.
Must announce Thurs. Otherwise Union may spread trouble to other
motor works.

C.C. 25(53).

13th April, 1953.

The Budget.

No note taken.

1. Egypt.

P.M. We hoped for Anglo-U.S. foursome – mil. and civil. U.S. not invited to join.
What next? C^d. not keep Slim back fr. Australia.
Brought Brian Robertson home for conversations, and he will go instead.
A.E. wd. prob. have preferred informal approach behind scenes to get as many diff^{es} out of way before any public appearance of parley. I believe E. wd. try to get us on run. I attach import^{ce}. to formal mtg. & also to mil. participⁿ. That wd. link with U.S. if they join later
talks due to start 27/4. Announcemt. on 16/4.
Tel. to Eisenhower.

General approval.

P.M. I have made no change in policy. But I have made a change in method.
Can't carry A.E. with me on every detail while he is ill.
Must be allowed to assume responsibility alone.
One point not to be overlooked. Mght. accept 3 or 4.000 vice 7.000 for base. But I want them to be in uniform & with personal arms – so tht. they cdn't be arrested by police : cdn't be molested w'out constituting an act of war.

2. Sudan.

H.M. Tels. re propaganda. E. does it: Sud. Govt. doesn't: who does the counter-propaganda.

S.LI. Want to do this: am going to ask for money for it.
Blatant E. propaganda helps us a bit. We must do it covertly.
Govr. Genl. won't lend himself to it. But Prov. Govrs. wd.

3. Surrender of Firearms.

M.F. Many illegally held. Likely tht. large nos. wd. be surrendered – view Police. W^{dn't}. affect good citizen with firearm cert. or those who wd. welcome chance to give up firearms they hold improperly.

P.M. Mention tht. people needing them for protection may apply for

certificate.

O.L. Police will have to let up a little on this.

Sim. Agree. Police policy will have to be changed.

O.L. Must say we hope more favourable consⁿ. will be given to these appl^{ns}.

Memo. approved.

4. House of Lords Reform.

Sal. Various alternatives. Now prefer extending Scottish system to E & W. But how wd. you ensure tht. some Labour hereditary Peers get elected? C^d make P.C.'s automatic : cd. require only propⁿ. of votes cd. go to own Party. Hereditary Peers cd. opt (only once) for H/C. if he so preferred. There wd. be life Peers as well – 50% of total membership. Exeter's plan to exclude non-attenders : Sim. has declared it unconstitutional. Simon's plan no good because leaves all backwoodsmen in.

P.M. Use of Prerogative for extraordinary creation?

Sal. New Peers wdn't sit except if elected to sit by their fellows. Mght. have to make some exceptions e.g. for new Ministers.

P.M. That wdn't cover 1911 case.

Sal. But Parlt. Act – that no longer arises.

Sal. Doubt if it shd. be covered. I believe H/C. shd. be able to over-ride H/L. in last analysis. Must get on. For Simon is pressing to go on with his Bill. Don't wish to have to vote him down.

P.M. Delaying power shd. be put back to 2 years. That is a duty of Tory Party.

Sal. V. provocative to go the full 2 years. Might invite reversal.

Agreed: Cab. Ctt^{ee}. to examine.
L.P., Simonds, Woolton, Swinton, M.F., H.C.,

and M/H., M/Supply with power to co-opt
e.g. L. Boyd.

5. Commonwealth Membership.

P.M. Ctt^{ee}. to give preliminary consideration – as composed by Swinton.
W^d. it help if initial work was done by the 3 Junior Ministers?

Sw. W^d. prefer Ctt^{ee}. to meet first: to settle general principles.
Then we cd. use Junior Ministers to work out detail.
Must have secret consult^{ns}. soon with 3 older Doms.

Sal. Prefer Swinton to take Chair. I will sit under him.

O.L. Not impossible to find a mezzanine floor: believe we cd.
persuade Africans to accept.

C.C. 27(53).

16th April, 1953.

1. Budget : Scilly Islands.

[Enter B-H., S.Ll.

P.M. Pretty sudden.

R.A.B. Did not mention to Cabinet because thought unimportant. Taken by surprise.
1.600 inhabitants : £100.000 p.a. revenue : from 1954/5.
All other islands save Lundy are subject to tax. (12 inhabitants)
Flourishg. industry – flowers, tourism.
Cornish M.P.'s think this will be thought just in Cornwall.
Case is un-answerable in logic. Tho' admit it has deep historic
Roots : they were not pre-Pitt assessed to land-tax.

P.M. Sh^d. they not have lead 2 or 3 yrs' notice. Revolution in daily life of every family – and whole economy of island.
Cd. not decⁿ. stand, but period of notice given – or even be brought in gradually.

R.A.B. Bill does provide for one year's notice. Assessed in 1954/5 on income for [1953/4] that year.
R.A.B. to consider & report.

2. Parliament.

H.C. Opposition wish to debate on Monday orders imposing control of trade to China.

S.Ll. Awkward now because truce discussions. But must be done before 4/5.

B.H. Will be F.A. debate in following week. H.C. Mght. put them off on that basis. W^D. be in better context after that debate.

H.C. Transport : H/L. Amendmts. Opposⁿ. can't come to terms. H/C. may sit v. late. Shall start on Tuesd. & resume Thurs. – if necessary sitting into Friday.
Agreed: Must complete H/L. Amend^{mts}. this week.

[Exit B.H.
[Enter McL., D.S., D.E.

3. Housing Policy: Rents.

- H.C. i) Are we going on with this?
 ii) Can we legislate this session? Separate Sc. Bill will be needed :
 and J.S. can't agree to E. & W. going far ahead of Scotland.
- H.M. Two aspects of housing – bldg. of new : repair or demolition of old.
 We have broken back of first. In 1st qtr. of 53, 70.000 as cpd.
 53.000. Mar. 28.000 is highest monthly total since war. We may
 therefore get the 300.000 target this year, tho' I shan't say so
 publicly. Don't want to go higher in '54/55 : indeed, I wd. accept
 a fall, when we are divertg. public attⁿ. to problem of old houses.
 7¼ m. landlord-owned houses are the problem. 2¼ m. are 100 & more
 years' old: & 4¾ m. are more than 60 yrs. old. But we need
 them all.
 mjr. Problems i) conversion ii) improvemts. to modern
 standards iii) ordinary repairs iv) patching up condemned
 houses to last a bit longer. i), ii) and iv) need special Govt. help.
 Bill applies only to iii).
 Rent increase must be presented as part of a single operation & design.
 Circulated & explained table of increases.
 L'lord must declare house to be in g. & tenantable repair. Tenant has
 appeal.
 Not a flat-rate increase. W^d. not happen all at once – as & when notice
 served and repairs done. Increased rent wd. be associated with
 repairs remembered.
 Sc. Plan : 40% increase because no other scheme is practicable under
 their system. But less variation in existg. rents.
 Not out of scale with increases wh. (non-profit making) l.a.'s have had
 to make.
 If we agree this in principle, LPS & B-H cd. consult with me on
 leg^{ve}. time-table.
- D.E. Must be presented as part of the grand design.
 Haven't bn. able to consider what total load of that wd. be on the
 bldg. industry. W^d. like a little more time to consider that.
- R.A.B. Favour H.M.'s plan. Support it wholly. W^d. like to consider max. of
 twice s.d. Must tackle this soon. Even our critics cd. be made
 to recognise tht. this is courageous solution of v. diff. problem.
 Conservative Govt. shd. conserve old houses.
 V. great help to stability of £. Regarded as touchstone.
 Can't tackle housg. subsidy until we have done this.
 Weakness of Budget speech was my inability to show real plan
 to reduce exp^{re}. Thus, for me, sooner the better.
- Sal. Endorse R.A.B.'s remarks. An increasing scandal. We shall gain in
 credit for tackling it.

W. Endorse this last point. And fr. that angle, sooner the better.
Sw. Must go fwd., not merely be presented, as a single whole. C^d. legⁿ.
cover all aspects.

P.M. Approve plan in principle
White Paper covering all the ground.
P'mme of action: L.P.S., B-H. & Housing
Ministers to prepare.
Same Ctt^{ee}. & Ch. Whip.

[Exit I.M^cL., D.E.]

4. Atomic Energy Organisation.

Ch. Tell Opposⁿ. (lr. to C.R.A.) : then make announcement.

D.S. Tell Opposⁿ. at once. Better to speak to H.M. Then make early
announcemt.
On Report : para. 3(f). We mustn't prejudge now wtr. these
establ^{mts}. shd. be transferred.

S.Ll. Enquiries outside U.K.

Ch. No. Certainly not w'out consultⁿ. with F.O.

R.A.B. Don't announce principle has bn. accepted.

Ch. We did agree on principle.

Adjourn until Tuesday.

C.C. 28(53).

21st April, 1953.

1. Parliament.

[Enter B-H., S.Ll.

H.C. Business for next week.
F. Affairs : 2 days : Tuesd. & Wed.

P.M. Prefer Wed. & Thursday, if that can be managed.

[Exit B-H. Enter Serv. Ministers.

2. Persian Gulf : Trucial Sheikhdoms.

Al. Explained present posⁿ. of op^{ns}.

P.M. No use of force while parleys with Ibn Saud continues.

3. Officers' Retired Pay.

R.A.B. Bad moment to make any move.

Al. Strength of feeling in Parlt. Motion mght. be carried v. us in H/L.

L.P. Bears hardest on most deserving – senior officers.

Al. The younger people re-joined in 2nd. war & are on better rates.

Sw. O.a.p. will cry for more.

W. A v. diff. category. As are Civil Servants.

P.T. But pressure wd. come – fr. o.a.p. and other quarters.

A.H. Feeling in H/C. also : it won't be forgotten. 200 signatures to motion,
wh. mght. lead to wider concessions.

R.A.B. War pension claims will be pressed this year. W^d. cost £1 m. for
each 1/=.
Let us watch situation – for some months. See how it goes : which
pressures we shall have to bow to.

P.M. Yes : Again before Recess.

[Exit Serv. Ministers. Enter D.S.

4. Atomic Energy Organisation.

- R.A.B. Accept Ch.'s draft subject to omitting reference to decision of principle.
- D.S. Prefer R.A.B.'s original formula. Wider form will arouse controversy. Say Ctt^{ec} to advise on technical issues involved.
- Ch. W^d. get worst of both worlds. Shall be asked if we have decided – what do we say? Puts Waverley in false posⁿ. Won't allay unrest among staff.
- P.M. Shall seem to have decided before we have had the evidence – or before we know how to do it.
- H.M. We wd. like to do this if it can be done.
- P.M. W^D. still be open to us to decide, on report, that it can't be done.
- D.S. Shall have to say somethg – Strauss is going to ask a P.Q.
- R.A.B. Prefer Ch. draft subject to omission of [] in my copy.

Agreed: [P.M. to make it. D.S. agreed.]

5. Atomic Energy: External Policy.

a) U.S.A. & Australia.

- P.M. Considering publⁿ. of my Treaty with F.D.R.
- Ch. Modus vivendi with U.S. gives us no benefit & prevents us fr. giving to Australia secrets we have discovered ourselves.
Better now to work with A. & prs. S.Africa – freeing ourselves fr. U.S.
First we must ascertain wtr. A. wd. still be ready to work with us.
Then seek freedom from U.S. And, if they make diff^{ies}., insist that they work the agreement.
- L.P.S. Support proposal.
- Sw. So do I.

R.A.B. Take care over message to Menzies. We didn't approach A. as soon as we took office.

Ch. I only heard fairly recently of C.R.A.'s rebuff to M.'s prev. approach.

x| P.M. Ch. with Sw. & R.A.B. to prepare draft tel. to Menzies.

Sw. If M. responds favourably, we shd. tell Canada before we approach U.S.

Ch. Agree.

P.M. May I m'while ask Eisenhower's agreemt. to publⁿ. of Treaty with F.D.R.? He seemed so keen on this before taking office. Blame for its concealment lies with Truman & Byrnes.

L.P.S. W^d. its publication be advantageous to us? – now.

Sw. Do you want to play in with U.S. or with Comm? Eisenhower's hands are tied by Act of Congress.

Ch. Doubt if any harm in publishg. m'while. Let me consider it however – with A.E. Ctt^{ee}.

P.M. No Ctt^{ee}. need look at this.

S.Ll. Better ask for this when we make other approach to U.S.

P.M. y/ I can at least find out if E. still thinks as he did in Jan^y.

b) Belgium.

Ch. Favour going in. C^d. say later we need only 10%.

S.Ll. We favour that.

R.A.B. So do I.

Agreed.

6. Meeting of North Atlantic Council.

R.A.B. U.S. want private mtg. with us on Wed. p.m. – in advance of opening of Council. They have v. important things to put to us.

P.M. Can't spare more than 2 Ministers from H/C. on Wed. [M/S. shd go
[on Thursday.

S. Lloyd's draft.

P.M. 1. (a) A great mistake to announce a change of defence policy
now. No justification for a public change as yet. Even tho' we
are ourselves slowing down a little.
(b) Approve.
(c) Austrian Treaty is not a matter to handle at this N.A.T.O.
mtg. There is no conciliatory move fr. R. over Austria.
(d) Why decide this (4-Power talks) now.

S.Ll. This was to be our line in a private debate. Can't avoid discussion.

P.M. We shd. say this is not a good moment to settle (d).
2. Approve (go on with E.D.C.). Shall give it a push in F.A. debate.
3. Annual Review. Approve.

P.M. Revertg. to 1(d) – approve summary in F.O. print on Sov. Policy since
Stalin's death.

R.A.B. Avoid getting involved in major ques. of policy on this occasion.
Tho' we may have to try to get movement over Saar, w'out
which E.D.C. won't be settled.

P.M. On defence policy : say no change at present. Consider effects of any
announcemt. Dulles may make.

*{ N.B. to ask U.S. Embassy wtr. mtg. on off-shore etc., can be
{ p'poned until Thursday.

[Exit D.S.

7. Sudan.

P.M. We must still try hard to get early elections. Renny is trying still.
Govr. shd. be stiffened.
Officials can give advice, despite Govr.'s attitude.
Not prepared to allow Govr. to go on leave during this crisis.
(3½ months)

S.Ll. Diff. to replace him, if he resigned because need of E. concurrence.
He shd. come to Ldn. for Coronation : to associate Sudan with it.
But shd. return at once.

L.P. Yes : & beat him up while he is here.

Proposals for expenditure.

W. V. small.

S.Ll. Para. 14. B'castg. fr. Cyprus will centre on Sudan.
Propose organⁿ. for propaganda apparently coming fr. Sudanese :
for buying Cotton, & for bribes.

H.C. Don't want early Suppl. Estimate.

P.M. Do this on Secret Vote.

R.A.B. And spend more.

[Enter G.Ll., O.P., Watk.

8. Northern Ireland : Unemployment.

M.F. Serious situation. General election soon after Coronation.
Coal subsidy – w'in their powers. Can we deny them this? They
have a case on merits wh. can be differentiated from other
areas.

R.A.B. It is v. serious.
Soundest scheme is remission of employers' contⁿ. to insurance.
For basic diff^y. is tht. wages are no longer lower than in G.B.
Try re-imbursing employers : might cost £5M. in the end.
W^D get to root of real trouble – more than coal subsidy wh.
wdn't go to right industries or achieve result.

O.P. Remission wd. damage insurance scheme – based on principle of
joint cont^{ns}. by employers & workers. Socialists are considering
abandonment of contrib. principle. Certainly wd. be demand for
similar concession to workers.
Repayment wd. be subsidy to wages. Better do it directly & not in
relation to insurance contⁿ.

Watk. Support O.P. Workers wd. at once demand remission of their contⁿ.

Ch. V. dangerous precedent. W^D. be invoked in any area where there is
unemplt. W^D. only reduce costs by 1%.
Some once-for-all subsidy e.g. to a new factory, wd. be better.

W. This is v. diff. fr. general variation of cont^{ns}. under Emp. Policy
W. Paper. Consider by trades. E.g. purchase tax relief on linen
industry.

- M.F. Existg. factories won't absorb labour. More factories or extensions are needed. And employers won't go there to pay same wages and higher freights.
Obj^{ns}. to all remedies. But can we tolerate continuance of cond^{ns}. as now in N.I.
- P.M. More orders – more ships – more factories. And help to do that.
cf. defence orders placed by D.S. Can't we have a plan for that?
Cdn't liners built in G.B. be finished in N.I., to give kind of empl't. needed?
- L. H. & Wolff have elected to build tankers – & have full order book.
They cdn't take liner on.
- R.A.B. Ask w. party to look into ques. of increasing orders (with Govt. assistance).
- P.M. Favourable Govt. contracts.
- O.L. Interest-free money to build factories – light industries in wh. freight charges are less important.
- G.L.I. } Coal is unsound method.
}
- P.M. } Give N.I. Govt. the £¾M. & ask them to suggest to us how they would use it.
- R.A.B. Ready to give some relief on Imp. contⁿ if an effective & fruitful way of spending it can be found.

Resume on Tuesday.

1. Foreign Affairs.

[Enter L.B., B.H., S.Ll.]

P.M. Molotov's offer of 5 Power mtg. (inclgd. China). W^d. have preferred 3 – takg. on from Potsdam. May be imposs. to refuse : but risk tht. large gathering wd. degenerate to U.N. level.
M.'s statement looks as tho' he was aiming at a general pact of peace. "Easement" is the most we can hope for.

S.Ll. This plan has bn. put fwd. by R. in U.N. – associated with 1/3rd. cut in armaments.

P.M. U.S. won't sit in with Comm. China.
I wd. much prefer to wait. Wish Eisenhower hadn't started this off by making his speech.

S.Ll. Need for interim guidance (in F.A. debate) to smaller countries of West. Bidault's speech, suggestg. disarmament conf^{ce}., wasn't helpful. Useful to enunciate our attitude to Europe – before we get involved in discⁿ. of a b'down in Eg. negot^{ns}. This is argument for holding F.A. debate next week, not earlier.

Sal. Alternative to early debate mght. be statement on M.'s offer.

H.M. W^d. magnify its import^{ce}. : it was only reply to a "front" organⁿ.

H.C. Parl^y. situation – better to have F.A. debate next week because Floods Bill, not ready that wk., wd. be ready in followg. wk.

2. Parliament.

H.C. If no debate on F.A., wd. take C. Afr. Fedⁿ Bill on one of the days.
Thurs: 2nd. Rdg. of Finance Bill.

3. London Transport Enquiry.

L.B. Answer shd. be given before municipal elections. There is a good case on merits : but expedient to get it out soon.
H.A. Ctt^{ee}. agreed there shd. be enquiry.
C^d. announce to-day, in reply to P.Q.'s from our side.
Must exclude charges because Tribunal.

O.L. Delete “if any” - Agreed.

Transport Bill.

P.M. Congrat^{ns}. to M/T. on admirable manner in wh. he has handled Bill.
Excellent Parl^y. performance. [Enter G.Ll., O.P., D.S.]

4. N. Ireland: Unemployment.

M.F. No scope for further orders.
Ques. comes down to this : if N. Ireland propose coal subsidy in
Budget we can remit £¾M. fr. Imp. contⁿ.

R.A.B. (Not heard.)

G.Ll. Sc. and N.W. England will ask for same concessions on coal subsidy.

Ch. W^d. help flourishing industries as well as depressed.

H.C. Other areas haven't same percentage of unemplt.

J.S. But there wd. be strong pressure fr. H. & Islands.

P.M. R.A.B. supports M.F. on gift to N. Ireland Govt (reduction of Imperial
contribⁿ).
Let them come over & discuss with us most convenient
way of using it. Coal subsidy wd. be awkward. Dress up
the minor remedies as much as possible.

O.P. No remission of employers N.H.I. cont^{ns}.

P.M. Cab. were opposed to that.

D.S. Ann. A. para. 4. (c.141) – more textile orders. £300.000 work on
making up & 400 emplt. W^d. like auth^y. to go on with that
at once.

Agreed.

W. Why are they behind in executing orders?

D.S. We order fr. small no. of firms & they have other business.
This order wd. be outside W.O. appr^d. estimates. [Exit L.B.]

R.A.B. I will consider to-day & inform M/S.

5. Atomic Energy Organisation.

P.M. Propose to add 2 sentences to announcemt. app^d by Cabinet.

R.A.B. Agree.

D.S. Don't.

After discussion – agreed in amended form.

6. Civil Service : Regional Organisation.

R.A.B. No need for Reading or Cambridge. No interference with e.g. B'ham.

W.M. Local offices supervised from Regions. If those H.Q. were abolished I wd. have to establish a second office in Ldn., wh. wd. be more expensive.

H.M. Support that view. Essential need for close contracts with l.a.'s on Housing : secured tho' Regions. Also need for close co-opⁿ. in Regions betwn. local officers of M/L. and M/W. Dpts. quarrel less in Regions than in W'hall.
Try to put N'castle area under Leeds & see what a row you will raise.

L. We cd. do this – tho' Leeds wd. raise diff^{ies}.

O.P. So cd. we.

P.T. Accept much of H.M.'s view : but if staff economies are to be secured we must cut on Regions. Accept proposals.

J.T. Adm^y. accept: but not N'castle.

D.S. W^d. cause us some diff^y., but wd. fall in with a general decision.
Joint organⁿ. with B/T : no objⁿ in principle, but want opportunity to consider practical details.

R.A.B. Will consider in light of discⁿ.

P.M. M'while any practical steps wh. can be taken shd. not be delayed – tho' not announced.

[Exit G.L.I., O.P., J.T., D.E.]

7. Meeting of N. Atlantic Council.

- R.A.B.
- a) No relaxⁿ. of defence effort : v. healthy.
 - b) U.S. in private mtgs. with us & Fr. warned us tht. little defence aid will be included in future Budgets. For us it will be nothg. but off-shore procuremt. Means slight redⁿ in dollar b/p. in first year and a lot more after June '54. I therefore said officially tht. we accepted '53 targets & '54 targets only on assumptⁿ. of U.S. aid & satisfaction re German contⁿ.
Promise report later on effects on b/p.
 - c) Free-er trade. Clear they won't move an inch for some time ahead. Can rely on nothg. Joseph Dam : H. said he hoped we wd. get the contract.
Oil. Don't like H.'s plan : want to tell him so. U.S. Cos. to take over purchase of A.I.O.C. oil.
Clear tht. U.S. Admⁿ. are involved in deep Republican controversy - & will be so for a year at least.
- [Exit D.S.]

8. Housing Policy.

- H.C.
- Hopeless to pass both Rent Bills this Session. Advise therefore Rating Bill this Session & whole Housing Policy early next session (para. 4).
W^d. avoid this year's local elections.
W^d. get public opinion behind it – starting at Tory Conf^{ce}.
- Sw.
- V. bad to open Rents before we have whole housing plan.
W'hold W. Paper until new Session opens.
- P.M.
- Leakage in Fin. Times.
- Sw.
- V. mild one. Also in S. Times.
- R.A.B.
- City worried re below/line expenditure. Major problem for us now.
Also because of Paris I shall have to look closer at b/p.
Shall have to discuss with H.M. means of preventg. houses going above 300.000 target. Commitments for educⁿ., agric. etc.
Also cement & timber imports.
W^d. have liked, for confidence in £, to have the Rent Bill this session.
- H.M.
- Support H.C.'s plan. Sorry we can't do this Bill now, but agree it's not on in present temper of Parlt.

Draft W. Paper is ready. Will go to Ctt^{ee}.
When we hit target of 300.000, I'm ready to talk sense. Sink to
240.000 or so & put balance into repairs.

9. Commonwealth Affairs.

i) India.

Sw. Circulatg. N.'s answer to my rebuke on his speech. Satisf., so far as
it goes.

ii) South Africa.

Sw. Malan is registering vigorous protest v. speech by Cantuar – who
spoke of “slavery” in S. Afr. He mght. object to sitting with
Cantuar in W'minster at Coronⁿ.

P.M. Reprove Cantuar – who wd. be well advised to stick to spiritual
matters.

10. Parliament : Reform of H/Commons.

P.M. Consider alter^{ns}. of procedure wh. wd. make M.P.'s life tolerable –
and get Opposⁿ. to accept them in return for increased salaries.
? A Ctt^{ee} of H/C.

1. Indo-China.

[Enter B-H., S.Ll., F.H.]

- P.M. Dec^{ns}. of Def. Ctt^{ec}. not to afford help.
Now told 50 transport aircraft are held here v. need for Berlin air-lift.
- Al. That wd. be a call on civil aircraft : & wd. be needed in emergency for
lifting troops to Sudan, Songkhla or Egypt.
- S.Ll. Believe tht. in addⁿ. there are some in moth-ball.
- Al. Shd. hve to verify they aren't needed for our mil. purposes.
M/State to pursue with [M/Def. and] S of S. for Air.
- S.Ll. M'while told tht. French are standing down their own aircraft. Want to be
sure they aren't trying merely to draw us in. Will test that aspect
too.

1. Parliament.

3)

- H.C. Business for next week. F.Aff. P.M. Monday M/S Tuesd : 2nd speech
(opening). Nutting wind up.
- F.H. (a.) Spelling Bill - can't hope to defeat it. May I consider a compromise.
- P.M. Don't palter with the evil thing.
- B-H. Can't guarantee to defeat 3rd Rdg. Don't want H/L. to throw it out.
- P.M. Why not? This is a thing H/L. cd. do w'out embarrassment.
- B-H. W^D. prefer a compromise tht. costs us nothing i.e. an assurance tht.
research may continue.
- F.H. Explained suggested assurance re research.
Bad in principle to legislate requiring Minister to hold a particular enquiry.
- S.W. Awkward at present for H/L. to flout H/C. – tactics qua constitut^l.
position.
- P.M. Are H/L. never to correct H/C.?
Will Pitman w'draw Bill on this sort of assurance?
- F.H. Almost certainly.

P.M. Are you sure the others supporting the Bill wd. accept its w'drawal.
B.H. Yes – all except Socialists supportg. it to embarrass us.

Ch. Even if that happened, it wd. be easier for H/L. to throw it out.

H.C. Yes - support compromise course.

Agreed: Subject to confirmⁿ. to P.M. tht. Pitman agrees.

(b) Press Council Bill.

M.F. V. awkward if this comes on as result of (a).
We have agreed to vol. Council – can't now allow statutory one to be imposed. Adjourned debate on 2nd Rdg.

B.H. At worst, we cd. kill it in Ctt^{ee}.
Or closure if less than 100 on other side. Get our chaps to spk.

[Exit F.H.

[Enter P.M.G., Att. G., de L.

1. Television.

4)

P.M. Ctt^{ee} to study practical long-term plan.
R.A.B. (Chair): M-F.: W.: J.S.: P.M.G. L.P.S.

W. V. small financial commitment. If we don't move quickly the areas not served will make trouble. No suff^t. fin. reason to deny them.
If we delay B.B.C. development, we delay commercial v. seriously.
No pol. trouble deciding tht. whole country wants B.B.C. television.

P.M.G. Party want us also to implement promise re commercial.
If we don't decide by July, we shall in effect prevent sponsored p'mmes before Election. Need for quick decision.

S.W. Is it not a more limited ques.

R.A.B. When we sanction B.B.C. stations, we are into sponsored. We cd. do first w'out real trouble. Diffy. is to know what we do about 2nd.
Can Ctt^{ee}. meet once & submit quick report.

Agreed: Ctt^{ee}. as opposite.

J.S. Denial of B.B.C. p'mme has bn. based on shortage of material. If we announce soon the go-ahead, gt. row in Scotland who were denied

facilities to see Coronⁿ. Can't P.M.G. even now boost television in these Sc. areas.

P.M.G. Went to Aberdeen : they aren't interested in temp^y. services for Coronⁿ.
Want permanent facilities as soon as they can get it.
I of M. will discuss with M.F.

[Enter J.T., A.H., Solr. Genl.]

1. Mutiny : Death Penalty.

5)
Al. As in memo.

R.A.B. Support.

Agreed.

[Exit J.T., A.H., Solr. Genl.]

1. Judges Salaries.

6)
R.A.B. a) Do we try to legislate this Session? If we can't because time-table we shd. at least make it clear tht. we mean to go on with improvemt. of remuneration.

W.M. Engin. Claim : tussle likely to be in July.

R.A.B. b) Method. I cd. circulate a scheme, with Sim.

P.M. W^d. it not be better to allow engineers' claim to get settled first.

W.M. Bad time to do it, if we cd. p'pone until early next session.

Sim. Won't there be another wage claim then?

H.C. Doubt if we cd. do it before end/July.
Don't want to do it at time wh. wd. be embarrassing to Judges.

Sim. Will there be much diff^{ce}. fr. that angle betwn. July & Nov.

H.C. No: but want to be sure we cd. get it thro' by end/session.

Sim. C^d. we decide now wtr. we depart fr. our chosen method? – in view of back-bench criticism.

R.A.B. Criticism is wider than that. Genl. preference for salary increase.

P.M. Summ^d. R.A.B.'s new plan.

Wd. have preferred to adhere to original plan.

[Exit W. & Alex.

Ch. More logical basis wd. be to make a lower salary wholly tax-free.

R.A.B. Sh^d. Sim. see Executive of 1922 Ctt^{ee}. – and then, with some other Minister, to whole Ctt^{ee}.

P.M. Yes.

R.A.B. Second stage later, if we are to defer until autumn.

Agreed: {Sim. to put his views (principle & method) to Ex.
{Ctt^{ee}. of 1922. No hope of legⁿ. to be held out
{before autumn.

R.A.B. | We shd. have to announce our plan in July, even if Bill doesn't come
X | until autumn.

Sim. We shd. take opportunity, if it's to be salary increase, of removg. some of disparity betw. E. & Sc. Judges. – by giving £3,000 to all.

P.M. Line with '22 Ctt^{ee}. : resolved to go fwd. with principle : ready to consider their views on method. Don't exclude £3,500 wholly tax-free.

W.M. Consider X| later, in light of wage claim situation.

H.M. If we can't have Bill until autumn, not sure statement wd. be wise or necessary.

1. Parliament: Salaries of M.P.'s.

7)

P.M. Letter rec^d. from H.M. Have we decided to appoint Ctt^{ee}?
I prefer to explore less work (procedure) vice more pay.
For bitter Tory prejudice will be shown v. raising M.P.'s salaries.
Am comm^d. to consult 1922 Ctt^{ee}.
Shd. we not raise it there, in assocⁿ. with discⁿ. of procedure (pairing etc.) Might even sweeten it with allowances etc.,
Propose to hint this in corr^{ce}. with H.M. – pairing, proxy etc.,

H.C. There is Ctt^{ee}. about to begin on amenities at W'minster. May give some help.

R.A.B. Wd. prefer Opposⁿ. to start this up on Supply Day.

M/F/ Free postage. Also reducg. burden e.g. pairing.

B.H. Avoid raising pairing in 1922 Ctt^{ee}. : our chaps will get out of control.
Must keep that to usual channels, or Whips won't be able to work.
[Exit B-H.
[Enter D.S.

8) 1. Atomic Energy: External Policy.

P.M. Wd. prefer to omit reference to being unable to count on full co-opⁿ with U.S.

Ch. Don't want A. to think it wd. be easy for them to make a private deal with U.S.

S.W. Say "neither of us can count at present time on ..."
Agreed.

P.M. Was impressed (Jan) by Eisenhower's strong sympathy with our case.

Ch. Congress, however, is still v. hostile. Truman promised but couldn't perform.
[Exit D.S.
[Enter O.P.

9) 1. Provision for Old Age.

R.A.B. Urgent. Can cover Scotland.
Choose a Chairman. Then M/L. shd. try to rope in T.U.C.

W.M. Not hopeless. Ctt^{ee}. under Watkinson now sitting : say in announcement tht. new Ctt^{ee}. will take their work into a/c.
Agreed : P.M. to be consulted re Chairman.

10) 1. East/West Trade. Graybex Ltd.

P.T. Ev^{ce}. warrantg. prosecⁿ. of Draytex Lt^D. for evasion of export control – selling ball-bearings to Soviet. Drayson M.P. was & is a director. Haven't proceeded ever v. all directors personally & wdn't do so now.
Wd. intend therefore to proceed v. firm & one director whose complicity can be proved. But Grayson's name wd. be mentioned by counsel in opening – in ordinary course.

P.M. Is it suff. serious for procdgs?

P.T. Yes – on merits & also because at least one foreign Govt. is aware of it.

Att.G. I have advised P.T. to obtain counsel's opinion to confirm my view tht. it wd. be correct not to join Drayson with procdgs., because he was not actively concerned with this side of the business. Don't want that to rest on my advice alone.

10. Parliament.

[Enter B-H., F.H., Solr. Genl., S.Ll.

H.C. Business for next week.
Whitsun & Coronation adjournment: From 22nd. May until 9th. June.

1. Education Bill.

Solr. G. In Ctt^{ee}. amend^{mt}. passed wh. was inoperative – in order to stage debate on grant to R. C. schools. We ought to remove these useless words on Report – in order to avoid misconceptⁿ. of Minister's powers. Danger that this wd. lead to general debate on R.C. ques. – the R.C.'s are trying to get more. Some of our supporters mght. w'hold vote on divⁿ. – tho' progress may be expected in whipping them in.

But we cd. choose betwn.

- i) allowg. amend^{mt}. to be negatived, having made our posⁿ. clear or
- ii) risking a divⁿ.

If we follow course (i), matter might arise again in H/L.

B.H. As many as 16 might abstain. Safer to do (i) unless during debate we can whip some of these doubters in.

F.H. R.C.'s have asked for this clause since '44. Labour Govt. refused it. now we have done it, Opposⁿ. want to cash in by supportg. R.C. request. I think we must wait & see, as B-H. proposes : & put it to Divn. if we are sure we can carry it.

R.A.B. Bill gives £200,000 p.a. to R.C.'s: they are trying to get another £200,000. If we gave it, the other denominations wd. run out on agreement. If M/E. will say what schools are covered, in opening of statement, we may get our doubters unto lobby.

Solr. G. The words are meaningless. They may mislead, if present Bill is read alone. Also H/L. may clean them up.

P.M. No undue risks shd. be run.

[Exit F.H.]

1. Salaries of Members.

13)

H.C. H.M. has asked for free vote on motion for Select Ctt^{ee}.
Precedent: on 1st. motⁿ. of salaries & 28th. increase whips were on : but

- not on 2nd increase.
I favour a free vote.
- B.H. So do I. Believe our supporters wd. be content with that.
- H.M. May depend on form of motion.
- P.M. Better see it first – but indicate our disposⁿ. to leave to free Vote.
- Sal. Rep^{ns}. from Opposⁿ. in favour of expenses to members of H/L.
Put them off. But now our supporters have pressed it on me too.
If Sel. Ctt^{ee}. appt^d. re H/C., I cdn't hold posⁿ. in H/L. We shd. have to
yield to pressure for Select Ctt^{ee}. in H/L.
- P.M. We cd. take a decⁿ. on a view when report of Ctt^{ee}. was received.
- R.A.B. Junior Ministers' posⁿ. is most urgent of all.
- Sal. If this goes thro' in H/C., can I let it be known tht. we wd. not oppose a
Sel. Ctt^{ee}. in H/L.
- P.M. Yes.

1. Judges' Salaries.

- Sim. Ch. Whip & I saw Exec Ctt^{ee}. of 1922. I wholly failed to persuade them in
favour of tax-free allowance. But, on whole, they were sympathetic
twd. increase – tho' many thought a net £1,000 was too much.
They talked of increased pensions, expenses allowances etc.
Want it kept out of Party controversy – wd. mtg. with Opposⁿ be
fruitful.
They wanted me to talk to '22 Ctt^{ee}. as a whole.
- P.M. Points twds R.A.B. latest plan – tho' I still believe first plan was the better.
- R.A.B. I will now go into details & circulate detailed proposals.

1. Monopolies Bill.

- P.T. Chairman retires in 1954 & I can't get another good enough w'out a
pension.
Sh^d. have to drop our plan to cover stat. monopolies. We have agreed to
leave out marketg. bds. : steel is going back : transport is a service.
- P.M. C^d. say we wished to bring them in : but Bill can only go thro' on basis of

agreemt. with Opposⁿ. in present Parl^y congestion.

M.F. Para 3 – second half – is a good argument to use.
Sal. Support M.F. Our pledge was absolute. Stress alternative method.

H.C. No time unless.

[Exit B-H.

[Enter H.H.

1. Japan and G.A.T.T.

16)

P.T. Prefer Ministerial Ctt^{ee}.
Merits.

- i) Japan's entry will damage our trading interests.
- ii) If we vote in principle in favour of J.'s admission, it means legⁿ. here to implement the safeguards. We shd. be in grave trouble.
- iii) F.O. arguments are powerful. But we cd. easily start an anti-J. campaign here wh. wd. be v.serious, by takg. unwise line in Geneva.
- iv) Discⁿ. at Geneva in Sept. Doms may ask us for guidance in July. Diff. to justify extendg. our oblig^{ns}. unless U.S. change policy violently.

Keep them out: Sal., W., W.M., H.M., L., M-F,
Let them in: No offers.
On the fence: R.A.B. (If we cd. have just a little longer)

Agreed: Cab. Ctt^{ee}. to be appointed.

[Exit HH.
[Enter T.D. & J.T.

1. Iceland Fisheries Dispute.

Agreed.

[Exit T.D.

1. Egypt.

S.Ll. Will M/D consider Press Officer needs in Canal Zone.

Al. Yes.

P.M. Cairo 793. Dulles' attitude is not so bad.
Drew attentⁿ. to be in Tunis y'dy. Also in Robertson's personl. message.
Arrangemts made by Def. Ctt^{ee}. Commando Brigade from Malta : some
destroyers : but don't contemplate a [premature] Rodeo at present.
Atrocities wd. create atmosph. in wh. we cd. be rougher.

M'while sit still & do nothg., as Robertson recommends.
Most disturbing develop^{mt}. is 1.000 Muslim Brothers in parties of 40/50
each under Nazi Hun. But v. popular to arrest them.
Must be alert v. large scale sabotage.

Sal. Feeling in Ldn re Dulles is bad. C^d. we give him a pat.

P.M. Mght read it in H/C.

Al & Others It wd. provoke many ques.

Sw. Then let us give some guidance to Press. (F.O.)

18. Parliament.

[Enter B.H., H.H., S.Ll.

H.C. Business for week after Recess.
Friday is last day for Private Members' Bill.

1. Parliament.

P.M. Was worried : have C.O. done their best.
Malta is exceptional – Napoleonic war & 2nd World war (G.C. island: that
might be special ground).

**CLOSED UNDER THE
FREEDOM OF INFORMATION**

ACT 2000

W^d. not be necessary to ask Bustamenti.
Read letter from Mabel Strickland.

H.H. Jealousy from Gold Coast & Jamaica – alleg^{ns}. of colour prejudice. But
favour makg. an exception, despite that.
No diffy. of the flag.

Sw. G.C. wd. distinguish it fr. other Colonies. Mustn't do anything wh.
equates Malta with S. Rhodesia. That is v. important.

P.M. Seat in Abbey. Don't think he can go in a carriage.
I will ask him to No. 10 dinner – and Bustamenti also.

Agreed : {anything short of equating with S. Rhodesia.
{based on G.C.

[Exit H.H.

1. E.D.C. : U.K. Association.

S.Ll. Draft agreemt. does not go beyond what P.M. & A.E. have said in
speeches
Annex I contains what has bn. agreed betwn. French & ourselves.
Now. G. has ratified, circlⁿ. of this to 6 countries wd. help to keep up
momentum.

Al. Art. 2 commits us to consult E.D.C. before altering our strength in Europe.
Must swallow that.

Approved.

1. Korea. Armistice Talks.

22)

P.M. Public here think U.S. are ham-handed & unreasonable over negot^{ns}.
Bedell has put to me – [unanimity among neutrals:] W'ton 1052. S.
Rhee is main obstacle : and S. Korean troops are now v. strong.

Al. They have 12 Divis. U.N. only 10.

P.M. Diff^{ce}. betw. S. Koreans and Comm. is “deep but narrow.”
New U.S. formula soon which will be as far as they think U.N. shd.
go.

S.Ll. Swiss c'dn't send troops – another reason for moving away fr. Ch.
proposal.

[Exit S.Ll.

[Enter de.L., de la W.

1. Television Development.

23)

R.A.B. Reported Ctt^{ee}'s conclusions.
As in paras. 1 & 2 of my brief. In line with our earlier declarations.
Means sponsored television wd. begin on 1.1.55.
Timing of announcement. After Coronation (to avoid disappointmt in
Scotland) but before House rises:

P.M.G. Rpt. of Tel. Adv. Ctt^{ee}. will come out in recess – pledged to publish it
earlier.
Will release flood of ques. – wh. mght. be averted if we made our
announcemt. Prefer to do it about 14/6, in terms of allowg. B.B.C. to
go ahead from 1/7.

J.S. Defer all until mid-June. Can't be expected to do it until after Naval
Review.

S.W. Don't produce techn. report before announcmet. of policy. Defer T. Ad.'s
Ctt^{ee}. report.
We delay sponsored stations for 18 mos. To give B.B.C. a start? Or
because econ. resources not available for all.

P.M.G. B.B.C. stations must be bigger because obligⁿ. to cover whole country.
Takes longer. They need a start therefore if they are to compete
fairly with sponsored stations.

We implied a 2 year start – in W. Paper & speeches. We are pledged to it.
 18 mos. is minimum for industry to supply equipmt. enabling sets to
 be switched fr. one p'mme to another.
 We are committed to para II of W. Paper. B.B.C. must complete one
 service over whole country before some areas get alternative stations
 as well.

S.W. But the argument rests on a shortage of resources.
 Don't give B.B.C. a preference irrespective of that shortage.

Sim. I think we based it on lack of resources.

H.C. We must not contradict what we said earlier – v. controversial.

P.M.G. Gammans formula : was agreed with 1922 Ctt^{ee}.
 18 mos. will hurry up B.B.C. plans, which mght take 2 years.

R.A.B. Will agree a form of words with P.M.G.
 Stand as far as we can on resources argument

P.M.G. Want to discuss my statement with Ctt^{ee}.

de L. Statement of B.B.C. plans – may have effect on mil. plans. Needs }
 more thought on that account. Para. 5 }

P.M.G. Won't come out until after Recess. Can consider Serv. Dpts. points. }

Sw. Hope this won't be issued. Alternatives service – before sponsored
 television.

P.M.G. They want to counter propaganda v. them.
 By no means simple.

Agreed. { Sw. to join Ctt^{ee}. Also Services shd. be represented.
 { S of S. Air to represent them.

R.A.B. Timing: 3rd week of June, with Tel. Adv. Ctt^{ee}. report.

1. Post Office Staff Associations.

W.M. Agree with memo.
 V. diff. problem. Recognⁿ. shd. not be a matter for Govt. but for coll.
 bargaining. But diff^t when Govt. is employer, direct or indirect.
 E.O.T.A. has no case unless Listowel is rigidly applied. None on
 merits. Ll. Roberts confirms that.

- Don't favour treatg. Listowel formula as a principle. Nor did Terrington Ctt^{ee}. Responsible elements in T.U.'s have made it clear tht. they wd. have to fight it to death. W^d. provoke v. gt. diff^{ies}. with other splinters – e.g. rlway signalmen, A.E.A., A.E.U., Nat^l. Bus workers' Assocⁿ.
- And on merits it wd. be wrong to judge by numbers alone. Bad principle, apart from expediency. Don't favour statement of contrary principle : wd. prefer to deal with each case separately. Think we might win over some Tories on that basis. Go steadily at it – no premature announcement.
- P.M.G. Agree E.O.T.A. have not got a case. Listowel formula promised no more than considⁿ. when more than 40% membership is gained – not automatic recognition.
- P.M. Must follow advice of M/L. Co-opⁿ. of big Unions is essential to us.
- R.A.B. Not easy, in view of our pledges – and practice in C. Service.
- P.M. We must carry supporters with us – we can if we try.
- W.M. Some of our members will feel pledged & unable to accept my view. But Labour Opposⁿ. wd. support it.
- M-F. Our past isn't so bad. S.W. & I approved answer to ques. at Election: Tory Govt. wdn't refer such ques. to indep. Ctt^{ee}. but wd. adhere to rules in C. Serv. tht. Union with 40% wd. be eligible for recognition.
Also 3 cond^{ns}. made in my H/C. speech as quoted in memo.
- Two points.
- i) eligibility: 40%
 - ii) what tests do you then apply? On applying my tests PMG. has decided on merits v. E.O.T.A.
- B.H. Trouble in Party. Some cannot be convinced.
But M/L. and PMG. shd. see 1922 or Labour Ctt^{ee}. before announcemt.
- R.A.B. Believe Party view was really inconsistent with what PMG. now proposes.
- Agreed: 2) Discuss with 1922 before announcement.
1) Uphold M/L. view (After recess.)
3) Deal with Unions one by one.
- R.A.B. No decision (final) before seeing Party.
- P.M. Must have a view first.

R.A.B. Then talk solely on basis of E.O.T.A. Avoid AEA pro tem for it needs much more thought.

24. Kenya.

[Enter S.Ll.

O.L. Improved: because no spread to other tribes : no significant spread.
Confessions : flow is now a flood. e.g. 1000 in one day in one place.
Demarcⁿ. btwn. M.M. & rest of Kikuyu is much more marked.
Intelligence v. full.
Home Grds. bldg. up.
On other side, gangs are larger (e.g. 100 strong & 20 weapons). Attacks
on pol. posts (20 Afr. with 2 Eur.) Advantage so long as can be
engaged by mil. or regular police. But Home Grd. posts are easier
for them to over-run – and that is danger.
Confidence in Govt. is being re-gained. Atmosphere is much better.
On present trend might. clear whole thing up by 1/8.
Need more punch and a few more troops to bring it off.
Gt. congestⁿ. in courts – criminal cases. Introduce. “emergency assizes”
to avoid settlers’ cry for “summary justice”. 6 extra Judges : no ct
of 1st instance : appeals in Chambers vice Court.
Opposⁿ. case that repressive measures are driving loyal K. to M.M. –
proved to be opposite of truth.

P.M. No “mass executions”.

O.L. Tried individually. But will come to Cab. before more than 12 are
executed at one time.

1. Foreign Affairs: Tripartite Meeting.

P.M. Eisenhower telephoned last night. Said Mayer wants to make urgent
statement this p.m. Said he (E) proposed 3-Power mtg. at top level:
in Maine, he thought. Sugg^d 8/6. P.M.M. prevented that.
I sugg^d Bermuda, where U.S. base. He jumped at that.
Called in R.A.B., Sw., Sal and decided to accept. To refuse wd. have
stultified what I have recently said re mtgs.
Lady C. and W. E. will be there.
Queen approves.

Sal. Good. Follows on P.M.’s speech. E. has followed P.M.’s lead.

R.A.B. Cdn’t avoid French being in. They wd. have pushed in.

S.W. Told Doms. Govt. And H.C.’s in Ldn this a.m. – all delighted.

P.M. Govt. House must provide conference centre.

General approval.

P.M. 3-4 days. Mght. go on to W'ton with him, for a refresher at Pentagon.
Prof. wd. join me there. Alex might come later & stay on.

1. Egypt

P.M. O.L. told Nicholson tht. if state of war occurred with E., we wd. send 2 Batt^{ns}. to Khartoum. Govr. Genl. heard fr. him & sent me a v. snuffy telegram.

O.L. I stopped in K. and spoke to Howe in sense desired by P.M.
Astonishing attitude by Howe & his circle. Effect of troops wd. turn all out friends v. us. We are neutrals – trustees. Contemplating having E. negotiator's in S., even if war with E. Bribery going on : we can't stop it.

S.Ll. Intelligence system in S. had bn. allowed to run down completely.

27. Korea.

P.M. Eisenhower & Bedell S. pressed me hard to declare support for latest U.S. offer in armistice talks. Felt obliged to give them this help. Cab. will be consulted before we support U.S. re-action to breakdown.

1. E/West Trade. Br Shipping.

L. Only risk tht. this allegⁿ. may be true (comm. troops carried in B. ships) is that it is a ship on bare-boat charter for some years. They are outside our jurisdⁿ.

P.T. On trade – we are stricter by far than any Europⁿ. country.

P.M. Heavy imports into China fr. Japan. And exports fr. China to U.S. This can come into our reply.

* Draft statement : covering ships & trade. (L. to concert?).
Sh^d. come to Cabinet.

1. Sudan.

S.Ll. Nguib has played into our hands by telling Parties tht. there is no diff^{ce}. betwn. Indep. & union with E.

H.M. Is P.M. satisfied tht. good plans have bn. made to influence elections.

S.Ll. Intelligence is being restored.
Trade Commr. Office estab^d. as cover for positive action.
Luce (formerly Govr. Blue Nile Province) is taking a hand.

1. Foreign Affairs: Bermuda Meeting.

P.M. Must have enough troops for guard/honour and band.
Half Welch Regt. is going – with goat.
Can't move fr. Jamaica until after Coronation. Must therefore fly.

A.H. They wd. move by BOAC. in Argonaut & Stratocruiser. Cdn't move by sea unless R.N. helped. Safe in summer conditions.
Quarantine must be waived for the goat.

P.M. I assent to movement by air, in the circs.

P.M. Date of mtg – still turns on French.

[Exit A.H.]

1. Coronation: Representⁿ of Malta.

S.W. P.M./Malta made the carriage a condⁿ. of acceptance. No more trained horses available. Decided therefore to suggest Rh. + Ceylon and N.I. with Malta. Senan. has refused to go with Huggins. because not a full Comm. member. Sooner go alone in a car. Sugg^d. he went with N.I. – refused that also. Will double up with no one other than Dom P.M. Have therefore asked Pakistan. He is considering it.

S.W. He has now refused.

P.M. If no, send someone over route in a motor.

Agreed : P.M. and Sw. to settle – M/D. being co-opted at need.

1. Gold Coast & Nigeria.

O.L. Have made it quite clear tht. ext. affairs, defence & police will be reserved.
Unless they behave, they may lose Canadian capital for Volta Scheme.
Mainly a façade – to give N. an all-black Cabinet.

Sim. How do you manage defence if they control finance.

O.L. We provide most. But we can keep some hold over them.

Al. We must prevent them fr. controlling African forces.

P.M. “Crazy to give universal suffrages to these naked savages.”

O.L. Comm^d. by previous Govt. We are playing it as long as possible.

Sal. Suppose they were denied these 3 subjects & they then demand them – are we clear that we shall refuse? For otherwise the old Doms. may back out. Are we clear tht. we shall refuse this when it arises?

O.L. Yes : para. 10. Told them these are non-starters. If they want these, we wash our hands of you. We must say no – even if it drives them out.

P.M. No final conclusion. M'tain negative attitude.

O.L. Nigeria. Collapse of constitution may give us a chance to retard constitutional developmt. Divide et impera : the northern peoples are our friends. But some central direction is necessary to the economic prosperity of the whole.

1. Canadian Loan.

R.A.B. A move to strengthen our capital position.
Will free our investors & enable us to take a more active part in developmt. of Canada.

W. V. good bargain.

P.T. Indeed.

R.A.B. Down payment will be delayed acc. to progress of Congress talks on Aid :
will take P.M.'s view on timing.

Approved.

1. Unpaid Public Service

W.M. T.U.C. interests are specialised. I agree tht. this is right.

J.S. Will H.O. consult anyone re jurors or go straight to Parlt.

Draft reply approved.

1. The Regency.

Sal. Ctt^{ee}. met. All save J.S. consider Parlt. shd. be invited to pass legⁿ. to give effect to Queen's wish. Legⁿ. ad hominem. Surviving parent may not always be suitable.

J.S. agrees on guardianship, but prefers Council of Regency. We see no ground on wh. we cd. oppose Queen's wishes. Personality of Regent is much less important than prev. because advice of Ministers.
In Queen's incapacity we recommend Prince Chas. shd. become Regent at age 18.

J.S. Agree tht. D/E. shd. be guardian.

Regency is another matter. How will Parlt. & country regard it – esp. if we can't say Princess M. doesn't want it. Both Queen & D/E. may die together & then Pr. M. wd. have to regent. Safer course wd. be to have a Council.

Act of 1937 passed after consultⁿ. with C.R.A. Poss. tht. M.P.'s on all sides may have doubts about D/Ed.

P.M. Sympathise with that view a little.

M.F. Precedents (App. I) are all in favour of D/E.

Effect on D/E. – wd. re-act upon Queen's happiness.

Sim. 1937 pre-occupⁿ. with the automatic was mistaken.

Sw. Doms. will have to be told.

Can & S. Africa: no provision for a Regency. They wd. have to legislate. A. & N.Z. Sim. advises they are in same posⁿ.

C. & Pak, are bound by '37 Act. Pr. M. wd. become Regent if they didn't legislate.

The Doms wd. not legislate in advance of the event. M. & St. L. agree on that. C. & Pak. : we must take a chance. We must ensure tht. they wd. in event accept our choice.

Wd. propose to hold a mtg. while they are here – Sim. assisting.

Sim. I cd. discuss the A. & N.Z. posⁿ. with Owen Dixon.

J.S. Need we (U.K.) act before the event?

Sal. I originally felt like J.S. But there is no reason on wh. we cd. oppose the Queen's wishes. D/Ed. wd. regard it as an affront, and that wd. be a v. serious matter.

P.M. Will tell Queen our provisional view and say tht. we are consultg. Dom. P.M.'s.

Must then consult C.R.A. & Cl. Davies.

Final advice, in light of that, in about 2/3 weeks.

36. Parliament.

[Enter B-H., S.Ll.

H.C. Business for next week – uncertain in some respects.

[Enter 3 Serv. Ministers, I M^cL.

1. Medical Officers in Army.

38)

A.H. Recomm^{ns}. of Rpt. won't solve our future problem. Want a radical enquiry.

R.A.B. [Agree]. Want details examined by off^{ts}. – so tht. we can see t. of r. etc., & decide wtr. further Ctt^{ee}. will give us anything. Want to know views of other S. Dpts.

A.H. They don't want a Ctt^{ee}. I do. For more radical steps are needed in Army.
Sal. Med. M. Power Ctt^{ee}. in war gave me experience which leads me to approve very strongly view advanced by A.H. Risk to civilian health if all drs. are drawn into Services during war. Now we have N.H.S. there shd. be some pooling system & comparable pay. I wd. also welcome single med. service for 3 Services. esp. for hospitals.

P.M. V. revolutionary proposals. Need for drs. to be under discipline. Separate requirements.

A.H. Anyway, it's clear we need an enquiry.

R.A.B. Frightened – other services are content – may cost more etc.,

Al. Might be financial savings in some radical solution.

P.M. | A.H. and Al. to agree with R.A.B. on terms of ref^{ce}. of a
x | new enquiry.

J.T. If there is a radical enquiry, it shd. cover 2 other Services.

de.L. Sh^d. like to be there when t. of r. are discussed.

P.M. As at x/ – Al. keeping 2 other Dpts. informed.

I. M^cL. Support view of A.H. Lack of experienced men. No solⁿ. w'out a radical review.

A.H. Need for strong chairman.

P.M. Consider alternatives to Waverly.

[Exit A.H. & J.T. & I.M.^cl.

[Enter P.M.G. J.S.

1. Television Development.

39)

B-H. In favour (inclgd. Ministers) 180. : viz., in favour of commercials.
Those against 43. – inclgd. 12 who wdn't respond to 3 line whip.
Liberals are against it.
Tories: 15 doubtful. 67 unknown.
Some of anti's mght. swing over on assurances of safeguards.
Not a v. considerable swing – but lrs. are all anti- commercial.
The 43 have real fear tht., if benefits of commercials can't be
demonstrated before next Election, things will go ill for us.

P.M. Free vote?

B.H. Worst method – because wd. use Opposⁿ. to defeat majority of our own
Party: wd. disrupt Party unity.

P.M. C^d. be accompanied by Declⁿ. tht. impartiality of B.B.C. cd. be assured.
W^d. you sooner be beaten, with whips on, than allow free vote.

M.F. I advocated sponsoring when we got 28 majority. Severe confession of
weakness to change policy now. Especially in face of C.R.A's
declaration that wd. have serious effect on standing of Govt.
There is majority in H/C. in favour. Believe equal amount of support
among Tories in this country. $\frac{3}{4}$ of television sets are owned by
people with under £650 p.a. We get $\frac{1}{4}$ of that vote : will help us if
we curry favour with them on this.
Advocate sticking to our guns on this.

P.M. Is it wrong for a Govt. to defer to a movement of opinion?

M.F. Believe Party cd. be swung into line.

P.M. W^d. you be beaten or allow free vote?

Sal. Cdn't get H/L. to support this policy. C^{dn't}. prevail on the opponents to
refrain fr. speaking & pressing. Believe we shd. be defeated.

P.M.G. V. doubtful – younger Peers are with us : all elder statesmen are against
us.

W. If we can be given time, we shall be better able to manoeuvre.

- Gallup Poll – new one, likely to produce 2:1 in favour among television set owners.
 Prodⁿ. of safeguards & conditions will satisfy many.
 Monopoly. Go fwd. on that.
- H.C. Is there any early need for vote.
 Why not rest on B.B.C. developmt. & slow down on commercials.
 Allow public pinion to form m'while.
- B.H. Nothg. to prevent C.R.A. fr. tabling a motion, and precipitating a vote.
- P.M. They will precipitate it.
- J.S. Agree they will. And diff^y. in Party if we wobble.
 Attlee's speech has made it a Party issue.
- P.M. Need we make it Party issue?
- R.A.B. W^d. give grievance tht. competition on air has bn. ruled out.
 Give us time to explain tht. limited competⁿ. in a single city is v. diff^t.
 from U.S. system.
- P.T. Risk of worst of all worlds. Favour it in principle : but don't get one
 effectively on air before next Election. If that is impossible
 technically, then play for p'poning whole issue until after Election.
- P.M.G. Safeguards. I can't spk. about them until policy re-affirmed.
- R.A.B. Party stands in favour of principle of competition in the air.
 Statement : limit that to principle : promise further considerⁿ. of details,
 conditions etc.,
- P.M. Feeling has hardened v. it. Worst time at wh. to re-affirm principle of
 commercials. CRA will table motion to take advantage of this
 situation.
 Nearly all best people in country are opposed to commercial television.
 Rubbish to say tht. principle of competition must apply through^{out}.
 Much easier to shrug of a defeat if there's bn. a free vote. Can say it isn't
 pol. issue.
- Ch. "Competition" isn't safe principle to stand on. For you can have that
 w'out sponsoring.
- W. Why not publish the conditions?
- Sw. More – publish the whole story of how it will work. Incldg. fact tht.

B.B.C. will continue to operate.

P.M. Telegram from O'Brian.

M.F. His Union is interested : theatres etc., Letter from V. Bonham Carter.
A.E.'s views.

R.A.B. Can we stand on television enjoying competition. And leave it uncertain
wtr. the competⁿ. is to be provided by sponsoring or not.

Sal. Am opposed v. strongly to sponsoring.
R.A.B.'s plan wd. be regarded as discreditable wriggle. W^D. anger our
supporters w'out pleasing others.
W^D. prefer free vote. Immediate trouble with Party, but in long run shall
get the greater credit.

B.H. Argument v. free vote is that majority of Tories favour commercial
television and do think this is a political issue : monopoly v.
competition.

Sw. Can we have, at another mtg.
i) revised draft statement
ii) outline of W. Paper
C^d. R.A.B. do i) and M.F. do ii).

P.M. Seek means of putting this off.

H.C. i) Put if off.
ii) If we can't : we shdn't put whips on, even on Ministers not in Cab^t.
A big change, to be made on majority of 2 or 3.

P.M. 1) Seek means of p'poning.
2) Explore R.A.B.'s idea, with a few colleagues.
3) Only in last resort risk a division with whips.

[Exit de.L.
[Enter J.T.]

39. E/W. Trade.

40)

P.M. Don't read all this out. Circulate it in Hansard.

H.C. Endorse that.

S.LI. V. well.

Approved.

[Exit J.T., S/LI/

40. Cotton

- 41)
Ch. Must go ahead. But a pity because dollars will be in jeopardy.
O.L. C.O. was refused copy of Rpt.
P.T. Of course you can have it.

Approved.

41. Colonial Welfare & Development.

- 42)
P.M. This is only State investment. What of private?
O.L. Dealing with that separately.
R.A.B. I agree.
Ch. Why shdn't they use their st^r. balances.

Resume discⁿ. Tuesday next week : high on Agenda.

42. The Prime Minister.

[Enter S.Ll.

R.A.B. P.M. is better, more cheerful; asking for work.
But needs rest. Still finds diff^y. with speech & movement.
Arrangements for conduct of business.

*{Message of sympathy.
{Also to A.E.

1. Bermuda Meeting.

44)

Sal. P.M. mentioned possibility of my paying intermediate visit.
Two messages fr. Dulles. Second suggests mtg. on 10/7 – informal
beginning Anglo/U.S. also tripartite on Germany & Indo-China with
Bidault on 13/6.
Bidault continuing bi-partite afterwards.
Describe as preparatory to a Bermuda mtg. later: “intermediate”.
They ask for early reply.
I am ready to accept this p’mme.
I cd. see A.E.

S.Ll. Favour early visit by Salisb. – e.g. on Egypt someone shd. see
Eisenhower.
Not sure wtr. we wish to be excluded fr. talks on Indo-China.

Agreed: Announce in reply to P.N.Q. by C.R.A.

1. Korea.

45)

S.Ll. May avoid U.N. mtg. for 10 days. Can’t expect to hold it v. much longer.

Sal. Better p’pone Special Assembly if we can. Other ques. – e.g. seating
Comm^r China – wd. crop up.

1. Persian Gulf.

46)

S.Ll. Supply line to Buraimi cut by Obaid. Auth^y. sought for air action. That
wd. be too dangerous. Suggest we tell Ibn Saud we can’t tolerate
this & shall remove him. But do it by means short of bombing.
Methods cd. be considered on Wed. Alex. to examine m’while how to do
it.

Agreed F.O. to inform Ibn Saud
M/D. to consider how.

1. U.S. and Canadian Loans.

- 47)
- R.A.B. Negot^{ns}. will be more valuable long-term than for '53 – tho' we might get a retrospective decision. Want them started well before I go W'ton for Fund in Sept.
- Ch. Will you get any change out of them?
- R.A.B. They recognise that 6 (iii) is out of date : want to know what they advise.
- P.T. C^d. R.M. be given discretion re timing. He is already under inst^{rs}. to take up v. diff. issue on no new pref.
- R.A.B. Yes.
- S.Ll. Awkward now if it leaks
- R.A.B. Can stress need for secrecy to R.M.

1. Education.

- 48)
- H.C. Sh^d. we have an amend^{mt} to motion – wh. invites merely approval of Rpt. of Select Ctt^{ee}.
- H.M. Yes. Pro. ... at same time endorses action taken by H.M.G.
- Agreed : H.C. to devise suitable amendment.
- R.A.B. Must review behaviour of Select Ctt^{ee}.
- H.C. We have at least got rid of R. Glyn.

48. Officers' Retired Pay.

[Enter 2 Serv. Min., B-H., S.Ll.

RAB. As in memo.

Al. 'Contractual' argument. Restoration of cut is not inconsistent with contractual basis.

R.A.B. Can't do this alone. And legⁿ. will be requ^d. for some.

Al. Will have to do something later : & lose credit m'while.

M.F. W^d. increase pressure for police widows : wd. cost around £200.000.

W.M. Cdn't stop at Services – repercussions inevitable.

RAB. Strong case in equity but not in law.

De.L. C.Service is not on exactly same (contractual) basis. But if they were concession wd. have to extend to them.

W. We cdn't hold this in H/L. if it were taken to a division.

Sw. We shd. be beaten. Labour Peers wd. vote v. us.

Sim. What case cd. you make to distinguish civil servants fr. officers?

O.L. Wdn't try: we have no case – no answer tht. we mght have to right injustices to others.

RAB. C. Servants – legⁿ. and £360,000 cost.

A.H. Politics. Pressure in H/C. will be v. strong. Prob^{ly}. shan't w'hold it.

B.H. There is enough to make things v. difficult.

Sw. We have admitted justice of this claim: pleading only repercussions.
Having used that argument, we have weakened case for resistg.
repercussion if we now concede the first.
This is awkward season for wage claims. C^d. we wait until autumn.

P.T. Yes. Tribunals & employers wd. take this as sign fr. Govt. tht. they can be easy.

O.L. There's never a time when it isn't awkward for wage claims.

R.A.B. P'pone to autumn. Invite me to consider minimum 'packet' of concessions, and submit it before Recess to Cabinet. Tho' no announcement before autumn.

Sal. Cd. M/D. say, if necessary, we are considering in light of debate & hope to say somethg. before v. long.

R.A.B. Let me consider then what cd. be said before Recess.

Sal. These people suffer more than many who are making wage claims.

R.A.B. Accept Cab. view tht. this case must be met.
Ask for chance to consider minimum packet.

H.C. May we have a note on C.S. position.

H.M. Line btw. admin^{ve}. and legⁿ.

Sw. Not much time for debate before recess.

[Exit 3. Serv. Min.]

1. Food Prices

Not heard.

[Enter Ll.G.]

[Exit Ll. G.]

1. Regency.

51)

Sal. I suggest that on the doubtful point, Queen's wishes be ascertained.

Sim. I favour existing law – 21 vice 18. Hope argument will be put to Queen.

Agreed.

J.S. Pity we shd. have to legislate in advance.
If we must – Cl. 1. refers to "D/Cornwall". Will be trouble that he isn't given also the title "Rothesay."

R.A.B. Let M-F. have Audience. Bring up procedure again.

H.C. Better do it before summer recess.

Agreed

[Enter P.M.G., Ll.G. Gamm.]

1. Television.

- 52)
PMG. Shortened statement.
Wish to show tht. our minds are not closed : and to keep way open to change our policy. There are other ways of providing competition. I don't want to raise the merits of that to-day : but suggest we might keep that possibility open.
- Ch. Welcome that suggⁿ. Sponsored television isn't only means. Don't reject other means a priori. Let public judge.
- O.L. Statement is too weak on commercial – suggests we have run away.
- Sal. Dissent : we must indicate now at top of p. 2. [Exit Al. & M/L.
tht. ques. is open. Remainder is all on sponsored televⁿ.
- M-F. We have decided – thght we were going to stand to it.
B.B.C. will inspire agitⁿ. so long as Govt. appear undecided.
Support O.L. : unless Cab. want to waver.
- RAB. Stand on competition. But nature of it & safeguards have still to be debated.
- Sw. Case in favour of sponsored T.V. must be put out by C. Office – objective statement.
- H.C. If we are leaving posⁿ. open, C. Office shd. keep quiet.
- R.A.B. They must wait until W. Paper is publ^d. before they can make their full case.
- H.M. If they put anything out at this stage, it must be balanced – with arguments on both sides.
My hunch is that sponsored T.V. is not going to happen. Keep that in mind.
- M.F. A no. of us are on record in Parlt. in favour of commercial T.V. We are asked : have we changed our views? I haven't. What hedge is there?
- RAB. We cdn't get it thro' H/L. We shd. have diff^y. in H/C. P. opinion is disturbed – and ignorant. We only propose now to educate it, putting out the full case.
- O.L. It all turns on cond^{ns}. of licence – not the ques. of principle.
- R.A.B. P'pone decⁿ. on C. Office : propaganda until we know reaction to this

statement.

Sw. Put back first sentence blaming late Govt. for ban on B.B.C. develop^{mt}.

P.T. Delete reference to “imported material”. Leave it to Agreed
White Paper. Agreed
Alternative means of introducing competition.

P.M.G. Many in favour are emphasising competition vice commercial.
A public corpⁿ. financed by adverts.

Sw. Another B.B.C. wd. unite whole Party against us.
To introduce this new idea now wd. be v. confusing.
This is a political issue – handle it on pol. grounds.

S.Ll. My suggⁿ. referred to all b’casting. Doubt if it wd. be practicable if
confined to t.v.

R.A.B. Last sentence on p.1. does leave it open to us to introduce the new idea in
autumn.

Sal. W^D. it take you beyond entertainment?

R.A.B. “ terms on which” vice “field”.

Agreed: as amended in discussion.

Announcement.

PMG. W^d. like to do it to-morrow.

H.C. Sooner the better.
Statements in both Houses to-morrow.

Agreed PMG. with RAB & H.C. to settle final draft.

R.A.B. In H/C. shd. be made by L.P.S. – as important statement of policy.

Agreed {H.C. to announce in H/C.
{PMG. “ “ H/L.

R.A.B. A.E.’s view.

[Exit Ll.G., PMG. Gamm

1. Parliament.

53)

H.C. Business for next week.

x		Chas. Waterhouse – was nominated to Sel. Ctt ^{ee} . in order to become Chairman. A Labour M.P. has objected : & we have w'drawn to ascertain strength of obj ⁿ . We shall have to persist & if need be debate it. Silverman's 10 min. rule. Hylton Foster spkg. against it. Shall do our best to defeat it.
B.H.		Can't guarantee we shall.
M.F.		Stupid to have this Bill when Rpt. of R.C. is awaited.
R.A.B.		P.M.'s message. Limits to wh. Govt. shd. intervene.
B.H.		No precedent for Govt. spokesman spkg. on 10 min. rule.
R.A.B.		We shall get as many people to vote as poss.
R.A.B.		P.Q.'s in H/C. on F. Affairs – to be put down to A.E. etc.
1. <u>Persian Gulf.</u>		
54)	S.Ll.	Road block cleared <u>w'out</u> air power. problem resolved.
1. <u>Opening of Parliament. Television.</u>		
55)	Sal.	Tilney M.P. has sugg ^d . to L ^d . Gt. Ch. the televising of Opening of Parlt.
R.A.B.		W ^d . be innovation – leading to b'castg. of Parl ^y . procdgs.
Sw.		Limited to procession – as news-reel & Press before.
H.C.		Queen's speech is political statement.
Sal.		Disposed to say 'No'. If Cab. agree, let's say so at once.
J.S.		Give them same as news-reel & Press.
Sal.		Will ask Ld. Gt. Chamb. to analyse pos ⁿ . for benefit of Cabinet.
1. <u>Civil Service.</u>		
56)	RAB.	Propose R.C. Only way out. Will consult you <u>re</u> choice of Chairman. Will proceed slowly.

M/L agrees.

56. The P.M.

[Enter S.L.I., B.H.]

Text of P.M.'s reply given to Cabinet.

1. Regency.

58)

M.F. Queen's point tht. D/E. shd. continue as Regent if Queen is incapacitated and both children are dead.

Sim. C^d. be argued tht. Pr. Margaret, as heir presumptive, shd. then have experience of public business.

M-F. V. hypothetical – pity to go v. Her wishes.

1) Half Agreed : meet Queen's wishes on this point.

Timing.

Sal. In view of Press references to Margaret, I favour p'ponement. For it wd. be thght. tht. Bill was presented because M. is unsuitable to act. This wd. be underlined if Bill presented now.

H.C. Esp. when M. is out of country.
C^d. be done in spill-over – or even in new Session, message being incorporated in Q. Speech.

J.S. Endorse.

M-F. Fairer to p'pone.

Sw. Agree.

Agreed: M-F. to discuss again with H.M. in light of Cab. discussion.

1) can then be discussed further at leisure.

1. Foreign Affairs.

59) (a) General Approach

60)

Sal. Slight change of emphasis as cpd. with what W.S.C. intended for B'muda.
His main aim then was to press for 4-Power Mtg.

That remains our aim. But circs. have changed.

- i) P.M.'s prelim^y. talk with Ike can't take place for some time.
- ii) U.S. are allergic to 4 Power Mtg. No one short of P.M. cd. bring them round. For me to press them too hard wd. spoil their help on other matters.
- iii) German elections are nearer. Thus, instead of urging an early date, say I'm trying to clear the way for a mtg. later by removg some causes of misunderstanding.

Minute from P.M.

Welcome conclⁿ. – early ratification of E.D.C., followed by F. Power Mtg.
Might get U.S. to accept in principle & agree to further 3 Power
-g in Sept.

x| In communiqué repeat belief in free elections in J. and united G.

S.Ll. Wonder if P.M., isn't a little optimistic re J. never allying with R.
W^d. like momentum to be preserved e.g. by ref^{ce}. to x/ in communiqué.

Sal. Believe Fr. are wholly negative – won't have EDC : won't agree to anything at 4-Power Mtg. which they accept only as means of buying further delay.

They discard all alternatives.

I believe E.D.C. is better than either neutralising G. or bringing into N.A.T.O.

Al. Need for G. help to ensure defence of w. Europe.
G. freedom to have own Army is more serious for F. than G. cont^f. in E.D.C.

H.M. Fr. have always regarded E.D.C. as means of dividing G. permanently.
Sch/de Gasp/Aden : federalism of Europe. Fr. welcomed it as means of avoidg. united G. We disbelieved in federalism. They have now accepted our view tht. it won't work in practice : they now see tht. their conceptⁿ. of it as means of holding G. will not materialise.
Don't believe Fr. will ever ratify.

Future of E. turns on G. Our main purpose in short run is to get Aden. back. He has championed E.D.C. & "federalism". He can't resist criticism tht. he has delayed unificⁿ. of G. E. German events have underlined that. Emphasis on 4 Power Mtg. is necessary now, to enable Ad. to pose as champion of G. unity.

Support E.D.C. up to limit of membership. Go for 4 Power Mtg., in order to assist moderate opinion in G.

Sw. Fr. will try to p'pone ratifⁿ. of E.D.C. Will you ask U.S. to say to Fr. :
"if you won't ratify in autumn, we shall propose G. into N.A.T.O."

What other sanction to force Fr. hand.

Sal. U.S. will take lead. We cd. support them in pressing Fr. to state publicly at once tht. ratifⁿ. is part of their policy – preferably in W'ton communiqué. Then press then for a date, at our next mtg.

S.Ll. Bidault will say – leave timing to me.
They won't do it w'out ultimatum. Give that later.

H.M. Don't want E.D.C. with united G. in it. W^D. rather see that in NATO. But we can't take that line yet.

R.A.B. I agree.

Sal. No ultimatum until after G. elections i.e. at next mtg.

H.M. Put it on basis : G. must be with West – if not in EDC then in another way e.g. in N.A.T.O.

Sal. Add to para 15 (6) - & secure agreemt. of U.S. & French to a further (Bermuda) mtg after G. elections.

C. (53) 187 – approved, subject to above.

C. (53) 186 – approved.

(b) Egypt.

Sal. E. has had no encouragemt. fr. Dulles, or I & P.P.M's.
Do we allow them to stew a bit longer? Or do we resume? - with U.S. support?

Dulles' plan is unacceptable - Agreed.

Alternatives I & II in memo are the choice.

Alternative I. Unlikely to get E. to agree to ii) or iii).

” II – not so good : doubt if U.S. wd. support it.

I favour going on – on basis of I.

Message fr. Nehru : 23/7 is anniversary of Revolⁿ. : N. likely to make rash statement unless we can offer to resume before then.

If I can get U.S. to support I – we cdn't carry anything less with U.K. opinion – I wd. send R. back to Cairo at once & allow E. to spk. to them before 23/7.

L. Will this give enough security for Canal? C^d. you get. U.S. more interested in that. Out duty to Maritime Powers.

R.A.B. C^d. we put it into Case A : para. 1 of Cairo tel. 996.

- S.L.I. Intended to make separate deal on Canal. U.S. have now agreed to hold talks on that with U.S./Fr./U.K. C^d. get support of maritime countries more easily if Canal were separately handled.
- R.A.B. P.M.'s att^d. import^{ce}. Delay in getting consortium. Even Case A wd. leave canal weaker than now. If separate agreemt., wd. have to be contemporaneous.
- Sal. Alt. I is agreemt. with E.
Canal is argument with U.S.
I shd. stress import^{ce}. of Canal as reason for their supporting us re Base.
- R.A.B. (iii) If aggression v. U.K., our need for Base wd. be urgent.
- Sal. True. We are concerned with a world war. iii) as worded is too localised.
- R.A.B. It wasn't so limited in Case A.
- Sal. Prefer formula in 2(iv) – but not a private undertakg.
- Agreed. Sal. will re-consider this point.
Also Canal agreemt. shd. be simultaneous.
- R.A.B. i) Tories will insist that Base shd. be able to defend itself. Cairo 995. Wd. Case A. para. 1 be good enough? (Same arrangemt. as for U.S. bases in U.K.)
- Sal. Base wd. go under E. control : certain installations remaing. under Br. control.
- Al. Defence is to say that attack on base wd. be act of war, v. wh. we shd. retaliate.
- W.M. Para 5 of Cairo telegram.
- Al. Can't secure that w'out 2 Div^{ns}.
Moreover, can't use a base in war with a hostile populⁿ.
- R.A.B. ii) 5 years. C^d. it be longer?
- Sal. P.M. wants 10 yrs. But unlikely to get it. Doesn't matter if we also get second part – equivalent to a M.E.D.O.
- (c) Korea.

Sal. If no armistice, bound to agree to convening Assembly. Nehru wants it early. Wiser to give U.S. every chance of getting Rhee into line. Shall support any U.S. request for longer time.

(d) Indo-China

O.L. Press U.S. to give more help to Indo-China.
We cdn't, by holding S. Peninsula, ensure th^t. Malaya remains untroubled.

Consultⁿ. with Commonwealth.

Sw. We must tell old Doms. what our line will be on Egypt.
We can tell all Doms. our line on 4 Power Mtg. etc.,

1. Television.

60) W. Cab. suggested Central Office shd. say nothg. on this pro-tem.
Tories in H/C. are urging us to put the case.
I cd. hold this until Cab. had discussed.
May Central Office now put out material in support of statement made – viz., adhering to principle of competition, not necessarily sponsored.
Our supporters are askg. tht. the case for competⁿ. shall now be stated in propaganda.

R.A.B. Find Tory sponsors to put their names to it. Allow C. Office to print it.

W. Whose imprint?

R.A.B. Want to read C. Office draft. Don't mind C. Office imprint, so long as authors put their names to it.

W. Or C. Office official propaganda in support of L.P.S. statement.

R.A.B. Will give you definite line on Thursday.

60. Opening of Parliament.

[Enter S.Ll., B.H.]

L.P.S. Tilney represents no-one. Bright idea of his own.

1. Regency.

Sal.

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| Legⁿ was conceived long before Towns. story & for quite other
| reasons.
x | Weak to defer to Press agitⁿ. And same trouble will be aroused
again later, in autumn: shall have the trouble twice.
Br. people wd. on whole welcome D.E. as Regent, irrespective of stories
about Princess M.

M-F.

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R.A.B. Not a ques. of “giving way”: choice of best time.

W.M.

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J.S. Timing : moment of Queen’s departure – troubles less likely to be raised.

B-H. W^D. be more diff. to get it thro’ before Recess if there were controversy.

Sw. Sh^d. have to hold further consultⁿ. with Opposⁿ. Leaders now.

Timing: we consider only Queen's interest – to avoid embarrassment.
Possible that B'brook will pursue the ques. & raise irresponsibly trouble
over constitutional ques.

R.A.B. Report to P.M.
Consult C.R.A. & Cl.D. again. 6.30 p.m.
M-F. to discuss with Queen during visit to Wales,
being told the P.M.'s view beforehand.

Sal. I may be wrong : but you won't escape diff^{ies}. by p'ponment.
Better therefore to get the trouble now.

1. Korea.

64) 1. E/West Trade.

65) 1. Egypt: Defence Negotiations.

Sal. New formula – adding “in event of a major war.”

O.L. Does phrase “contractg. parties” exclude possibility tht. E. might claim
exclusive use of base if aggression were v. them. ? Insert “both.”

Agreed: insert “both”

Sal. Stand pat on this formula, with U.S. – even if we have to make
concessions to E. later.

1. Policy towards Germany.

Sal. French (thro' Amb.) favour 4 Power Talks & co-opⁿ. in def. of West.
But added : Fr. can't now accept E.D.C. in view of new chance of
united Germany. Amb. said he wd. prefer indep. G. Army in
N.A.T.O.
Told him he must expect us to press E.D.C. in W'ton.
Looks as tho' Fr. won't accept any date for ratifⁿ.

1. Libya.

[Enter AH., de l., V.CIGS., CAS.

S.H. Conversations with Libyan P.M.
We wanted B. protectorate, not indep. country : & we always therefore

- wanted it w'in our orbit – econ. assist^c. & troops.
Provisional aggreemt. made early in '53. Current interim agreemts. for
£1½M. p.a. & troops as now. They expire at end/July. If nothg.
more, we shall have no right to stay & Arab League will take us to
U.N.
- Lib. P.M. is pledged not to bring up further interim aggreemt. Must
therefore get a permanent one. Can get one, if we make some
concessions, covering 2 airfields and accommⁿ. outside main cities.
£2½M. p.a. W^D. give us 20 yrs. foothold. Gt. advantage. Right to
put there troops displaced Fr. E. W^d. be precedent for Sudan.
But awkward for w.o. - who, after 5 yrs., will not have enough accommⁿ.
- A.H. C.O.S. strategic minimum is “Armoured Brigade. Libyan offer wd. mean
much exp^{re} on new barracks etc. (e.g. £20M.) for all our install^{ns}. are
in the towns. Cdn't do more than 1M. p.a. : wd. take us v. long time.
And after 5 yrs. shd. have to evacuate many of troops now there.
We cd. keep smaller garrison – either now or after 5 yrs.
Perm. bldgs. wd. be expensive on 20 yr. run.
- de L. Immed^{te}. : facilities to re-deploy 2/3 squadrons fr. E.
Long-term : base at El Adam & staging use of El. Idris.
We cd. probably do a deal with them. V. important to have transport
transit facilities.
- R.A.B. Awkward to settle this independently of M/E. strategy as a whole.
Mustn't authorise plans so large that they commit us.
Need to get f'hold w'out prejudicing future.
- Al. | Must have Treaty. Get as much accommⁿ as we can. Then allow
x | accommⁿ available to determine size of garrison. Bring
| remainder home.
|
- R.A.B. | And discuss with Ty. amount of annual exp^{re} on works e.g. £1m.
- 1) Agreed: as at x/.
 - 2) M/D. to give forecast to Cab. of M/E. deploymt. in future. (after
Rad. Review)
 - 3) Amount of financial subsidy to be settled with Ty – when we
know what bargains we have got with Libyan P.M.

67. Parliament.

[Enter S.Ll., B-H.

H.C. Business for next week.
Thursday : on Votes of F.O., C.O. and C.R.O. Spokesman : O.L. and F.O.
Minister.

1. Members' Salaries.

H.C. Conversations have bn. procedg. Y'day received specific proposals from
Opposⁿ. and from All-Party Members Ctt^{ee}.
Draft Motions considered.

R.A.B. Sh^d. we mention Members' Fund? I shd. have no objn. *Favour adding it.

B.H. Opposⁿ. don't mention it in their draft. And it is separate matter.

R.A.B. Let Ch. Whip negotiate draft A. with Opposⁿ. : & we will put it to 1922
Ctt^{ee}.

H.C. Sugg^d. tht. Motion be tabled by back-benchers of both Parties and carried
w'out discussion. Gt. relief to have avoided debate.

Agreed : Fact-finding enquiry : no recomm^{ns}.

1. Television.

R.A.B. Seeing 1922 Ctt^{ee} this p.m. with L.P.S. & P.M.G.
On publicity – they want to stress Govt. belief in competition principle.
We have said so in W. Paper. Have not publicly resiled fr. it.
Final decision p'poned until autumn. Must say now it all depends
how p. opinion goes. how good the case for it is and how well it is
put across. Otherwise we shall be told we are guilty of bad faith in
autumn.

Memo. from P.M.G. on alternative types of competⁿ. – at Cab. later.

Publicity. Supporters of commercial television can do all they wish.
But Central Office only on basis of publ^d. Govt. Statements viz., W.
Paper, L.P.S. statement at H/L. debate. They will need supervision.

W. I will provide that. Agree we shd. stick by what Govt. has said h'to.

R.A.B. Sw. can also help – with press & Liaison Ctt^{ee}.

Sw. May we add some objective & factual material?

R.A.B. Yes.

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70) 5. Post Office Staff Association.

W.M. Met 1922 Ctt^{ee}. on Tues. – Exec. Ctt^{ee}. & Labour Ctt^{ee}. Our approach was less violently opposed than 12 mos. ago. On merits, they were satisfied with our explanations. But on pledges, they are uncomfortable. D. Walker Smith is considering wtr. we need to go 1922 Ctt^{ee} itself.

PMG. No case for recognition : & I can't run G.P.O. if I'm required to quarrel with the staff. Believe I have satisfied our supporters on the merits.

R.A.B. Diffy. is what we said in Opposition – on this Union, too.

W.M. We were wrong then : & I am prepared to say so.

B.H. Think you will have to meet 1922 Ctt^{ee}. as a whole.
Especially as this will be matter not coming to a Divⁿ.
Suggest you see them next week.

W. Arising also on an Air Min^y. Union.

[Exit P.M.G.
[Enter T.D., G.Ll.

70) 6. Coal.

L. V. disappointg. Loss on Coronation v 2nd weeks' holiday is no greater than estimated. But absentee-ism is increasing. And larger %age of

small coal in prodⁿ. because of mechanisation : & outlet for this is difficult. But method of disposal is pinking with large coal in exports.

Export markets are good. Don't want to distribute them. Particularly don't want to break contracts. Prefer therefore to buy some large coal from Europe.

N.B. Read Minute giving P.M.'s view.

L. Increased industrial consumption of coal is part reason.

W.M. Textiles demand will go even higher. Sure our industrial stocks are sufficient?

L. Yes, I hope so.

Ch. Inevitable. Can be represented as exchange of one type of coal for another.

Serious aspect is outlook for next year & beyond. Demand will out-run supply if we export as much as now. More men & less coal : & mechanisation is not evidently the answer – if it gives you only more coal you can't sell.

L. Can't go back on mechanisation.

S.Ll. * From Schuman countries, not Poland – for political reasons.

Ch. Gt. national extravagance in use of coal – domestic gratis.

P.T. This is problem of large coal. That is w'in our choice. Mechanⁿ. gives us small. N.C.B. concerned with total not quality. They shd. dig the right sort.

Extravagance. Rlways use 17m tons of large coal – more than any country in world.

L. No other country uses only large coal on rlways. But our locos. are so constructed tht. they won't work on small. In long-term rlways will have to change over.

W. Are rlways designing new locos to burn small coal?

L. They will go to oil, I expect.

R.A.B. 1) Authorise the import proposed.
Presentatⁿ. : link it with Schuman Auth^y, who have spoken of exchange of types of coal.

- Leave a little over for prod. to miners.
- L. No statement until we have bought.
- Sw. Will leak when first contract is placed.
- L.I.G. Leakage will come 3 days after 1st. approach.
- R.A.B. 2) L. to submit further memo. on coal policy.
Investment here is less in propⁿ. to output than in Europe.
I'm ready to authorise more.
We shd. do more in importing mining engineers.
Want a more active policy, not excludg. increased efficiency of
N.C.B.
Otherwise, we shall have v. serious trouble in 1954/55.
- L. Accept that open-cast is not a permanent feature in our coal production.
- T.D. Must preserve out best agricultural land. – esp. because immediate coal crises.
- J.S. W^d. have wished to abandon open-cast before this Parlt. ends.
- R.A.B. Let L. include this in further report.
- H.C. Also rlways.
- G.L.I. Also qualitative element – large & small coal both prodⁿ. & consumpⁿ. aspect.
- Sw. Be ready with annoucement. in case of leak. And see Lobby at once.
- R.A.B. Keep Sw. & others informed.
- L. Want authority to buy up to 1m. Tho' shall prob. not buy more than 1/2m. at outset.
- RAB. Long-term memo. before end/July.
Mght. use this as prod. to N.J.A.C.I. – 22/7.
- 70) 7. Tariff Policy.
- 71)
- P.T. Held up on horticultural tariffs. Can hold gardeners & back-benchers until

end/year, but no more.

Doms. supported us in attempt to get relaxⁿ. of G.A.T.T. But will be diff. to get it w'out U.S. support. Sugg^d. we offered to them 3 concessions

i) bound items

ii) right to retaliate.

iii) exclude Ottawa list goods.

E.P.C. auth^d. i) and ii) but said not iii) w'out Cab. authority.

R.M. evidently thinks he won't get U.S. support unless he throws in iii).

Recommend he be authorised to use it. W^D., with M/S., give him guidance on our political diff^{es}.

R.A.B. It will upset Doms & mayn't carry U.S.

Sw. If we fail to carry U.S., all bets will be off: & we needn't go on with
x | iii)?

P.T. We shd. be unable to raise tariffs under iii) unless we got specific waiver in G.A.T.T. W^d. not therefore hurt Doms. – who wd. stand as now, unless a specific waiver secured.

O.L. Colonies affected only qua honey.

Ch. Need we do this – just because gardeners prefer tariffs to quotas. Cdn't we hold out for another year?

R.A.B. Is x/ correct?

Sw. If U.S. won't support us, our hands are free to argue as we like in G.A.T.T.

P.T. No. For I wd. have to use (iii) in G.A.T.T. – vis-à-vis Dutch. Tho' I wdn't be committed to it.

Agreed. R.M. be authorised to use (iii).

Washington Talks.

a) Germany : Four Power Meeting. [Enter S.Ll., B-H.

R.A.B. Have spoken to P.M.

S.Ll. U.S. & Fr. want somethg. diff. fr. P.M.'s Heads of State project.
New factor is Adenauer's pressure, on electoral grds., for
early 4-Power Mtg on Germany. Our attitude of last Sept :
Commⁿ. on facts, free elections, Peace Treaty. Commⁿ. to
create cond^{ns}. for free elections is first step.

If we don't accept, we shall be alone. Lesser evil is to fall in.
x/ Risk : U.S. & Fr. will play for failure: then go on with E.D.C.
Try for understandings. (i) No more U.S. sops to Germans before
the elections. (ii) Fr. must undertake tht., whatever result of
talks, they will go on with some plan for integratg. G. with
W. Europe.

R.A.B. P.M. agrees tht. x/ is risk. But, even so, must go on. Don't commit
ourselves to form – keep open attendance of Heads of State,
& also agenda.
Can't avoid it. Better this than no mtg. Keep open agenda &
attendance.

Sw. Good to have got U.S. to accept a mtg. at all.
We can't resist : as it was our wish to have a mtg.
C^d always expand subjects for discⁿ. – if only informally.
Gives us lever to secure U.S. co-opⁿ. on Egypt.

Ch. Can't avoid it. Public won't realise diff^t. character of mtg.

M.F. Endorse paras. 7 & 14.

R.A.B. Keep alive to para. 2 of W'ton 1472.

H.C. Suppose R. want to widen agenda : & U.S. & Fr. decline.

Sw. V. diff. for Fr. & U.S. to hang back then.

O.L. W^D. offer some chance of unexpected re-action fr. R. because their
internal posⁿ.

R.A.B. Can we suggest larger agenda?

W. Heads of State cd. widen it, if they attended, w'out advance agreemt?

P.T. C^{dn't}. have full-scale 4 Power talks w'out P.M.
At limited mtg. we shall ($\frac{2}{3}$ ^{rds}. of us) be playing to lose. Gt.
disappoint^{mt}. to world opinion. Care therefore not to play up
now the agreemt. to hold 4-Power.

Sw. Will inform Doms.

O.L. Later consider our line – including P.T.'s point. Agreed.

b) Egypt. [Enter C.O.S., A.H., W^m. Strang.

S.Ll. Dulles' action must be deplored. Essential to avoid i) allowing U.S.
A/ to become intermediary ii) negotiating on basis of N.'s offer.
N.'s offer is unacceptable. No concession save on nos. of technicians.
Can't accept 1. a or b. c.d.e.: 2 a) & b : 3 a) are all O.K. 3 b)
(period) is unacceptable : so is 3 (c). 4. b. gives no security of
tenure. 5. – "allies of E.'s allies" widens it a bit : but attack on
Arab nation is much too narrow: and E. decides what is a threat.
6. a. bring in all sorts of nations.
Prep^d. draft reply on above basis.

RAB. Add to that draft reversion to Cab. draft re re-activation of the base.

C.N.S. S.Ll. have covered all our points. Agreed.
Add : Tel. 1469. N.'s message. We welcome last sentence on
first page. But it accords ill with his proposals.

C.I.G.S. I. e. of N. 6 plan. Must get it clear th^t. action proceeds while
argument proceeds.

J.S. A, B. & C. Do we accept routing thro' Base Comm^r.

C.I.G.S. W^d. be non-operational inst^{ns}. And we shd. keep a private line.

RAB. W^d create a bad impression on our public. But wd. be less sinister if
we had our men in uniform etc.,

C.I.G.S. Our man must be clearly i/c of Br. materiel & personnel. Agreed:
stress it in our reply.

R.A.B. P.M. has assented to A/. Will prob. accept F.O. draft on detail.

Sw. Festing's ultimatum.

Al. 9/7. p.m. R. went to hotel in Ismailia, where accosted by E. offr. and criminal & taken away. Believed now in Cairo. Believed to have given signed statement asking for asylum.

Sw. Can this be played down in Press? W.O. & M/D. to concert this.

Al. Support Festing's firm stand.

c) Persian Gulf.

S.Ll. U.S. pressing us to accept solution wh. will leave T. in Buraimi. We can't agree: he wd. intrigue & our prestige wd. be impaired. Can't go beyond our line : both sides to w'draw.

Al. Don't believe Ibu Saud will agree.

Ch. Do we risk a row with U.S. over this.

S.Ll. Believe Saudis wd. accept if Eisenhower pressed him.

Al. Compromise : cd. you leave T. in Buraimi but subject to blockade.

S.Ll. He wd. continue to stir up trouble if left there. What is at stake is our influence in this area.

A.H. W^d. prefer agreemt. with U.S. over this, when we have so much more important things to get U.S. support on.

S.Ll. Large incomes of the small oil chiefs.

R.A.B. Try this once more. But don't risk a row with U.S. We may have to re-consider later – after S. has left.

2. Coal Production.

[Enter G.Ll.

Cabinet approved, with amendments, draft announcement of decision to import large coal.

[Exit G.Ll.

3. Regency.

Agreed: Defer to autumn. { R.A.B. to inform P.M.
 { M-F. to advise Queen.

C.C. 43(53).

16th July, 1953.

1. Regency.

[Enter S.Ll., B.H.

M-F. Queen has accepted advice tht. Bill be p'poned until autumn.

2. Parliament.

H.C. F.A. debate on 21 & 22/7.

R.A.B. S. won't return until Mon. p.m. Will report to Cab. on Tues. a.m.
Little time, for F.A. debate. Tho' officials are returning earlier,
by air.

H.C. Labour Party can't be persuaded to accept a later date.

R.A.B. Govt. spokesmen: RAB to open. A.N. and M/S to spk. on 2nd. day.

S.Ll. Unless, because vote, a second Cab. Minister shd. spk. on 2nd. day.

H.C. Unlikely tht. they will table a Motion.

H.C. Business in last week. Take C.Afr. early – on the Monday.
A./ Rise on 31/7, if business completed: B./ Resume 20/10.
Prorogue 30/10. (O-in-C.)
New Session 3/11. W^d. help if we cd. be authorised to say this
before Recess – earlier than customary.
Regency Bill – immediately after Debate on Address.
Announce A. to-day B. next week.

Sim. Gatwick Airport. Report approved. Cab. next week. M/T. wants to
publish W. Paper next week. Opposⁿ. may then ask for debate.

Sw. They cd. discuss on adjournment. The thing to avoid is publⁿ. after
House rises.

[Enter J.T.

3.

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4. Libya.

- R.A.B. Libyan P.M. wants us to cover his Budget deficit & also £5M. deficit on develop^{mt}. plan. Asks for £4½M.
I'm willing to go to £2½ or £2¾ on Budget deficit. And £¾M. for development. Viz., £¾ or 3½M. p. annum in all, for 5 years.
- S.Ll. 20 yr. agreemt. Complete use of El Adem & useful rights on Idris.
No limits on training grounds. No awkw. prov^{ns}. re jurisdⁿ.
Quite a lot of accommⁿ. – more than expected.
V. valuable agreemt., esp. as lesson to Egypt.
- de L. Promise also for future. Staging here will be good precedent for similar one in Khartoum etc.
- H.C. Will unspent money on develop^{mt}. be carried fwd?
- S.Ll. 5 year plan – thro' Develop^{mt}. Bd.
Agreed: RAB. to preserve agreemt., going to £3½M. if necessary.
[Exit de L.]

5. Persian Gulf.

- S.Ll. We cd. i. tell U.S. tht. if they suggest their plan we will turn it down.
ii. press U.S. to accept our plan.
* iii) ask U.S. to stand aside.
iv) accept U.S. plan with amendmts. e.g. no reinforcements by either side: have T. instead of another Saudi on Commⁿ.; some attempt to limit T.'s activities.
Diffy : Truman gave some written assurance tht. U.S. wd. help Saudis v. any aggression. Tho' this is not aggression v. Saudi territory. And our Protectorates are being threatened by this.
I favour (iii). Let U.S. say merely tht. we have no aggressive design.
- R.A.B. Tel. 1512. Para. 4 was a misunderstanding.
What is meant by last sentence of para. 5.
- S.Ll. S. agrees now tht. Cab. shd. decide.
- R.A.B. I'm sure tht. U.S. won't agree to (ii). Remember that at outset.

AE. said, if we went in for this, we must be ready to go thro' with it.

Ques is wtr we shd. give way to U.S.

O.L. V. big issue. See U.S. in hell before I gave way. Loss of face here wd. be v. serious.

L. Wait & hear S.'s view?

P.T. Yes.

Agreed : Ask U.S. to refrain fr. takg. any action with
Saudis until S. is back in London.
Advise S. on ship-board.

C.C. 44(53).

21st July, 1953.

Regency.

[Enter B.H., S.Ll.

R.A.B. Form of answer to P.Q.

Sw. Approve. Shows it originated before the rumours re Princess M.
Square C.R.A. to shut down any awkward supplementaries. *Agreed.

1. Transport : London Fares. [Enter A.L-B., Marples, de L., T.D.

ALB. Increases being announced to-day: award of Tribunal.
Done our best to deal with pol. angle by independent enquiry into
Ldn Transport.

2. Gatwick Airport.

Sim. Aut Gatwick aut nihil.

R.A.B. Total cash needed – for this & P’wick.

Sim. J.S. wants somethg. said at same time re P’wick – to allay Sc. fears.

A.L.B. Ready to add sentence re-iterating intentⁿ. to proceed with P’wick as
our 2nd. internat^l. airport. Put it in W. Paper as well as statement.
Have reduced estimate by £½M. Ty. may now allow us to go ahead
slowly – satisfy Sc. opinion.

Sim. P.7. Security experts want this ref^{ce}. to B’bushe omitted.

ALB. A necessary argument : must make it clear tht. development taking
place there is not substitute for Gatwick but quite independent.

Sim. to sort out this wording.

Ch. Believe it wd. be cheaper to clear Heathrow of fog.

W. How urgent is this? W^d. have liked to have this on a reserve of public
works against a recession.

A.L.B. V. low labour force: wd. make v. small contⁿ. to unemplt.
Must abandon N’holt in 55/56. Alternative must be ready by 56/7.
Will take 3½ yrs. to make even diversionary road.
The work will be done in a year or so – not now.

- Sim. In reply to Ch. – it's not only fog, also pressure of traffic.
Supplementary as well as alternate.
- A.L.B. Disc^{ns}. re Fido are procdg. Solⁿ. is not in sight. And much more
expensive. Even then 100 items a day.
- Ch. If it is volume, I accept posⁿ.
- Sw. Alternative for Atlantic : supplementary for Continental.
- R.A.B. Hope M/C.A. will keep w'in ceilings for investment agreed.
Ordinary Ty. control over exp^{'re}. on Gatwick.
Enquiry?
- Sim. P.M. thght. it shd. come before policy announcement.
M/H. & M/C.A. both agree tht. opposite order is correct.
National policy shd. be laid down before local adaptations are
considered. Doubtful if local details enquiry wd. satisfy local
opinion.
- M. Has bn. promised, if there are local obj^{ns}. – wh. surely there will be.
- A.L.B. x/ Shall have to concede it. But must be limited to local ques.
W^d. repeat offer of local enquiry if there is a demand for it.
C^d. discuss t. of r. before any debate.
- M. T & C.P. Act enquiry : limited to local ques: M/C.A. to be rep^d. to
answer ques of fact on national policy.
There will be a row. Better to say in W. Paper tht. we have given
weight to local opinion. Sugg^d. alternative form of para. 13.
- Sw. That won't do : can't p'pone "final decision".
- A.L.B. C^d. add a sentence to effect of x/. Remain firm on national policy :
consider local obj^{ns}. on detail of plan.

Agreed : Sim. to adjust wording, with Ministers concerned.
Announce Wednesday (if ready).
[Exit de. L., T.D., A.L.B., Marples.

3. Foreign Affairs.

- S. B'ground to telegrams.
Purposes : re-affirm existg. policies re Germany : to support A in that :
to press for E.D.C. : to discourage D. fr. precipitate action
in satellites : re-affirm w. defence : keep door open for

4 Power Mtg.

Have m'tained w. unity on all policies.

Have encouraged N.A.T.O. & Europ. unity.

Re-committed Fr. to E.D.C.

Delayed D. in dangerous initiatives. Believe it was E.'s simple outlook : harry R. whenever you can by any means. E.g. Free Corps in G. Policy of pinpricks – ben/ or mal/evolent. Dulles cd. not have bn. more helpful. B. tiresome because Parl^y. diff^{ies}.

Ques. wh. may come up –

- 1) Four Power. Why did U.S. change their attitude? A. & R. helped.

Adenauer's lr. was much more effective than my pleading.

R. enquiries re accommⁿ. in Switz. for a 4-Power Mtg.

Why abandon P.M.'s plan? Because Ike opposed it on constitutional grounds – Head of State mustn't argue. Fr. wdn't have liked a "no-agenda" mtg.

Why not E.D.C. as pre-condition. I pressed B. v. hard: he is still furious with me. D. said, if Fr. cont^d. to hold this up, U.S. will be driven into relying on peripheral defence: view of Congress as well as Admin^{'s}. But B. said no Fr. Govt. cd. ratify at present – wd. be defeated.

- 2) F/East. Disc^{ns}. were incomplete. Not enough time to do it properly – only 1 Session on it. No report then on Rhee conv^{ns}. D.'s policy re Korea. Armistice : he asserts has got satisf. assurances tht. Rhee won't obstruct. Pol. Conf^{ce}. : limit of 90 days – after wh. he mght, with Rhee, break it off – to prevent Comm. fr. stringing along & then brkg. armistice. Pledged to pursue re-unifⁿ. of K. ; but expects fr. Conf. no more than temp^y. stabilⁿ. of status quo. Attempt re-unifⁿ. on basis of neutralisⁿ. in 5 or 10 yrs. time. Wants neutralisⁿ. Breach of Arm. By S.K. : he wasn't afraid of that. Optimistic : but based on i) U.S./K. Treaty of Mut. Security ii) U.S. promise of economic help. Rhee wd. be reluctant to lose either.

By. Comm. U.S. & U.N. wd. again support "rotatⁿ. of peace & security". Milder version of 1952 warning statement. W'out old threat of extendg. area of conflict. Sugg^d. tht., as gist of it in communiqué, it mght. not be needed: D. promised to consider whr. publⁿ. of it cd. be avoided.

- 3) Egypt. V. frank : U.S. pretty hard. But did some good.

Our aim : get U.S. to let us play hand & under-write us.

Rejected negotⁿ. on N.'s plan. Urged them to say merely they had handed it to us. They were stiff on that. D. gave us Ike's view on our M/E. policy. Tried to answer that.

R. was v. good on detail.

They wdn't endorse our plan in toto. Agreed to bless

principles.

Lr. wh. went to N. is v. firm & good. Passes ball to us.

R. has ret^d. to Cairo. Won't initiate talks, but ready to receive callers. Better begin informally.

Instruct R. to stand firm on our principles : B. offr. in control B. troops & material : discretion to accept 10 yr. duration if our formula won't go : our formula on re-activation (wh. Eisenh. endorsed).

Presentⁿ. Continuity of policy. Restrained optimism. Solⁿ. can be found if R. want it. Stand firm & feel our way fwd. to calmer times.

Endorse lines of R.A.B.'s draft speech.

I will make only a v. brief statement in H/L. – promising elaborⁿ. in H/L. debate on 29/7.

Sw. What will U.S. do if no results after 90 days.

S. Resume fighting – or threaten it.
Mtg. of U.N.? In N. Yk. there is a feeling in favour. Said no use while chance remains of U.S. getting agreement. But if breakdown after 90 days – [or failure to get armistice] – U.N. wd. have to meet.
No ref^{ce}. made to B. re-inforcement fr. H. Kong to K.
Heads of State idea : D. didn't dissent from it.

P.T. Strategic controls. For how long?

S. They asked first “until final settlement of K.” But they dropped it.

R.A.B. Sh^d. we answer McCarthy Report?

S. Not to-day in debate. Later, at length. Deny it shortly, m'while.

S.Ll. H/L. debate mght be a good opportunity for full answer.

R.A.B. I'm followg. P.M. speech of 11/5 & stressing continuity. P.M. wants some ref^{ce}. to Locarno idea.

S. Not mentioned in W'ton.

RAB. C^d. I repeat what P.M. said & add ref^{ce}. to Anglo-Sov. Treaty.

S. Keep it v. general : it won't go well with Allies.

S.Ll. And don't use word Locarno.

- S. U.S. regard R. as devils : cdn't bear thght of siding with them.
Unification of G.
- S. Settled policy. D. thinks safest method wd. be w'in E.D.C.
Egypt.
- RAB. P.M. wanted me to say we wd. negotiate alone & don't want U.S. as
mediators.
- S. Don't say that. For U.S. will allow us to do so. Don't give impⁿ. tht.
I don't trust them to keep their word. W^d. be positively insulting.
- S.LI. Party in H/C. are v. worried about E. Asked if policy cd. come to them
before we are finally committed. [Exit A.
- O.L. Not sure about 10 years. Sh^d. we not have provⁿ. for negotiating a
renewal or modifⁿ. in 8th. or 9th. year.

Cab^t. to consider this again on Thursday.

*Expressions of congratⁿ. and thanks to S. on results of mission.

4. Persian Gulf.

- S. No doubt U.S. are v. much excited about this – all of them.
Arab world shd. be peaceful & on our side. Be-devilled by a few ques.
They are v. worried about their oil. And frightened about
Ibu Saud. Ike also thinks this is just another example of our
re-actionary M/E. policy.
- Cab. considered 4 courses on last occasion.
Ike won't accept (iii).
We must try to make some concession to meet U.S. view. They
don't realise clearly how much our interests are engaged. Say
we just can't do anythg. implying tht. T. has any right to be
where he is. We are therefore willing to carry on as now – no
arbitⁿ., no change. And if U.S. say must go to U.N., reply –
splendid, we have a good case. More diff. for U.S. to refuse
acquiescence. Lesser of 2 evils is tht. we lose arbitⁿ. pro tem.

- W.M. Our interests are v. great indeed. U.S. trying to muscle in (oil cos.).

5. Civil Service.

RAB. Chairman : Sir Raymond Priestley.

6. The Prime Minister.

R.A.B. P.M. is v. considerably restored in health. Physical & mental powers are in gt. vigour. Going to Chequers on Friday., where A.E. will join him.

7. Antarctica.

RAB. Minute from P.M. Refer to S., to discuss with other Ministers concerned.
Don't depart fr. my view.
Will S. submit further report to Cabinet.

C.C. 45(53).

23rd July, 1953.

1. Parliament.

[Enter B.H., S.Ll.

H.C.

Business for next week.

Defence : N.A.T.O. & related matters : on Wed^y. Govt.

spokesmen : ?L.P.S. & Birch.

To be settled afterwds.

Adjournment – until 20/10.

2. Cabinet Meetings in August.

Subject to P.M.'s approval – provisional dates 10/8 at 3 p.m. }
25/8 at 11 a.m. }

Other mtgs. to deal with urgent business, if needed.

Cab. Ctt^{ees}. not to meet in August.

3. Egypt.

S.

Advised tht. 10 yrs dead is next best to our formula.

World posⁿ. 10 yrs' ahead can't be foreseen.

Provⁿ. in agreemt. to consult before 10 yrs. are up.

If U.S. really understand import^{ce}. of base, they will give us more support than now – unless world sitⁿ. is entirely changed.

P.M. wd. be content with 10 yrs. duration.

Try therefore for original plan: be ready to accept 10 yrs. – but ask R. to refer back before accepting that.

O.L.

Not v. happy. But reserve further comments until it is referred.

Al.

W'in 10 yrs. we can get on better terms with E., surely. I wd. accept that.

Sw.

If we are ready to accept 10, better to let R. know at once.

L.

Want more than 10 yrs. for Canal. Tho' separate talks on that. And U.S. are more helpful on that.

O.L.

Some provision for re-negotiation in last 3 years. Or continue fr. year to year.

S.

If that means we stay in absence of agreemt. it's same as our formula & E. won't accept it.

If it means only consultⁿ., we can get that in.

Agreed : Accept 10 yrs. & provⁿ. tht. both parties shall then consult regarding means of preservg. future security of base. Tell R. now. Also about Canal negot^{ns}.

4. Korea.

S. Warning statement agreed in '52 by all 16 nations concerned. As we were incldg. adequate phrase in communiqué, I sugg^d. in W'ton that this wd. be enough w'out the declaration. The others wdn't agree. But D. seemed shaky on publⁿ. He has now sugg^d. tht. this declⁿ. be buried in documentation handed in to U.N.

Alternative : communicate it to Ch. Govt. – and then allow it to come out later.

Don't like this. Ready to tell D. personally tht., while we won't run out on our agreemt., I think it wd. be a mistake to publish it and wd. be upsetting to Anglo-U.S. relations.

R.A.B. Most unfortunate moment because S. Rhee.
W^d. cause real anger in H/Commons.
Cdn't we claim tht. circs. have changed and we are no longer bound to our pledge.

Agreed : S. to prepare such a telegram (official) & show it to R.A.B.

5. Libya: Treaty.

S. Auth^y. to sign before 31/7 if L. agree.
Do Cab. want to see the text.

R.A.B. Advanced £¼M. above figure mentioned to Cabinet.

Agreed : Authority given to sign.
Text to be circulated post eventum.

6. Germany. Four-Power Meeting.

S. Can't defend my action in W'ton w'out disclosing tht. U.S. & Fr. wdn't accept 4 Power Mtg. at P.M. level w'out agenda.
Want to tell the story frankly. Limiting it to "unwilling at this stage".

RAB. I wd. have liked to take that line. F.O. advised against it.
But, as you were at W'ton, you can be free to make the case as you will.

- S.Ll. Especially as it has now turned into a personal attack on S.
And F.O. have now changed their mind – because attack has
now bn. made & must be answered.
- R.A.B. P.M. wd. have liked me to take this line.
I want it said – to turn off attempts to divide P.M. from Tory Party.
- [Enter T.D., A.L.B., Marples, G.Ll.]
7. Coal.
- 1) General.
- L. Need: more briquetting. Diff^y : to find binder other than pitch. Hope
of that. Rlways. are working at this. But 18/24 mos before any
big results can be expected fr. this.
Electricity take 35 m. tons of nothg. but small coal. Give them more
investment so they can burn even more.
Using more of large coal in domestic market wd. mean loss of
exports – for cdn't export small unless pickled in with large.
- 2) Open-cast. Threatened by delay in getting sites. No desire to
use specially rich agric. land : but can't afford to drop p'mme
below 10 m.
- R.A.B. Action : i) Publicity to convert h'holders to use.
ii) More pressure on rlways. to use small coal.
iii) Recruit more foreign mining engineers : Increase
investm't.
iv) Incentive schemes relatg. bonus to attendance.
v) More Swiss machinery.
- S. Mechanisation means more small coal. Was it worth while? Sh^d. we
go on?
- P.T. Might be better to get smaller total & more large coal. Shdn't this be
considered?
- L. Cdn't ask miners now to cut by hand. Re-actionary. Must accept
mechanisation and its consequences.
- Ch. Need to insist on more economy in use. E.g. domestic space heating :
subsidy to stoves and tax on coal. Restrict use of electricity for
space heating. Technical w. party to go into this.
- W. Is it easier to get miners to work harder or to get consumers to alter
all their habits.
Mght have done good to hold enquiry into N.C.B.

- O.L. Can't turn our backs on mechanisation. Mass-produced articles are never as good as hand-produced. But this is industrial trend wh. we can't reverse. Must therefore tackle consumer habits etc.,
- L. O.m.s. is falling because scams are narrowing p'essively.
- P.T. We export locos. wh. can run on coffee (Brazil). Why can't we use them at home?
- L. We have 20,000 in use. Must wait for new ones before change in design.
- W. When Labour turned rlways fr. coal to oil, it didn't take long to convert.
- L. That was easier – tho' not always successful.
- A.L.B. For shunting Br. Rlways. are going over to diesel. [Exit B.H.
Also for high passenger density lines.
But elsewhere thght uneconomic.
Electrification – saves 100,000 t. of coal for £30M. investment.
We cd. force them to use briquettes if they were available cheap.
- R.A.B. Policy : Directives.
- i) Householders. Ready to consider means other than - tax relief to encourage x/ efficient appliances.
Differential charges for large & small coal – wider differentials.
 - ii) Accept L.'s line & increased briquetting with Swiss machinery.
 - iii) Investment. I have refused none. Dpts can ask or more.
 - iv) Foreign Mining Engineers.
 - v) Consider incentive schemes relatg. bonus to attendance – further report.
 - vi) Must do somethg. more to infuse greater life into N.C.B.
will L. offer sugg^{ns}.
- J.S. Better publicity for x/
- Ch. Add. Discouragement of electrical space heating.
Bonus for attendance.
- W. Against subsidies on principle. Support J.S. view. Publicity shd. be enough.

Agreed: as above.

(2) Opencast Programme.
R.A.B. Must go on with this for a time.
Can't Ministers make a plan for doing this with least harm to agriculture.

T.D. Willing to join in consult^{ns}.
V. discouraging.

L. to convene Ministers for further review of policy, on basis of para. 4 of L.'s memo.
L. to include this in his next interim report.

[Exit G.Ll., T.D., Marples, A.L.B.]

[Enter PMG., de. L. & B-H.]

8. Television.

PMG. Tel. Adv. Rpt. shows only 1 nat^l. network (addl.) in next 5 yrs.
Local stations won't work.
Short of dropping this altogether, (d) seems now to be only practicable course. True capital wd. have to be raised on Ty. guarantee: but private enterprise wd. provide its revenue.
W^D. reduce problems of control : wd. avoid politics/religious controls : also choice between 70/80 applicants. C^d. put it fwd. as experimental.
A compromise, with merits.

O.L. Para. 2(a). Why need it be a single co?

PMG. Because only 1 nat^l. network is available.

RAB. We have to present W. Paper. Must decide what goes into it?

W. Pledged to some form of competitive television.
Party in H/C. want it based on private enterprise.
C^d. support (d) if the corpⁿ. were financed by private enterprise, with no Govt. money. Justify controlling Govt. interest, thro' majority on board, because of moral importance. Then trust them to license smaller stations or to sell their own time. In selling time they shd. be bound by published conditions. C^d. carry Derby's supporters on that basis.
Believe Party wd. accept solution on those lines.

- M.F. I wanted (b). But see diff^{ies}. i) for national hook-up we shd. create a private monopoly. ii) if J.W.T. put up capital, we shd. be accused of squeezing other agents out.
Considered (d) therefore. Public capital: revenue largely fr. pr. enterprise. (e) seems impossible in H/C. Straight sponsoring as at (b) wd. not get past H/L. W^d. be ready therefore to support (d). Especially as it mght. be interim scheme only : and more air-room mght. be available later.
- R.A.B. W. Paper wd. also discuss diff^{ies}. of other solutions.
- B.H. If W. Paper is to plump for one line, it's too early to say what Party will think. We meant to allow opinion to crystallise. Can't say yet that (d) will do.
All the alternatives shd. be stated in W. Paper.
- H.C. We don't want to plump for any one solution.
C^d. prs. lead in some direction when, later, we have a clearer view.
- R.A.B. Draft W. Paper explaining diff^{ies}. of other solutions & leading up to (d).
Or (N. Collins) p. corpⁿ. running transmitters & cos (?) responsible for p'mmes.
Consider W.'s alternative and N. Collins plan.
x/ P.M.G. to keep in touch with Sw. Ctt^{ee}. (liaison) – Amory in Sw. absence.
- Reserve, for later mtg., decisions how the alternatives be weighted.
- Sw. PMG. shd. keep in touch with W. Elliott also.
Sh^d. religion & politics be quite excluded?
- W. No straight political or religious talks. But same as B.B.C. – discussion under control. Allow public board to be guardian of that.

9. Post Office Staff Associations.

- R.A.B. Need statement be made before recess.
- PMG. Listowel has tabled P.Q. for Tuesday.
- W.M. 1922 Ctt^{ee}. seen. Majority see merits – tho' it's difficult.

I'm not in a hurry. W^D. need to look v. carefully at draft.

RAB. Some of Party are still sore about pledges. Don't want a rushed statement before recess.

B.H. Could face it before recess if it's a good statement.
The keen minority will make as much fuss in October.

de L. AEA – wd. sooner avoid statement of principle. It's going quite well.

PMG. EOTA propaganda is increasing. W^d. like decision taken now.
M/L. and I have done all we can with Party.

R.A.B. Don't like it on merits. Must make it clear it's no precedent.
Want to reconsider draft.

Ask L. to p'pone Question until Wed^y.

RAB., W., M/L., S/S Air, P.M.G. to review draft.

Consider draft at Tuesday's Cabinet.

P.Q. for H/C. (wd. have to be tabled on Friday p.m.

Ministers to meet this evening.

[Exit PMG., de L., S.Ll.

[Enter Ll.G., Solr. G.

10. Privileges: Internat^l. Sugar Council.

Ll.G. Privileges wh. I suggest are less than those usually extended to international agencies. Cdn't hope to get Council here with less.

Sw. Dom. citizens with dual citizenship. Will you follow earlier model?

Ll.G. Yes. Dom. citizenship will exempt.

Solr.G. Draft agreemt. shd. be cut down to 3 privileges mentioned.

Ll.G. Agree.

[Exit Ll.G., Solr. G.

11. I.L.O. Agreement.

W.M. Increase of 8. in order to get G. & J. back.
Approved.

H.C. Specify Govts. who are members (8) in W. Paper.

1. Korea.

[Enter S.L., B-H., L.I.G.]

Sal. Cab. earlier decision. D.'s reply : 1602. Para. 3 was an improvement.
I welcomed this concession & agreed to subscribe on that basis.
No. 1609 did not, however, carry out promises of D.
F.O. 3015 and 3016 give our counter-draft's designed to make these
points clear. Under this language, we shd. not be comm^d. save
in event of unprovoked attack by Communists.
Will be included in documentⁿ. to be handed over to Communists in
about one week's time.

J.S. Wise to tell Opposⁿ. – so they don't think we are holding it back until
Parlt. has risen.

Sal. W^d. like to do that – if they can be trusted.

H.C. Tell C.R.A. & H.M. alone. After H/L. debate on f. affairs.

2. Germany: National Anthem.

Sal. May D. uber Alles be regarded as official Nat. Anthem of G. Republic.
We play it in G. May we play it in U.K. on approp^{te}. occasions.

Agreed : No objⁿ.

3. Food Prices.

L.I.G. Two pp. connected. Decided in June to defer. If no decⁿ. before
recess, 2 more mos' delay - & increases wd. then have to be
larger if subsidy to be held to same figure.
Total effect on c/living : .54.
Milk will be coming down – equivalent almost.

R.A.B. Can't allow subsidy total to creep up. ½ point is not v. much.

W.M. Sorry : but needn't appear until Oct. in c/living index.

Approved.

[Enter F.H. & D.E.]

4. Supply Expenditure.

- R.A.B. Publ. interest (Times etc.) in continuing burden of public expend^{re}.
 Defence & Social Services.
 Working for solution on Defence wh. will help economy w'out
 wrecking defence.
 Social Services. Health & Old Age: Ctt^{ees}. shd. help.
 Leaves Housing & L. Govt. ancillaries & Education.
 See no gt. economy over Educⁿ. w'out sacking teachers.
 Housing – our hopes are placed in the Grand Design. De-control of
 rents wd. have as gt. effect on confidence as end of food
 subsidies.
 Hope we can discuss that one day.
 Interim report. Take note. Promise co-opⁿ. Make me proposals wh.
 wd. help me with Budget.
- O.L. Budget deficits in Malaya & Kenya – to which U.K. will have to
 contribute.
- R.A.B. Was assumg. £18M. for Malaya. Less for Kenya. May get some
 relief over Egypt.
- H.M. Housing. Aug. 5. 145.000 in 1st 6. months 1953.
 Publⁿ. 110.000 1952.
 92.000 1951.
 Shall achieve target. 50.000 un-subsidised in '53. ; & hope for
 50/90,000 in '54. Am therefore beginning to close down on l.a.
 p'mmes.
 Contⁿ. of M/W. 20% more bricks & 25% more cement by same no. of
 men. We have proved tht. productivity rises when order books
 are full. Tho' we mustn't run ahead of our materials.
 The Grand Design. To switch fr. new houses to old, and to include
 more un-subsidised in the new. Ctt^{ee}. under L.P.S. has made
 progress. Draft W. Paper is now with printer, and will be
 circulated to-morrow with note of points outstanding. Sh^d. go
 to members of L.P.S. Ctt^{ee}. who aren't Cab. members. Sh^d.
 expect dec^{ns}. in Oct. Cabinets. Publish English wh. Paper in
 week before Prorogation & leave it to be discussed in D. on
 Address. Once this is touched off, we must see it thro'. Means
 no dissolution for 18 months. Must get it thro' and working
 before Genl. Election.
- J.S. Endorse last point – v. strongly.
- H.M. I will draft statement which we shd. have to make if it were decided
 not to go on with full plan.

- D.E. Para. 6 of memo. 211. Dissent – unless we go right above 300,000 level.
Cab. authorised £157M. new starts more than last year. Have started £125M. in 1st. half year. But good reason to believe this is exceptional – shall not increase at that rate. Materials posⁿ. will carry 300,000 houses + 6% or 7% expansion in other construction.
- R.A.B. Danger if l.a.'s soar above 300.000 target – qua subsidy and materials.
- H.M. Mustn't fall below level of Socialist achievement in houses to let.
- F.H. Education. Increased nos. of children in primaries this year & last. Only big saving is in radical change. Altering school age. If it were poss. for them to leave at 14 voluntarily, more than half wd. elect to remain. Even so, c'dn't sack corresp. no. of teachers – for wd. be compelled to use surplus to reduce size of classes, wh. in some areas reach 60 or 70.
Fees. Odd to give increased children's allowances & then charge fees for compuls^y. education. Also means test, & adminⁿ.
I see no alternative but to press for admin^{ve}. economies – tho' they will not be large.
Teachers' salaries – increases now being demanded.
- R.A.B. May have to re-consider relative shares of local & central Govt.
- W. Is not policy re aid to University students too generous?
Supply of games equipmt., taxi-fares etc.
- F.H. Income standards are pretty severe – and have bn. reduced lately.
- P.T. Para. 6 of memo. 166. Facilities for cheap borrowg. below the line are dangerous. We are doing too much – at expense of exports. We have all tried to find red^{ns}. – agree only major changes of policy will do, & I doubt if we can make these w'out a fresh mandate.
- R.A.B. Food subsidies – can get more off them e.g. milk subsidy.
Freeing economy in food has helped this year's Budget.
- L.I.G. So many of remaing. subsidies are tied up with implemⁿ. of Agric. Act.
Profits on imported meat & bacon will disappear on de-control:
and subsidies to home industry will cost you more than now.
- R.A.B. £100M. wd. take care of those.

- R.A.B. i) Take note of 166 concl^{ns}, para. 17.
 ii) statements by M/H. & M/W. – esp. their assurance tht. they will prevent excessive bldg. Congrats. on achievemt.
 iii) Let me discuss Educⁿ. with M/Ed. incldg. long-term.
 iv) E.P.C. to consider food subsidies.
 v) Demands on market by nat^d. ind^{ies}. & l.a.'s
 vi) V. careful pruning of Estimates for autumn.
 If we get somethg. out of those, & a reasonable decⁿ. on Defence, we can get past Budget for '54. It is '55 that is grim.

[Exit L.I.G., F.H.]

[Enter P.M.G.]

5. Television of Opening of Parliament.

- H.C. Not a thing to be rushed.
 If we wished to do it, many prior consult^{ns}.
This year anyway wd. be a mistake.
 Queen's Speech shd. not in any event be included.
- Sal. This is a political occasion, unlike Coronation.
- R.A.B. Will come up again – in future years. Continue consult^{ns}.
- H.C. No : don't put idea into anyone's head.
- D.E. Sh^d. have to bring in news-reels too. And physically it wd. be v. diff. to do – even in R. Gallery.
- PMG. Agree with L.P. If you began in R. Gallery, you wd. be pressed to carry it into Chamber in following year.
 [Exit D.E.]

6. Post Office Staff Associations.

- W. Advised P.M.G. on political grounds not to make this statement.
- PMG. Statement rejected claims of EOTA and gave summary of reasons.
 W^d. have wished to make it, but deferred to W.'s request.
 Promised in June (52?) to decide w'in 6

Discussion adjourned for reading of draft.

- W.M. Marler has assured me tht. his motion implies no disloyalty – only a demonstration of reluctance at having to make this retreat.

He won't be awkward.

7. Legislative Programme.

- H.C. Some worth-while achievements e.g. Food & Drugs, Coal Mines Safety.
Opposⁿ. wd. envy these.
Three only with Party controversy – Housing, Leasehold, T & C. Planning.
A v. dull p'mme. Especially if it were our last. But wd. be consistent with "period of steady adminⁿ."
But, if we embark on Grand Design, can't dissolve until passed & results seen.
Two other pol. topics in air – University Repⁿ. & H/L. Reform – not covered in this p'mme.
- Ch. Hope there will be room for A.E.O. Bill, now as low as E.
- H.C. Approval by Cab. wd. be a special case for promoting to earlier category.
- Sim. H/L. Ctt^{ee}. has bn. suspended since S. has taken over F.O.
- Sal. Might resume in autumn.
Two schools of thought i) Scottish plan – election of rep^{ve}. hereditary Peers. ii) Mere legalisⁿ. of Life Peerages.
Agreement : no wide extension of powers. Some thght period of suspensory veto mght. be extended by 6 months.
Will see if I can present interim report for Cabinet.
- W. No hurry – don't burden yourself.
- R.A.B. Need such a report before we settle Queen's Speech. Agreed.
Must also consider University Repⁿ. May be a growing feeling in Universities tht. it shd. not be restored.
- M.F. As we rejected plural voting I don't think Univ. repⁿ. is practicable.
But Cab. shd. consider this. For if no Univ. repⁿ. in H/C., Ctt^{ee}. shd. consider wtr. it shd. be included in a reformed H/L.

Agreed : M-F to consider & report during summer.
- P.T. x/ May Copyright Bill go up to class E? Agreed.
{ Provisional P'mme approved subject to x/.
{ Reports on H/L. Reform & University Repⁿ.

{ Major Bills on Housing etc., - final dec^{ns}. on Queen's Speech.

8. Genocide : International Convention.

- M-F. Prepared Bill & outlined difficulties, as in memo. para. 3.
But Bill must pass if we are to adhere to the Convention.
- Sal. F.O. believe there may be strong public pressure for this. Why not wait for it?
- S.Ll. 42 other countries have ratified. Small group in H/C. press for it.
- R.A.B. Not U.S. Need we? (Janner)
- S.Ll. We have alleged in H/C. tht. reason for delay if diff^y. in drafting Bill.
Note that Bill is ready.
See if U.S. ratifies. Otherwise no action.

9. Review of Parliamentary Constituencies.

- M-F. By statute it rests with Comm^{ns} to decide when to undertake general reviews. They have decided to start & have formally notified me. It wd. be normal for me to say so in H/C.
- H.C. They won't start in Aug.
- M.F. Their intention will be announced quite soon, in Gazette.
- J.S. No need for early Govt. announcemt.
Won't be started for some time & won't be completed until early '54.
- H.C. Why shdn't we let it come out, as from them. Avoid impⁿ. tht. it has anything to do with Govt.
- R.A.B. W^d. prefer P.Q. reply vice statement.
- B-H. For written answer.

Agreed: announce in written reply to P.Q.
M-F. to circulate report showg. what Comm^{ns}. will do, for information.

10. Barbados.

O.L. Oldest constitution in Col. Empire. Ch. Minister was to have bn. called P.M. Am proposing to insist on Premier. Don't want P.M. in an area where there is to be Federation, perhaps. Think Grantley Adams will accept that.

Agreed.

6. Post Office Staff Association (cont^d).

R.A.B. W^d sooner p'pone until Aug.

PMG. Ll-Roberts excuse is v. thin because he has told me he can do no more.

R.A.B. Feeble to say in Aug. what we cd. have said before House rose. Disposed to get it over.

W. Influenced by Watkinson (M/L.) who because diff^y. with T.U.'s didn't want it up in H/C.

W.M. Not industrial embarrassment. He feared debate - ½ Supply Day on Thursday. Mght seem to divide Tory Party.

H.C. They cdn't debate it on Thursday – business is settled. And Opposⁿ. won't want a debate.

There will always be trouble with Party. Get it over now. Only chance of debate wd. be on adjournment on Friday.

Agreed : Make statement of Thursday in both Houses.

Draft considered. Sugg^{ns}. made.

* W. with PMG & M/L. with Gammans & M-F. & H.C. to put it into final shape.

Gammans can make a shorter version orally in H/C. & circulate the longer version.

C.C. 47(53).

30th July, 1953.

1. Parliament.

[Enter B-H.

H.C.

For week after recess.

Prorogue in followg. wk. (before 30/10). New Session 3/11 :
leave obt^d. to announce this to-day.

Leaves one day in hand before 30/10 for genl. debates : can
promise it for debate on Wales.

Shall have completed all Bills mentioned in Q. Speech: indeed, all
but one will finish by 31/7. *Little leg^{ve}. business to finish in
spill-over.*

Remainder of this week.

H.C.

C.R.A. will ask for 2 hrs. on Appropⁿ. Bill – on Dulles' speech } To-
2 hrs. on cotton. Ending with 2 hrs. on food hygiene. } day.
Can't have a Divⁿ.

R.A.B.

C.R.A. is v. angry with Dulles. Insists tht. Cab. Minister shd. speak.
Sal. & S. Ll. are concocting a line on China – but we can't
give an answer on seating Ch. in U.N. M/State will reply to
debate: Spker can then end it & call next business.

2. Cabinets in August.

R.A.B.

Arrangements confirmed. P.M. agrees.

3. Malta and Gold Coast.

[Enter Salis.

O.L.

a) Malta.

Whole popⁿ. are in a state at being described as Colony & brigaded
with Africans. "G.C. Island" doesn't help. People v. loyal :
Cab. v. troublesome. Can't have Dom. permanently on the dole.
Malta can't be viable in foresee-able future.

Some gesture is needed, however.

Transfer to C.R.O. would give dangerous impⁿ. of Dom. status.

Transfer to H.O. wd. be a gesture w'out implications of that kind.

Suggested tht. Privy Council part of this plan might be stressed more –

Home Secy. more as agent of Council. For another island in
future, e.g. Mauritius, Col. Secy. might be agent of Council.
In presentⁿ. cd. stress Privy Council aspect.

M.F.

Agree P.C. shd. be made keystone. It is already so in relation to

Ch. Islands.

Workable approach. Needn't stop at Malta: nor need it be assumed tht. Home Secy wd. always be agent of Council.

Ready to take it on.

Sim. x/ Under Privy Council with a S/S. as agent. Then any S of S. can act.

Sal. For Malta this is acceptable solution; if Maltese will accept it.

R.A.B. Financial aid : Budget : Col. Welfare : Dockyard : C. Aviation etc.,
w^d. look to know more of H.O. capacity to handle these matters.

y/ Much larger admin^{ve}. burden than Ch. Isl. or I of Man.

Suggest more examinⁿ. of x/ and y/ and reference to P.M.

H.C. May be new conception of future status of small Colonies. – from the constitutional angle.

J.F. Don't equate it to N. Ireland.

b) Gold Coast.

O.L. Their demands follow what I foresaw. But they add i) Act of Independence ii) Transfer to C.R.O. I believe ii) cd. be suppressed for interim period if i) were conceded.

Sal. Danger of diluting the Commonwealth with new black independent countries.

Agreed : refuse transfer to C.R.O.

[Exit M-F.

4. Japan and G.A.T.T.

P.T. At this stage it isn't diff. to see a solution or at least a policy viz.,
p'pone J.'s entry for as long as possible. I wd. mobilise as much support as possible for a policy of delay.

RAB. Agree to drop Art. 23 plan (Ty) if you agree not for forecast Art. 35 solution. Play for time w'out disclosing our eventual line.

Ch. Can't U.S. help us to delay it?

Agreed.

5. Judges' Salaries.

R.A.B. Seek auth^y. to draft a new Bill on these lines – wh. Sim. & J.S. accept.
The net increase is not far short of original promise.

Sim. This is acceptable substitute. Judges wd. welcome it.

R.A.B. Timing of introdⁿ. can be considered later. Present it again as a Bill.

B.H. 1922 Ctt^{ee}. seemed to favour solution by salary increase.
But further soundings will be needed before we can be sure.

R.A.B. Retrosⁿ. – to be included, in square brackets, for [Enter Solr.Genl.
final decision by Cabinet. Viz., Back to date of introdⁿ. of
original Bill. [Exit Solr.Genl.
[Enter de L.
[Exit B.H.

6. Officers' Retired Pay.

Al. Plan is generous. But will Ty. bear it? If it's found that it is too
expensive or repercussive, let us go back to my restorⁿ. of 9½%
cut. It won't be diff. to hold it to officers.

R.A.B. Can't do M/D. plan and not extend it to Civil Servants.

Ch. Easier to limit it on basis of original plan.

R.A.B. No : for you can't isolate it as breach of contract – tho' said to be one,
it wasn't.

O.L. Retired officers are different because they retire so much earlier &
w'out gratuity. They are not on all fours.

R.A.B. Agitⁿ. for C. Servants has started already.

Al. Re-affirmed his suspicions.

J.F. Indian Services – armed & civilian. [Exit de L.

7. E./West Trade: Transaction Controls.

P.T. If we do this - i) wd. check t'shipment to Sov. bloc, to some
extent.
ii) wdn't stop there. Sh^d. be pressed to extend to
Colonies etc.,
iii) not much more than pin prick. Is it wise to do it
now, in view of 4 Power etc.,

Sal. F.O. think we shd. not p'pone for too long.
I wd. prefer to keep it fluid for a time.

R.A.B. C^d. we agree in principle but suggest introdⁿ. be p'poned.

P.T. That wd. commit us.
Dulles' line is status quo. We have agreed not to press him for
relaxation. Will we not agree tht. he will not press us to
intensify.

O.L. Legⁿ. will be needed for Colonies.

R.A.B. Play for time.

Sal. C^d. we promise to do it if others will do ditto.

P.T. Is this moment to strike that bargain? Prefer to p'pone, w'out
showing reluctance.

R.A.B. Show that it's our policy to stop l'holes. tho' we are considerg means
of applicⁿ.
Remember, however, genl. review. Avoid agreeing to final plan.

1. Pakistan. [Enter A.H., de L., Home, ALB., S.Ll., Digby.

Sw. Drew attention to telegrams re Republic. P.M. wishes to re-inforce by personal message. Read text.

R.A.B. P.M. merely wished Cab. to know – not to approve.

Agreed : No comment or objⁿ.

2. Four-Power Meeting.

Sal. Soviet reply – unhelpful : shows no change of heart. cf. to-day's Herald. Main object : drive wedges.
But wd. play into their hands to crab talks. Aim : to bring them on, with open agenda : no advance commit^{mts}.
Must agree timing & content of reply with U.S. & France.
U.S. & Fr. have got prelim^y. re-actions in before we cd. Fr. are in line with ours. U.S. is surprising – ignores early part of note & suggests bland acceptance. More like Ike than State Dpt.
China & no agenda surely unacceptable to U.S. From talks with Holmes I gather tht. they will stress fact tht. many subjects already under discⁿ. elsewhere & G. is therefore important first item for a F. Power Mtg.
Discussed with P.M. on Sat^y. He thinks we shd. not take initiative in suggesting lines of reply. Let U.S. make the running. Our message to W'ton shd. be interrogatory. Draft sent round earlier to-day. P.M. thinks even that is too dogmatic. Have therefore produced second draft. Have also asked Holmes to report tht. we wd. welcome D.'s personal views – reservg. our right to comment.
Timing : drafting Ctt^{ee}. will be needed on detail. Offls. in Paris in Aug. (U.S. suggⁿ.) I favour accepting that. P'pone despatch of reply until after G. elections. Sov. reply & Mal. speech likely to be unpopular in G.

R.A.B. Read P.M.'s Minute M263/53.
Since then P.M. knows of revised draft. He wants to consider it with Cabinet's advice this p.m.
P.M. also inclined to limit this telegram to W'ton only – not Paris.

Sal. We can send to W'ton only if we send it before we get D. views – tho' we shd. have to let Fr. know of it afterwards.
But Cab. may prefer to send nothing at this stage.

Ch. Surely D. will take some of these points. Better say nothing.

H.M. Agree on timing. Leave ill alone : R. reply is offensive to G., east & west.
 Agree also our aim – to have mtg. or leave failure to get it with R.
 Para. 3. Add, after acceptance, of a mtg. of the 4 For. Ministers.
 We don't want to accept inclusion of China.
 Then go on : how phrase our acceptance w'out appearing by silence to accept implications of Soviet note. That is a separate ques – of framing terms of our reply.
 On N.A.T.O. & bases: put it in U.S. mind tht. R. has a diff^y over bases & satellites.

Sw. Favour despatch of § 1-3: delay remainder until we know D.'s views.

Sal. Nervous of sending 1-3 alone: may suggest we see no diff^{ies}.
 Perhaps an expanded para. 2 mght go : & remainder be w'held until D.'s views. Viz: "Await D.'s views. M'while there is one point we wd. wish to make on timing"

H.M. Work in first part of 3 – to indicate tht. we do want the mtg.

Sal : Send only paras. 2 and 3 as amended in discussion, subject to approval of P.M. Agreed.

3. Suez Canal.

Sal. As in memo. Recomm^{ns}. as in para. 7.
 This doesn't exclude raising this in defence negot^{ns}. Tho' I shd. be loth to do that.
 Make one more attempt with U.S.

Sw. Discussed at P.M.M. But wd. prefer to confine informⁿ. at this stage to old Doms. Tell new Doms. only when we are about to make the approach to E.

L. Cd. we not bring this into defence argument.

Al. Base is not needed solely for Canal. And wd. complicate our def. negot^{ns}.

Sal. If we claim tht. base is necessary for Canal, we shall imply tht. we must stay for ever.

A.H. Agree – other Serv. Ministers also agreed.

L.B. May have to be brought in later.

Sal. We can't take the line tht. until we get satisfy. agreemt. on Canal
our troops must stay in E.

Memo. approved. [Exit A.L.B.]

4. New Hebrides.

O.L. All courses are unsatisf^y.

Memo. approved.

5. Israel.

Sal. Def. Ctt^{ee}. wanted this tel. drafted.
Doubts about some points. E.g. para. 4, 5 and 7(a).
Disposed to p'pone this until Cairo talks get a little clearer.

Al. C.O.S. want to build up Israelis. But on timing, I agree tht. this
is not the moment to go ahead with it.

R.A.B. Ty. have always insisted tht. U.S. wd. have to pay.

Agreed : Defer for time being.
Further reference to Cabinet before it goes.
R.A.B. will inform P.M.

6. Korea.

RAB. Warning declⁿ. Herald to-day imputes bad faith in not disclosing
this to Parlt.
Cab. decided tht. Oppⁿ. leaders shd. be told.

Sal. They were told. And made no complaint re procedure followed.
Tho' H.M. exp^d. distaste for substance.

RAB. F.O. cd. give some guidance to rest of Press.

Sal. We cd. give history : & cd. say Opposⁿ. were told in confidence.

7. Civil Defence : Man Power.

W.M.

- i) High level appeal. We think inappropriate.
- ii) Compuls. regⁿ. impracticable.
- iii) Transfer of N.S. men not requ^d. by R.A.F. & not called up for reserve training.

iii) is only starter. And it's difficult. Legⁿ. wd. be needed.

Def. Ministers oppose this – wd. increase diff^{ies}. of their Reservists Bill. Sh^d. we leave it until that Bill is thro' – even tho' that wd. defer mtg. this real need. Or are there other expedients – e.g. wtr. all N.S. men shdn't have C.D. training during their 2 years.

x/

M.F. This means – nothg. can be done.
Those who have volunteered are for part-time service only.
300,000 will be needed full-time.
Can we do nothing?
Recognise diff^{ies}. (para. 6). But can we ask M/L. Ctt^{ee}. to consider
method of compulsion after '54 for a smaller no.

R.A.B. Repeated x/. W^d. mean that great many people wd. have had some training. And may be greatest role of Forces in 1st. phase.

A.H. W^d. be diff. for us: give only 10 weeks training now before despatch abroad. Declining man-power.

de L. W^D. prefer to consider in light of H.D.C. report.
Dislike (iii).

D. R.N. take only 4.000 p.a. And cdn't train in C.D.

Al. Ready to examine x/.

Agreed: Examine x/. – M/Def.
H.O. to raise genl. ques of C.D. later.

[Exit S.L.

8. B.W. Trials.

D.S. Def. Ctt^{ee}. asked me to avoid Bahamas, if possible.
Have re-considered. Clear it wd. take v. much longer in Hebrides.
This is a field in wh. we have a technical lead as cpd. with U.S. It is
worth retaining that. If we don't keep ahead of them, it will be
hardly worthwhile to go on with it at all.

Can adopt safeguards wh. shd. eliminate risk of unfortunate incident.
There is in fact v. little shipping in the area.

O.L. The favourable cond^{ns}. for b.w. are just what attracts tourists.
Pity M/S. can't find any other place in whole world.

Sw. Can't hope to escape publicity.

Ch. C^d. we join with U.S. & do trials where they do theirs.

D.S. We tried that – w'out success.

RAB. Waste of time & money in Hebrides.
x/ Trials Feb./May '54 – and no commitment thereafter.

Agreed: as at x/.

Subject to Sal., L.P.S., Ch., Sw., C.O., Woolton & M/D.
seeing agreed publicity line.

Charge to Service Votes. Maximum £100.000.

9. Atomic Energy Organisation.

Ch. Decⁿ. of principle – announcemt. Apl. – here is a detailed plan.
Accept it as a whole.

A.W.R.E. point is the major point.

On accounting, I wd. accept anything acceptable to M/D.

Salaries – I don't contemplate anything above Board normal level.

On A.W.R.E. – all arguments in M/S. memo were considered &
rejected by W. Ctt^{ee}.

x/ No ques. of interfering with weapon development. Atomic core –
delivery is for M/S. But corpⁿ. shd. be responsible for core.
That is what we are doing now. Services ask for core of
given t.n.t. equivalent : & after discussion we make them.
The core is never assembled with weapon until bomb is in the
air. Must be so because initiator in core has to be renewed
every few months.

Separation wd. be bad. For best fissile for weapons is not best
for industrial use. Corpⁿ. wd. be disposed to make fissile most
suited for industrial. M/S. wd. then want their own piles. You
wd. end with 2 projects – each of them inefficient. [Exit W.M.]

Separation wd. destroy balance of Waverley report.

Reference to officials. Cdn't get a better, or more impartial, Ctt^{ee}. than
Waverley Ctt^{ee}.

D.S. Don't accept x/. This wd. take away developmt. of most important

- part of weapon. The core is small. But to detonate it, it has to be surrounded by v. large body of explosive : also v. complex system of detonation. Development (tho' not prodⁿ.) of the 3 elements wd. have to be carried out in one place. Bad in principle to divorce developmt. & prodⁿ.
- For many years all the money will be Exchequer. Sh^d. be no diff^y. in laying down quantities of fissile to be made for civil & for mil. use. Will have to do it anyhow.
- Cab. Ctt^{ee}. considered this solely fr. angle of civil use. Transfer of respons. for weapons means much closer Govt. control. 9/10's of organisation can go to corpⁿ. – and corpⁿ. can have a much looser control. No hope of getting legⁿ. non-controversial if weapons are transferred.
- Recommend M/S. shd. retain A.W.R.E. Doesn't prevent corpⁿ. fr. makg. a start – or allowg. Cab. to review posⁿ. later. V. important issue : room for 2 views: gt. controversy inevitable if we appear to be transferring weapons to a corpⁿ. We cd. reserve decⁿ. on that point until corpⁿ. establ^d.
- Ch. All these points were made to W. Ctt^{ee} – who decided it wasn't workable.
- L.P.S. Accept W.'s view. P. 11 – end of para. 27.
- Al. My concern is to ensure def. interests are safeguarded.
M/S. & corpⁿ. must have a close link. That shd. be looked at further. The link must be forged.
M/D. must be closely associated in all further stages.
- D.S. Sh^d. not Serv. Dpts. be concerned with only one agent?
- Al. Yes.
- Sim. Mil. effort is of 1st. importance. Don't entrust it to a corpⁿ.
- O.L. Govt. has never made weapons. Depends wholly on private industry. Separation wd. go back into all diff^{es}. of past.
In peace, majority of develop^{mt}. is in private sector, not public. Guns or aircraft wd. be much less good if produced in Govt. establishment.
- Sal. Can you have a better Ctt^{ee}. or view than Waverley Ctt^{ee}?
In U.S., there is no separation.
- H.M. Accept W. Ctt^{ee}. report – subject to working out the link.

de L. Can you separate the 2 or more parts of the weapon. [Exit Sim.

R.A.B. Strong support for W. Report
But can't we identify the link more clearly before
next Cabinet. Reporting m'while to P.M.
C^d. L.P.S. Ctt^{ee}. do this, consultg. Waverley as well
as interested Ministers.

D.S. My compromise might be a runner. Para. 23(1).

Agreed: Ch. & D.S. to try to work out a system along
those lines.
L.P.S. to come in if agreement can't be reached.
Report to P.M.

R.A.B. Responsible Minister is for P.M.
Finance – can be settled with Ty.
Salaries – not out of line with Bds.
Procurement – Corpⁿ. will have to procure, subject to some Govt.
control, where it's a ques of national safety Treaties etc.

M.F. Security. We shall have to retain p.v. Believe respons. Minister
will need powers of direction to Corpⁿ.
Second : will need right of appeal. Want same Tribunal.
Third : percussive effect on contractors. C^d. be held.

10.

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ACT 2000**

C.C. 49(53).

18th August, 1953.

1. Biological Warfare. [Enter A.H., W.Digby, de L., D.S.]

Ch. May raise troubles over germ warfare again. Will leak. Is it worthwhile?

O.L. W'drew my obj^{ns}. But I still have apprehensions re site.

W. Dislike all research into b.w. But issue was wtr. these experiments shd. be made. Much wd. depend on presentⁿ. to public. Cd. be represented as defensive : that satisfied me. Approved draft statement.

D.S. Cdn't justify continuance of research if we shrink fr. the trials. Can do in 4 mos. in Bahamas what wd. take 5 yrs. in Hebrides. 2 sets of trials – Press story on each occasion, but no w'spread Press excitement. We have announced before tht. we are doing this work. Only new aspect is the site.

Sw. Content. Sugg^d. shorter draft.

D.S. Ready to accept valuable amendmts. suggested.

P.M. Call them “anti-biological w'fare trials”.

[Exit D.S. & W.D.]

[Enter V.C.O.S.]

2. Egypt.

(Not heard.)

3. S.E. Asia. Five Power Agency.

Approved.

4. Kenya.

A.H. C.O.S. want to meet request. Not from M/E. Propose therefore to send from U.K. Brigade H.Q. & 2 Batt^{ns}. – move to be complete by mid-Sept. This cd. be done w'out encroachg. on reserve for serious trouble in M/E.

P.M. Need the H.Q. go?

A.H. Yes : operatg. over v. wide area. Signals group is v. important.

O.L. Agree : batt^{ns}. may be 300 miles apart.

P.M. Then enlarge existg. Brigade H.Q. Preserve unity of command.
Hand-pick additional officers.

A.H. Erskine has 9 batt^{ns}. now, will have 11., also some concern with Police.
Needs another intermediate H.Q.

O.L. Devolution of auth^y. is essential in this wide area.

A.H. Same problem in Malaya. Found necessary to have intermediate H.Q.

O.L. Sitⁿ. has not deteriorated. But has not improved as hoped. More troops
wd. bring it more quickly under control. 2 more batt^{ns}. wd. make
big difference – for 6-7 months.

P.M. Prepare to send H.Q. and 2 Batt^{ns}.
M'while let C.O. put in memo. for considⁿ. on 25/8.
[Exit V.C.O.S.]

5. Nigeria.

O.L. At Conf^{ce}. y'day they remitted this for my decision. I said tht., if so,
they must accept their decision.
W^d. now propose tht. Lagos be a Federal area administered by
Federal Govt. – not by Govr. himself.

Sw. Support this proposal.
Can't let down the North. W. and E. are split. This is your chance.
Do it quickly.

P.M. They are divided. We come in as umpire, as well as ruler.

O.L. 25 m. out of 31 m. are now in favour of my solution.

Approved.

6. Re-distribution of Constituencies.

M-F. Automatic operation. Will be for local assoc^{ns}. to take initiative in
makg. rep^{ns}. to the Comm^{ns}.

W. Impossible to forecast effects.

P.M. If we have to legislate, what of Univ. franchise.
M-F. W^d. not need legⁿ. : only Order-in-Council.
P.M. Even so, if it came before Parl^t., ques. mght. be asked re Univ. vote.
M-F. Will submit memo. in Sept. on Univ. franchise.
Take Note.

7. Strike in France. Transfer of T.U. Funds.

Sal. No applⁿ. yet. But newsreport tht. Elect. Union have voted £1.000
& they or other Union may apply.
Recommend no transfer while strike is in progress.
Thereafter, revert to normal practice of allowing (only)
contrib^{ns}. designed to weaken Comm. Unions.
P.M. Let us follow precedent set by E. Bevin: no money to pass while
strike is on.

8. Germany. Proposed Reply to Soviet Notes.

Sal. D.'s draft is not v. "bland". We had prep^d. an alternative.
M^owhile 2nd. S. note. Evidently designed to influence G. elections.
But Adenauer & K. think it will have bad effect on Germans –
another R. blunder
But as this note has raised G. ques so directly, we shall prob. have to
send an answer before G. elections. Tho' A. hasn't made up his
mind on this point.
My draft annexed to memo. takes a/c. of 2nd. note. Hope it may be
taken as basis for discⁿ. by drafting Ctt^{ee}. in Paris.
P.M. What is opposⁿ. to Adenauer? Comm. founded?
Sal. Not Comm. Not so closely wedded to West. R. plan of combined
E/W. German Govt. is equally abhorrent to both W. German
Parties.
P.M. Nervous of x/. G. shdn't achieve that posⁿ. until after Treaty. If before,
nothg. wd. remain for Treaty save frontiers.
G. is still a defeated, divided and occupied country.
Are we not giving them too much too soon?
E.D.C. is no safeguard, for it probably won't be ratified before
conference on a G. Peace Treaty begins?

Sh^d. we not omit words in [].

Sal. Has bn. said before, on numerous occasions.

P.M. W^d. prefer to omit. Pl. consider this again.

Sal. Indications are that G. is now more likely to turn to the West.
Bound now to take risks with G. Can't compel them now. Have
ceased for some time to treat them otherwise than as equals.
If we suppress this phrase now, having used it before, we shall
appear to subscribe to R. thesis that they are subject to dictation.
Risk tht. they mght turn left : but cdn't prevent that by force.

P.M. Add reference to "compatible with principles & purposes of U.N." –
as in para. 3 of our note of 25.3.52 to Sov. Govt. (Cmd. 8501).

Sal. W^d. sooner stop at "elections" – unless the phrase has bn. used before
totidem verbis, which I wd. like to check.

P.M. Much wd. turn on context. V. diff^t in connⁿ. with E.D.C.

H.M. Our main purpose sh^d. be to get U.S. to revert to earlier U.S. view tht.
we shd avoid argument & proceed to mtg.

Agreed. Approve draft subject to further considⁿ. of []
by Sal.
S. to report to P.M.

9. Ceylon.

Sw. Riots. Govt. fear a further Comm. attempt. They have asked if we
wd., at their formal request, land troops to aid civil power.
We have a few Marines. If we don't offer, they will ask India.
Can move a ship fr. Trinco. to Colombo.

P.M. Is it not mixed up with Indian community?

Sw. No.

P.M. Bit hard on us to be asked to come in when we have bn. turned out.
Why can't they m'tain adequate forces to preserve law & order.
Teach them a lesson. W^d. do them good.

Sw. C^d. say tht. forces available are enough only to protect our own
install^{ns}. But doing that they wd. be showing the flag.

M-F. Danger to-day is tht. Asiatic members of C. see no practical value in
 it. This will demonstrate that we do stand together & support
 one another. Will strengthen solid opinion in Ceylon.

Sw. Did this twice for N'foundland.

R.A.B. x/ Send ship to Colombo. Be ready to defend our own install^{ns}. /x
 Then tell them they shd. be better able to help themselves.

 Agreed as at x/.

1. Kenya. [Enter 3 Serv. Ministers, H.H., V.C.I.G.S.]

H.H. Genl. surrender policy doesn't affect need for re-inforcements – indeed, it increases it.
First sign of a break in M.M. front.
Disorders in s. province of Nyasaland.
1 Battⁿ. K.R.R. due to go to Malaya.

A.H. Lack of br. H.Q. wd. reduce effectiveness of 2 Batt^{ns}.
Add^{ns}. to E.'s staff wdn't give same result. His op^{ns}. involve gt. dispersion of forces & decentralised control. Distances are too great for centralised control by E.
Brig. H.Q. = 100 in all.

P.M. x/ Assent to despatch of 2 Batt^{ns}. Will discuss with A.H. need for H.Q. staff afterwards.

R.A.B. Addⁿ. to overseas expend^{re} – for K. will prob. not be able to pay. But don't dissent.

A.H. Shall have to make prelim^y. move wh. will disclose intent. Favour announcemt. tht. re-inforcements are being sent: announce on 28/8 (C.O.) Agreed.

Agreed as at x/.

[Exit V.C.I.G.S.]

2. N.A.T.O. Military Planning.

Sal. As in memo.

RAB. Support. But seek consultⁿ thro' officials on wording of § 6(c).

A.H. 1953 Review: for '56: diff. to assess effects of new weapons. May be troops planned are excessive.

Sw. Consultⁿ. with old Doms. after talks with U.S.

de L. Para. 6(c) is almost too specific.

P.M. No.

Approved.

P.M. Later: let e.g. Monty give some of us apprecⁿ. of N.A.T.O.

mil. dispositions.

3. Germany : Reply to Soviet Note.

- Sal. Accept Fr. draft “in 1st. instance elect^{ns}., but need not preclude discⁿ. of wider issues....” Best we shall get.
Phrase disliked by P.M. has bn. left out.
- P.M. Publⁿ. before G. election?
- Sal. Adenauer prefers that. Publⁿ. 5/9 (after delivery 4/9) : voting 6/9.
- H.M. (i) Diff^{ce}. of principle betwn. this & our original text.
P.3 of tel. “At same time shd. be willing to join in genl. world review.” Now limited to G. Goes further away fr. P.M.’s speech of 11/5.
(ii) G. Para. 4. C^d. we omit “even” in last sentence.
- Sal. Ready to accept (ii).
On (i) posⁿ. easier because 2nd. S. note was confined to G. And W’ton dec^{ns} were so confined.
- RAB. x/ C^d. we add to § 4 “as part of a genl. settlement”.
- Sal. Ambiguous. Sh^d. be asked wtr we meant G. or world settlement.
Cdn’t say latter w’out denying W’ton decision limitg it to G.
Also wd. widen issues – re-admit ques of Ch. repⁿ.
- H.M. We want talks – wtr fruitful or not. Not sure U.S. or Fr. do.
- Sal. Shan’t get others to accept anything implying wider talks.
This is best we shall get.
On home politics, people do now expect these talks to be limited to G.
- P.M. At least ask for addition of x/.
- Sal. I will try. Prs. “as a step towards a genl. settlement.”

4. Persia.

- Sal. Z. is in control – tho’ sporadic diff^{ies}. in provinces.
Comm. coup wd. have followed in 2/3 days – & Z. has not rounded up all Comm. leaders.
Shah has re-affirmed oil natⁿ. & said too early to restore dipl. rel^{ns}. with U.K.

Spontaneous up-rising – loyalty to Shah, dislike of M.
New Govt. unlikely to diverge fr. nationalist policies.
To our interest tht. this Govt. shd. survive – Commⁿ. is now only
alternative.

Solⁿ. of oil ques is therefore v. urgent. Sh^d. therefore hope for
renewed dipl. rel^{ns}.

Immediate need of Z. will be for money. U.S. will offer. Hope we can
join in – pref. with short-term rehabilitⁿ. loan. Quick offer on
that, coupled with approach on oil.

P.M. I suggested that to R.A.B. – w'out getting any encouragement.
He wd. sooner see U.S. do it. Pity if they collared all our
long-est^d. posⁿ. in P. for a small sum down. Big stakes for us.
Cdn't we do somethg. jointly with U.S. – to preserve
Anglo-U.S. approach.

R.A.B. i) Cd. be repaid only in oil.
ii) Don't want to prejudice our case on compensⁿ. for oil natⁿ.
iii) A.I.O.C. are doing v. well w'out Persian oil : don't much want it
flowing again.
iv) Always refusing develop^{mt}. money, even to Doms. Awkward to
give it to P. after all she has done.
At least, resume dipl. rel^{ns}. first. Find out what U.S. intend.
Any help shd. be linked with promise of better treatment over oil.

P.M. We lose £60 M. p.a. because loss of Abadan?

R.A.B. It did initially. But we have offset by developing other resources.

P.M. Political advantages of a loan shd. be kept in mind.

Sal. Shall I ascertain U.S. intentions?

H.M. On iii) Co. won't want anyone else to get benefit of P. oil
Cdn't we buy some oil : 50% to go to P. and 50% to compensⁿ. fund.
That was Ch./Truman proposal.

Sal. Have asked Ctt^{ee}. to review Anglo/U.S. plan & any alternatives giving
rather more to P.

P.M. V. small loan new mght bring v. large benefits.

Agreed : Sal. with R.A.B. to ascertain U.S. intentions.

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6. Egypt.

- Sal. Seems quite possible tht. we shall get our plan on duration, but not expressed as nominally a 10 year agreement. Not 2.000 for final period: but consultⁿ. re nos. in that period.
Re-activation formula may be accepted too – save consultⁿ. only in event of attack on T. Tho’ attack on T. wd. involve, because number of NATO, major war and use of base wd. therefore be secured under other half of formula.
Wish to re-affirm we will go as far as Cab. authorised previously.
- P.M. H. & Robertson have done v. well.
- A.H. Need to start w’out delay installations elsewhere if we are to be out in 18 mos.
- P.M. Not before agreemt. is concluded.
[Exit 3 Serv. Ministers, H.H.]
- [7.] Duke of Windsor.
- P.M. We prs. cd. prevent or delay official publicⁿ. But said tht. pp. are also in other hands. If they leaked, posⁿ. might be worse if it were said tht. we had tried to stop it.
- M-F. Irrelevant to history of war or G. foreign policy. Against publⁿ.
- P.M. Miss L. has bn. working up feeling among her U.S. collaborators. Bidault hasn’t replied.
w^d. like to try for delay – 10/15 years.
Don’t believe D/W. cd. come to U.K. if these were published.
B.’brook wd. have tried to buy any in private hands. But he believes tht. if we try to stop publⁿ. and fail we shall enhance their importance.
- Sal. Strong arguments on both sides. First re-action was v. publⁿ.
Now I have read them : also know tht. several copies are about : wd. be worse if we tried & failed to prevent publⁿ.

D/W. comes out pretty well. Flattered into thinking he cd. help twds negotiated peace – that is worst that appears.
Saw Miss L. She is not so doctrinaire as P.M. suggests. She has suggested Weimar Republic pp. might be publ^d. ahead of these – thus evading diff^y. of intervention by U.K. Govt. W^d. take at least 5 years to get these published.

P.M. That wd. be satisf^y. W^d. mean that issue wdn't arise.

H.C. Try to p'pone until after death of D/W. The other protagonists are dead already.

Sal. W^d. like P.M. to see Miss L.

P.M. If they had to be published, W.M. cd. write report on his mission showing pressures on D/W.

W.M. W^d. like to write such a report anyway.
Agreed { Better to delay publⁿ.
 { P.M. to see Miss L.
 { W.M. to prepare report.
If we can't avoid publicⁿ., we will publish an a/c of our side of the affair.
If it has to be published, D/W. must be told in advance.

7. Match Monopoly.

P.T. Manufacture is in hands of B. Match – a monopoly. They have agreemt. dividing markets with Swedish Match. Commⁿ. concluded tht. this operates v. national interest. But their recomm^{ns}. were v. much less firm. Price control is impracticable.
We must choose betw. partnership & competⁿ. with Swedes. If we choose partnership we must approve market-sharing agreemt. If the other, we shall prob. damage B. match-making interests abroad.
Won't affect price of matches. But public will treat it as a test case.

M-F. Tory Party favours competⁿ. v. monopoly. Must, on principle, break the agreement.

RAB. ½M. loss on b/p: affects rel^{ns}. with Can. & Sweden : leads to request for tariff protectⁿ. But follow Tory principles.

H.M. When you can't compete, it's wise to accept offer of half the business.

P.M. Can you not sacrifice too much for a principle.

H.C. This is the first clear case of monopoly - & we are comm^d. to hilt politically to smash monopolies.

Agreed: Break the monopoly.

R.A.B. Reserve my posⁿ. on applⁿ. for a tariff.

8. Tariff Policy: "No-new Preference" Rule.

P.T. We have agreed to negotiate ourselves out of this agreement. U.S. have now promised to support applⁿ. on basis in para. 2. Warning re second part of memo. on "bound" items.

RAB. Trouble in H/C. over apples, pears & dried peas. But we can't get anything better.

9. Japan and G.A.T.T.

P.T. Oppose J.'s accession – detrimental economically & politically. Even if we abstain, J. may get this. But A., N.Z. & S.A. wd. side with us. Sal.'s memo. stresses provisional assocⁿ. But even GATT is only provisional. Don't like voting for assocⁿ. & reservg. right to walk out later. We shdn't walk out, for pol. reasons: we shd. have to rely on XXIII safeguards.

Sal. Wiser to allow assocⁿ. on basis tht. if in fact competⁿ. damages us we reserve freedom to end it quoad U.K. We shd. be on stronger ground then.

P.M. But it's clear tht. because living standards they will damage us.

R.A.B. Shall we succeed in P.T.'s plan? If prov^l. assocⁿ. is inevitable, & Doms. think so too, wd. be better not to oppose but to rely on XXIII and XXXV. That wd. be more effective than opposⁿ. J. is bound to come back into w. trade & if we oppose them fr. outset they will sabotage our trade.

Sw. Support P.T.
We cdn't follow Sal.'s course, unless A & N.Z. agreed in advance. For if they raised tariffs v. J. they wd. have to raise them v. us. V. diff. to get their agreemt. to F.O. plan.

If J. accedes, she gets all m.f.n. advantages while giving nil. in return. We had give & take.

RAB. Tel. 127 fr. Geneva says Comm. view is diff. to resist. Bound to fail.

P.T. But even if J. does get in, we shan't be comm^d. to the assocⁿ.

H.C. Support P.T. – if provisional agreemt. doesn't cover us & we can rely on XXXV from outset.

H.M. Support P.T.

M-F. So do I.

W.M. And I.

R.A.B. Defin. disapproval of this short-sighted policy. O.L. approved Sal.'s memo.
Agreed : Follow course proposed by B/T.

Sal. If Doms. won't follow this line?

Sw. If they accept F.O. line & give assurance they won't raise tariffs v. us, that wd. be a new situation. But I don't believe it will arise.

P.T. I shall be there in person. Shall watch attitude of Doms.
But even if they went other way I wd. still have to consider U.K. political posⁿ.

10. Atomic Energy Organisation.

H.C. Outstanding point has bn. settled. Indicated basis of agreement.

11. Guided Missiles.

P.M. Enquire what consult^{ns}. were made before recent announcement was made.

12. Date of Next Meeting.

Tuesday, Sept. 8th.

1. The Cabinet. [Enter A.H., A.N., V.C.I.G.S., P.B-H.,
J.T. – Leathers.

P.M. Welcomed 3 new Members. F.H. first woman member of a
Tory Cabinet.

2. Germany.

P.M. Welcomed election of Adenauer.
Referred to Ward's tel. 831. A valuable declaration.

3. Dunkirk Memorial.

A.H. As in memo.

RAB. Prefer smaller sum.

Al. Don't wish to have any memorial – of our defeat at Dunkirk.

Agreed : smaller memorial – or, rather, no national
memorial. [Exit J.T.
[Enter Brian Robertson.

4. Egypt.

P.M. Details outstanding are not of gt. import^{ce}. – so far as concerns protⁿ.
of Base. But need for care because impact on p. opinion, wh.
hasn't bn. familiar with detail of negotⁿ. Fear we may have
sharp re-action fr. Tory Party. Disturbed.

R.A.B. Have kept in touch with Party feeling. There are anxieties.
We need agreement : we shall have to stomach some details we don't
like. If it is our policy to get agreemt., we must stand firm on
some things (e.g. uniformed men so that attack wd be act of
war) – and secure principle of re-activation : but can compromise
on other, more detailed, points.
Do we bring in Canal as part of agreement? Can we link it?
Are we satisfied on re-activation?

P.M. Memo. fr. Leathers on Canal. Most people think purpose of base
is to protect Canal. This may be moment at wh. to bring it in.

- L. Unless we insist now on free navigⁿ. thro' Canal.... We have taken lead, among Powers, in securing it. Must not sacrifice it now.
- P.M. C^d. we plan on this basis? W^d. accept 7-year duration. On re-activation, we must have a reference to U.N. to cover contingency of major war; but that wd. suffice. Indicate readiness to agree on that basis, but insist first on public understanding re future of Suez Canal.
- B.R. E. have to make a no. of concessions – e.g. uniform, 5 yrs to 7 on duration, no. of technicians etc., Believe we can put E. over those hurdles. Re-activation : they will accept U.N. formula. They won't accept mention of Turkey.
Canal. E. wd. accept respons. for its defence & agree tht. we shd. come in to help if it were attacked. E. wd. re-affirm existg. oblig^{ns}. But diff. to get guarantee v. their bad faith – or cessation of blockade on Israeli traffic.
- A.N. U.S. won't help on free transit. They wdn't join us in pressing E. to let the oil go thro' to Haifa. They may be influenced by Panama. We can't get their support : we have tried.
We may have to ask them to back us up on def. agreemt. We don't want to prejudice that approach to them by introduc. new matter re Canal over wh. they have not bn. helpful.
- R.A.B. Prob. can't get full settlement on Canal. But get as much as we can on it, for encouragemt. of publ. opinion.
- L. C^d. we refer to Canal in preamble of def. agreement?
- A.N. Choice : (i) value reference in preamble.
(ii) join with maritime Powers in getting somethg. firmer.
(i) may be so vague tht. it will have no effect on p. opinion.
- P.M. C^d. do (i) now and proceed later with (ii) in separate agreement.
- B.R. Sh^d. hope to get (i). Try to get a useful statement in preamble.
- P.M. Let us have Ctt^{ee}. to evolve formula for considⁿ.
by Cab. on 17th.

*L., A.N., B.R., RAB (in touch), Sw. :
L.P.S. (Chairman). O.L.

Military Action in Canal Zone.

- P.M. Is situation so serious? Much less tense than pre-Ismailia.
Surely it has improved.
If situation does deteriorate, we can deal with it when it comes.
- Al. Delegⁿ. of Cab. auth^y. wd. be useful.
- P.M. If no time to call Cab., P.M. or anyone acting for him cd. decide.
No need for formal auth^y.
{ genl. agreemt. with memo. Sitⁿ. will be dealt with
{ if and as situation requires.
- B.R. Quiet at moment because E. Govt. has so directed. They cd. stir it up.
Good many incidents : stop-gap measures don't help : wholesale
action is needed, if any. If it does get worse, they will want to
act on a bigger scale.
- P.M. C^d. charge E. damages, v. sterling balances. E.g. £100.000 p.d. for
"increased vigilance".
If that didn't work, I wd. cut oil : to a ration basis.
No Rodeo.
- RAB. 1273 Cairo refers to additional aid. I favour status quo. Our existg.
agreement is in our favour. These are now normal trade
balances.
- P.M. No more money until agreement made & good atmosph. restored.
No decision on para. 11 of Cairo Tel. pro tem.
5. Burma: Defence Agreement.
- Al. B. want changes in status & purpose of our Mil. Mission.
Ready to agree, as long as Mission is not to pass under B. control.
Little difference in fact, mainly in form.
B. don't like Mission screening their lists of mil. requirements.
71 in Mission now. Sh^d. send no more. Prob. wd. be fewer.
Value is mainly political & financial & strategic. No value fr.
narrow mil. angle.
- R.A.B. They owe us £30/40 M. But hoping to get something. back thro'
re-starting oil there.
They will pay for this.
- A.H. Don't want to post people compulsorily to B. Need therefore to

get attractive terms fr. Burmese.

Agreed: no increase in numbers.

[Exit AH., VCIGS.

6. United Nations : Chinese Representation.

A.N. D. has re-acted ill to our formula, and seems intransigent.
We can try other formulae. But it looks as tho' we mayn't succeed.
If U.S. insist on moratorium for whole year, do we vote with them or abstain. We cdn't vote against, for we shd. then be with those who favour seating red China at once.
If we vote with, we stultify recent speeches by S. and R.A.B.
I therefore favour abstaining.
If Dutch submit amend^{mt}. on lines of our formula, we shall find if diff. to vote v. that. Posⁿ. wd. be more complex. No time for further reference home.

R.A.B. We hope wider issues of F/E. will develop fr. Pol. Conf^{ce}.
We ought therefore to keep posⁿ. open.
Our formula is therefore best. Try it again with U.S. If we fail, we can only abstain.

P.M. We are running gt. risks with U.S. – Anglo/U.S. relations.
U.S. cd. say – vote them in & we will w'draw.

Ch. * Try: not to be considered until state of war (i.e. peace) is ended:
a peace settlement with Korea.

P.M. Can't vote v. them.
C^d. we put our pt. of view & then vote with them?

Agreed : Try * on U.S.
Avoid rift with U.S.

P.M. Or for a year or until settlement is reached, whichever is the first.

[Exit A.N.
[Enter Watkinson.

7. Persia.

P.M. Read exchange of messages with Zahidi.

8. Farm Prices : Special Review.

T.D. Discretion on form & timing of announcement.

R.A.B. Support this. But it is a bold pol. decision. Farmers will be angry.
Means tht. we shall have to be easier with them on other ques
e.g. barley.

9. Electricians' Strike.

P.M. New & sinister techniques.
Parlt. mght discuss, even after it's over.

W. One more mtg. this p.m. Unlikely to succeed. If we fail, we shall
appoint Ct. of Enquiry to-night.
Moderate T.U.'s at I. of M. Conference have exp^d. hope tht.
employers will succeed.

P.M. Enquiry will be useful – will elicit facts re new techniques,
obviously Communist inspired.

W. Court's appoint^{ment}. won't necessarily stop the strike.

10. Procedure.

Next mtg. Thursday, Sept. 17.

The 52nd and 53rd Meeting were hold on 16th September,
while I was abroad on annual leave.

N.B.

70. Hong-Kong.

[Enter A.L-B., A.N., P.B-H, C.O.S.]

P.M. Protest rejected. Can't leave it like that.

Sal. Was on v. edge of terr. waters : but, even so, not warranted.
Our guns were not manned.
Stiff reply & demand for compensⁿ. wd. be normal line. But we shan't get that.
Will consider as soon as ct. of enquiry rpt is available.

A.N. Report is on its way – by air.

P.M. We must seek ways of bringing it home to Chinese.

[Exit A.N.]

1. Egypt.

Sal. Our “final terms” are not going v. well with E – who are querying even things they accepted before e.g. re-activation.
No sense in attempting further compromise. Propose we say firmly that these are our final terms.
Uniforms – stand quite firm save for poss. concessions on arm-bands.

C.I.G.S. Must be in uniform on duty. Cd. be ordered to wear plain-clothes off duty e.g. in E. towns, off duty.

P.M. Sh^d. wear uniform as much as poss. – tho' not of course in Cairo.
W^d. sooner not conclude anything before Parlt. meets – wd. be better tht. we be holding out then, & have chance to explain posⁿ. quietly to Tory supporters before agreemt. is concluded.

[Exit A.L-B.]

1. Trieste.

Sal. Last year U.S. wdn't support us in imposing solution on basis of existing zones. But they now advocate v. much the same course of action. Their original plan of procedure was v. complex: we think it better to approach both sides simultaneously.
Latest claims. Both sides know tht. its claim won't succeed.
As in memo. First approaches wd. be private : & if assurances sought were refused at outset plan cd. be dropped. If assurances given, public announcement wd. be made.
Transfer of control to Italians wd. be ticklish – our troops must be out before Italians take over.

1. British Guiana.

74)

- O.L. Situation is now even worse. Govr. thinks only 50% of Police are reliable.
Intend to move on 9/10. Cruiser will lie off & 2 frigates will take in the troops.
45% of population are Indians (descendants of Slave labour).
Doubt if they will make much trouble.
Have taken decision w'out recommⁿ. from Govr.
- P.M. In U.S. anti-Commⁿ. will offset anti-Colonial feeling.
But shd. we not tell them in advance?
- O.L. Tell Canada 24 hrs. in advance. Don't tell India. Tell U.S. only that sitⁿ.
is worsening – not action we intend to take.
- Sal. R.M. recommends they be informed, but only 24 hrs or so in advance of action.
- P.M. Safety in overwhelming force. Have enough troops : and use tear-gas.
- Al. If necessary, we cd. send another battⁿ. from U.K. But, even by air, it wd. take 14 days.
- O.L. And I want prompter action, before morale of Police crumbles.
- C.N.S. C^d. get a 2nd. battⁿ., by carrier, to arrive 10 days after 1st. battⁿ.
- O.L. Volunteer force 450 strong – prob. quite reliable.
Act quickly (9/10) & alert 2nd. battalion.
- P.M. W^d. sooner send double strength on 20/10 – to avoid bloodshed.
- C.I.G.S. Local Comm^r. has seen Govr. and thinks one battⁿ. can handle it.
- Sal. Tell Venezuela Govt. also – the night before.
Inform : Canada in full 48 hrs ahead.
U.S. 24 hrs. ahead – also Austr. & N.Z.
Other Doms. at zero hour.
- L.P.S. Act earlier. 2nd. battⁿ. is weak. (only 400) & wdn't off-set risk of delay.

CIGS. Can't send stronger battⁿ. w'out drawg. on brigade held ready for trouble in Egypt.

Agreed : Act on C.O. plan.
Alert carrier & full-strength battⁿ. to re-inforce if need arises.

[Exit C.O.S.]

1. British Somaliland.

75) Sal. Concerned at transfer of tribes in corridor, w'out consultⁿ. W^d. welcome further consultⁿ. on that point.

P.M. Sal. (Chairman) M/Def., C.O. and H.M. with F. Secy. Ty. to consider details & report (not less than 2 weeks).

1. Housing Policy.

[Enter D.E., I. McL.]

L.P.S. Ctt^{ee}. has cleared most of points raised in Cab. last discⁿ.

H.M. i) Do we embark on this?
ii) How & when do we announce?
iii) What is best method?

If we go on, we can't make it acceptable w'out time to produce its results. Will therefore have effect on Parlt. – e.g. by-elections etc., Favour publicⁿ. on afternoon of Queen's Speech. Genl. debate in Debate on Address : 2nd. Rdg. in December.

Can therefore be a little more vague on some detailed diff^{ies}.
Want to alter title of W. Paper : don't want to claim that it is a comprehensive policy. "Houses : The Next Step." is to be preferred. Then don't refer in Paper to anythg. we can't put in the Bill.

Agree some ref^{ce}. must be made to housing subsidy. Think para. 91 is stronger than RAB's formula. Can settle the wording with RAB.

Big remaining ques. It is a repairs increase. Logical to make it twice S.D. Rejected % increase. Inherent therefore to have higher % increase on smaller rents. Conclude therefore tht. we shd. propose twice S.D. Then we must have the 2nd. l'lord condition – tht. repairs have bn. done. Must be able to deny criticism tht. we are putting money into pockets of l'lords.

Criticism will be, not so much in Parlt. as in constituencies.

- P.M. Sh^d. foreshadow this at Margate.
- J.S. Will make it more diff. (paras 3-8 of C.251) for me to m'tain my separate line for Scotland. I may get knocked off it in Parl^y. debates.
- H.M. There are many diff^{ces}. betw. E. & Sc. systems which justify diff^t. treatment. E. Bill will come first : we can see how we go.
- R.A.B. Major political move. Press is pretty favourable. Dutch have raised rents: & are raising wages by 5% on that account. That shows our diff^{ties}. Govt. is losing popularity : this will make it worse. But even so I favour this : it may enable us to emerge with greater credit.
Support twice S.D.
Will discuss details with H.M. on i) wording of subsidy reference
ii) reference to emergency scheme.
- A.E. Sooner it's done, the better. Given time, we may get greater credit out of it. But it means we cdn't win an early Election.
- P.M. Our posⁿ. is founded on national respect. This shd. enhance it.
- W.M. Support this. Tho' it will have an awkward effect in future years on wage claims, in so far as it increases c/living figure.
Eng. & ship-bldg. trades are in for diff. time on wages. Must avert any avoidable increases in c/living.
- F.H. Shall get credit for courage in doing what is known to be right.

Memo. approved.

1. Remuneration of Judges.

77)

- P.M. Don't make this retrospective. } Agreed.
Mention it in Queen's Speech }
Consider timing of Bill in relation to Rpt. on M.P.'s salaries.
Shall have to seek also agreemt. on Ministers' salaries – and perhaps allowances for H/L.
- R.A.B. Agree on timing.
On Bill – I wd. rather not have Schedule. Will discuss with L^d. Chanc. & S of S. Scotland.
Wish also to consider posⁿ. of Ld. Ch. & L.C.J.
- Sim. V. ready to accept lower figures for these.

Sal. No salaries for Peers. But do want some concession on expenses. W'out too much delay.

P.M. Try to relate it to attendances.

Sal. V. ready to do that.

77. British Guiana.
H.

[Enter J.T., C.N.S., A.L-B., P.B-

O.L. Quiet in Colony.

P.M. Blunt statement shd. be made this p.m. Secrecy has failed. Candour shd. now rule. Precautions for m'tenance of law & order.

O.L. That is now in preparation.

P.M. Submit for my approval.

P.M. Need Admiral have sailed in person? Why not be consistent in his statements? Let me have report on that.

A.E. U.S. Govt. have bn. bold no more than what is in Press. Embassy are probing & picking up crumbs. I wd. now favour telling U.S., in W'ton, w'out delay.

O.L. I agree.

Agreed.

H.C. Also old Doms.

Agreed.

A.E. And rather less to Venezuela & Holland.

H.C. And new Doms?

P.M. Send them communiqué : nothing more "in confidence".

1. Egypt.

79)

A.E. Have told Hankey to stand pat. "We want a new agreement if we can get it: but won't have a bad one."
Only good answer is on Canal – their formula is as good as theirs.
Availability will be a good breakg. point.

1. E/West Trade : Sale of Ships to Soviet Bloc.

80)

- P.T. As in memo. Reasons:
- i) embargo is unnecessary strategically.
 - ii) hard to defend our posⁿ. as now.
 - iii) need work in ship-yards.
- But we wd. ask for general control to be tightened – on fast m-ships & special types.
- A.E. U.S. won't like this. Stage I cd. be accepted. Stage II may give no trouble when we get to it. Ready to start on this & see how we get on.
- J.T. P.Q.'s when House meets.
- P.M. But choose a good moment – because risk of upsetting U.S.
- Al. No harm fr. strategic angle. Real ques : are we going to antagonise U.S. I fear we shall : & don't want to upset them. Cdn't we get U.S. to agree privately?
- A.E. Make the démarche in Paris group. Report re-action to Cab. before next step is taken.
Don't bring in U.S. C.O.S. They wd. certainly raise obj^{ns}.

Agreed : Talk in Paris w'out commitment.
And watch the timing.

[Exit J.T. & C.N.S.
[Enter G. Ll.

1. Coal.

- 81)
- G.Ll. 17.3m. tons of stock – & we aren't at end of coal summer. Better than level ever reached by Labour Govt. Shall hope to start winter with 18¹/₂m. Includes 1.8m. of house coal : not too bad.
Production – not so good. Hasn't risen as expected after holidays.
Feeling in coal-fields is good.
Organisation of N.C.B. Resisted Party pressure for enquiry. Hope now to satisfy Party by de-centralisation plan. Chairman also plans for Ctt^{ee}. (with outsiders) into structure of organⁿ. with view to achieving maximum decentralisation. Unions more likely to accept this from Bd. than under pressure fr. Govt.
Large Coal: Falling by 2m. tons p.a. Inevitable tendency because mechanⁿ.
Must therefore make consumers change habits – esp. rlways & householders.
Rlways will use more briquettes, tho' inconvenient. Ques is wtr. further briquetting capacity shd. be created.
Householders are even more difficult – politically as well as otherwise.

Free issue idea is radical : but must push somehow the new grates.

- P.M. Must have some inducement to buy them.
- A.E. V. disturbing. More mechanⁿ. means more of the coal we don't want.
V. unpopular with consumer. Is it sense to go on with mechanⁿ.
policy.
- G.Ll. Retrograde to reverse or modify mechanⁿ. policy.
Won't get men to work by old methods. Bad enough to persuade them to
work the new.
Other countries have accommodated themselves to small coal. We are
behind-hand in consumer habits.
- Ll.G. I agree. Reid Ctt^{ee}. concluded mechⁿ. was inevitable – in order to get
production required.
C^d. distribution be considered. Some domestic consumers are getting
excessively large coal.
- P.M. Mght. not a Ctt^{ee}. be helpful – incldg. some Labour rep^{res}., who share
responsibility for this.
- R.A.B. We have the facts. Memo. is an advance. Hammer out a comprehensive
coal policy (w'in W'hall). Shall have to give financial help., on
appliances. Differential in price must make a bigger contrⁿ. :
proceeds cd. go twds. cost of subsidising appliances & briqueting
plants.
- W.M. Bring in man-power. Force has dropped in recent months.
V. few areas where they want men. In some there is redundancy.
Must be sure N.C.B. make good use of men they get.
- H.M. We can help a bit on grates – under improvement scheme as well as new
houses.
Bad business. NCB have bn. prodcg. coal we don't need. Rlways build
engines wh. won't burn the only coal we can produce.
Condemnation of nationalisation.
- G.Ll. Briquettes : will discuss further with N.C.B.
- P.M. Call Ctt^{ee}. to concert a coal policy.
- R.A.B. (chairman), G.Ll., H.M., M/F., M/Labour, M/T.
- L.P. Let Ctt^{ee}. tell me if anything can be done by Research Councils.

[Exit A.L-B., G.LI.
[Enter De la W., HA.

1. Television Policy.

- 82)
R.A.B. Shall have to declare at Margate that we have a plan – tho' we need not commit ourselves to any particular plan. Must be able to say we haven't gone back on our policy for some element of competⁿ. and a wh. Paper.
Open competⁿ. won't do – because no control of standards.
To ensure control, best practical choice is betwn. 2 types of corpⁿ. to run stations and lease "time" to private cos. Choice is between private or public finance. I have bn. reluctant to provide public money: but am forced to conclⁿ. tht. with private money there wd. not be enough assurances of control.
Thus favour public corpⁿ. appt^d. by Govt. About 1/2m. wd. be needed. Small affair because limited scope. C^d. be defended on defence grounds. That wd. work. Govt. might get its money back.
Two reservations. i) Not yet ready to offer public money. Want Cab. views on that. ii) Do we at outset allow this corpⁿ to handle religion & politics.
Promise at Margate tht. we shall go on and produce W. Paper outlining practical plan.
Public Corpⁿ. publicly financed wd. need legⁿ. PMG. thinks legⁿ. wd. be needed for the other, too.
- P.M.G. £1/2 M. wd. be enough. Public money is justifiable. If Govt. favour competⁿ., but insist on control, public corpⁿ. with public money is warranted.
- Sal. Fair compromise – I wd. be ready to support it. There shd. be public money if Govt. are to appoint directors.
- A.E. Regret this policy. Esp. because religion and politics.
- P.M.G. * Will submit a memo. on ques of religion and politics.
- J.S. Party wd. accept exclusion of r. & p.
- PMG. Not sure : they say you leave only competition in jazz.
- H.C. Legⁿ. will be difficult. Think you wd. have to leave it to free vote all through.
- B-H. Must keep that open – at Margate. Don't know how it will go.
- M.F. Want to keep it open for opposite reason. May be able to put Whips on.

This plan is less likely to alienate the Bishops etc.,

[Exit de l. W., H.A.]

1. Agricultural Policy.

- 83)
- P.M. Farmers are showing anxiety. I shd. perhaps say something at Margate.
- T.D. Any effort we make to help farmers, in a free-er economy, will leave them worse off than under existing system.
Brought to a head now because in early weeks of de-control of cereals trade imported large quantities because of v. favourable oversea prices.
- P.M. Worse things than buying surplus grain for strategic stocks.
Mght be better to build food stocks & cut down expenditure on anti-sub. & mine defences. W^d. enable you to honour guarantees to farmers w'out economic waste.
- L.I.G. Posⁿ. isn't serious. As much is being bought off farmers as in corresp. period of 1948 & other comparable years.
- T.D. More diff. ques is meat. They fear we shall impose on them for meat a system similar to that for cereals.
Want to discuss "principles" with N.F.U.'s on Monday.
- H.C. Is this a draft for discussion – or our last word.
- T.D. W^d. give it to them before Mon. See then where diff^{ces}. exist.
Come back to Cab.
- H.C. Mtg. will therefore be for purpose of reaching agreement with them.
- R.A.B. There is a great crisis of confidence.
Much can be done by presentⁿ.
Fact is tht. we shall put more on Budget for agric. subsidies. ; and we have not yet let them down on any commodity.
- P.M. Can't change principle of guarantee w'out 3 years or so notice.
- L.I.G. There is no limit of time to the principle. It's a variation of method.

Draft approval as basis for discussion with farmers.

1. University Franchise.

84)

Strike in Lpl. Docks. 7-8,000 out. Hope it won't continue.

87. British Guiana.

- O.L. New factor. Peace in G.town. Troops landed with response of cheers.
Contrary to Govr's forecasts.
Govr. has now concluded it wd. be unwise to arrest any Ministers unless
situation gets worse. Mistake to anticipate action on their part.
Have told Govr.
- i) assume emergency powers.
 - ii) remove portfolios of Ministers.
 - iii) issue Govt. statement & b'cast intentⁿ. to suspend constitution.
 - iv) await developmts. before make arrests if necessary, consultg. me in advance if time permits.
- P.M. No violence yet. These men know how to play constitutionally.
Don't therefore put ourselves in wrong by acting prematurely.
Can defend resuming executive control. Can't yet defend arrests of individuals.
- A.E. Will Ministers rouse protests etc.,?
- O.L. Public mtgs. can be forbidden.
- A.E. They will seek to promote strikes?
- O.L. Probably.
- Sal. World will be watchg. us. Suppose ex-Ministers flout law, promote strikes etc., they shd. be arrested. We shd. look weak to leave them at large.
- O.L. They will prob. do nothing. And then we may have to keep troops even longer in B.G.
- Al. Argylls Battⁿ. due to sail for B.G. on Sat^y mght sail to Jamaica instead.
And p'pone sailing of Gloucesters, due on 14/10.
- P.M. P'pone decision. Can divert them at sea.
Let Gloucesters remain – review their posⁿ. in 2 or 3 days.
- [Exit H.M.]

1. Trieste.

- A.E. Messages delivered. Tito took it quite well: we didn't ask for guarantee of good behaviour. Didn't threaten annexⁿ. of Zone B.

89. Three Power Meeting. [Enter B-H
- 90) A.E. Invited Dulles & Bidault to come to Ldn. for discⁿ. of current internat^l. problems. Both have accepted. Will arrive Thurs. – for talks Fri., Sat. & if necessary Sunday. Present as continⁿ. of W'ton talks (U.S. wish). Announcement this p.m.
1. Four Power Meeting.
- 91) A.E. Want Adenauer to see this before 3 Power Mtg. in Ldn. Draft agreed betw. U.S., U.K. & Fr. officials.
- Sal. Para. 6. 4th. sentence suggests our reply wd. differ fr. U.S. – because they haven't agreed to form of conference.
- A.E. Will check. Believe U.S. have agreed to this formula.
- H.M. Does it tie U.S. too tightly to their present attitude.
- A.E. Will consider this again.
1. Egypt.
- 92) A.E. Robertson's Ch. of St. will be here to-morrow to report. A further mtg with Egyptians arranged for Sat^y. One good thing secured is good draft re Suez Canal. This will satisfy our critics. Availability is main snag. "If in light of genl. sitⁿ. either party consider according of such facilities as essential to the safety of the M/E." might do instead. E. might prefer it.
- Sal. Might not cover attack on Greece.
- A.E. That wd. imperil M/East.
- P.M. Spin it out until we have bn. able to speak to 1922 Ctt^{ee}.
- A.E. May need Cab. decisions on Thursday – for the Sat^y mtg.

93) 1. Trieste.

A.E. Tito's reaction has bn. v. violent. Dulles had a talk with T's F.Secy. y'day, wh. went quite well. Hang on pro. tem. Send no reply to his request for 5 Power mtg : wd. concern only security not merits : wd. look weak to acquiesce.

Shall tell T. this is no worse than he was ready to accept years ago.

Weakness of our case is tht. we haven't publicly said we think this shd. be final. Will try to push D. further on this.

Soviet move is clever, but T. unlikely to fall for it.

Shan't connect item 1 Mtg. with Trieste ques.

If we had done nothing, situation wd. certainly have got worse.

Cab. auth^y. to rebuke Y. for insults in Belgrade.

94) 1. British Guiana.

O.L. Fairly quiet. Govr. fears incendiarism. But no sign of it on a serious scale.

We didn't act for fear of Comm. coup, as some Press say : but to secure law & order while Comm. Ministers were removed.

Present W. Paper Tues. p.m. – announce that in reply to P.Q. & say no more until debate on Thursday. C^d. submit W. Paper to P.M. and if necessary Cab. on Monday.

Jagan : have told him to see H.H. first, who will be there on 19/10. Then will consider wtr J. shd. be received here.

P.M. Don't mind his coming here. Will be seen that Comm. pet him – and that will alienate Labour sympathy for him.

But I wdn't receive him while present circs. continue – as dismissed Minister.

O.L. Saw Tewson y'day : sugg^d. he shd. nominate one of 3 members of Commⁿ. of Enquiry. He deprecated treatment by certain section's of the Press – presumably Reynolds News. T.U.C. concern is mainly with Jagan's proposed ordinance giving power to M/L. to determine which Unions be recognised. Nor do they like contacts with W.F.T.U.

1. Regional Organisation. [Exit D.E.]

R.A.B. Must do this if we mean business re C. Serv. numbers. As in memo.

W.M. W^d. like to try to reduce nos., keeping only those needed for industrial

relations and filling labour vacancies. Controller, & his contacts with industry, is valuable. I will go into it personally.
Staff in 2 Regions totals 85.

H.M. Sorry to disagree. Do we want Reg. Organⁿ. Or are we merely altering its H.Q. One of defects of C. Serv. is tht. they don't see public. In Regions they do. Value of personal contacts in housing work.

P.M. Can't officials visit from Ldn.

R.A.B. W^d. save 300 staff.

H.M. Is it proposed to transfer Reg. H.Q. to Ldn., or to abolish it?
Am planning to free private bldg, subject to Reg. control of starts.
That can't be done fr. W'hall. Will need co-opⁿ. betwn. M/H, M/L and M/W in Regions.

W.M. } In 9 other Regions status quo will continue. It is essential to modern
R.A.B. } work

H.M. If it's clear tht. Reg. structure remains, I am prepared to move Reg. HQ. from Reading & Cambridge to London: provided they aren't merged in M/H H.Q.

Sal. Two principles i) economy ii) de-centralisation. Don't, as Tories, abandon ii) W^d. play Socialist game.

D.E. We built Reg. bldg in Cambridge. Shan't be able to get rid of it & shall have to rent accommⁿ. in Ldn.
M/W. must keep local offices in Camb. & Reading. M'tenance Staff too.
Let R.A.B. discuss with M/H., M/L and M/W. location of these.
Regional staffs, w'out prejudice to Reg. structure.
And report to Cabinet.

1. Food Prices and Subsidies.

[Exit DE.
[Enter I.McL

P.M. V. serious.

R.A.B. Can't allow them to rise after announcing reduction.
Propose we get down to rate of £220M. by end/year. Then we need only do beef, butter, cheese & milk. There wd. be a higher figure for year's trading, but I wdn't seek to recoup that in next year's a/c's.
This wd. mean increase of only .63 in c/living index.

P.M. Right that people shd. pay proper price for food they eat. But they needn't

be asked to pay cost of pol. bargains made with Br. Farmers.

- L.I.G. Accept R.A.B.'s solution – tho' may be trouble over milk.
P.M. is right in stressing point tht. these subsidies are now mainly to Br. farmers, not consumers. Diff^t. method of recouping farmers must be found after de-control. Good that country shd. know that.
- P.M. It is an act of State to support Br. agriculture.
- W.M. Bread was the most serious fr. my angle. But even the rest will make wage negotⁿ. v. difficult.
Price is limiting exports. Wage increases wd. make it worse.
Employers as well as workers fear increases in food prices.
.63 wd. raise us fr. 140 to 141. W^d. be quite serious.
- R.A.B. It is balance of advantage. I believe we must adhere to what we said on subsidies.
- W. Disadvantage in coming by-elections.
- J.S. Put $\frac{1}{2}$ of it on now & balance later?
- L.I.G. Related to de-control of butter & cheese. Will have to rise then.
- W.M. Nov. is critical for me. Staggering wd. help.
- L.I.G. .18 vice .36. Is it worth it?
Wage rates have risen more than food this year.
cf. increased expenditure on sweets £60M. over last year and £90M. over year before. Mostly in W. class area.
Don't want to keep on raising butter prices by successive bites.
- P.M. Evil things do at once : good things, spread them out. A Machiavellian principle.
- P.T. Support R.A.B. Can't afford to be too frightened of c/living.
Must go on with policy of reducing food subsidies.
- P.M. { Accept R.A.B.'s plan in principle. £220 rate by end of year.
{ Consider dates – to meet W.M's position.
Cheese is more awkward than butter for me.

[Exit I.McL.

1. Cotton.

- W. Commⁿ. lost £27M. last year. Trying to save Exch. money.

- Trade want it stopped.
 Discussed with trade for last 6 mos. They are ready to assume respons., but must be able to hedge thro' futures market.
 Commⁿ. serves only 44% of total consumptⁿ. – & less next year.
 Govt. scheme will soon break down. Those running it now are looking for jobs in the trade because scheme has no future. Sir. R. Lacey has bn. holding it together & has now resigned. We can't continue to run it efficiently. I don't want to take responsibility for it.
 But it may cost £11M. on b/payments. [Exit A.E.
 There is a dollar risk : but stress §7 of memo.
- P.M. Politically v. attractive.
 If it is imposs. to defer it for a year, we shd. consider it v. seriously.
- R.A.B. Only just holding b/p. posⁿ. : aren't bldg. up a surplus.
 W^d. prefer to p'pone. Don't want to get into posⁿ. in wh. we can't control purchases if U.S. recession. Softwood will be a drain. £50/60M. loss fr. de-liberalisation in other ways.
- W. Possible risk of £11M. i) But who will gamble in cotton at 30^d. p. lb. No-one will be a bull at that price. ii) Also Lpl. Exchange can control speculative trans^{ns}., selling overseas for dollars.
 iii) Tho' they wd. need complete freedom in 1st. year, in later years they cd. put brake on purchase of U.S. cotton.
 Why put it off for a year when Govt. Commⁿ. lose £27M. p.a. – and have no longer confidence in themselves.
 We are using public money to cover risks of private buyers. Not good policy.
- RAB. U.S. recession is starting. Don't want to abandon dollar controls at this point.
- Sal. A.E. is anxious about that. Also that U.S. cotton might be bought vice Brazilian so tht. Brazil cdn't clear her debts to us.
 But wd. accept those risks if it can't be p'poned for a year.
- W. Trade tell me they wd. want to go on buying Col. cotton because it is so good.
- P.M. Dramatic feature in our theme – higgles of market gives greatest benefit to the people. And prominent in our Election campaign.
- O.L. Risk is not so great. If there is a U.S. recession, it will bring down price of U.S. cotton.
- R.A.B. Convertibility of commodities with non-convertible currency &

inadequate reserves.

M.F. Impressed, in Lpl., by expert to wh. trade have weighed diff^{ies}. before promising they will do it. If opportunity is w[']held, there is real risk tht. firms will at last lose heart.

R.A.B. Let W. have one further look. to see if it can go on for 12 mos.

P.T. We can't hold this Govt. Commⁿ. for another year. It will collapse.

H.M. This is not so dangerous in recession as some imports. You don't buy cotton unless you think you can sell it again – not like films or tobacco.

Agreed : Go ahead.

1. University Suffrage.

98)

P.M. Not worth fighting for fancy franchise on so small a basis.

98. Parliament.

[Enter O.P., D.S., P.B-H., J.B-C

H.C. Business for next week.
Followg. week – F. Aff. debate in addⁿ. to remaing. natⁿ. debates. If one
day suffices, H/C can rise on the Thursday.

[Enter Munster

1. Queens' Speeches.

Prorogation Speech. Approved subject to amendment.
Opening Speech.

H.C. i) Road Traffic Acts. Substitute vague formula, not promising legⁿ.

L.P. ii) Judges' Salaries. Read lr. from R.A.B.

A.E. Can we tell 1922 Ctt^{ee}. in advance of publⁿ. of Bill?

PBH. C^d. tell a few.

W. Need for delay?

J.B-C. Wage claims.

W.M. We must face that : & present it as somthg. diff. I don't ask for delay.

A.E. If it is mentioned in Speech, introdⁿ. of legⁿ. shd. follow w'out delay.
Then we can explain to 1922 Ctt^{ee}.

D.S. iii) Atomic Energy. W. Paper hasn't bn. presented. Awkward to invite
premature debate on Address. Suggest omission of 19.
Experience on steel industry W. Paper confirms this view.

[Exit H.C.

Sal. C^d. fob off in debate by saying W. Paper is about to be laid.

H.M. Better avoid discⁿ. until we are agreed on the scheme.

Agreed. Omit para.19.

Sal. (iv) Para. 13. No reference to c/living.

R.A.B. can't find anything wh. wdn't commit Govt. unduly.

1. Egypt.

A.E. Availability. Submitted amended formula.

Agreed : Try this on.

P.M. Lr. from L.S.A. 70.000 wd. be needed only for defensive policy. But an active offensive cd. reduce E. to a point at which we could, afterwards, revert to a much smaller garrison.

A.E. The offensive period wd. require much more than 70.000. And for how long wd. they have to stay if they had to support a nominee Govt.

Al. More troops wd. be needed if we attempted occupⁿ. of Cairo.

Sal. Hankey holds same view as L.S.A. – and says 10,000 wd. suffice.

P.M. But we cd. cut off oil, st. balances & send 2 batt^{ns}. to Khartoum. And it wd. be easily defensible to do those things, if they did anything equivalent to an act of war.
Keep negot^{ns}. open – delay final agreemt. – until we have bn. able to talk to '22 Ctt^{ec}. See what they say.

A.E. Canal clause & this availability clause will please Party.
We must make this a breaking point.

Appendix to C.281.

A. Agreed.

Al. B. Assuming we start as soon as principles agreed & 3 mos. elapse before final ratification. As in memo.

C. 4.000 for 4¹/₂ years. Next 18 months 2.500 includg. R.A.F. Last year of the 7
and D. we cd. accept 1.000 + R.A.F. (750 wd. suffice, but 1.000 sounds better). If insprs. only, 200 wd. suffice. After the 7 years, assume some plan for carrying on – wdn't get them to accept an increase then.

Agreed.

C. As above.

D. Uniform. Alternatives formula. As in ms. – but reserving 2nd sentence as something R. can tell them but not include in formal agreement.

de.L. Abandonment of airfields. Base is of illusory value, militarily.

C.A.S. It is only for reasons of prestige that the Base is useful now.

A.E. Title : Senior B. Officer, Canal Zone Base. Told Rob. that is best.

Agreed : Confirm that he stands to that.

Agreed : Tell old Doms. Be ready to warn & explain to new Doms if there is a break.

F.O. & C.R.O. to consult.

101. Paymaster General's Mission.

[Enter A.L-B., J.T., P.B-H., J.B-C.]

P.M. Welcomed Cherwell back.

Ch. Leakage before my arrival: Press screams v. selling birth-right. Cab. were stampeded – unwilling to offer any agreemt. before Election. In U.S. more satisf. talks on sharing atom. intelligence v R. results. They fear McArthy. Trying to find ways round McMahon Act. We want specially analysis of debris : but to intercept it they say they wd. have to use informⁿ. re own results, wh. wd. contravene McMahon Act.
Eisenhower – opposed to idea of mtg. with R. W^d. risk being kicked in the teeth.
Will submit memo.

1. Trieste.

A.E. Neither side accept our plan. Think we shd. proceed quietly to hand over civil adminⁿ. in Zone A to Italians, w'out w'drawg. our troops. Believe both sides wd. acquiesce in that.
Our démarche to Italians was good, but we didn't say it publicly for fear it wd. weaken Ital. Govt. Public therefore think our offer was more unfair to Yug. than it was.
Must now tell U.S. tht. sooner or later we will have to make it public – for Pella is cheating, by saying Zone A as instalment.

1. Territorial Waters.

A.E. Considering for 18 mos. Sympathise with J.S. – wish we cd. help him more. But all others concerned favour adherence to traditional method – and this is what U.S. want. Base-line approach wd. make it diff. to protest v. Iceland & similar tactics by others.
If we take this line, say so quickly – to rally others behind us.

J.S. Fishing interests in N. & W. Scotland thght Hague Ct. decision wd. enable us to adopt base-line method.
Rough words in H/C. when last raised. Has gone on for 30 yrs
My own constituency affected even more than most.
Don't see how I sell this policy in Scotland.

A.E. Must say it wdn't pay us. Does balance of fishing advantage lie on side of old method.

T.D. Yes. Deep-sea fishermen wd. benefit, and they are majority.
If we go the other way, we do same as Iceland. Danes are threatening same - & cnd't be argued out of it if we favoured base-line.

J.S. Inshore men land $\frac{1}{3}$ rd. of white fish.

O.L. Col. interests wd. be best served by adhering to traditional policy.

H.M. Wait & see wtr. we can get Iceland to the Hague if Dawson's activities result in lifting of Grimsby ban.

A.E. We shd. still want to argue in favour of old principle.

H.M. But politically we shd. be in easier position.

A.E. Ready to wait for 2 wks.
{M'while prepare material for A.E.'s proposed approach.
{No action w'out consultⁿ. with J.S.

[Exit A.L-B., J.T.

[Enter A.H.

1. Egypt.

A.E. i) Hankey is ill. Robertson can take next mtg. with Cresswell.
ii) Uniform. I prefer Para 5 (a) – on occasion, vice occasionally. They vice personnel.

Sal. Improvement. “when ordered” vice “on occasion.”

A.H. Working dress in winter is battle-dress. Suggest : “E. Govt. accepts tht on formal occasions they approp^{te}. uniform may be worn.” Implicⁿ. of a diff^{ce}. betwn. Service uniform & working dress is unsound.

H.M. Cairo draft avoids issues of principle. Better to leave some ambiguity.

H.M. Civilian clothes plain clothes.

Agreed : as in my copy of Cairo. Tel 1469.

Sal. Killearn's P.Q. re hanging of Egyptian, Sambri, (?) who worked for us.

A.E. We made rep^{ns}. Hankey deprecates protest re Sabri himself, and makg. it only in genl. terms. See telegrams.

[Exit A.H., P.B-H.

1. Korea.

A.E. Reading wd. represent us.
W^d. need to discuss these “principles” with U.S.

Approved.

1. Decontrol of Food.

L.I.G. As in memo.
W^d. not affect discussions with farmers.

W.M. Regret it because will be seen to involve removal of subsidies. But inevitable now farmers know.
Make it clear i) no effect in near future ii) effect eventually can't be forecast now.

B-C. Tell farmers first because we said there wd. be no public statement.

T.D. RAB. may want to review decision & told farmers so if farmers don't want marketg boards. Enough to tell food trades as much as farmers have bn. told.

L.I.G. E.P.C. decⁿ. was on merits – not dependant on farmers' attitude.

H.C. But it wd. upset farmers if you announced it now.
Tell food trades it is likely. No public announcement.

W. Surely we shall decontrol, whatever farmers say.

L.I.G. This cd. be done w'out reference to farmers.

P.M. Tell food trades in confidence, but delay public announcement until R.A.B. returns.

1. Mental Patients.

Memo approved.

[Enter I. McL.

[Exit I. McL.

[Enter J.F.

1. “No – new preference” Rule : G.A.T.T.

P.T. Arguing for waiver. May get it. If I don't, what do we do?
Courses open : i) legⁿ. to raise duties v. Comm. Wdn't pass
ii) revive use of quotas. W^d. be unpopular & contrary

- to G.A.T.T.
iii) raise tariffs. W^d. breach G.A.T.T. only if there are
Comm. goods & v. technical.
- Favour iii). U.S. are in breach of G.A.T.T. on another article : not at
all technical.
Hope it may not come to that.
- Ch. We are using quotas now. Why not go on until GATT. is reviewed in 18
mos.
- P.T. Pol. uproar from farmers.
- A.E. Had hoped my para. 4 wd. do. Individual waivers.
See we wd. have to argue every case. But likely to get away with it
more easily.
- P.T. They won't give us individual waivers. Turned it down a month ago
before mtg. began.
Lifting quota rest^{ns}. will help Europeans.
- H.M. Strong Tory feeling v. G.A.T.T. as such. That is the point.
- P.T. That is my diff^y. Must be able to show some flexibility or else can't
defend G.A.T.T. at all.
- H.M. Say we are considering w'drawing fr. G.A.T.T. But shd. have to know
wtr we wd. lose too much by that.
- A.E. Might be much more serious.
- Ch. W^d. lose far more than we gain.
- P.T. W^d. be. My plan wd. involve only techn. breach & wdn't affect trade of
any country.
- P.M. Best to move slightly in direction of protection – and don't worry too
much over logic or old Tariff/Free Trade quarrel.
- A.E. Don't like going to the court & then announcg. we propose to break the
law despite the decision.
- P.T. May I have it clear tht. answer is to put tariffs on coniferous & stall on
Commonwealth applⁿ. Muff the latter.

Half Agreed : If we don't get waiver, we shall solve
problem by raising tariffs. Will consider how

we phrase it, in consultⁿ. with A.E.
F.O. and B/T. to consult, with Ty. intervening.

H.M. Let's think it over further. And discuss, particularly how do we present case for raising tariffs.

1. Japan and G.A.T.T.

P.T. A. & N.Z. consulted on new compromise. A. won't support it.
N.Z. doesn't like it.
Wdn't do to part with A. on this.
Must go back & abstain fr. voting – as Cab. originally agreed.

A.E. Compromise invented to meet our diff^{ces}. No obj^{ns}. of substance to it.
We shall make diff^{ces}. for ourselves if we reject it.
Will A. stick to their line. U.S. are bringing v. strong pressure on them.
Sw. telegraphed tht. A. mght agree so long as J. had no rights to vote.
Presumably if A. ratted, we wd. accept compromise.

L.P.S. Sw. tel. isn't v. clear.
I suggest we go back to M. and be sure what he really means.

P.T. If A. change their mind, we can re-consider.
We can keep our posⁿ. open.
But want to tell our Delegⁿ. to abstain – to stand with A.

A.E. W^d. affect many current negotiations with Japan.

L.P.S. Further message to Menzies ongoing advantages of
compromise – tho' saying tht., if in the end, they abstain,
we will abstain too.

Agreed – as at x/.

1. Parliament. [Enter Serv. Min., C.O.S., P.B-H., J.B-C.

H.C. When do we take Trieste in H/C. Tues. or Wed^y.

A.E. Situation is growing calmer – Bidault agrees. Give it all the time we can to settle down.

Sal. Unwise to take debates in both Houses on same day. Sugg^d. to Jowitt tht. H/L. debate shd. come later. But if H/C. doesn't debate it until Wed. H/L. debate may have to be p'poned until during or after Debate on Address.

P.M. Statements shd. be simultaneous, but not debates.

Agreed : Wed. in H/C. H/L. debate to be deferred.
“Debate on Eur. sitⁿ. with past ref^{ce}. to Trieste.”

Later : Sal : Have received lr. from Jowitt agreeing.

2. Egypt.

A.E. Propose to tell R. to stand pat on latest inst^{ns}.
Availability was main obstacle – ref^{ce}. to U.N. That wd. be ideal point on which to break.
Let them stew : they may well come round.

3. Trieste.

A.E. Rome Tel. 653.

Al. Winterton wants statement tht. our w'drawal wd. not be immediate.

A.E. Timing of that wd. be v. tricky. Nothing of mil. value will go until 12/11.

V.C.I.G.S. He has now bn. told not to do anything wh. wd. reduce mil. strength until he receives further inst^{ns}.

A.E. Will now consult U.S. & Fr., to prepare basis of a conference – in conjⁿ. with It. & Y. Will take time. But no date publicly assigned to our w'drawal fr. Zone A. (1/12 is date to wh. we have bn. workg.)

Sal. Bidault's 1(b) takes place of Pella's 2(c). Prep^{ns}. via dipl. channel vice Commⁿ.

A.E. Yes. B.'s tel. (Paris 386) is v. good.

P.M. Rub in fact tht. Opposⁿ. were comm^d. to handing over both Zones to Italy.

A.E. Tito keeps raising his price.

P.M. Pella shd. be so told. Publ. opinion here prefers T. to P.
[Exit P.B-H.]

Egypt : Evacuation of Maltese.

A.E. As in memo.

O.L. Many have had no connⁿ. with Malta for generations. Cdn't put them back into Malta.

P.M. Tell E. we shall deduct cost fr. sterling balances.

A.E. Bad to appear to be washing their hands of them.

A.E. Don't ask for any conclⁿ. Merely wished Cab. to be aware of ques.
[Exit O.P. C.O.S. A.H. de L. J.T.]

4. Royal Commission on Lunacy.

P.M. Concerned at t. of r. – esp. reference to “voluntary” treatment. Let someone else answer P.Q. – e.g. Home Secy.

I.M. 70% already are not certified. Avoids stigma. Need is to extend vol. system to mental defect.

P.M. Add “voluntarily” before treated – or “at their own wish”.
Agreed. [Enter A.L.B.
[Exit I. McL.]

5. East/West Trade.

P.T. Limited point – not raising genl. issue. “Modific^{ns}.” vice “relax^{ns}.”

A.E. Don't want any statement at present. On 4/11 we are opening ques

privately with U.S. Unwise to raise public issue over it now – merely because of the Silvermans.
Can't mention these Anglo/U.S. talks, wh are private.

- P.M. W^d. be a help to us to have more trade with R., now fighting has ceased in K. Gives you chance to cut it down again if sitⁿ. worsens. A valuable card. That point shd. be put to U.S.
- Sal. Peace hasn't bn. achieved in Indo-Ch. French wdn't wish to see any relaxⁿ. on China trade yet.
- A.E. Alternative to last 2 sentences. "Altho' see controls aren't inflexible it wd. not be our interest to vary them substantially until we are sure etc.," Keep Sal. point in mind for supplement^{ies}.
- P.T. Quite content with that.
- A.E. May I also tell U.S. & French in advance.
- P.T. Have to reply this p.m.

Agreed. Deal with P.Q.'s on lines of draft in memo. with F.O. amendment. Detailed draft to be settled with F.O.
As a statement. And be done with it.

6. Japan and G.A.T.T.

- H.C. Reply to our message to A. They will abstain on any ques. We shall have to stand with them.
- A.E. Must accept the position.

7. Industrial Disturbances : Petrol Strike.

- W.M. Unoffl. strike by men prev. employed by big cos. and now about to be transferred to sub-contractors. This was occasion for strike : wage claim was added. 2.500 involved. T. & G.W. Union are calling on men to return to work. Shall deprecate it – in H/C. Private Notice Ques. If it cont^d. we shd. be in serious trouble on Mon. or Tues.: we shd. have to take action. Deakin wd. support use of troops in last resort.
- A.L.B. Ldn. Transport: after peak hour to-morrow wd. have to cut by 25%:

& no buses on Sunday. Underground cd. not do much more to help.

80% of normal supplies needed to deal with rush-hour traffic.

B. road transport have tankers & cd. use them if drivers were willing but this mght cause extension of strike.

M.F. Emergency Ctt^{ec}. will continue to watch situation.

L.I.G. Danger to milk distⁿ and margarine manufacture.

[Exit O.L., M.F., A.L.B.]

8. Decontrol of Milk Products.

L.I.G. P.Q. for Monday. Can't avoid answering it – for, as food trade have bn. told, H/C. will be angry when it leaks.

J.B.C. Referred again to Minutes.
Tell farmers in advance, at least.

L.I.G. Certainly.

P.M. And consult R.A.B. beforehand. At least tell him.

H.C. And tell farmers before week-end.

1. Trieste.

[Enter B-H.

A.E.

Worked out proposals to put to Y. and I.
Mallet now think I. wd. accept divⁿ. on Zones. Y., however, are in mood to raise their bid – now say they will march if any part of adminⁿ. in Zone A is handed over. Told F. Maclean he will be reasonable at conf^{ce}. : but can't get I. there if he puts pre-cond^{ns}. too high.
Fr. are interceding with Y.
Suppose they accept conf^{ce}. : transfer civil admⁿ. in Trieste itself to I, before conf^{ce}. meets (Y. ought to accept that, but fear they won't).

2. Oil Strike.

W.M.

Strike is ended.

M-F.

Thanks to troops. Avoid statement in H/C. Do it thro' orders, on return to camp. Agreed.

P.M.

Let me have a note of cost – actual & loss of prodⁿ.

[Enter D.S., G.Ll.

3. Atomic Energy Organisation.

i) White Paper.

Ch.

Add new para. – after para. 14.

Agreed.

R.A.B.

C^d. we omit para. 18. of Annex?

Ch.

Waverley's words: can't change them. Ty. will have control over Bd. members.

R.A.B.

C^d. we consult Waverley – e.g. compare vice compete.
W^d. do this to-day in consultⁿ. with Cherwell.

D.S.

Don't want any doubt re my views. Don't think this is a wise plan. Good in theory : but v. little diff^{ce}. in practice for many years because v. close control. No harm on civil use. On weapons, serious mistake to blur Min. responsibility, as betw. Ld. Prs. & M/Supply. Welcome new para. 15. W^d. like to discuss terms with Ch.

ii) Time-table.

D.S. Avoid 2 debates. Avoid any debate before scheme worked out in detail. Some ques still in doubt e.g. wtr. legⁿ. shd. precede

establ^{mt}. of Compⁿ. : may be better to set it up informally first and see how it goes.

Ch. Much speculation. Sh^d. make ourselves clear & our intentions. Urge early publⁿ. of W. Paper.

H.M. Who will introduce Bill in H/C.

Ch. L.P. wd. decide – prs. L.P.S.

iii) Queen’s Speech.

P.M. Don’t want to be comm^d. to a Bill so far ahead, when it isn’t drafted. We haven’t even decided wtr. legⁿ. will be necessary (?) Keep something in hand.

P.M. { Present White Paper.
 { Decide Ministerial responsibility in H/C.
 { Don’t promise legⁿ. in Speech.

D.S. Prefer to delay W. Paper – until O-in-C. details are known.

Ch. They are known. O-in-C. is ready.

RAB. Must be laid in Nov. – to make transfer on 1/1. Must lie for 40 days.

D.S. Why transfer functions unless you are ready to set up Corpⁿ. Wait. Tho’, if it can be decided soon, I wd. favour early announcement – incldg. promise of legⁿ.

Ch. Lay O-in-C. in Nov. and take debate on that.

H.M. Bill won’t be ready until Feb. Isn’t that a reason for delay.

H.C. If transfer on 1/1 and O-in-C. on Nov. 8, debate will be on O-in-C. Alternative : to wait – means continuing uncertainty & confusion among those concerned. Must publish W. Paper if you mean to produce O-in-C. on 8/11.

Ch. Necessary to make Govt. intentions plain, w’out further delay.

H.M. Publish W. Paper this Session.

No reference in Speech.
Lay O-in-C. on 8/11 & take debate on that.

H.C. In that event why not mention it speech?

P.M. Leave open ques of legⁿ.

Ch. Legⁿ. will be necessary.

R.A.B. Mention in speech. (Legⁿ. will be necessary.)
Present wh. Paper – on 8/11, with O-in-C.
Debate on Order-in-Council.

Agreed. Get on with prepⁿ. of Bill, for introdⁿ. in
New Year acc. to L.P.S. decⁿ.

4. Decontrol of Meat & Bacon. [Exit D.S. & G.LI.

P.M. Plan of M/F. appeals to me because it accords with theme of Govt.
policy – decontrol, free market, end of State trading etc.,
We have also to m'tain agric. prodⁿ. But a subsidy shd. suffice
for that & is provided in M/F. plan thro' deficiency payments.
Ty. is bound to support Br. agriculture. Deficiency paymts &
buttress is surely an adequ. guarantee to farmers.
Don't determine this by ref^{ce}. to votes. Doesn't follow that farmers
will vote v. us because we don't do just what F. Unions demand.
Voting strength of any interest, however powerful, shd. not
influence our decisions. We must not be afraid to do what is
right.

T.D. Agree re votes. I'm concerned about farmers' confidence in Govt.
Not a ques of money, but of principle.
My plan : attempt to meet farmers' views & get M/F. out of business.
Situation changed last month. They didn't press for monopoly Bd.
They asked for (Plan in App.I.) Cdn't accept their plan.
Can't promise they wd. accept mine. But is there any diff^y. in
mine? They provide for restⁿ. of private trade. Will give free
choice to butcher & consumer. Safeguards for farmers.
Safeguards for Ty. as good as those under M/F. plan. Will
serve needs of M. marketing & encourage creatⁿ. of M. Boards.
Must have decision in principle in support of producer M. Boards.
Many of us are deeply committed to that principle. That is principal
wh. is cardinal to recovery of farmers' confidence. They doubt
our attitude twds. M. Bds. Bds. are not Govt. dirⁿ. : producers'
own. And ample safeguards to consumer.

Our 1st. moves into freedom have alarmed farmers – because of 1918.
 We have said it won't happen again. But cereals (on their hands) alarm them. On meat, they fear being handed back to butchers. Know tht. this is farmers, not Unions. Ring's etc.,
 Admit farmers don't know about buttress price feature. But they fear def. paymts. in principle. Equiv. beasts will sell for diff. prices, & they won't have that, even with def. paymts.
 Time factor – can't guarantee mid '55, but wd. hope to achieve it.

J.S. Not heard.

L.I.G. Pledged to return businesses to meat traders. Also to restore consumer choice. And to guarantee market & fair prices to farmers.
 My plan does not exclude M. Bds.
 It fulfils 2 cond^{ns}. Restores pre-war function to meat traders.
 Fulfils guarantee to farmers.
 Alternative – monopoly M. Bd. & State trading m'while by M/F, who will buy at fixed price & sell in free market. No control over timing, quality & quantity : & will have to sell to trade with right to refuse what it doesn't want. Bad commercial propⁿ.
 Trades bitterly opposed : no incentive to reduce Govt. loss.
 And greater loss, greater Ty. assist^{ce}. to new Bd. – so producers' incentive wd. be to make Govt. lose more.
 M/F. wd. have to control imports & continue bulk buying.
 No guarantee tht. M.B.^d. wd. be created by '55. V. long procedure.
 Doubtful if it wd. be ready by '55. If farmers then turned it down M/F. wd. still exist. And then we'll be near Electⁿ.
 We shd. be trading in meat, at heavy loss : & M/Ag. scheme wd. be supported 100% by Socialists. When they were thinkg. of natⁿ. of meat, this was their plan. Monopoly Bd. is a long step twds. natⁿ. See para. 10 of my memo.

T.D. M/F. plan does prejudice M. Bds. We have advocated monopoly powers for M. Bds. Do we adhere to that?

P.M. Our policy is to approach free working of supply & demand as nearly as possible. Add protection for the weak – by subsidy. Farmers have no right to dictate method, so long as their security is assured.
 Let public pay thro' taxes anything tht. has to be paid to farmers.
 And restore freedom as betwn. butchers and customers.

W. Difference betwn. Ministers is not on principle but on method. We gave firm promises to meat-traders in '40 – just as firm as those to farmers.

Policy – to discontinue State trading. Inconsistent to perpetuate it on meat.

M/Ag. plan. Monopoly Bd. M/F. auctioning to butchers.

Don't want to dragoon every farmer into monopoly producers' Board. That is a Socialist system. And if you force it you will split Party. Don't allow more than a voluntary M. Bd. – in future, after study.

R.A.B. Party posⁿ. is not so bad as M/Ag. suggests. In Agric. Charter we said tht. M. Bds. mght operate voluntarily or compulsorily. But wdn't say anything firm on that to farmers now.

On merits M/Ag. has tried to make sense of farmers' scheme, wh. won't work. But his scheme tries too much – est. comp. M. B^d. in trade involvg. £3M. at mercy of market. And I am asked to finance it, regardless of market – and a subsidy in addⁿ. to cover losses. Unsound financially : stinks of monopoly. Cdn't w'stand criticism now, still less in 3 years or so.

Right scheme, economically, is deficiency paymts. & buttress price. In summer we all agreed on it. Supports individual farmer. Reduces admⁿ. because it means registering, only deals below a fixed average price.

That plan has never bn. put to farmers. They are in diff. mood objectg. to anything incldg. word "deficiency". But cd. we add provⁿ bringing farmers in, with M/F., to consider future marketing policy? W^d. that be a sop to them? (para. 3 of x/ App. to Food memo.) Call it Marketing Council? In meat (tho' not milk) the eventual Solⁿ. won't be, I think, a monopoly M. B^d.

Choice: adopt M/F. plan & negotiate it with farmers plus x/ or hold an enquiry.

Enquiry wd. have to avoid prejudice to farmers' aims. W^d. mean we shd. have to go on as now for 12 months : fixed prices etc., W^d. allow public opinion to play on problem.

P.M. Enquiry wd. imply Govt. inability to frame a policy. Confession of failure.

A.E. Never known farmers more disturbed than now.

"No one is entitled to security" (P.M.) But that is just what they were given by Socialist Act of 1947.

Butchers' rings etc., Exaggerated, but fear is real.

Enquiry wd. look as tho' we hadn't a policy.

Can't we see wtr we cd. influence farmers with buttress price.

Don't confront them with it. Popular with towns but wd. affront farmers.

Take M/F. plan. See wtr it cd. be adjusted in any way to placate

farmers. See also how best to present it.

B-H. Tory supporters in H/C. are strongly opposed to def. paymts.

M-F. Govt. N.I. favour M/Ag. plan.
For myself, much impressed by diff^{ies}. – in 2nd. half of M/F. plan.
Buttress price : how do you apply § 5 of Act of '47. Don't understand how it will work.

P.M. Agree [in principle] tht. policy be framed on basis of M/F. plan. See how it can be adjusted to meet farmers & how it can best be presented to farmers & Tory Party.

R.A.B.'s Ctt^{ee}., with others, to work it out & present to Cab. on Thurs. or Friday. Meet S prs. to-day.

5. Trade with Europe: Liberalisation.

R.A.B. E.P.C. agreed to liberalise up to 75%. Involves freeing softwoods – but shan't announce that, or any specific commodity, yet.
Shall also have to raise tourist allow^{ce}. to £50 – cost £2M.
For that is stat. minimum under OEEC (?) rules.

6. Tariff Policy : G.A.T.T.

Note taken of report in C(53) 300.

(Not discussed.)

C.C. 62(53).

29th October, 1953.

1. Cabinet.

[Enter J.B-C., B-H.

P.M.

Ch.'s last mtg. Thanks for all help, in so many fields, over 2 yrs.
Not only in science – also Robot!
Will continue to give personal advice.

2. Parliament.

H.C.

D/Address: hope to finish in 6 days, by Tues-week. Recently has
bn. only 5.

3. Regency Bill.

M-F.

**CLOSED UNDER THE
FREEDOM OF INFORMATION**

ACT 2000

Timetable. i) C.R.O. must give Doms 48 hrs.' notice – also your
reply in moving address in reply to Message.
This means Queen's approval of Message must be
obt^d. Frid.

Message to be brought on 4/11. By precedent, P.M. brings it :
Spker. reads it : P.M. moves Address in reply & adds a few
words re introdⁿ. of Bill. Present Bill 5/11. 2nd. Rdg. 11 or
12/11.

Try to get all stages in one day : if not, complete on 16/11.

Agreed : Doms. to be informed.

4. British Guiana.

P.M.

Arrests w'out charges. Feared trouble in H/C. – tho' none has
matured. Don't like this sort of thing w'out bloodshed, as in
Kenya & Malaya.

O.L.

Cab. Minutes recognised tht. Ministers left at large might stir up
trouble: & cd. not be left to flout our auth^y. before eyes of world.
I advised Govr. tht. I wd. prefer restraint on movement vice arrest.

But he became satisfied tht. they were organising resistance, holdg illegal mtgs etc., And in the end I authorised him to arrest, as he wished to do.

One prosecution launched – but no witnesses turned up.

Am telling Govr. he can't detain indefinitely. He must see how he can get witnesses into court, administratively. But intimidation is severe & w'spread.

[Exit Ch. Enter A.E.]

O.L. Sh^d. I see Jagen & Burgan? I think I shd. They will have grievance, and exploit it, if I refuse.

P.M. I wdn't do so. But you can do as you please.

O.L. W^d. like views of Cabinet.

M.F. I wd. see both Opposⁿ. & Jagan.

L.P.S. So wd. I.

Sal. And I.

Agreed : see them.

5. Jordan.

A.E. Move is to Man – 100 m. N.E. of Aquaba. It is not like a move to Amman or to Israel frontier. – fr. pt. of view of provocⁿ., in light of latest Isr/J. row. Israelis were told some days ago.

P.M. Feared Israelis will relate it to latest inflammation. But I see it's a long way from frontier.

A.E. Just heard M'batten is on his way to Amman. Must restrain him., if I verify he didn't give notice to F.O.

[Enter A.H.]

6. Home Guard.

Al. Needs thought : wd. sooner review it with R. Review.
Real role for H.G. If emergency were nearer, we shd. get recruits needed. Must therefore keep skeleton. Greater need for H.G. in next war than in last – aid to civil power under atomic attack.
M'while get full value for the cost of £1M. p.a.

A.H. At end of 2 yr. period we must say we are going on, or give it up. And

a strong lead will be necessary if we are to avoid a run-down.
 Politically it wd. be v. diff. to reverse policy on this.
 Strategically, Home Forces think it has an important role.
 Have to take a firm line in answer to P.Q. next week.

M-F. Decⁿ. to abandon H.G. wd. be damaging to C.D. recruiting etc.,
 P.M. No doubt. Continue it. And announce this with determination.
 [Exit A.H.]

7. Meat Marketing.

P.M. Two mtgs of Ministers on 27 and 28/10.
 Alternatives : go fwd. with this plan or abandon our general policy.
 RAB. suggested enquiry if this was thght too big a risk to take.
 But tht. wd. involve continuance of State trading for another year.

L.I.G. Accept draft memo.

T.D. Ques of presentation. Para. 16 is my difficulty. Last sentence : I wd. prefer to be more forthcoming. W^d. like to invite farmers to put fwd. scheme & promise them assistance.

L.I.G. Minister must act in judicial capacity on a scheme. Can he promise to assist them?

T.D. May I discuss form of words with M/F. & submit for P.M. decision.
 [E.g. Put the invitation before a) and b) : Generally agreed.

O.L. Para 12. New terminology – avoid “def. paymt” wh. farmers dislike.
 Can’t we call it a dual price policy or something like that?

A.E. Endorse that suggⁿ.

O.L. Dual-price system with collective & individual guarantees.

Sal. Para. 16. If there are to be more Bds. than one, use plural.

T.D. Milk Bd. is crucial.
 Under Agr. M. Acts, Ag. Ministers have complete power of dirⁿ.
 to Bds.

L.I.G. V. Important. Increased use of heat-treatment etc., Trades must be consulted : leave loop-hole for that. M.M. Bd. wd. accept that.

T.D. I have permanent powers under M.M. Acts. M/F. has power only under D.R.

F.H. W^d. wish School milk service to be taken over by M.M.B.

Agreed : Ministers to discuss details on milk.

Timetable.

T.D. First discuss with Govt. supporters.

B.H. Tuesd. p.m. – mtg. with Agric. Ctt^{ee}. R.A.B. – with M/Ag. and M/F.

P.M. Ministers concerned shd. work out time-table –
L.P.S. to preside in R.A.B.'s absence. H.M. & B-H.
to attend.

C.C. 63(53).

5th November, 1953.

1. Atomic Energy Organisation. [Enter B-H.

P.M. I can't be respons. for defending transfer.

H.C. Only suggested tht. your name shd. be on Wh. Paper. You aren't asked to make a statement.
Draft O-in-C. comes to Legⁿ. Ctt^{ee}. to-morrow. May be debate on that.
M'while, nothing need be said save in reply to P.Q.'s.

P.M. L.P.S. can answer ques impromptu on procedure, m'while.

2. Parliament.

H.C. Mon : 1st. Opposⁿ. amendmt. – agriculture. M/Ag. will speak second.
Tues : 2nd on c/living & o.a. pensioners. M/F. will speak. L.P.S. to reply – as it is end of Debate.
Business for remainder of week.

3. Industrial Disputes : Engineering Industry.

W.M. Employers are to-day giving refusal. May be some strikes. Unions will consider their posⁿ. next week. They may try ban on overtime; or they may put it up to me.

4. Television Policy. [Enter P.M.G., H.Amory.
[Exit L.I.G.

P.M.G. Main features i) effective control thro' publ. corpⁿ. ownership of stations. Corpⁿ. can more easily remove licence fr. operating company.
ii) no sponsoring. Operating cos. won't be connected with advertisers. Advts. will be separate fr. p'mmes, wtr they are spot advts. or documentaries.
Means of affording 2nd. p'mme, financed by advts., w'out loss of quality.
Halifax, tho' wishing we had left it alone, will not be v. hostile.
Religion and politics need not be excluded. Controls applicable to B.B.C. can be applied thro' new corpⁿ.

H.C. Nuisance for M.P.'s. Doubles the demand – on Ministers and

Members.

- P.M.G. No claim : Parties wd. have it in their own hands. They cd. agree to patronise only B.B.C. if they chose.
- R.A.B. Party wd. welcome this – want to break “monopoly of mind”.
But nuisance value will be v. great.
Palace, like Parties, will have to give equal facilities to both.
I wd. favour keeping it out of this at outset.
- PMG. We shd. be charged with compelling new cos. to concentrate on light entertainment.
Palace: no obligⁿ. to give time to competing commercial cos. Corpⁿ.
won’t b’cast.
- M-F. Politicians must learn to do t.v.
- P.M. You will be forced to admit it, in the end. Keep it in reserve, as something to give away.
- J.S. No harm in letting religion in. Believe we shall have to admit politics too.
- H.M. Main thing : brains trusts etc., Can’t rule that out.
- P.M. Nor Ministers & M.P.’s. Party leaders must limit it.
- Sal. V. few who are good at it. Heavy blow to B.B.C. if you double the amount of time available : best people will be bribed away fr. B.B.C.
- W.M. As opportunities increase, more people will become good at it.
- Sim. You can’t define what you seek to include.
- P.M. Can’t keep them off : better therefore to admit them under proper control. But not sure we hadn’t better leave it to free vote.
- B-H. Jay’s P.Q. Say : “wait until we see Wh. Paper”.
General view : Whips on Wh. Paper.
{ Free vote on religion & politics.
- W. C^d. exclusion be limited to religious services & Party pol. b’casts?
- Sal. Include it because we can’t see how you draw the line – but invite H/C. to decide & if they vote for exclusion we will see how

you can do it.

R.A.B. Examine initial charter of B.B.C., wh. excludes controversial
pol. b'casting.

P.M. Don't like this thing at all. Want a few vote, to see it voted down.

R.A.B. W^d. anger back-bench supporters of sponsorship.

P.M. They have no right to compel other back-benchers to vote
v. their conscience.

R.A.B. V. strong feeling at Margate in favour.

PMG. And we have gone far to commit ourselves m'while.

P.M. Morally wrong to use the Whips in these circumstances.
V. worried about it.

Agreed : (2) RAB & PMG. to consider phrasing on
religion and politics. (You won't be able to
exclude: must at least allow free vote
on that.)

(1) Approve Wh. Paper, save para. 10.

(3) Reserve ques of free vote.

[Enter D.S., G.Ll.

Solr.Genl.

[Exit PMG., H Amory.

5. House of Lords Reform.

Sal. May Ctt^{ee}. continue – and may I consult rep^{ve}. Peers.

P.M. You won't get agremt. on a fancy H/L. And you may, by trying,
weaken a structure wh. wd. otherwise creak on usefully for
generations.

If you make any change, Socialists wd. sweep it away.

.... creaking, but nevertheless magnificent & ancient, institⁿ.

Sal. 36% of Members come 10 times p.a. And attendance is decreasing.
If we leave it alone, it won't creak on. When older generation
dies out, you may have completely effete H/L. in 10 or 20 years.
Let Ctt^{ee}. at least go on trying.

P.M. H/L. is now v. popular – as it wasn't. But dangerous to bring it into
acute controversy.

Agreed : Ctt^{ee}. to continue its work.

[Exit D.S.

6. Trade Conferences Abroad.

P.T.

As in memo.

Either i) w'draw opposⁿ. to attendance. Most trade with R. will then
be channelled thro' this organⁿ.

ii) say this is Comm. organⁿ. & deprecate attendance.

A.E. & I support (ii).

RAB.

So do I.

Agreed.

7. Coal Production.

G.Ll.

As in memo. Cab. shd. know we are getting this fr. Poland.

Trieste.

[Enter 3 Serv. Ministers & C.O.S.]

- A.E. Trying for conference. By Frid. had agreed proposals, wh. had chance of success. Tel. 2429 from W'ton. Offers to I. small transfer in Zone A. & to Y. guarantee of finality & ref^{ce}. to hinterland of T.
Riots, however, create new Sitⁿ.
i) Can we go on, with 2429 plan, in view of It. behaviour in T. Para. 2. doesn't go v. far : in particular, doesn't involve hand-over of Police. Arguments against : 4607 to W'ton. But U.S. reject those arguments & deprecate delay : 2433 fr. W'ton. Formidable. Main objⁿ. to delay is risk tht. Y. will publish their plan.
U.S. have supported our troops & comm^r. v. strongly.
Adm^l. Radford is willing to go to T. – he will warn Belgrade in advance. He wd. support our comm^s.
M^{rs}. Luce is also a reason v. delay.
Bidault's view : (Paris tel. 446 of this a.m.) Sees diff^y. in going ahead & was divided in his view. Balanced view. Thinks It. favours delay : but Y. not. W^d. on whole favour going ahead if Dulles presses. Pella has since asked him to favour delay & promised further message in a few days.
Do Cabinet i) approve plan as best move.
ii) agree tht. we go on with it now – or consider that, despite strong U.S. view, we shd. delay.
Disposed, on whole, to go ahead – provided U.S. & we are determined not to hand over control of Police to Italy.
- CIGS. Winterton has agreed the concessions. But any concessions will be regarded as sign of weakness, by both sides, and will therefore weaken internal security sitⁿ.
- Al. Looks like a reward for bad behaviour.
Rioting was obviously organised.
- A.E. Not by It. Govt. – but prob. by Comm. & Fascists, who both oppose I.'s integration with the West.
- P.M. W^d. prefer to mark time and keep order.
If Y. think concessions result fr. It. bad behaviour, they will say they had better do a bit of it themselves.
- C.I.G.S. C^d. we propose conf^{ce}. w'out offer of transfer?

A.E. Y. will then think we intend to give them much more.
We shan't publish the concessions.

Al. C^d. you p'pone transfers in § 2 until order is restored?
A.E. Supposed It. wd. not come to Conf^{ce}. w'out some such promise –
If we delay, how long do we leave it? It is quiet now. P. is due to
go to T. soon. Y. will publish their plan – wh. will have big
public appeal. And our sensible plan will be lost.
Fr. officials agree with U.S. B. favours that on balance.

P.M. Natural course for U.S. & U.K. wd. be to say tht. hopes of solution
have bn. frustrated. Troops must stay for some months – & will
keep. order. Strong warning on this fr. both sides. One month's
respite before we resume discussions. I wd. like to take this
line ; but of course wd. have to carry U.S. with us.
Remember P. and T. are both in diff^{ies}. domestically.
Disposed to have another go at U.S. – to try to persuade them to this
view. If they insist on takg. wrong decision, they must take
their full share of its consequences.

J.T. 3 Frigates due to make routine visit to T. Sh^d. be there on 12/11. Do
we cancel that?

P.M. Confer with F.O. Disposed to p'pone. No moment to fraternise.

V.C.N.S. We have no ships there. Won't have any festivities – shall tell
them that.

P.M. We shd. have equal force with U.S. – who have a destroyer.

R.A.B. Don't like 2(1).
P. fears we shall go ahead & let them down. Let them reflect for a
few days on consequences of bad behaviour.
Have one more shot at U.S.

A.E. | Sh^d. I tell Y. we have some ideas but can't now put them fwd.
x| for a time because of row in T.
Disadv. of delay. P. goes to T. on 12/11. Y. will publish their plan.

P.M. One more shot at U.S. If they won't delay : say, we hope you are
right : we will go along with you.

H.C. Support x/ & press specifically tht. they shdn't publish their plan
m'while.

A.E. Statement in H/C. this p.m. Agreed – subject to adjustments.

1. Trieste.

[Enter P.B-H.

A.E. U.S. suggest we make the approach but add th^t, in view of disorders, we make no move to appoint Ital. to adm^{ve}. posts in T. until order is restored.
This is a satisf. compromise. We can accept.

2. Bermuda Meeting.

P.M. Arrangemts. now accepted by French and U.S.
Leakage in to-day's Press.
Official announcement at 2 p.m. to-day. Will mention it in H/C. also.

3. Cost of Living : Food Prices.

P.M. Understood tht. food prices had increased. Ministers tell me it isn't so.
But will be an issue in bye-elections. We shd. state it firmly.
Beginning in H/C. to-day.

L.I.G. £1.800M is spent on tobacco, drink & entertainment. More than double the level of 30's before re-armament.

4. Parliament.

H.C. Business for next week.
Judges' Salaries Bill : 2nd. Rdg. Wed^y.

R.A.B. Thought we were going to defer that until salaries of Members and Ministers had reached stage of decision.

H.C. Was on Paper all last Session. Argument tht. Judges are sui generis will be spoilt if you relate it to Ministers etc., And Opposⁿ. is fairly co-operative over it now.

A.E. Gt. opposition among Tories in country twds. any increase of M.P.'s salaries. No reason to believe that Party will support it.

Sim. Strongest argument for Judges' Bill is sui generis claim. Don't want to see that spoiled.

H.C. Suggest p'ponement for one week. take Cotton Bill or Ind. Diseases

instead. M'while by-elections will be over, and we can take further soundings re attitude of Lab. Party re Judges.

R.A.B. If we separate the issues, I believe we shall have to defer increases in Ministers' salaries. Which I wd. deplore.

J.S. Ministers & M.P.'s cd. go together. But Judges separately.
[Enter J.T., V.C.N.S.,
Profumo.

5. East-West Trade.

P.T. In Paris group, all countries save U.S. are content.
No strategic risk : we need the orders : if we don't take them,
others will.
Recommendⁿ. – as in para. 9.

A.E. Accept time-limit. Ask for i) 18/11, not 14th. Gives time for U.S. to
reply and ii) Cab. to consider any rep^{ns}. made.

Agreed : subject to i) and ii).

[Exit J.T., C.N.S., & Prof.
[Enter Solr. Genl.

6. International Tin Agreement.

W. Trying for buffer stock plan. W^D. be to our advantage. Unlikely to
get agreemt. But, if we do, wd. like H.Q. in Ldn.
Want therefore exemptⁿ. for it fr. income tax on its transactions, and
on cont^{ns}. by Malaya, and Nigeria.

R.A.B. Concede it, for personnel, only in last resort.

O.L. Certainly.

Solr.G. Leave open ques. of O-in-C ; for ques is being tested in courts on
Raw Cotton Commⁿ.

Agreed.

[Exit Solr. G.
[Enter PMG. & Gamman.

7. Television Policy.

P.M. Proposed answer to D. Jay's P.Q.

P.M. Draft para. "If Parlt. so wills" implies too clearly a free vote.
Better say : "it is for further consⁿ. wtr shd. be w'drawn."
That is more normal language - & still leaves it open. Agreed.

H.C. What wd. be posⁿ. of Ministers, in Cab. and outside, if there is a free
Vote?

P.M. Ministers are entitled to consciences as well as back-Benchers.

O.L. But Cab. are all agreed tht. religion & politics cd. not be excluded.

R.A.B. Uncertainty on this isn't going to be helpful.
Still prefer exclⁿ. at outset, on B.B.C. precedent.
But that cd. emerge from this wording.
Only weakness: will appear tht. we don't know our own mind.
Sh^d. we say : "The case for w'drawing earlier ban either at
x/ once or after a period of testing the new arrangmts. The
Govt, will therefore put fwd. proposals for allowing b'casting
on their topics....."

General support for x/. This wd. leave it open to
us to allow a free vote on this issue.

National Service.

[Enter 3 Serv. Min., D.S., B-H.

- P.M. H.C. & Ch. Whip agreed tht. Oppⁿ. shd. have Motion on Mon., & that our O-in-C. be discussed on Tues. That is settled.
Our choice is of evils. i) Accept Motion, wh. won't go to Divⁿ. unless forced by Pacifists. Big majority v. 6. or so on Monday. But then on Tuesday Pacifists may vote v. our O-in-C. and, if so, Opposⁿ. won't feel able to do more than abstain. World will then see tht. Socialists don't support 2 years.
Not shocked by annual affirmⁿ. cf. Army Act principle. Also Parlt. has many other opportunities to seek a vote on the period. Services wd. prefer certainty. They can't have that. Argument tht. men sign on for 3 yrs. because they know they are in for 2 anyhow. But we cd. say now tht. for rest of this Parlt. we shan't reduce below the 2 years.
- A.H. Our fear is interpⁿ. of accept^{ce}. of motion. Will be thgt. Govt. are changing policy. cf. line taken by P.M. resisting amend^{mt}. in March 5 debate. What has happened to make redⁿ. more likely? Will discourage 3-year signing on.
Also, under Socialists, less likely tht. they will continue to up-hold a reasonable length of service.
Man-power, under Rad. Review : will shrink & no prospect therefore of reducing the period. Unwise to cast doubts on this.
- de L. Support A.H. Re-engagement is vital to our efficiency.
- J.T. Effect on Allies wd. be bad. Esp. when we are always urging them in EDC etc., to increase their period.
- A.E. Don't like wording of motion e.g. "time has now arrived" implies a new situation.
Fear they will divide on 2nd. day on O-in-C.
Sh^d. we not therefore table amend^{mt}. to their motion.
- P.M. W^d. be a smaller Mon. majority.
- W.M. Period of service. 24 mos. introduced post-Korea in 1950 Act.
And may be shortened by O-in-C., if circs. change.
That ques can always be ventilated.
Motion accepts principle of nat. service. Will be debateable anyhow.
Motion only changes basis of debate – aff. resolⁿ.
Uncertainty arises fr. circs., not fr. accept^{ce}. of this motion.
Even on re-engagement – man isn't influenced until period has

been changed.

Accept resolⁿ. : but make our int^{ns}. clear in speeches.

J.S. Pity to depart so soon from line P.M. took in March.

A.E. C^d. oppose it on ground tht. "time has not come" to change line we took in March.

O.L. Resist the motion, in conciliatory form, but time has not arrived.

A.E. Won't do any internat^l. damage to vote v. resolⁿ.

M.F. M/D. memo. contemplated reducing period acc. to circumstances.
No real objⁿ. to acceptg. aff. resolⁿ. Only diff^y. is what P.M. said in March.

P.M. We cd. have accepted this resolution if we hadn't said what we did in March.
But, having said it then, we can't reverse our policy now.
Nothg. has happened in interval to warrant such a change.

Agreed : Resist Labour motion.
3-line Whip on Mon. and Tuesday.

110. Atomic Energy.

[Enter D.S.]

P.M. M/S. will be responsible until 1/1. D.E. cdn't answer yet.

D.S. To-day's P.Q. are not, however, atomic energy matters but f. policy on disarmament.

P.M. Must make early statement explaining principles on wh. P.Q.'s will be distributed.

1. Royal Visit.

H.C. Will give notice to day of Address.
Read terms of draft – subject to Palace approval.

P.M. Approved. I will move it in H/C.

112. Atomic Energy (cont^d).

P.M. Read message from Cherwell.
Wd. have like to bring it back from B'muda.
V. satisfactory.

113. Trieste.

A.E. Yugoslavs will come to conf^{ce}. on condⁿ. tht. no transfer to Italians in Zone A takes place m'while. Ital. wdn't accept on that basis.
That is now only diff^y. out-standing. But we may get round it, & bring them to a mtg.
Better than it was.

1. Egypt.

A.E. Two messages from U.S. First : when will we make a move? Impertinent.
Said I wdn't accept it. For I had told them the next move was with E.

Second : they want resume economic aid to E. They stopped aid to Israel because Quibya & have now resumed it. Want therefore to do somethg for an Arab State. Shall tell U.S. Amb. to-day they mustn't do this. With Cab. auth^y.

Agreed.

[Enter A.H. & de L.

1. Jordan.

A.E. Will suspend more of squadron until Sec. Council dispose of Quibya incident.

What else shd. we do? Now, or in event of attack. Shd. we discuss with Jordan. Is any despatch of troops by us a sedative or a provocation in this area? We cd. tell Israel we don't intend it to be used v. them & at same time tht. we have Treaty with J – a balanced statement.

Al. I wd. send no troops in while there is a risk of trouble. Don't want them mixed up in it.

A.E. Jordan won't attack Israel. Our men wd. therefore be deterrent to violence, which will come only fr. Israel.

* We cd. discuss situation in event of attack.

Al. Yes : for if Israel attacked they wd. over-run Jordan so fast we cdn't help them.

A.H. Don't want to send a battⁿ. Wdn't be enough to do any good, if trouble started.

A.E. * V. well. Rely on squadron for deterrent.

P.M. Fear becomg. involved in war with Israel.

A.E. Chances of I. attack on J. wd. be increased if they knew we wdn't honour our Treaty.

* But I will work out terms of warning statement to Israel, and submit it to Cabinet.

P.M. Don't want even to honour this Treaty obligⁿ. C^d. we not in event go running to U.N.

A.E. What about our Iraq Treaty.

M-F. Tho' I am Zionist, I support A.E.'s original plan because I think it wd. have a steadying effect. Can't ignore the open sore betwn. Arabs & Jews & risk tht. it may explode on an incident.

Al. Won't go off by accident : it will be planned by I. Govt. Tho' Quibya

P.M. We cd. ask U.S. at B'muda what their policy is to be in relⁿ. to pacificⁿ. of Israel/Arab situation.

de L. Aircraft wd. be badly exposed, as no early warning system.

[Exit A.H. & de L.

1. East-West Trade.

- iv) continue with system as now, trying to whittle down list gradually. U.S. wd. go along with that.
- v) try for agreement on a short list. B/T. and Ty. want a v. short list : M/D a longer one. But how cd. we get U.S. to accept a really short list? Tho' inclⁿ. of electrical machinery wd. decrease out existg. trade.

118)

O.L. Electrical machinery is much too wide a category – includes much matter of peaceful trade.

O.L. War potential criterion goes much too wide.

P.T. El. machinery wd. cut out 50% of our trade to R., as at now.
Hope we shall try to get agreemt. on some short list, and start talking to
U.S. on that basis.

314

R.A.B. This is one of our few chances to increase exports. Unless we do we can't maintain our defence effort. Avoid head-on collision with U.S., but press them as far as we can.
Prefer therefore approach of P.T.

H.C. Shall have to consult Doms. on a short list before we put it to Paris because Canada only Dom. represented there.

P.T. Go for a short list : seek inter-dept^l. agreement on it before Paris mtg. starts on 10/12.
Transaction controls. We must do this. But bargain it v. a shorter list.
Tactfully.

1. Transatlantic Cable.

[Enter PMG.

Approved.

1. Television.

[Enter Gammons & B.H.

D. Reith has given notice of Motion in H/L. on 25/11.

RAB. A good Press on the whole. Tho' some will say new corpⁿ. shd. not be financed by advertising.

W. Wanted 1st. discⁿ. in H/C. But can't get Reith to defer. And they will force a division. Hal., Waverley & Brand support R.
May be out-voted. Hendriks thinks we shall win.

P.M. Wdn't it be easier (for me) if we were beaten in H/L.

G. In H/C. there won't be much diff^y. fr. our supporters.

B-H. That may be right. But Whips can't yet give a firm opinion, based on systematic enquiry.
Won't help us if it's debated in H/L. first.
We cdn't get a debate in H/C. w'in 2 wks after Wh. Paper. Socialists wdn't accept earlier debate.

H.C. Awkward, if H/L. defeats Wh. Paper, when Bill comes to them.

D. Younger Tories in H/L. may now support our plan.

[Exit Gamm. PMG.

1. Engineering Strike.

W.M. They will carry (Thurs.) plan for 24-hour strike.
Better than immediate notice, or ban on over-time of piece-work.
Don't know what they'll do after the strike.

1. Serving Officers' Retired Pay.

?? Am v. hard-pressed in Parlt. Early action. Can't wait. Some link it with
Judges' salaries. Others with Army Estimates. Delay will cost more
than we need have paid some months ago.

Agreed. Thursday (RAB)

C.C. 68 (53)

19th November, 1953

121. Parliament.

[Enter B-H.

H.C. Business for next week.
Judges : 2nd. Rdg. in week following.
Opposⁿ. want F.A. debate on 30/11 before departure for B'muda.
Unreason^{ble}. since D/Address so recent. Might therefore offer 1/2 a
day this week. (P.M. No : wd. sooner do it on eve of departure).
Agreed: try for [none or] 1/2 day on 30/11.
Opposⁿ. don't want Housing Bill 2nd. Rdg. before Xmas. We had
intended 30/11 and 1/12. Don't propose to give way on that.
[Later : Opposⁿ. agrees to no F.A. debate.

1. Television.

P.M. Television. Wait & see what happens, in H/Lords.

W. Cd. not have persuaded them to defer. They want to defeat our plan.
123)

R.A.B. Most undesirable tht. H/L. shd. get ahead of H/C. Salisb. shd. try to get it
deferred. Our party in H/C. feel v. strongly : & if these Tory Peers
try to lead, we shall have a clash on it.

Sim. Can Salisb. move them fr. what they think a tactical move.

[Exit M-F.

B-H. If defeated in H/L., pressure will come for free vote in H/C.
With a Whip, we cd. get it thro' in H/C. Only 1 would insist on
abstaining.

1. Meat Rationing.

L.I.G. Must keep stocks, so long as there is rationing. Ought therefore to reduce ration before Xmas : if we don't shall prob. have to make a sharper redⁿ. in Jan.
If we seek increased supplies, it will cost dollars (Can. or U.S.) or risk foot & mouth (France).

W. C^d. you not eliminate free element & leave ration unchanged.
Then add a Xmas bonus.

L.I.G. W^d. increase risk of redⁿ. in Jan.

W. The "free" goes to the richer people. Better to cut that first.

L.I.G. Will consider that solution.

[Enter G.L.I. and I.McL.

1. Fog.

H.M. It's the small things that cause pol. trouble.
Two courses. i) play it down ii) boost it up.
Someone needed to grip it because several Dpts. are concerned.

J.S. Sh^d. we not see Beaver Rpt. first. Announce when Rpt. has bn. seen.

R.A.B. Let us look at Rpt. before we decide. Season of fog is passing.

G.L.I. Report includes some practical sugg^{ns}. for immed^{ie}. action. Study those first.

A.E. Yes : & be in posⁿ. to announce immediate decisions.

I.M. Publicity is now on decrease. Pity to revive it.

H.M. Cd. Ministers named first meet to consider draft Rpt.
And advise Cab. what is best course to follow.
Delay report until week after next.

[Exit G.L.I. & I.M.

[Enter de L., J.T., O.P.

1. Retired Pay of Service Officers.

Al. 8 P.Q.'s in H/C. 24/11. Motion (Jeffries) in H/L. Round robin from Members. Sixth discⁿ. in Cab. this year. Much trouble ahead of us.

P.M. Ty. fears repercussions which might cost £400,000.

Al. Can distinguish betw. Service officers & civil servnts.

J.T. Pressure for this comes from all Parties, including Socialists.

Al. I will take 10% if I can't get anything better. Tho' it doesn't restore the 9¹/₂% cut! I wd. prefer to restore the cut for Service Officers only.

R.A.B. Cdn't resist claims of C.S. pensioners, who have bn. stirred up by the Service Officer agitation.
If it cd. be held there, it wd. be only £200,000 [Re-enter M-F.
and diminishing.

Sim. Logically, it cd. be held there.

A.E. But not politically. I agree with R.A.B. on that.

P.M. This opens a most dangerous door, on its most creaking hinge (because it benefits only the senior people).

Al. Do the right thing & resist the repercussions.

O.L. We have no answer to the officers' claim.

O.P. Before next election shall have to make increases to o.a.p. & war pensioners. Easier to right this then.

P.M. V. damaging attacks if we benefit richer only.

R.A.B. Wait until we have seen C.S. deputⁿ. to Ministers on Monday.
Consider also minor concession's to B. Legionaries.

Agreed : Resume on Tuesday.

[Exit J.T. O.P.]

1. Jordan.

A.E. We have told Israel (Apl.) tht. we intended to put in a brigade.
They won't therefore be surprised now at a squadron. But it gives us
a chance to give warning re Treaty.
Problem is what we say to Jordan. Alternatives in para. 4.
U.S./U.K./Fr. agreemt. on resolⁿ. on Quibya shd. reduce temperature.

CIGS Gt. strat. adv. in havg. arm^d. brig. group in J. in peace – well-placed in
relⁿ. to where they wd. have to fight in war, & wd. stiffen Arab
Legion.

We wd. like it long-term. But it wd. be too expensive in quarters etc., in near future.

Prefer therefore to do no more than a squadron for stiffening & build it up in mid-term to a regiment.

Para. 5 of memo. "Assist in re-deploymt" fr. E. Won't affect it actually. No accommⁿ. in Libya : wd. have to come home.

If we had to re-inforce for Arab/Jew war, wd. take a month to send what was needed viz., inf. brigade group + arm^d. reg^m.

A.E. This suggests that para 4(i) is enough pro. tem.

CIGS. Yes : training for benefit of Arab Legion – stiffen them.

A.E. Won't provoke I. Might prevent J. fr. asking us what we mean to do about Treaty.

Maan is well s. of potential danger area.

P.M. No need to mention Treaty to I?

A.E. Must do so : can't risk their deducing tht. we don't mean to honour it. This is what deters them.

Agreed : Para. 4(i).

[Exit de.L.
[Enter Att.G.

1. Uganda.

O.L. Govr. – Cohen : left-sympathiser : clever.

Kabaka – unstable socially (living with his sister-in-law).

Drastic step of deposing him shd. not be taken w'out bringing him home for a dressing-down. But, if he persists. shall send him home & be deposed there. He is a weak man & there's a good chance tht. he will collapse here.

He has lost face with his people because of his matrimonial troubles.

P.M. Our honour is involved in allowg. him to return. No repetition of The Seretse trick.

O.L. There will be trouble if he is disposed. But more if we allow this to drift along.

H.C. C.R.O. fear tht. this will upset Africans in C. Afr. Fedⁿ.
Is there any scope for giving him rather less than independence?

O.L. No. Developm^t. lies in unity of Uganda. And progress wd. involve more rep^{ve}. inst^{ns}. & less dynastic rule.

P.M. Decⁿ. 1) Bring him home for pie. Law.
2) Don't prevent him fr. returning.
3) Auth^y. to depose in Uganda if 1) fails.
[Exit A.E., Att. C.I.G.S.]

1. Off-the-Course Betting.

M-F. Breach of law is w'spread.
Police are corrupted.
Off course illegal betting is larger than legal betting – in nos. of punters.

P.M. Canalise betting thro' totes vice bookies because first benefits racing &
bookies only benefit themselves.

M-F. Won't affect this.

H.M. Labour will exploit us. Shdn't decide in absence of A.E. & R.A.B.

J.S. Ventilate in P. Members' motion debate.

H.C. Get Television over first.

Resume discussion after B'muda.

[Enter 3 Serv. Min., O.P.]

129. Uganda.

O.L. Govr. says tht. if K. comes here he mustn't return – for there wd. be demonsⁿ. at airport. Can't over-ride him. Propose therefore tht. we shd. depose him there & give him chance of coming here on appeal. If he wishes to appeal to me, he can come to U.K. Then he wd. know tht., if appeal disallowed, he cd. not return to Uganda.

P.M. The dusk of Imperialism - v. sad period for us.

Agreed.

1. Service Officers: Retired Pay.

R.A.B. Right decⁿ. d. be to say “no”. For much interest in pensions.
Also C.S. pension's cd. not be changed w'out legⁿ. – and debate wd. focus attentⁿ. on other claims.
Alternative (because of pol. pressure) : isolate Crown Servant cases.
Seed-bed statement wdn't do because wd. involve saying no concession to others for some time to come. V. dangerous politically.
If anything therefore make the concession but try to insulate it.
Bill : title wd. be drawn to confine it to pensions cut in '35.
Choice: a) M'tain refusal, as I recommend, for the present.
b) Make concession to Crown Servants, but insulate it.
Circulated draft statement on basis of (b).

Al. Have always contended tht. Crown Servants cd. be isolated – on basis of restoring a cut made.
Pressure for this is not limited to Tory side.

Sal. Wise – act of justice – if it can be isolated.

A.E. Politically, will rouse much trouble. Constituencies are full of talk about o.a.p. and c/living. That is main issue in country now. I wd. m'tain refusal.

M.F. I am opposed to it – for same reasons. Will do Party gt. harm.

P.M. If you make a concession, statement cd. be much shortened. Last ten lines of draft wd. suffice.

- See wisdom of waiting until it can be mixed up with other things.
- O.L. Don't agree tht. civilians are on all fours – because gratuity, retirement at later age, Army Officers pre-war c'dn't live w'out pr. means.
- Sal. Can't dogmatise about feeling in constituencies. But this claim is a good one. And can't defend p'ponement, as they are dying while we wait.
- Sim. Why can't Crown Servants be isolated? Are they not unique? Can't you stand there. It is a logical dividing line.
- P.M. Is this right moment? Injustice has continued for many years.
- J.T. Agitⁿ. fr. all Parties. Doesn't that indicate repercussions cd. be held?
- de L. Held back while Labour was in because they were egalitarian Govt.
- J.T. Lead by Ogmore in H/L & many Socialist supporters in H/C.
- F.H. Then they will say : now you can do more & root for police, o.a.p. etc.
- A.E. Pension's is now such a burning ques.
- J.S. How long before it cd. be dealt with in conjunctⁿ. with other pensions.
- O.P. They are 20% below 1946 values, when rates fixed. Contemplate restoration by spring of 1955.
C^d. hold position for 12-18 mos. if c/l. rises no more & no break made elsewhere in the front.
- W. Political diff^y. of giving money to Generals, who need it less than o.a.p. Public won't listen to argument of injustice.
- R.A.B. I am ready to meet rep^{ves}. of H/L. and H/C. and to explain why we can't do this.
- Sal. Don't accept tht. there is no hardship. That assumes tht. no inequality of income is tolerable.
- P.M. Decision must be deffered.
But we will re-consider in 6 months.
Defend inaction m'while on basis tht. we can't select this when so many other [cases/demands of hardship] are pressing on us & when there is genl. & continuing need for public economy.
Reply in both Houses: In H/C. by P.M.

[Enter B.-H

131. Service Officers' Retired Pay.

P.M. Read draft of statement to be made in H/C. that p.m.

Agreed – subject to amendments.

1. Purchase of Gold for Sterling.

A.E. Reported success of opⁿ.

1. Trieste.

A.E. Italians have made substantial concessions. But qua Y. have spoilt it by saying they have done what we wanted. Shall now have to work hard on Y. Fair chance we shall get the conference.

1. N.A.T.O. Association of M.P's.

A.E. Don't want to follow Strasbourg.
But M.P.'s shd. know of N.A.T.O. & support it.
Modest proposals – wd. help.

H.C. Must be in Parl^y. recesses.

A.E. W^d. be bi-partisan : with pairs.

Agreed.

[Enter D. & G.

1. Television Policy.

Sal. RAB.'s statement at a dinner – haven't made up our minds.
He stands on principle of paymt. for advts. but w'in that is ready to consider what is said in debate.

Suppose spkers, in H/L. suggests 2 corp^{ns}. in competⁿ. but neither advertising. Our answer : all wd. pay double fee & only ½ wd. get an advantage. But a reasonable compromise wd. be 2 corp^{ns}. one of wh. wd. draw income fr. advts. Sh^d. I say tht. we wd. consider that?
It wd. eliminate commercial cos.

We shall incur opposⁿ. of large no. of sound people in country.

Mght. be wise to offer some compromise.

P.M.G. I have always preferred 2nd. corpⁿ. financed by advts. But Ctt^{ee}. rejected it
i) because £5-6M of speculative capital wd. be needed
ii) too Socialist in character to appeal to Tories.
Disposed now, however, to stand to our scheme as in Wh. Paper.

M-F. Present plan is limit beyond wh. RAB won't risk public funds.

PMG Stand pat on principles : but ready to adjust detail in light of debate.

H.M. So long as financed by advts, other method of 2nd. corpⁿ. cd. be promised
considⁿ.

M-F. But R.A.B. has considered it and rejected it, emphatically.

H.M. But we listen to debate. We need not oppose that suggⁿ. inflexibly.

M-F. You can't say this is new.

Sal. You can say they are putting it fwd. for the first time. I can promise to
consider it further.

A.E. Don't show any enthusiasm for it.

[Exit P.M.G. and G.
B.H.]

1. British Honduras.

O.L. Some unwelcome similarities with B. Guiana. But significant diff^{ces}.
x| esp. the official majority on Executive Council. Govr. will have
emergency powers. R.C. Church, tho' anti-British, is more anti-
Comm. More serious to w'draw now than to go forward.

P.M. x| is significant difference.

O.L. But also electoral chances of P.U.P. and influence of R.C.'s

A.E. And U.S. is putting pressure on Guatemala.

P.M. Foolish to go straight to universal adult suffrage.

O.L. Recommended by indep. Ctt^{ee}. in 1947. Cdn't deviate fr. their finding on
this point.

Sal. Don't like argument tht. we can't delay any of these changes w'out being
charged with changing our liberal policy. That will lose Empire

altogether.

1. Industrial Disputes: Engineering.

W.M.

Looks as tho' 24 hr. strike will take place next week.

Workers have informed me of dispute. Am not askg. either side to confer with me now. Employers wdn't make an offer under threat of strike.

Men decided not to ask for Enquiry:

no reason therefore to believe they wd. accept its findings. I shall say tht. intervention by me, for wh. neither side has asked, wd. not serve a useful purpose at present.

They won't want a long strike nr. Xmas.

Tho' craftsmen can make up earnings, labourers can't & won't like it.

[Enter 3 Serv. Min., B-H., O.P.]

138. Retired Pay of Service Officers.

- B-H. 111 Member (76 Labour + 34 Tories) have signed a motion of protest v. Govt. decision.
- P.M. Sh^d. we take some action.
- Al. Believe it will get worse & Govt. may be forced to make a concession.
- P.M. Shan't yield to blackmail. Many other "injustices" wh. might be remedied.
If Govt. alter decⁿ. solidly reached in face of this pressure, they will be seen to fail in duty to other members of community. It wasn't the cost, but the avalanche it wd. open.
- R.A.B. i) During Labour Govt., despite efforts at legⁿ. in '47 etc., no attempt made to deal with higher income cases. Various Ministerial replies takg. same line. They stood on "hardship" only – as we have tried to do.
In our Act of '52 we have limited ourselves to h'ship.
ii) They profited by 3-4% until outbreak of war. Since 39/40 they have lost by consolidⁿ. at '35 rate. On balance, they have lost by it. C.S. have lost even more.
Sufficient pol. feeling to warrant some action. First, explain our case –
| outside H/C to avoid hasty vote. I am ready to put our case to
x| private Members. Make it clear we can't extend to other classes.
Second, only concession : express hope tht. in future we may be able to do it – indicatg. tht. it is a strong case. Imply – if & when other things can be done.
- A.E. You cdn't escape repercussions e.g. disabled. When you can deal with that, you cd. clear this too.
- M.F. Decision was right. Can't climb down now. Support x/.
- R.A.B. But wait a bit because they are insolent. They need discipline.
- P.M. Dangerous to let 1922 Ctt^{ee}. meet to-morrow w'out hearing the case.
W^d. prefer quick action.
- B.H. Support P.M.'s view. Must get atmosphere right.
Cdn't get Judges Bill next week in this state of feeling.

J.S. If you want to check this & get no more names added to Motion, you must explain it to-morrow.

Agreed : Explain to 1922 Ctt^{ee}. to-morrow: R.A.B.
accompanied by A.E.

Widen it up – by ref^{ee}. to precarious economic situation.

P.M. Not quite convinced tht. C. Servants have same claim.

O.L. A strong case but not the same case.

O.P. This wd. be worst moment to make concession. Timing : Shd. do it when comparable concession is being made to war pensioners & o.a.p. Either earlier, when we did, or later, when we hope to do more for them.

R.A.B. To bring all occupational pensions up to current rates wd. cost £40 millions.

P.M. Stand firm & let it be known there is no ques of any change of policy – tho' policy includes hope tht. circs. may arise in future when this claim cd. be met.
Will be known tht. this was subject of Cab. Mtg. this morning. Let Press be told above.

R.A.B. Am having routine mtg. with Lobby this p.m. Shall say we are explaining reasons to supporters to-morrow : m'while no more to be said.

1. Parliament.

140)

A.E. P.Q.'s to-day may give rise to adjournment requests – because Left Wing Socialists who wanted F.A. Debate before B'muda.

H.C. Cab. agreed to Judges Bill next week. Can't do it now.
Pity I deferred to RAB's judgment. If I hadn't, we shd. have got it past already.

Agreed : Judges Bill to be p'poned.

[Exit O.P.]

1. Uganda.

141)

O.L. New develop^{mt}. not heard.

P.M. Think it wd. make it more diff. for O.L. to allow him to come here.
H.C. Surely wrong to suppress right of personal appeal to S of S.

A.E. You aren't going to do that : if he wants to come, he can?

O.L. Govr. won't agree to his coming here while ques remains open.
C^d. send him a personal message. Am against sending M/State out –
mustn't crawl.

Sal. "Appeal" implies tht. decision has bn. taken. If it were unsuccessful no
harm then in not sending him back to Uganda.

P.M. More trouble if you bring him over here.

Agreed : Handle it w'out bringing him to U.K.

C.C. 72 (53)

26th November, 1953

[Enter B-H.

141. Parliament.

R.A.B. If we can't get Judges Bill before Xmas, it can be made retrospective to
1st. Jan.

H.C. Shall have to p'pone 2nd. Rdg. until after Xmas.

1. Egypt.

P.M. Waterhouse came to see me. Not concerned about Base, but about protⁿ.
of Canal. If we can't stay on one side, want to stay on the other.
1936 Treaty contemplated other arrangmts. for that.

A.E. It didn't.

P.M. Let us try at B'muda to get U.S. support. Not on basis of mil. force in
area, but tht. U.S shd. make econ. aid cond^l. on their (E) accepting
minimum U.K. cond^{ns}.
We shall have serious trouble with Tories if there is an agreement.

A.E. Other Tories understand position much better than Waterhouse.

P.M. Suppose these negot^{ns}. brk. down, cd. we get U.S. to support a new plan –
NATO air base, even with E. commander: to safeguard Canal 3-
4,000 B. troops. And elsewhere in M/E 1 armoured divⁿ. (20,000

maximum).

- A.E. E. wdn't enter N.A.T.O. Nor wd. E. allow 3-4,000 troops.
Prs. Fayid cd. be developed into Anglo-U.S. Base.
- Al. Don't protect Canal now-a-days by sitting on it. Need fighter orgⁿ. in
advance of it.

143. Parliament (resumed).

- H.C. Business for next week.
F. Affairs debate. May I say it will be held immediately after return fr.
B'muda.
- P.M. Return 10th.
- A.E. N.A.T.O. 14th. – 16th.
- H.C. May be pressed to hold it on 10th. : Ministers returning 9th.
Either 10th. or 17th.
- P.M. Don't commit us to a date now

Housing : Marples to open : 2nd. day Eccles and Macmillan.

144. Bermuda : Policy in Far East.

[Exit B-H.

Note taken.

- H.C. Don't draw too much attⁿ. to 5 Power Agency – it is doing good by stealth.

1. European Defence Community.

- A.E. Proposed exchange of lrs. wd. involve another Annual Review in E.D.C.
& Commit^{mt}. to stay in Europe.
- Al. Avoid that.
- A.E. | If we reject this, I shd. tell Massigli before he goes to Paris –
x | adding tht. they can raise it at B'muda if they like.
- H.M. Must recognise growing weakness of France. Due to their own
intellectual arrogance – & pressure for federalist structure. Now
they've got it, they are terrified of it. It's the federal organⁿ. that

frightens them now, rather than strictly mil. elements. We can't now buttress this plan any further. Better it shd. collapse – & start all over again.

- P.M. What if F. say at B'muda they can't carry E.D.C.?
- A.E. U.S. will demand entry of G. into N.A.T.O. – wh. wd. mean a G. national Army.
- P.M. I wd. favour that. G. will now look west. If they do, aggression v. France will be ruled out.
- H.M. Fr. started fed. idea at time when G. weak & they thght they wd. dominate it. We told them it wasn't wise. Now G. is stronger and they see the danger. If they had bn. content with a looser assocⁿ, we cd. have bn. in it.
- Sal. W^d. prefer G. in E.D.C. than in N.A.T.O. Therefore don't hurry N.A.T.O. idea. Try to force E.D.C. by saying our guarantees may have to be w'drawn if they don't pass it.
- Al. G. will have 12 Divns. in 2 yrs. fr .word "go". All plans are laid. They wdn't have full equipmt. : but trained men wd. be available.
- H.M. P'pone all the federal structure & go on with the Eur. Army side of it.
- A.E. Can urge this on them at B'muda.

Will consider wtr. I do x/ before or at B'muda.

1. U.S. Loan Agreement.

- R.A.B. If we can't get revision of agreemt. we shall never get waiver. Tell them we think facts justify us in claiming waiver & that we shall claim it unless they advise us they wd. reject our claim.
- P.M. x| How can we talk on "independence" while we claim waiver.
- RAB. Tactical move only – to get revision. Must shock them into paying some attentⁿ. to our affairs.
- P.M. Have paid interest for 2 yrs. – increasing our credit thereby. You now suggest turning twds repudiation. Will that improve our credit.

O.L. Not repudⁿ. to invoke clause in agreemt.

A.E. V. diff. decision. Shock tactics: to induce U.S. to discuss revision.
Fear they won't talk about that & leave us to invoke waiver.
That wd. be serious for us politically.

RAB. Art 6 has effect tht. you can only claim waiver in a good year [following a bad.]

A.E. We wd. get \$100m: but we are getting \$200m in aid.
Suppose we drop idea of waiver this year & press, with greater righteous indignⁿ., for revision. Strong posⁿ. for us. And wd. avoid risk of getting waiver this year – wh. wd. damage our credit.

R.A.B. \$100m wdn't satisfy me if we lost face thereby.

P.M. Repeated x/. Critics here wd. say we have chucked it.

R.A.B. Inanition in U.S. Ty. May continue unless we blow them out of it.

P.M. Leave it to Gaitskill to “repudiate” this.

H.C. Same cond^{ns}. apply to Canadian loan. No ques of revision.
Awkward to claim Can. waiver for no reason.

O.L. Tactics. Don't think this wd make them talk revision. Agree with A.E.

W. R. Burgess, good friend of ours, won't respond to these tactics.

A.E. Threat to claim waiver won't be kept secret. Will rouse Press ballyhoo in W'ton.

O.L. y| Will start up anti-Bri. lobbies in U.S.

P.M. We might have claimed it 2 yrs. ago : hard to do so now, w'out damaging our credit in U.K.

O.L. And U.S. Govt. won't talk revision after y|.

P.T. We tried last year paying & askg. for revision talks. } That's all
This year we try claiming waiver } it is.

A.E. {Let Ty. give us, for B'muda, pp. on Export/Import Bank
{& other U.S. misbehaviours wh. prevent us from earning
{our living.

[Pp. for]
[Bermuda]

R.A.B. {Menzies' initiative. I will suggest what might be said to
{Eisenhower at B'muda, to please M. w/out doing what he
{wants.

R.A.B.? Insist on revision. Say, pending that, we reserve our position on claiming
waiver.

P.M. We must pay if we can. Shall not claim waiver.

Agreed : Press for revision.

No threat of invoking waiver.

Indeed, say we are going to pay this year.

Tho' we surrender no rights to waiver.

Keep Canada informed.

[Exit Simonds.

1. Overseas Information Services.

P.M. Cab. Ctt^{ee}. of Ministers not dplly. concerned shd. examine these pp. and
submit their recomm^{ns}. to Cabinet.

Appointed – Home Secy (Chairman)

L.P.S.

M/Labour

to hear views of interested Ministers and submit
recommends.

1. Kenya. [Enter A.H., Att.G., B-H.]
- P.M. A.H. as well as O.L. wd. have to spk. in debate.
- A.H. First consⁿ. : is this (murder) exceptional or a matter of course? We shd. seek to show it was exceptional. Erskine issued strong directive, as soon as he arrived, deprecating competitive killing. After this incident, but before he knew of it. Never any official reward. Not much unofficial, either. Brigadier at time has assured me tht. he wd. never have tolerated money awards.
- B-H. A statement in reply to P.Q. tht. this directive was issued mght induce spkr. to refuse adjournment.
- P.M. Conduct unbecoming an officer & gentleman cd. be a charge v. G., even tho' he has bn. acquitted of murder.
- A.H. He has made some v. discreditable statements.
- Att.G. x| Legally, he cd. be tried by civil court for murder, despite ct. m. finding. (S. 162 of Army Act.
- P.M. We shd. make it clear tht. we regard this as grave ques & intend to pursue it.
- Att.G. No record of acting as above x|.
- P.M. On facts as we know them, certain possibilities are open e.g. x|. That Wd. make it still sub iudice. Apart fr. issue of murder, consⁿ. of good behaviour. Erskine's directive. We won't tolerate this sort of thing, however violent attacks to wh. our men are exposed. Possibly Commⁿ. of Enquiry : Privy Councillors, two fr. each side? Our name must be cleared.
- B-H. Firm promise of Enquiry wd. scotch any ques. of adjournment being granted.
- O.L. Deprecate civil commⁿ. of enquiry into mil. behaviour. W^d. prefer Co. of Enquiry (military). On cond^{ns}. generally in K., a Parl^y. Commⁿ. is going out after Xmas.

- A.H. Point out tht. incident occurred June. Erskine's directive (July) shows he won't tolerate this kind of thing.
- A.H. May procdgs of ct. martial be laid before Parlt., if that is pressed?
- M.F. See no objⁿ. to that.
- M.F. We may be pressed to satisfy ourselves tht. this is not a genl. condⁿ. of affairs. Sh^d. Army Council appoint Court of Enquiry to go into that.
- A.H. Reflects on Erskine, who has said he won't have it.

AH., M-F., W.M. & Att.G. w'drew to draft Statement.

Later : Statement approved, with amendment.

2. Sudan.

- A.E. 43 out of 90 declared. 7 to come in, of which 5 will prob. go to them.
Thus 48 out of 90. They shd. be able to form a Govt.
Religion became basis of election – UMMA lost out on that. Also in the towns. Mahdi's nephew, even, was beaten in Omdurman.
The South has stood firm.
No agreemt. betw. UMMA & Party most favourable to us.
Therefore split vote wh. let N.U.P. in.
Elections did not result from Anglo-E. Agreement.
Hard to say what rel^{ns}. of new Govt. will be with E. Unlikely tht. they wd. have majority in favour of union with E. Probable tht. Said Ali will try gradually to shake off the E. connection.
Once N. had reached his agreement with E. Parties, we had no alternative but to go fwd. with creation of S. Parlt.
Any other course wd. have united all S. Parties against us.
- P.M. Can you make a case proving corruptⁿ. by E?
- A.E. No. For many constituencies won w'out it.
Our adminⁿ. have under-estimated religious obj^{ns}. to Mahdi & assumed he wd. have more influence than he has.
The 2 leaders are both religious – diff. sects.
- P.M. Bearing on defence agreement.
- A.E. Those Tories who oppose it will now do so more vigorously – & attract some more support.

Robertson thinks this will make N. more ready to conclude agreemt.
U.S. attitude throughout this area is disquieting. Persia : Hoover is
back here & wants to go to P. & start negotiating at once. He
alleges tht. our July telegrams implied tht. A.I.O.C. wd. drop
out of future arrangemts. so long as compensⁿ. is paid. Looks
as tho' U.S. wd. gladly jockey us out of any share in P. oil.

3. Middle East Defence Policy.

- P.M. Read draft of a Minute to M/D. on re-deployment in M/E.
- A.E. Is Cyprus better than Smyrna. It is accepted. It is British.
Do we risk future by going to Smyrna.
- Al. I will have this examined technically.

4. Uganda.

- O.L. Message received – Kabaka has bn. deposed & is on his way to
Ldn by air.
Sh^d. I make a statement in H/C. to-day?
- P.M. Yes : safety in numbers. Confuse it by bringing out all the horrors.
- B.H. The wd. get adjournment on that.
- A.E. But mistake to w[']hold it if news is on tape.

Agreed : make Statement to-day. [Exit A.E.]

1. Uganda.

[Enter B-H., D.S.]

P.M. How does this stand.

O.L. In Govr.'s interview K. refused each of the 3 assurances sought.
He has now arrived in U.K.

P.M. If he repents, cd. you forgive? Keep that in reserve.

O.L. My reference to E. African Fedⁿ. was v. long-term. I have since
assured him tht. we have no immed^{te}. intentⁿ. of seeking such
a combination. That is not an issue in his removal fr. power.

P.M. May be adjournment.

B.H. Opposⁿ. agree tht. it shd. not be to-day. They favour to-morrow. Sh^d.
we offer to give time then. C.R.A. wd. accept that.

J.S. House will want to know wtr K. was warned early enough tht. he wd.
be deposed if he didn't give assurances.

O.L. HC gave clear indicⁿ. of serious consequences. If he had bn. more
explicit K. wd. have disappeared.

P.M. How long was he given to consider his posⁿ. at last interview.

O.L. From Friday to Mon. – on basis of “v. serious consequences”.
And on Mon. early in interview it was made clear tht., if assurances
were not given, HMG. wd. be entitled to w'draw recognition.
This was before final processes were put in motion.
If K. now makes reversal of his posⁿ., that will be a new situation.
x|Tho' may be a choice betwn. K. & Govr.

P.M. Situation can be reviewed by Cab. to-morrow.
Don't exclude x/ until to-morrow.

2. Sudan.

A.E. Govr. refers to possibility of UMMA P.M. Can't think why? Assumes
independents may still adhere to UMMA. Prob political naiveté.

3. Persia.

A.E. Persians now proposing a jumble of what we sugg^d. Better than anything we have had so far. Will be commended to Shah. They may therefore accept exchange of Ambassadors. Saw Hoover y'day. Big U.S. Cos. won't go into this w'out invitⁿ. of A.I.O.C. But a number of small cos. are now touting in Tehran – headed by Alton Jones – for sale of oil. Warned U.S. Amb. of serious consequences on Anglo-U.S. rel^{ns}. if U.S. Cos. began selling stolen oil. I favour consortium with 50% B. interest. But no share to U.S. pirate cos. Depends (Hoover agrees) on A.I.O.C. invitⁿ. A.I.O.C. wd. be selling agency for all. Int. Bank mght come in, as nominally i/c. – mght make it more acceptable to P. Sh^d. be ready to put a plan fwd, as soon as dipl. rel^{ns}. restored. If we get one, U.S. will then exclude pirate cos.

[Enter 3 Serv. Min, O.P.]

4. Officers' Retired Pay. P.Q.'s To-day. i) Langford-Holt.
ii) Lipton.

R.A.B. Looking ahead, sitⁿ. in neither House will be easy. Impressed by feeling tht. Ty. are not fair in their attitude. Considerg. an enquiry to establish facts – and remove suggⁿ. of breach of faith. Wdn't announce that in reply to Lipton, to-day. W^D. prefer to deal with it in reply to a Tory later.

P.M. P.Q. by Langford-Holt.

B.H. Say “matter is before Sel. Ctt^{ee}. of this House”.

RAB. W^d. prefer to p'pone decision on enquiry pro. tem.

A.E. We argued tht. we cdn't draw a line. This implies we can. Suppose enquiry says this shd. be done, where is your line?

RAB. Complaint is tht. these offrs. have bn. singled out for specially unfair-treat^{mt}. Enquiry must show tht. they haven't been.

P.M. Isn't it rash to say we haven't changed our policy, only ques is “have we cheated?” Will weaken yr. general posⁿ.

R.A.B. No need to promise it to-day. Say to Lipton only : “Sel. Ctt^{ee}. wd. not be approp^{te}. for this purpose.”

- But, unless we do something, believe we shall be beaten on Private Members' Motion on Dec. 11th.
- Sim. Don't like idea of Govt. submittg. to another tribunal ques wtr they have bn. guilty of breach of faith. Offering to commit ourselves for trial.
- R.A.B. I am certain we are not guilty : hence I welcome enquiry.
- P.M. I wd. sooner do it than submit my good faith to indep. enquiry. Debate it in H/C.
- R.A.B. And on Pr. Member Motion we shall be beaten.
- A.E. W^d. destroy our credit to give way now.
- P.M. Or to admit tht. we weren't sure we were playing fair. But v. serious sitⁿ. if we were defeated, on 11/12.
- B.H. I believe we shall be defeated: even if we issued a 3 line whip which we cdn't do on a Friday.
- R.A.B. It's not our good faith which we may impugn by an enquiry. Even exclusion of these officers fr. pensions increases (hardship) was in 1944.
- P.M. But we endorsed it. It wd. be enquiry into wtr our latest decision is fair.
- W.M. C^d. you devise some other form of enquiry, not involving good faith.
- P.M. I will reply to Lipton : "HMG. are not prepared to adopt this proposal."
I wd. not favour enquiry à la R.A.B.
Stand firm. Now why can't we win on 11/12.
We cd. say – we will accept decⁿ. of H/C.,
- B.H. To put Whips on, on a Friday, wd. enrage H/C. Only those interested will come. But campaign wouldn't die.
- P.M. Face possibility that it will be carried, but make it clear that we shall not allow it to alter our policy.
- M-F. Govt. spokesmen cd. make it clear tht. in our view there is no breach of faith. Believe opinion in country is coming round to our view.

Only course is to stand by our decision.

- RAB. I must speak.
- O.P. I have had adverse votes to face. Better to put Parl^y. Sec^y. up on such occasions. We weren't actually beaten : but we faced defeat & shdn't have changed policy if we had been.
- H.C. It is regarded as major issue : believe R.A.B. wd. have to speak. But agree tht. it is only a Friday. It wdn't be technically a Govt. defeat. But it wd. keep the campaign alive. W^D. need to make it clear to Press in advance tht. it wdn't be regarded as a Govt. defeat.
- P.M. Disposed to favour small vote & a Junior Minister.
- F.H. Doubt if there need be a Divⁿ. at all.
- J.S. Believe it will be carried : may be no divⁿ.
- H.M. Let Fin. Sec^y. go – & say “of course we will reconsider”. Then no division will follow.
- P.M. Speech by RAB wd. raise issue to one of 1st. rate importance. Let Fin. Sec^y. handle it, & play it all down : or Parly. Sec^y. M/Defence.
- H.M. And let that be known in advance & 2 preceding Motions prs. won't be w'drawn.
- P.M. If we decide afterwds. tht. effect is v. serious, we mght have to make it a vote of confidence & let RAB & all make a big stand.
- R.A.B. Fin. Secy. cd. say we don't accept it now, but will be ready to reconsider when circs. change.
- A.E. Might consider an ament^{mt}. (but regrets tht. fin. circs. make it imposs. at present) – wh. wd. divide the House.

[Exit O.P., BH.]

5. The New Rifle.

- R.A.B. Content, subject to reservations indicated to M/D.
- H.C. Sh^d tell A., N.Z., S. Africa.

A.H. As soon as we have negotiated manuf. rights.

D.S. No public statement until those rights secured – wdn't apply to
announcemt. re bullet.

A.H. N.A.T.O. announcemt. on bullet wd. in any event come first.
[Exit A.H., D.S.]

6. Fog.

M.F. As in memo.

(C.C. 75-77 : missed owing to absence at Bermuda Conference.)

1. Railways : Wages Dispute. [Enter ALB., B.H., G.Ll., Birch.
- W.M. Mtgs. to-day with all parties: 3 Unions separately & then B.T.C.
Award made by est^d. machin^y of industry awarded 4/= . They
thght 7/6 : even I expected 5/= or 5/6. Indignantly refused.
Disc^{ns}. over week-end. All 3 have gt. confidence in B. Robertson –
who has combined firmness & impⁿ. of fairness.
His suggⁿ. : “B.T.C. has confirmed accept^{ce}. of award. It is ready to
implement it. If this posⁿ. is accepted by Unions, BTC will
examine whole wage & salary structure i) to remove anomalies
ii) to provide incentives where necessary. BTC wd. also like
to confer with Unions to involve ways of increasg efficiency
of rlway organⁿ., not only by wages but other means.”
Two of 3 Unions were ready to accept this – tho’ one is now trying
to slide out of it.
B.R. also promised prelim^y. mtg. before Xmas & will consider first
those said to be below subsistence level.
N.U.R. are standing out. Will see them again to-morrow.
Trying to find means of modifying this to provide a way out
for N.U.R. But i) mustn’t undermine posⁿ. of tribunal.
ii) if B.T.C. offered to review, lowest-paid wd.
come first & even 1/= on their pay wd. mean £1½M.
V. diff. posⁿ. Not at all confident.
Buses wd. come out too.
- G.Ll. Mines wd. stop in 10 days because coal cdn’t move fr. pits.
- H.M. C^d. award be made retrosp^{ve}. e.g. to 1/1.
- W.M. W^d. mean amendg. award at once. Also 3 mos. to alter wage structure,
and m’while heavy loss on fares etc.
- ALB. They can raise charges now, on a/c of unexpected extra costs before
going to Tribunal
- Sim. Loss, even on 2 wks’ strike, wd. exceed cost of makg. award
retrospective.
- R.A.B. B.R.’s text offers a real basis for negotⁿ.
Farm workers got 6/= for less reason. Rlwaymen have a good case.
- W.M. Lower wage rate = £5=17=6. But most earn about £8.
- ALB. Agree. Campbell is convinced by B.R. It’s a ques of saving his face.

Action needed in event of strike.

- M-F.
- i) Offl. Ctt^{ee}. think emergency wd. have to be declared under 1920 Act. (as Labour Govt. did for dock strike). But if Parlt. isn't sitting, it must be recalled in 5 days & continue to sit. Rgs. made must be confirmed by both Houses w'in 7 days.
 - ii) Service Xmas leave. Half R.N. will go off to-morrow. Other Services go on Friday. C^d. wait until Wed. before suspending their leave. So as to secure techn. services.
 - iii) Sh^d. have to call for volunteers – thro' Labour Exchanges.
 - iv) Consult^{ns}. with outside interests will be needed : informⁿ. of our intentions wd. leak.
 - v) Early G.P.O. announcemt. re modificⁿ. of Xmas mails. Govt. organⁿ. cd. be completed by end of this week.
Agreed : Announce Cab. consⁿ. of this.
Be ready to meet again to-morrow.

2. Egypt.

P.M. Outlined a plan for handling the 40 Tory dissidents. (Not heard by me.)

H.C. Alternative : make statemt. at 1922 Ctt^{ee}. lunch on Wed^y.

P.M. C^d. say then – you mustn't try to exact pledges fr. Govr. but I can assure you we aren't actuated by fear. We have handled this posⁿ. firmly : you must trust us to continue to handle it thus. Promise to explain mil. cons^{ns}. to a small no. in confidence.

H.C. Won't meet demand for mil. exposⁿ.

P.M. Cdn't give one easily before our future course of known. Ready to explain in debate in H/C. then.
C^d. make strong case for re-deploymt. of these forces once decⁿ. on E. agreemt. was taken. Not easily before then.
C^d. also say on Wed. tht. we shall also bear in mind the mil. value of m'taining our prestige.

R.A.B. They have got to point of acceptg. small force in a strong point. Haven't yet seen you can't have small force in unfriendly country. This cd. be made clear to them in an exposⁿ.

O.L. You (P.M.) wd. have to put mil. arguments on that narrow point. We want brig. group in friendly country, not hostile.

RAB. They haven't even understood diff^y. of going into Cairo.

P.M. Not ready to do this now.

H.C. Necessary now if you want to stop another 30/names being added to motion.

P.M. W^d. they vote v. us? Do they want a dissolution now?

B.H. Many of them wd. go to gt. lengths, fr. mixed motives.
Dissatisfied at not being told mil. arguments. They asked for this a long time ago.

J.S. Alex. cd. talk to them. He is willing.
They don't want a dissolⁿ. But they feel v. strongly.

P.M. Suppose they voted with Bevanites v. us, on adjournment : we cd. put up a vote of confidence. Then we cd. lay the full case before H/C.

H.C. 1940 change of Govt. was forced on adjournment – and solely by abstentions.

P.M. Plenty else for discⁿ. in F.Aff. debate on Thursday.
Doubt if this will come to an issue on that occasion.

B.H. But discontent will continue, & motion will remain on Paper.

H.M. If a mtg. held on Wed., let M/D. do it on basis of mil. lecture with only one H/C. Minister in Chair.

P.M. (earlier) Prefer private mtg. in private house with hard-core.

B.H. That wdn't meet the need.

P.M. Don't agree : but its only tactics, not principle. Do it that way if you like.

J.S. Dinner for 30 at S^t. Stephen's Club with Alex. as guest. C^d. then be restricted to them.

Ch. Whip & J.S. to consider means & report to P.M. this p.m.

1. Industrial Disputes : Railways. [Enter B.H., S.Ll.

P.M. Price paid on natⁿ. was larger than shareholders wd. have rec^d.
Rlways started with this as a mill-stone. They can't carry full burden. Hope Ty. will consider relief of this load – not a positive subsidy. Why not transfer half to Nat^l. Debt? If you announced that, Rlway. Tribunal cd. re-adjust wages accordingly. W^d. be easy & dramatic way of avertg. strike.

R.A.B. We discussed this earlier. Load on rlways is less than before : £30M. (3%) is a lesser liability : may have bn. £45M. before (fixed interest & dividends).
We can't m'tain tht. natⁿ. landed them with mill-stone.
Have, however, considered wtr. other means can be found of equiv of subsidy. Puttg. it on Nat. Debt wd. be above line in Budget – wd. be tantamount to subsidy. We shd. be doing what has got French economy into such diff^{ies}. – subsidising wages fr. Exchequer.
Will, however, go on considerg. this.

O.L. Will be argued tht. in makg. comparison you shd. exclude dividends – which were variable.

W. Sh^d. have both sets of figures.

H.M. Revision of out-of-date rate system may provide an opening in long term.

W.M. B.T.C. (seen this a.m.) have prep^d. *diff^t. version of last para., which I shall put to N.U.R. this P.M. 4 o'clock.

B.R. says : if strike occurs, it will be well supported.
some increase must be given to lower-paid (earning £8 p.wk.) bound to happen.

*If that proposal were accepted B.T.C. as before B.T.C. will start by hearing case of lower-paid : begin before Xmas & press on quickly.

Will take a long time to negotiate.

B.R. says any settlement will cost a lot - £10 M. or more : and no way of finding it immediately. Increased efficiency is long-term.

P.M. Still favour adding £1.000 M. to Nat. Debt. and clear rlways of the past.

R.A.B. W^d. just put £30 M. on Budget above the line.

H.M. Don't wipe it all out : give moratorium to enable BTC. to do what they sh^d. have begun 5 yrs. or more ago.

RAB. Beware of coal history. Also precedent for any nat^d. industry.

2. Television Policy. [Enter PMG., Gammans.

M.F. Two ques principle i) brk. BBC. monopoly.
ii) revenue fr. advts. for competg. cos.
If H/C. accepts these, we will consider any detailed sugg^{ns}. : but must have decⁿ. on these, wh. are fundamental to Govt.'s plan.
Can't finish this debate by re-opening whole issue. Can get our vote.
Offer to discuss details on Bill.
Reject H. Morrison's plea on that basis.

R.A.B. Must decide pol. issue first. Agreed.

3. Egypt.

B.H. B.R. will meet at ALB.'s house to-night, 10 of the hard core.
x/ Larger mtg. Wed. – at S^t Stephen's Club. Alex. to address,
(L.P.S. in Chair) A.H. to attend. Invit^{ns}. to 30/40 of Waterhouse group & a few from F.A. group.
But Waterhouse says a motion may go down to-night.

P.M. Don't think that will do much harm. A.E. doesn't mind.
No crime unless they vote in favour of it.
Don't make it condⁿ. of mtgs tht. they shd. not table motion.

B.H. Have only asked wtr it wdn't do to put it down to-morrow.

R.A.B. Not sure A.E. does like the motion.

B.H. Keeps telephong. fr. Paris.

B.H. Assume tht. we at least want as few names to it as possible.
That is what I'm aiming at. Is that what you want?
I cd. hope to limit it to 20 names.

P.M. Not askg. them to table motion. But fear of it shd not deflect us fr. our policy.

B.H. x/ We can't get the room at S^t. Stephen's.

W. At 6.30 - 7 p.m. can do it in Central Office.

Sw. Killearn's Motion.

S.Ll. No undertkg. to debate agreemt. But if Treaty were concluded, then
wd. be debate before ratification.

Parliament.

P.M. Spokesmen in debate on Vote of Censure?

O.L. H.M. and myself.

4. Inland Telegrams. [Exit BH

P.M. V. unpopular. But are you all satisfied.

J.S. Think this is too sharp a rise. Doubling it is too much for "life and
death" messages.

PMG. Exam^d. scheme : won't do : adding to cost of extra words will only
make people think out shorter messages.
Must find more revenue. Add^l. rlway costs will put my operatg costs
up. Shall have to raise postal & telephone charges.

JS. Don't dissent on merits. But will be trouble in Parlt. (legⁿ).
x/ Cdn't Press pay more? To cover full cost.

PMG. Will look into x/.

W. H.A. Affairs Ctt^{ee}. think you won't have less trouble in H/C. at 2/6^d.
I'm not sure.
Legⁿ. : is that necessary? C^d. it go into Budget, where other balancing
items come into a/c.

P.M.G. Budget wd. be bad because wd. provoke criticism of Ty. using G.P.O.
for revenue.
Estimates Ctt^{ee}. criticisms were supported by Press.

H.C. Support plan for bringing it out in Budget : will be clouded by other
gloom then.

R.A.B. Will consider that, with P.M.G. [Exit R.A.B.

5. Royal Cypher.

P.M.G. In agreemt. with J.S., propose we now dispense with EIIR. cypher in Scotland & use only the Crown on new vans & pillar boxes there. A big change.

P.M. Not v. ancient tradⁿ. because post-boxes don't date back before Victoria.

M.F. W^D. prefer Scottish version of R. Arms.

PMG. Crown wd. attract less notice.
Agreed : Crown in Scotland.

P.M. Why in Scotland only? Make it universal.

H.C. Introduce Crown for genl. use, gradually.

PMG. Men here w^d. resent giving up R. Cypher in E. & W. because of troubles in Scotland.

D.E. Crown bldgs. & sentry boxes go back far beyond post boxes.
We have used Crown in Scotland. But shd. be sorry not to use cypher in E. & W.

PMG.

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ACT 2000

[Enter A.H., Solr.G.]

6. Kenya.

A.H. Have consulted L^d. Ch. & Att. G. Proposed to bring 3 charges – attempted murder, g.b. harm, & harm with intent contrary to s.18 of Army Act. If they proceed, he wd. be arrested.
Possibility tht. he may be implicated in a further charge of murder of 10 innocent men. Public mght. think he shd. have bn. tried for murder on that count.

S-Genl. These charges are in relⁿ. to a diff^t. man.

Sim. Advice only – not inst^{ns}. Discretion is with local C-in-C.

M-F. Cab. shd. not pronounce on this. We shd. not interfere with the discretion of local Commr.
[Exit A.H., Solr Genl.
[Enter J.T.

7. Trial of Naval Ratings.

P.M. Shocked at verdict on these ratings. Theft of 32/6 from a taxi-man scarcely warrants 2 yrs.' & 4 yrs.' impt & c.p.
Don't mind c.p. myself : but people in this country are outraged by it.
Why shd. our sailors be exposed to it.
Apart fr. that, sentences are v. long.

J.T. Sentenced by E. Judge : defended by E. barrister.
Sentences seem severe. Tho' less than those imposed on 2 soldiers in '49 for same offence.
Advised not to appeal i) because planned robbery, not drunken brawl.
This wd. come out on appeal. ii) Serv. certs. wd. also come out on appeal & are v. bad. iii) R. with v. is v. prevalent in Singapore : & sentences mght. be increased on appeal.
Floggings won't be carried out for another 5 days.

O.L. Many cases of robbery by Service men.
Can't interfere with course of justice. But have asked wtr flogging cd. be done by R.N. not Police.

M.F. I wdn't interfere with sentences of this order for r. with v. in U.K.
They beat him up in order to get his last dollar off him.
As serious an offence as any save murder.

J.T. We can't flog them because flogging has bn. abolished in R.N.
[Exit J.T.

8. Uganda.

O.L. Kabaka, advised by E. friends, may now offer to give assurances asked. Large Tory Lobby is favouring his cause.
Shall hear him on Thurs.
But shan't let him go back. For I have now seen full record, for 1st. time, of his activities. Has lived with own sister, & had child by her, as well as sister-in-law. Long record of homo-sexuality also : with English men : which persists. Treats his wife v. badly : allows her only £300 p.a. while he spends thousands.
His good behaviour has taken me in.
Shall say "your assurances are satisf. in themselves but I must consider wtr I can rely on your word". Then, in a week's

time I shall tell him I can't rely on his word.
Colony is quiet : seems to have accepted his disappearance : likely
soon to elect a successor.

H.M. Defend action rather on political un-reliability of promises given
after so many refusals.

9. Railways (cont^d.)

M.F. M/T. and M/H. can't make prep^{ns}. w'out consultg B.T.C., B.E.A.
 & Hosp. Reg. B^{ds}. – e.g. on ques of extent to wh. Underground
 cd. operate, m'tenance of hospital services, substitⁿ. of road
 services for rail.

Risk of leak & change of provocative action.

But prep^{ns}. must proceed quickly.

W.M. Wait until to-morrow, when I can give you a better prophecy.
 W^d. rather nothg. was done until I have talked to N.U.R.

1. Egypt. [Exit Watkinson.

P.M. Tory M.P.'s shd. not accept Nequib's hospitality while he is abusing us.
They shd. be restrained. The other side can go – they are v. this country anyhow except when in office. Play it quietly.

B.H. W'house Mtg. last night – suggested measures stronger than argument e.g. spkg. in country, writing to Press, etc., This is rumour : but partly confirmed by what W. said to me this a.m. W. believes this is “not v. the Govt.” Only 1 of them at mtg. suggested taking motion off Paper. Possibility of their voting v. Govt., if opportunity arises, is crystallising. They wd. have abstained last night, if there had bn a Division.

Al. The mtg. for “explⁿ.” was a flop.

A.E. They don't want to understand.

B.H. 4 or 5 of our side intendg. to go to Egypt.

P.M. They shd. be told by Ch. Whip, on my behalf, they shd. not accept N.'s hospitality. They cd. go at their own expense.

A.E. Right if we can stop them all. Don't try & fail.
Boothby wants to go : shall tell him he can go alone at own expense i.e. not with the gang.

P.M. Prospect wh. I don't like is : agreemt., then phased w'drawal under E. sneers. Want a positive plan of re-deployment, regardless of E. views.

A.E. 1724 Cairo. indicates E. have a plan to make diff^{ies}. for us before end of year – e.g. non-aggression pact with R., or attacks on us in Zone. The first wd. give them neutrality posⁿ., in wh. they wd. say tht. wasn't open to them to conclude agreemt. contemplatg our return in a war with R. 3rd. poss. is measures v. B. subjects in E. If they did that, we shd. bring talks to an end & stand on '36 Treaty.

They may intend this merely to make U.S. flesh creep.
M'while we take no fresh initiative.

[Exit B.H.

2. Civil Supply.

- R.A.B. Genl. warning only at this stage. Consult^{ns}. with Dpts. are to come. Want substantial cuts before publⁿ. of Estimates so tht. we can present a balanced Budget. Defence – Housing (no. is exceeding target at high subsidy cost to Ty.). Can make a saving this year on Stockpiling & C. Defence - & begin to shift emphasis in housing to repairs vice new constⁿ. Ask for genl. support of Cab^t.
- W. Can we examine stock-piles. V. large figure. £145 M. is total now. Cost of stockpiling wood e.g. is 10% of value because storage and turnover. We are to be putting £33 M. into stock (all materials) next year. All v. a rather remote risk. Pause before going further in this direction.
- P.M. Valuable : but cdn't it be offset v. Nat. Debt?
- RAB. We cd. save quite a bit on stock-piling.
- MF. Will do my best on C.D. – examining it with Min^l. Ctt^{ee}.
- *P.M. Call on colleagues to support R.A.B. in his effort to economy.
- RAB. Interest (in Budget) on Nat. Debt is over £500 M. Can't lightly add to it.
- *P.M. Duty of every spending Dpt. is to reduce it's expenditure.

3. Food Prices.

- L.I.G. Price increases app^d. – to bring total to £220 M. But now it will be higher.
- R.A.B. Approve Feb. 21 as date for this : smaller measures viz., butter, cheese, beef. Leave bread & milk to a later Cabinet, after my return.
- L.I.G. Shall we add pork now – with the minor measures.
Agreed: i) Add pork to butter, cheese & beef.
ii) P'pone bread & milk until RAB returns.
- W. 35 pay claims (£300 M.) over next 3 months.
- Sw. i) means only .86.

L.I.G. And 1^d. off eggs will bring it down .5.

4. Agricultural Policy.

R.A.B. Divergency of view betwn Dpts. Need official examinⁿ. – then
reference to F. & A. Ctt^{ee}.

P.T. May B/T. come in, at off^d. Ctt^{ee}. because related to imports policy.

L.I.G. Welcome that.

H.C. How are talks on Meat Marketg going?

T.D. Slow : not hostile : not v. f^rcoming.
They have put in their plan for eggs.
Campaign in country has waned. Waitg. for Ministers to make a
mistake.

H.C. Can we accelerate it. Sh^d. be ready to bring it in to Price Review.

L.I.G. Larger families are beginning to consume less e.g. milk. While
pensioners are doing well.

Watk. The allowances are going on television sets, pools etc.,
Wage claims'll turn on food prices. And, after rlways, strike
threat will be used more lightly.

Sal. W^d. it make diff^{ce}. if farm allowances were paid to wife.

Watk. It wd. – if it were feasible.

Sw. C^d. we not produce family budget – in popular style.

R.A.B. Yes – we will do it. Viz., to show how much is spent on cigarettes
etc., as well as food.

[Exit L.I.G.]

5. Teachers' Superannuation.

F.H. Fund has bn. in deficit for years. No review since '25. Bad
history : originally they were promised non-contrib^y. pensions.
L.a.'s will agree to 6% - they give that to other employees.
Teachers are opposed, as always. They claim tht. it isn't a fund :
carried in Budget : & we are still drawing in more than we pay
out. No other scheme where rate is varied during service.

Burnham Ctt^{ee}. is now reportg. Shall have to accept its award – almost at once. C^d. be said this (with salary increase) is good time to announce increased pension contⁿ. I agree, if we are going to do it at all.

Saving = £2.3 M. Agree we can't p'pone for ever getting into good actuarial state.

But will be v. controversial. And awkward fr. angle of recruitg teachers. Shall be addg. minor changes they like, but they will be ignored.

W. Discussed at length in H.A. Ctt^{ee}. Concluded tht. for reasons of economy alone (not actuarial propriety) we shd. do it – & announce at same time as increase of salary.

J.S. Endorse F.H.'s view. Controversial : unpopular : but saves £2½ M. Must do it now, if at all.

R.A.B. Posⁿ. of fund – £102 M. By Mar. '54 deficiency will have grown to £190 M.
Burnham award will add £8 M. to Ed. Estimates, wh. continue to rise. Tax relief will reduce burden on individual, wh. isn't v. heavy.

M.F. Got to be done.
Approved : as in memo.

6. Town & Country Planning Act.

H.M. Original plan : State to buy d. rights for £300 M., paid in bonds. to recoup, they wd. levy dev. charge.

We abandoned that. Decided to leave d. rights with owners : no d. charge : on restraint of develop^{mt}. we are to pay compensⁿ. based, not on current value, but on admitted claim under earlier scheme.

How are these paymts. to be financed? Ty. say : fr. annual Votes, puttg. into Estimates our guess at amount needed in a given year.

I wd. prefer to charge it to Cons. Fund.

Practical reason : Bill will pass at end/summer : back-log must be paid off soon. Sh^d. have to put £25 M. into Estimates for '54. There must be big pay-off in 1st. 2 years because of b'log : prob. £25 M. in '54 and £35 M. in '55. After that the bill will be compar. small. If we work quickly, as we shd., even more may be needed – and after Suppl. period is over no means of paying it all. W^d. swell Estimates in unfair way – not really proper to 1954/55.

Political reason : we have damped down controversy on land values. Risk we shd. revive it by our decⁿ. to abandon purchase of d. rights. Avoided that because desire to damnify l^d. was balanced by dislike of d. charge. Also thgt planning shd. not be frustrated by compensⁿ. Will be said tht. this has bn. brght back – revive the old pol. battle on land values.

Argument v. me : improper to pay w[']out assent of Parlt. Sh^d. not borrow for this. improper to pay w[']out assent of Parlt. Sh^d. not borrow for this. But many other such things are paid fr. Cons. Fund. Also top limit is fixed. Initial £60 M. – then v. small.

Compromise wd. be to ask Parlt. to vote special fund of £100 M. & finance it by annual write-off – as we did with pre-fabs.

That wd. reduce cost above/line : also wd. carry it as at any rate a quasi-capital commit^{mt}. Amortise it over period.

- RAB.
- 1) Need to Submit to Parl^y. scrutiny & vote sums wh. yield no revenue.
 - 2) Paymt. will involve discretion – and by l.a.'s. Exchequer money. Sh^d. not be w[']drawn fr. Parl^y. scrutiny. Orthodox finance demands that this shd. be taken on Votes. I dissented fr. Minister's plan. Wanted to keep element of d. charge.
- Pol. arguments. The one way to revive the old controversy w^d. be to tell Parlt.

.... rest not heard ...

7. Indian Commissioner in E. Africa.

O.L. As in memo.

Sw. Support O.L. Action quite contrary to agreemt. of Govt. of India on transfer of power tht. Commr. in Africa wd. take no part at all in local politics.

A.E. Agree – no alternative.

Awkward for F.O. Others wd. like to do it to us.

- i) But is 14 day time-limit safe? A bit short. Savours of ultimatum.
- ii) In written commⁿ. to Nehru, more facts the better: at least newsreports of what Pant has said.

Sw. On ii) must be careful of some of our sources.
4 specific instances in memo.

A.E. Give dates & papers for these.

Sw. W^d. prefer to leave substantⁿ. to 2nd. round – tho' must be ready for it

8.

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ACT 2000**

1. Egypt. [Enter B-C., B-H.]

P.M. Don't like giving this £15 M. immediately after urging Eisenh. to w'hold U.S. economic aid. Read extract from his message.

A.E. He cdn't say this was on a par with aid. It is their money – we owe it.
Awkward : but clearly a different class of thing.

P.M. "Our" balances (viz. Egypt's) shd. be a card in our negot^{ns}.

R.A.B. Sorry to have to raise it now. But under the Agreemt. this is the time of year. Agreemt. favours us because it restricts rate of w'drawal £180M. is total.
No room for argument re the £5M. Cond^{ns}. are fulfilled : & we must pay it unless we break internat^l. agreemt. – with what effect on our credit. That must be paid on 1/1.
As to remaing. £10M., no date is specified. In '52 we told B/E. to hedge if asked to pay : & we didn't pay it until Apl. But our rel^{ns}. then were much stormier. I wd. sooner pay it on 1/1: but if Cab. prefers we can delay it as in '52.

P.M. If hostilities or the like occur, we cd. cancel the whole £160 or so.

R.A.B. Tho' some of it results fr. current trading.

P.M. If we break off rel^{ns}., we can pinch it. I shd. like them to know m'while in terrorem.

R.A.B. Transaction is betwn. central Banks. Ordinarily wd. not involve any publicity – unless interested politicians talked about it.

A.E. How much harm to credit in delaying the £10 M?

R.A.B. Dangers in other M/E. States e.g. Kuwait.

P.M. See tht. there must be a breach betwn. us before we cd. lay hands on their balances.
I favour bringing the E. issue to a head. If they accept our terms we must take the agreemt. But if they go on dawdling we shd. give notice tht. after prescribed time our offer lapses & we go about re-deploymt. in our own way.

A.E. W^d. be reasonably well received by Govt. supporters in H/C.
But in M/E. am not sure tht. it wd. be to our advantage.

We shd. weigh the advantages v. carefully.

P.M. Gt. advantage if we kept initiative & went of our own accord.

A.E. But you go then, w'out any right to return – no Treaty & no safeguards for Canal.

Shall I submit memo. summarising pros & cons for each course?

P.M. Must have an early Cabinet on this.

Al. Recommend skinning the base, then w'drawing as mil. opⁿ. – w'out prior running down of nos.

P.M. Wdn't avoid serious loss of prestige.

P.M. Keep back the £10 M. m'while, as in 1952.

R.A.B. Will be awkward to delay for more than a week or so.

2. Overseas Information Services.

M.F. Impressed by arguments for expansion : but because need for economy recommend tht. any expansion be p'poned for a year. No increase in total exp're in 1954.

P.M. V. wise recommⁿ.
x/ Enforce Drogheda cuts & defer the expansions.

A.E. Expressed dissent.

M.F. We shall be pressed to publish Rpt. & our dec^{ns}. on it. W^d. be awkw. to have to admit x/ as a policy.
Better to make a new plan w'in the 1953 ceiling.

Sw. Accept M-F.'s proposal. But i) on further work of Ctt^{ee}., hope Ministers will concentrate on doing necessary things properly.
ii) U.N.E.S.C.O. - £373.000 : £42.000 more than last year. Can't we save that.

A.E. Confusion in Services since war – because of successive reductions. Total redⁿ. just under £2 M.
C^d. decide we don't want these Services. If we don't, we must make them adequate. B'castg., representg. main part of exp're, is v. important. Cost = 2 bombers.

18 mos. ago we set up Drogheda Ctt^{ee}. Good omen, hand-picked:
not enthusiasts for propaganda. They spent 9 months workg. on
this & produced a proper plan. First we have had. Want to see
it put into opⁿ. Ready to spread it over 5 yrs. vice 3. : even then
exp^{'re} wd. be less than in '47.

We must go on with this : or close down on it, as France.

This is part of cold war.

This year: some automatic increases. Apart fr. those only about
£100.000 more.

- P.M. Have we become more influential by reason of this exp^{'re}.
- O.L. W.F.T.U. activities in Br. Colonies – subversion. Can't counter them
w'out expenditure. False economy to cut down on it.
- M.F. We propose they stand at £10 M. this year.
- A.E. Least I cd. justify to Parlt. is accept^{ce}. of Rpt.
- H.C. We were v. critical in Opposⁿ. esp. of Br. Council.
- M.F. Increase in '54 total nearly £1 M. £570.000 in addⁿ. to the automatic
(salary etc.,) increases.
- Sal. Cut made in 1952 (spring) was justified by the then economic crisis.
Sh^d. be sorry to cut back again now.
- P.M. Don't believe in these things. We haven't benefited.
Doubtless they do some good. But swollen staffs etc.,
self-justification. And what benefit?
- W. B.B.C. = £4½ M. Br. Council £2½ M. Out of total of £10 M.
- W.M. Have read Rpt., & discussed with D.
This is not useless exp^{'re}. But we are not in a posⁿ. to increase exp^{'re}
now. Anymore than we can increase exp^{'re} on defence or
social services.
Some useful work cd. be done for £10 M., if ideal = £12½ M.
Don't accept all D.'s recomm^{ns}.
- O.L. Are we to operate under an overall "ceiling".
My preference wd. be for abandoning that & allowg. each Dpt.
to make its case.
- M.F. We favour increased flexibility. – see report.

- W.M. Room for more flexibility : but not for overall expansⁿ. this year.
- R.A.B. Haven't the money. Can't get savings elsewhere.
Suggest each Dpt. (separately) shd. keep w'in last year's total.
Was a pity the D. Ctt^{ee}'s. t. of r. made no ref^{ce}. to economy.
- O.L. Prefer overall ceiling – leaves scope to redeploy betwn. Dpts.
- Sw. E.g. – get some more off Br. Council to spend on more vital things.
- P.M. V. agonising economies made by Services. R.N. are quivering with unhappiness. Surely propaganda can't be regarded as immune.
H/C. will draw damaging comparison.
- W.M. Drogheda : para. 50 : second alternative.
Agreed : resume discussion at later mtg.
[Exit B-C.

3. Valuation for Rating.

- H.M. Nat^l. re-valⁿ. for rating. 1929 : a week before poll. 1937 : had to be p'poned. For unpopularity. Reason : any re-valuation will involve large increase in assessmt. Shops & offices shd. rise by 300/400% : houses shd. double. In theory, poundage shd. be reduced correspondingly : but in practice it isn't.
L.a.'s have usually cheated in valuation : in order to benefit by block grants. Must therefore have central valuation.
Must not bring it into effect before next Election.
Awkward to p'pone: – diff^y. of finding avowable reasons.
But i) nat^d. industries : new scheme is needed.
ii) previously assessmts, publ^d. in Nov., & poundage in followg. April.
C^d. get them issued simultaneously by provⁿ. in legⁿ. next Session, thus providing excuse to p'pone until Apl. '56.
W^d also cost £1 M. to keep staff idly about.
- R.A.B. Agree with method. But how explain delay? No decⁿ. to-day. Sh^d. have a memo.
- H.C. No room for legⁿ this Session.

4. Housing : Rents Bill.

H.M. Amend^{mts}. are so numerous tht. its obvious Opposⁿ. intend to obstruct.
Seems likely we shall have to use guillotine.
Shall try, at first, w'out it.

5. Industrial Disputes.

W.M. We chose lesser of 2 evils. But it was victory for extremists.
Engineering – sitⁿ. is acute. Arbitⁿ. will be rejected by T.U.'s.
Conciliation is out because employers won't make any offer.
Only possibility therefore is Ct. of Enquiry. Neither side wants
it : but moderate T.U. leaders & some employers wd. like it.
They will ask me to pull c'nuts out of fire when they are too hot.
I think therefore I shall have to appoint Ct./Enquiry after seeing
the 2 sides to-morrow. A v. strong one.
It mght cause p'ponemt. of ban on over-time etc.
It dissension in Confedⁿ. – some mght fall away.
A Ct. Appeal Judge wd. be valuable.

[Enter L.O.'s & D.E.]

6. Crichel Down.

T.D. Two issues i) Privilege.
ii) Policy re previous owners' "rights".
Suggest H.A. Ctt^{ee}. shd. look at (ii) in first instance.

W. Summarised earlier history.
Trouble we now face won't arise on policy but on procedure
followed in this case. Criticism will be directed, not v. policy,
but v. its administration. Martin's request to apply for tenancy
was in fact ignored.

T.D. Only a part was Martin's interest. And I decided tht. the land shd. be
farmed as a unit. I didn't want to farm it myself. I decided
Crown Lands shd. take over & find a tenant. Avoided spending
Exchequer money on the bldgs.
After that, local talk about corruptⁿ. I then decided i) to have enquiry
on procedure and ii) to discuss policy with colleagues.
No corruptⁿ. : but muddled adminⁿ.

M.F. Enquiry.
First, doubt wtr. it shd. go fwd. Satisfied tht. it wd. be worse to try
to stifle it once it has bn. offered. View of my Sub-Ctt^{ee}. tht.
it shd. go fwd.
Second, what documents shd. be disclosed to Martin. He has already
rec^d. several 100 letters betwn Govt. agencies. Sh^d. he also have

Dpl. minutes & briefs? My view is tht. we shd. decline to disclose minutes etc., - tho' we mght. have to consider firm request for them fr. Clark. When ques. of corruptⁿ. raised, have to be generous – cf. Lynskey Tribunal.

Not have adjournment until Apl. Suggest Ctt^{ee}., plus Ld. Chanc., shd. consider this further.

P.M. Must go thro' with it. Hushing it up wd. damage Govt. credit. Some demarcation can be drawn betwn. officials' minutes to Minister & letters – tho', if there were sugg^{ns}. of corruptⁿ., even former might have to be disclosed.

Sim. T. of r. are dangerously wide. Doubt if we can w'hold anything if Clark presses for it.
Stress gravity of issues.

Att.G. Clark has said he shd. see everything.

P.M. Memo. for Cabinet on principles to be applied re disclosure.

P.M. On policy, surely this Govt. shd. seek to return land to private owners.

Sal. Can't have absolute rule tht. land shd. in all circs. be returned to original owner. But surely we cd. try to consult their interests. Present policy seems to be contrary.

[Exit D.E. and L.O.'s.]

7. Japan.

R.A.B. Authority to admit £3.35 M. into U.K. of J. goods.
No credit : but continue swaps for 3 mos.

P.T. Accept this – tho' it means admittg various J. goods wh. haven't come here since war. £2 M. of grey cloth for re-export : can cope with that: but £1 m. or more of miscell. goods.
About 33% of pre-war imports of those commodities.
There will be trouble, but not unmanageable trouble.

Approved.

8. British Somaliland.

A.E. O.L. will make this further attempt to settle w'out ceding territory. Try it : but it may not come off.

148. Four Power Meeting.
B.H.

[Enter B-C.,

A.E. Dulles has sugg^d. 3 Power Mtg. before Berlin starts : esp. on tactics.
In touch with Adenauer : that will be O.K.
Suggests Paris on Sat./Sun. before the mgt: going straight on to Berlin
Suggests bringing A. then, too. That wd. certainly be a mistake: we
agree with him on policy & he isn't concerned with tactics.
I have sugg^d. we arrive in Berlin a little earlier. Our High Comms. cd. be
there. Fr. have now said they agree it (D.'s plan) wd. be a mistake.

P.M. D's plan looks as tho' he wants to spoil the Mtg.

1. Middle East Defence. Pakistan/Turkey.

P.M. Surely an unwise move now. Doesn't add to our strength : does provoke
R. Surely he shd. be told so, plainly.

A.E. Turks are too cautious to go headlong into this.

P.M. Worst possible moment to start this idea up.

Sw. It's now all over U.S. Press.

A.E. Sh^d. I add to my 48?

P.M. Add ref^{ce}. to untimeliness vis-à-vis F. Power Mtg.

Agreed

A.E. He has had in mind for months.

Sal. Mentioned it when I was in W'ton.

A.E. I cd. also tell Amb. in Ankara to speak to Turks, takg. initiative.
Have told him what he shd. say if they approach him.

P.M. Don't object to plan per se : I am pro-Turk. It's the timing.
We cd. join in later, if it went well – dispensing with Egypt.
Damaging criticism here if we appeared to have had some responsibility
for brk-down of 4 Power Mtg wh. (right or wrong) has created such
hopes.

Al. Don't put them off showg. interest in M/E. Don't therefore criticise the plan itself.

Sw. Can't overtake publicity already given in U.S. Press.
Bound to excite Nehru. – esp. as we & they have assured him on basis tht. there is no ques of a Pact only aid to Pakistan.

P.M. We can't lose : if they go on, it makes a new grouping northward of E. C^d. be fitted into re-deploymt. plan.

A.E. What do we say to Turks.?

P.M. Tell them we aren't averse to plan, but doubt wisdom of timing.

1. Egypt : Sterling Balances & Defence Negotiations.

P.T. Delay has had healthy effect. They offer, in effect, to ease up on their import rest^{ns}. Sh^d. we not tell our Amb. to get a deal on this.

P.M. Not yet. Keep all cards in our hands. Climax is coming in negot^{ns}.

A.E. x| Tel Amb. to find out what they propose re relax^{ns}. & report to Ldn.
| We can & shd. leave the £10M. unpaid m'while.

Sw. Caffery too has bn. holding firm language.

A.E. In answer to U.S. request, we can set out what we want: not a statement of views of both sides. Can do this shortly on main items.

P.M. Supreme prize wd. be a really satisf. agreemt. with E. – a loyal & friendly Treaty. But a mouldy one, with a dying base, is no good.

A.E. Outlined main points in new memo.

P.M. What about Sudan?

A.E. Howe has had one show-down & has won. Commⁿ. is sound by 3:2. They may try, by vote in Parlt, to move good Sudanese off the Commⁿ. We must find means of preventing that.
Turkey. Mil. conv^{ns}. re base in Turkey at Mardin with ref. to defence of Iraq. Nr. Turkey/Iraq/Persia frontier. Agreemt. to that wd. fit in with northward redeployment and U.S. plan for Turkey/Pakistan. Iraq wd. like it : wd. ease burden on Hibbanyah.

P.T. Can we do x/?

P.M. No hurry. Want E. to feel tht. all kinds of pressure are coming on them.
Some things gain by being dealt with at leisure.

[4. Uganda.

O.L. Uganda have offered him £8.000 pa,
He wants a little more & some capital.]

1. Sale of Arms Abroad. [Enter 3 Serv.
Ministers,

152) C.A.S., D.S., Maudling
153)

Sw. U.S. will give mil. aid to Pak. in some form. India wd. greatly resent our
refusing their demands wh. are in themselves quite reasonable. They
wd. buy elsewhere. B. traders in India wd. suffer. W^d. ease out takg.
off-shore dollars for Pakistan's needs.

D.S. V.gt. advantage to us in m'taining war potential. Our 4 tank factories are
running v. light : 2 might have to close unless we get more orders.
This wd. transform posⁿ.

A.H. Support this.

P.M. Must m'tain broad parity of treatment for I and P.

J.T. We cd. find a cruiser for Pakⁿ. – to balance the one sold to India.

Argentine & Chile.

P.M. We had a war with them last year. ["Please see that the fruits of this war
are not cast away as were those of the last two."]

O.L. Govr. Falklands think it wd. make little difference in practice.
But I'm not fond of it.

P.M. W^d. be v. awkward if it were said tht. they were using equipment bought
from us.

D.S. It's U.S. type made here. They have some already. Won't make much
diff^{ce}. if they get some more from us.
Big drive to sell aircraft to A. & C. against U.S. competⁿ. W'holding
these will make that the more difficult.

A.E. Thght that we have delayed so long tht. A. won't now take them.
 May be safe therefore to offer them.
 Peron has told us he doesn't mean to establ. any base in Antarctica this year.

P.M. We cd. offer the helicopters v. a promise not to make any lawless move there.

O.L. C^d. we not move twds. exploratory convers^{ns}. re claims in Antarctica.
 P.M. Only if you keep it on basis of reference to Hague.

A.E. I will consider wtr I can make a propⁿ.

Brazil

P.M. No harm in disposing of this example of an obsolescent weapon.

J.T. Don't accept your premise. But we can't afford to complete it.

Agreed.

[Exit 3 Serv Mins, C.N.S., D.S.
 [Enter G.LI.]

1. Persia.

153) A.E. Wright has now seen Zahedi. Clear tht. A.I.O.C. can't return, as such & alone. But they accept survey of Abadon by party incldg. AIOC men.
 We shall need to go fwd. on basis of memo.
 May I have genl. approval for consortium & genl. approach in memo.
 Shall see Fraser on Tuesd.
 Hope AIOC wd. get 50% interest in consortium : & wd. also be paid by the others for what she conceded. Also compensⁿ. to be made in free oil.
 Buraimi may work out similarly. New find [there] wh. may be as rich as Kuwait in disputed area btwn. Trucial Sheikh & Saudi. Found by I.P.C. – consortium of same kind. Hope to arrange with U.S. concessionaire tht. I.P.C. shall develop; and we shall be 45% in. We cd. prob. get Saudi agreemt. They wd. like to get us as well as U.S. into Saudi. But Sheikh won't want Saudi to have any share.
 This makes me readier to give U.S. a share in Persia.
 Sh^d. Int. Bank play a part? Persia may want it.
 Also resumptⁿ. of Persian oil will involve U.S. Cos. in cutting down their prodⁿ. elsewhere.

[Enter Watk.]

1. Industrial Disputes.

154)

Engineering.

- W. Both sides have accepted Ct. of Enquiry. unions will give ev^{ce}. & p'pone ban until after report. Victory for right-wing leaders.
Electric contractors. V. small no. (35,000) Was a 2 wk strike last year, w'out effect on nat^l. economy. But v. little hope of stopping this recalcitrant Union & stupid employer.
- P.M. Not an unsatisf. position.
They may begin to understand risk of pricing themselves out of export markets.

1. Remuneration of Judges.

155)

- B.H. Feeling in H/C. re retired pay is so strong tht. we cdn't get 2nd. Rdg. at present time.
- B.C. Letter from a no. of M.P's supports that view.
- A.E. At mtg. difference was accepted by most.
- P.M. Don't like suggⁿ. of blackmail.
- Sim. How long a postponement?

[Enter Watk. D.E., D.S., G.LI., B-C.

155. Four-Power Meeting.

- A.E. R. have become much stiffer re arrangemts. Originally proposed Sov. Emb. on security grounds. Western Powers offered 3 mtgs in W. Berlin and one in Embassy. They reject & offer parity 2 : 2.
- P.M. That is realistic – there are 2 sides, tho' 3 Powers are on one side.
- A.E. We have made concessions all along the line on place & procedure. Ours was a fair compromise suggⁿ. – indeed, our original suggⁿ. of C. Commⁿ. Bldg. was reasonable itself.
- Sal. The more you concede to R., the more they want. W^d. leave it to A.E.'s judgmt.
- L.P.S. On 2 : 2, they will demand Chairmanship of all mtgs in their Embassy.
- Sw. R. are being unreasonable : but this is not an issue to break on.
- H.M. Support A.E. : cd. say it showed we weren't ganging up into a single side.
- A.E. Read draft telegram : don't accept R. view : refer it to Moscow : and suggest either 3 : 1 on Berlin location or go even now to neutral place as we originally suggested.
- P.M. Try again for Allied Commⁿ. bldg. & offer to fly 4 flags over it during mtgs.
- A.E. * Try that first : then 3 : 1 : then refer back. No message to Mol. m'while.

Agreed as at *

1. Industrial Disputes.

157)

- Watk. El. Union has started guerrilla strike. Rebuff y'day : not as many came out as expected : they have had to raise strike pay by 1/3rd. Next Mon. due to call out all. That will be test of their auth^y. M'while we shall take no action. Union wd. not attend a tribunal or heed its award. If there's a one day strike on Monday, employers will lock-out for a day on Tuesday. Must therefore review situation on Wed.

[Exit Watk.

- 158) 1. Atomic Energy.
- Sw. Support qua Australia.
- D.E. C^d. we get concessions to prospect outside their area?
- Sal. They are in no mood to give us that now. They fear there will be less than they may need. S. Afr. may be largest producer after all. Best thing to do with A. is to create good atmosph. for later disc^{ns}.
- D.S. W^d. have bn. better if we had bn. tough at start. Shan't do any good by bargaining now. Generous treatment is more likely to evoke co-opⁿ.

Memo. approved.

1. Persia. [Exit D.E., D.S., Simonds.
[Exit Maudling
- A.E. Seen Fraser.
Have secured a basis for starting negot^{ns}. Agreed with A.I.O.C.
Doesn't mention share for A.I.O.C. in consortium. Co. accept 50% - am putting that to U.S. Govt. & seekg. their agreemt. The U.S. oil cos. will accept it : but U.S. Govt. may not. Want this cleared with U.S. before we go to Persians.
"Avoid need for arbitⁿ." This because we shd. get paid in oil by the other cos. Int. Bank not mentioned – prefer to try to get away w'out them. Wait & see if P. insist.
Co. must be reg^d. as a Br. Company – qua prestige.
- H.M. But won't want that qua taxation.
If it is to be reg^d. Br. Co. we must avoid paying Persians in any share of ultimate profit – e.g. in oil sales or something which comes out before tax is levied.
- G.Ll. Must be sterling oil.
- A.E. This is diff. issue – ahead.
- P.M. Note it for special examⁿ. by R.A.B.
Dipl. immunity for cos. with internat^l. business.

[Exit G.Ll. & Maudling

[Enter J.T., Ward, Solr Genl., 3. C.O.S., A.L.B.]

1. Egypt : Defence Negotiations.

160)

P.M. Fear tht., if E. accept our last-word terms, we are committed.

A.E. Yes: but we won't make any modificⁿ. of our Oct. terms.
Shall I send these now to Dulles?

P.M. Yes.

Agreed.

P.M. But still a chance tht. E. will reject. If they do, shall we give them a time-limit? F.O. & C.O.S. both say satisf. settlement wd. help us with other Arab States. Wish I cd. believe this.
Agreemt. wh. C.O.S. describe as serious mil. disadvantage is hardly likely to enhance our prestige in other Arab countries. But we have all gradually bn. drawn into acceptg. Oct. terms. Can't avoid standing on that offer. But, surely, when we have informed U.S. we shd. give E. a time-limit to accept or reject.
This agreemt. wd. replace '36 Treaty?

A.E. Yes.

P.M. Had hoped it wd. only modify it. Can we salve what isn't changed?

A.E. Will consider that.

A.E. Believe agreemt. wd do no more good in M/E. than alternative (c).
M/E countries are not solidly with E. now. Jordan is dissatisf. with Arab League & has said wd. like Br. troops in J. Iraq is thinkg. more in terms of R. danger. If we stay in E., they will think we are still there & can return. Better therefore than (c) unless we cd. combine it with troops in Jordan. Also Mardin. Anything which shows we are still there in M/E. Don't think Israel wd. allow troops in peace – only base. Prs. we cd. do somethg. else for I., to balance troops in J.

P.M. If we get agreemt. what happens after 1961?

A.E. How much is Base worth? If you need it, agreemt. is only way of getting

it. (c), tho' politically attractive, wdn't give us Base.

P.M. W'house & Co. wd. say do (c), but keep 10,000 troops in E., as allowed by Treaty. W^d. they be a bait?
Don't value Base : only troops in sitⁿ.
Endorse C.O.S. point re double approach to Canal Zone.
Must be ready to say what will happen after 1961? Cd. you keep Treaty alive for that?

Sal. I liked (c). But C.O.S. memo has shaken me. They say Base is essential & no other site in M/E wd. do.

P.M. What wd. they do after 1961?

C.I.G.S. In 7 interv. yrs. wd. hope to convince E. of need for self-defence.
Get them to continue Base. Also more mil. cohesion among Arab countries as a whole. That, with Br. stiffening, is our best hope for future. Admit it is only a hope. Try also to get Pak. to accept R. flank responsibility : encourage Turkey to build up L. flank.

P.M. E. may turn next to Sudan. Rel^{ns}. with E. are unlikely to improve – unless we abandon Sudanese. That row is bound to last 3 yrs.

A.E. If Turkey & Iraq get together & we forge outer ring, E. will be less important apart fr. Base.
Go on with Mardin.

CIGS. Coupled wth pre-stocking in Jordan.
Mardin wd. be v. forward base : only part of answer.
Go on with discussions with Turks. There are diff^{ies}., but not insuperable.

C.A.S. Mardin etc., wd. only be attractive if Iraq remained friendly. If Breach with E. made [mght make] Iraq less friendly, Mardin etc., wd. be no substitute.

P.M. Let us see what happens when D. has our terms.
U.S. may then press E. hard to accept.

A.E. M'while, may we pursue Mardin with Turks?
W^d. do no harm if E. learned of that.

S.W. Quite good qua Doms. A., N.Z. & S.A. plans are all based on assumptⁿ. of Base. They wd. like agreemt therefore with E. But, if it fails, good to show them there is some alternative.

P.M. Have this studied (by U.K.) and specific proposals submitted. Staff study. Def. Ctt^{ee}. can discuss.

H.C. Are you content tht. proposals shd. go to U.S. before anything said to Govt. supporters in H/C.?

A.E. Not much worried on that. We are negotiating : can't be expected to tell H/C. while negot^{ns}. are procdg.

P.M. Tell Dulles. But prepare statement for Govt. supporters if needed.

A.E. Cdn't state it all before negot^{ns}. break down.
 Agreed : no need to be apprehensive on that point.

Agreed : F.O. to prepare drafts of messages to Jordan & Israel
re posting of Br. troops in Jordan.

Sterling Balances.

P.T. £6-7M. advantage to exports if E. made import relaxations.

B.C. RAB. favoured release before Xmas. He wd. certainly favour it now.

P.M. They wdn't have offered it at all if we hadn't w'held the £10M.

P.T. Don't press it if it's thght there are other advantages in delay.

P.M. Why trust them?

A.E. Shall we do a deal –

P.M. RAB wd. be affronted by strings on a banker's obligⁿ.
 Keep them waiting.

[Exit C.O.S.]

1. Comet Aircraft.

161) A.L.B. W^D. have grounded them myself if they hadn't volunteered it themselves.

P.M. 3 out of 12 have crashed.

A.L.B. Testing tail unit to destruction.
 Some hope also of evidence from remains in Medⁿ.
 Will set back hopes of U.S. cert. of air-worthiness.

[Exit 2 Serv. Ministers.]

1. Privileges for International Organisations.

162)

A.E.

As in memo.

P.M.

Do we get reciprocity?

A.E.

Yes.

A.E.

Includes good organ^{ns}. like N.A.T.O.

1. Indian Commissioner in E. Africa.

163)

Sw.

Nehru has agreed to recall Pant. – before end/Jan. For consultⁿ. Not certain wtr he will get another post.

[Enter B-C., B-H.]

163. Parliament.

H.C. Business for this week.

1. Housing.

H.M. 318,750 houses built in 1953. Will be published in February.

1. Parliament (resumed)

165) Sw. Stansgate is raising debate in H/L. on Wed. re mil. aid for Pakistan. Awkward to ask him not to – wd. come out that we had done so. Must therefore face & answer it: viz., say that we welcome it & see no harm in it : India has received much larger econ. aid fr. U.S.

A.E. Yes : but the less said, the better. Awkward qua R. & 4 Power Mtg. And avoid any reference to the Turkey/Pakistan propsⁿ.

1. Four-Power Meeting

166) A.E. Decⁿ. on admin^{ve}. arrangemts. not unsatisf. – but length of negotⁿ. on this augers ill for mtg. Bidault has written firm letter (F.O. 137 to Paris) – recalling tht. we can't accept 2:2 principle generally e.g. in relation to forces. Agree with that. This was only matter of mechanics. Crux will be free elections. R. will try to avoid real freedom – e.g. by suggesting the 2 G. Govts. do it alone w'out foreign supervision. Release of Korean p.o.w. will cause trouble wh. will re-act on Mtg. Indian ryder tht. they shd. remain in custody was wrong : but our action in releasing ours will provoke Communists. Two anxieties i) Chinese p.o.w. are to go to Formosa : they weren't consulted. ii) those returned to Rhee are to be "re-indoctrinated". But on i) it's true there was nowhere else to send.

P.M. Wish you luck. It was not your plan : but you have to bear burden & the bleak prospect. No blame will attach to you for initiatg. this. Sal. agreed, with my approval, because seemed to be only prospect of a meeting or point/contract.

Hope it won't be confined to barren discⁿ. of G.

A.E. Satisf. if we held w. posⁿ. generally & make way for continuing tech. discⁿ. on G. & A. Also in coulisses get some idea fr. M. of their general mood.
Will table precise plan for free elections, if others agree. Something definite to discuss. If it all breaks down, we shall have a story to tell to our public.

1. Egypt.

P.M. Amb. talk with E. For. Secy., who showed anxiety re modern arms for Israel.

A.E. Arab League Mtg. went ill for E. Iraq & J. standing out for assocⁿ. with West. We may be able to work with other Arab countries to neglect of E. Others are nearer to front line. We may be able to put E. in the cold.

P.M. What about time-limit for our terms?

A.E. C^d. say so. But is it better to leave them to stew? Prs. it is, if we can get on with arrangemts with Iraq & Jordan., & Turkey.
Are we in a hurry? Save for the 80,000. And unless U.S. send them aid.

P.M. 1) Neutralism has harmed them with U.S. } They may be
2) They have ridded Muslim League as well as Wafd. } feeling more
naked.

A.E. And riots v. Salem in Khartoum.
They must be feeling a lonely régime.

P.M. No word of counter proposals?

A.E. No. Must wait, first, for U.S. to put on their pressure.

P.M. Any necessary.

[Enter Molson, Maudling, D.S.]

1. East-West Trade.

P.M. | Our policy shd. be to deny to Soviet bloc only goods of direct mil.
x| value & stop trying to hamper growth of their industrial war
| potential.
| Infiltration, by trade, will weaken Soviet strength & cohesion.

- A.E. No dispute on objects : only concern is with tactics.
Doubt wtr we can evoke U.S. response on basis of short-list.
Wiser to go round.
- M. Stassen sees our point tht. list shd. be short & effective.
But it is v. like list U.S. have rejected. Also we in Ldn. aren't agreed
on it. Prefer A.E.'s approach.
- P.T. Not easy.
C^d. we agree policy as at x/. Also agree a list in W'hall based on that
policy. Their approach to U.S. can be judged as a matter of tactics.
- P.M. Ask Stassen to come here for personal talks.
- D.S. Anxious to increase electrical machinery exports to R.
W^d. like P.T.'s short list ; but doubt if it will be practicable.
- Alex. Def. Dpts. want to enlarge P.T.'s list.
- Sw. Also concentrate on big-money items e.g. electrical equipment and rubber.

Agreed: i) adopt policy as at x/ in brief.
ii) ask officials to present amended list & arguments pro &
con on disputed items.
iii) discuss tactics later with Stassen.
Report to be presented in a Min. Ctt^{ee}. in a week.

N.B. to recommend composⁿ. of Min. Ctt^{ee}. for Thursday's
Cabinet.

[Exit Maudling
[Enter G.Ll.

1. Nationalised Industries.

- L.P. Sel. Ctt^{ee}. recommⁿ. for standing Sel. Ctt^{ee}. on policy & practice of nat^d.
industries. H.A. Ctt^{ee}. suggest this be supported, as best means of
keeping Parlt. continuously informed.
What of H/L? They didn't appoint a Sel. Ctt^{ee}. of their own. They will
prob. want a Joint Sel. Ctt^{ee}. Two wd. be cumbrous. Can't defer
H/C. debate until H/L. has considered this. But hope Govt.
x|| spokesmen will keep open possibility of Joint Sel. Ctt^{ee}. M'while I
will try to get H/L. Sel. Ctt^{ee}. to consider report of H/C. Sel. Ctt^{ee}.
At. En. Corpⁿ. shd. be excluded. Argument : money will not be mainly
outside Exch. sources, as others.
- P.M. Must not weaken H/C. scrutiny over work of nat^d. industries.
Shall want this opportunity when in Opposⁿ.

Nat^d. industries haven't bankruptcy incentive to efficiency.
At En. Corpⁿ shd. certainly be excluded.

G.Ll. Accept recommⁿ. of H.A. Ctt^{ec}. as it now stands.

P.M. See if Opposⁿ. wd. accept Joint Sel. Ctt^{ec}.
M'while accept x/. Can say we are ready to discuss H/L. posⁿ. with
Opposⁿ. leaders in both Houses.

D.S. Sh^d. not include the de-nationalised Steel industry.
We shd. be ready with the arguments against its inclusion.

[Exit Molson, D.S., G.Ll.
[Enter de L., Att.G.

1. Crichel Down.

M-F. As in memo. Summarised recomm^{ns}.
"Pre-emptive opportunity". Diff. to distinguish betwn. first refusal and
right of pre-emption.

Sal. Disposed to favour pre-emptive opportunity.
Land is taken compulsorily : if not needed, public auction.
Owner gets therefore no advantage over any other bidder.
Has he not a moral right to some advantage.
Right of pre-emption is rejected because it gives him advantage.
But I believe he shd. have some advantage – not in price, but in
opportunity.

J.S. Statement of policy will have to be made after Crichel enquiry. He will be
in trouble if he can't say something to that effect.

A.E. Sympathise : but how fix the price?

M.F. Owner, on purchase, will have rec^d. market value + injurious affection, if
any. On a right of pre-emptⁿ., D Valuer will have to make best guess
he can at value.

H.M. Suppose he has rec^d. injurious affectⁿ., do you deduct that from re-sale
price?

Sal. Yes.

H.M. Then he wd. do better at auction.

Sim. Diff. to give statutory right of pre-emption. But, if no stat. right can be
defined, how give it administratively?

Owner has rec^d. full price. Why shd. he have advantage, meaning getting for less than a bidder at auction.

Sal. Varies from case to case. But may have amenity value for owner wh. it hasn't for others – e.g. property adjoining his house.
Agree you can't give universal statutory right.

W. Persuaded that it is administratively impracticable.
Diff. to rely on valuers' estimate.
Owner who has rec^d. injurious affectⁿ. can afford to outbid competitors at auction.

M.F. Alleg^{ns}. of rigging it wd. be frequent if sold on valuers' estimate under pre-emptive opportunity.
How far down the line do you give the opportunity – if original rights have passed to others.

P.M. C^d. you say : sell by auction but owner may claim at auction figure.

Approve memo. save A(1) and (3), which need further consideration. Further thoughts on this are invited – in writing.

de.L. Test practicability of L.P.'s plan by reference to past sales.

[Exit de.L.]

1. Industrial Disputes.

W.M. 1 day strike. Good response in England : less good in Scotland.
For. Sc. employers are more sensible.
No action by me pro. tem.
Employers have asked me to act under Orders 1306. But I won't because workers have said they didn't attend or abide by findings. Don't want to damage arbitⁿ. principle any more at this juncture.
Must allow it to develop. Action now wd. involve capitulⁿ. or ineffective arbitⁿ. – both wd. be worse than a strike.

P.M. A bad advert. for comm-run Unions. They haven't had a good Press or public receptⁿ.

W.M. Offl. Opposⁿ. won't press me to act.
If employers beat it; they will be pleased.
Certainly Rt. Wing T.U. leaders will.
Doesn't affect public directly.

More in offing e.g. provincial buses : coal-mines.

C.C. 4(54).

21st January, 1954.

1. Parliament.

[Enter D.S., B-C., B-H.]

H.C.

Business for next week.
Non-controversial because of narrow majority.
In following week, annual Welsh debate.

2. European Coal & Steel Community.

[Enter Maudling, G.Ll.]

[Exit B-H.]

A.E.

Qua f. affairs wd. like to go as far as we can to meet Monnet's views.
W^d. be helpful qua E.D.C. if we cd. be as closely associated as possible.
We made it clear to M. we cdn't infringe sovereignty or contravene existg. commercial commitments. He has met us on both points.
Single market for steel wd. be to our advantage. On coal we cdn't go so far.
Suggest Ministers consider again in a month – to avoid delay in replying to M.

Sw.

Free entry for steel from Doms. C. & A. are exporters to U.K., prs. on increasing scale. Proposed here tht. we shd. reduce tariff to 0, giving free entry, for Eur. steel to U.K. & Colonies : but Doms. wdn't get free entry to Europe. Shdn't Doms. have that?

D.S.

W^d. involve reciprocity. W^d. Austr. admit Eur. steel w'out tariff?

Sw.

Ugh!

D.S.

Doubt if Dom. steel imports into U.K. will amount to much.

Sw.

C^d. we at least offer to try to get them in, on reciprocal basis, if they wished.

M.

V. far-reachg. RAB shd. have chance to express view before we commit ourselves.

P.T.

Agree. Avoid decⁿ. in principle until consult^{ns}. are completed.
W^d. like disc^{ns}. in Ldn., so tht. senior officials can participate.
C^d. accept App. B : but fear we shall be pressed to go beyond it.

A.E.

Proposals in para 3. don't commit you to much. Consult^{ns}. with industry & informal talks with M. before anything like a final commit^{mt}. is reached.

- G.L.I. Coal : econ. arguments are balanced – therefore pol. cons^{ns}. turn scale.
Want to talk now to N.C.B: believe Chairman c^d. handle the miners.
- P.T. Consultⁿ. with engineering industry also?
- D.S. Have that in hand – with my advisory Council.
Steel Bd. – will go along if told pol. cons^{ns}. point that way.
- P.T. Econ. and pol. risks are greater than as stated in this memo.
- W.M. Para. 38: diff^{ies}. of common market for coal. N.C.B. shd. be fully consulted : for paras 41-2 indicates concern re view of N.U.M., on wh. Houldsworth is the best judge.

Memo. (para. 3) approved.

3. East West Trade.

- A.E. On reflection doubt if I can do anything in Berlin. Shan't get agreemt. with U.S. in time. But if anything particular emerges wh. cd. be raised, let me know while the Mtg. is on.
- P.M. We haven't surrendered right to our own view in last resort.
- A.E. Battle Act wd. prevent them fr. giving us aid if we contravened agreed Anglo-U.S. policy.
- P.M. Report of officials will be ready Friday.
Min. Ctt^{ee}. shd. meet on Mon. I will preside. [Exit D.S.]

4. Persia.

- A.E. Diff^y. with U.S. May be greed or genuine trouble with anti-trust laws.
They have asked for time before agreeing to our consortium plan.
Hoover returns to Ldn. at end/week.
U.S. sugg^{ns}. (i) bring in some small U.S. companies. W^d. let in other small cos., Br. & Eur.
Propose to resist this – on basis tht. big cos. can give them a share if they like.
(ii) 50% for A.I.O.C. U.S. claim that P. wdn't agree.
Propose to stand firm on that.
But Shell (with 40% holding in R. Dutch) may have to be used to secure 50% for British, tho' not A.I.O.C.

interests.

Shah is behaving ill. Angry with Wright for dealing with Govt.
He seems to be jealous of Zahedi.

[Exit Maudling

[Enter de L., A.H., CIGS.

5. Jordan.

A.E.

Squadron shd. go now.

We shd. also know what other forces they wd. like – King referred to
that the other day & we shd. know what he means.

Israel : they raised no objⁿ. a year ago to our sending a brigade :
they surely won't object to a Squadron. Shall explain, however.
We are helping them in U.N. re ships: this will improve our
relations with Israel.

6. Suez Canal: Blockade.

P.M.

W^d. be helpful with opinion here (H/C) if we took up this ques more
actively. Mght. get Waterhouse & Silverman supportg. this.
Didn't like our earlier decⁿ. not to object to blockade of oil ships to
Israel. Now they are going much further.

F.O. tel. of 14/1, was on right line in objectg. to E. extension of
blockade to things other than oil.

A.E.

Legal posⁿ. isn't strong. E. has inherited rights when at war, & she is
technically at war with Israel.

We must therefore keep in line with other maritime Powers. If we cd.
get them to join us in rep^{ns}. to U.N.

P.M.

W^d. like to see our case v. Egypt move over from Base to Canal.
Want to put into prominence our championship of free passage thro'
Canal.

A.E.

Dispatch fr. Iraq – for 1st. time since war with Turkey, both I and T.
are trying to get into closer touch. Talk of a mission to Turkey,
to see wtr our posⁿ. in I. cd. be assimilated to that of U.S. in T.
Developmt. on these lines, if carefully guided, wd. draw I away
fr. Egypt.

P.M.

When can we go to U.N. on Canal?

A.E.

Must get U.S. into line (Berlin) & then 4 or 5 other maritime Powers.
Can tell Israel in a week or so what we are trying to do.

Has bn. only one case of stopping a ship, so far: Italian ship.

[Exit C.I.G.S. de L.

[Enter H.H. Att.G.]

7. Kenya : Court Martials.

A.H. Two more cases have emerged – one v. Griffiths and another v. an officer in K.A.R.
V. unsavoury cases.
Evidence for ct. martial. Mil. duty to proceed.
Cab. shd. know, however, because unsavoury nature of the affair.
Poss. alternative wd. be to proceed summarily v. KAR officer.
Discretion rests with Genl. Erskine.

[Exit Att.G. H.H. A.H.]

[Enter Maudling. B-H.]

8. Wages and Prices.

W.M. Amount to .86 of a point altogether.
V. awkward to have this coming out with Rpt. of Ct. of Enquiry.
Recognise it means holding it up (butter) for a quarter.
Some hope, thro' consult^{ns}. with T.U.'s, of securing period of stability in wages. Plan for this : beginning with speech with R.A.B. M'while, I have engineering dispute, as well as other minor ones. I intend, if report is good, to take a positive line on it with both sides. Wd^{n't} have much chance if at same time price increases were being announced.

L.I.G. 4 points fall from June/Dec. in food content of c/living index.

W.M. But no change fr. Dec. '52 to Dec. '53 109.3 : 109.6.

L.I.G. Only method of testing is the index.
Butter & cheese will add .36. But discounted already by announcemts. already made. Pork & beef = .5 and has not bn. announced.

B-C. Cost will be over £300 M. vice £220 aim. Second suppl. for M/F. will be needed. Contrib^y. cause is delay on M/L grounds of various price increases.
Butter & cheese, if not made now, can't be made until Apl., just before de-control: when it will look like consequence of decontrol.
If increases made after wage settlemt., mght be a ground for re-opening it.

Sw. Not only c/l. but c/food which is contention in current wage claim.

B-C. We shall follow Labour in fixing a limit but failing to secure it because reluctant to increase prices.

L.I.G. Cost of p'ponement wd. be £4 M. for butter & cheese only : £8M. for all.

B-C. Pork & bacon cost £40 M. in subsidy.
Strong line in Annual Review wd. be helped if we cd. show tht. we mean to reduce cost by increasg. prices.

P.M. Ty. will lose as much and more if there are strikes e.g. on export trade.

W.M. Believe this is a critical moment in industrial field.
Responsible T.U. leaders wd. support my plea for delay.
I wd. even be ready to p'pone date of de-control of butter.

Sw. Support M/L. view.

P.T. So do I, on balance. But worried at makg. increases soon
x| after settlement.

L.I.G. Butter & cheese have bn. announced already.

Sim. Ct. of Enquiry will therefore take that into a/c.

A.E. Reluctant to go back on what has bn. announced.
Don't want to do more – viz., pork & beef.

W. Concerned at x/. Favour p'poning only pork & beef.

W.M. Must accept that decision.

Agreed : Butter & cheese increases as planned.
No increase for beef & pork.

C.C. 5(54).

26th January, 1954.

1. Parliament.

[Enter B-C., B-H.

H.C.

Business for next week – provisional.
Progress on Bills of medium importance – wh. will keep pol. temp.
low.

2. Cabinet: Meetings.

P.M.

H.M.'s commitment in Standg. Ctt^{ec}. cdn't attend until end/July.
Considered therefore possibility of reverting to old system of
weekly mtg. on Wed^y. Propose Wed. a.m. as regular time:
with Mon. or Thurs. p.m. as add^l. times.

H.C.

Sc. Grand Ctt^{ec}. meets Tues. & Wed. Also, when tempo increases,
other Ctt^{ecs}. sometimes meet on Wed. mornings as well.
But on balance Wed. wd. be easier.

M.F.

Try Wednesdays. For next month or so, it wd. be convenient.

Agreed. Wednesday : add^l. mtg. Monday 4.30 p.m.

3. Five-Power Conference.

P.M.

Tel. No. 12.
Surely it is clear tht. we shd. go for this, if Dulles is taking
reasonable attitude. Favour encouraging reply to A.E.

Sal.

Agree. But limited to F/E. (as A.E. suggests) not world-wide
(as R. now wish).

P.M.

I will inform A.E. accordingly.

4. Suez Canal.

P.M.

Don't delay in efforts to mobilise maritime Powers.
Push on with this.

[Enter A.H.

5. Egypt.

S.Ll.

E. are putting out feelers on new availability formula.

We think we shd. set a limit, once we know what we do next –
leaving interval for U.S. rep^{ns}.

Suggest as alternative : decision to re-deploy, wind up Base, but not
evacuate Egypt, standing on our Treaty rights.

P.M. We shd. have full discⁿ. on Thursday, on basis of F.O. memo.

Sal. Sh^d. announce decⁿ. re E. before it becomes known we are preparing
bolt-hole in Cyprus. That wd. look like a scuttle.

Al. Not a scuttle to remove M/E H.Q. fr. Canal Zone.

Sal. So long as it is made clear what we are doing & intend.

P.M. Must have clear policy for future, failing agreemt. with E.
Then set public time-limit, leavg. room for U.S. rep^{ns}.

[Enter Watk. de. L., J.T., C.O.S.,
H.H., A.L.B.]

6. Middle East : Re-deployment Plan.

Al. As in memo.
No actual move at present. Need for progress in planning.

P.M. Why bring para. brigade home?

Al. Valuable part of world strategic reserve – available for use anywhere.
Can be kept secret.

P.M. Timing is reserved for Cab. decⁿ. in relⁿ. to E. and M/E. policy.

A.H. Works shd. proceed in Cyprus : it is in hand now.

H.H. Well known in Cyprus that this is coming along.

Approved, as plan : timing reserved for Cab. decision.

[Enter Sw.
[Exit C.O.S., Serv.Min.,
H.H. B.H.]

7. British Industries Fair.

There is diff^{ce}. betwn. Ch. & other Communists.
We shall offend U.S. opinion.

Feeling against it. See if P.T. accepts that as a decision
or wants to discuss on Thursday.

8. Industrial Disputes.

W.

Threat of strike in buses outside Ldn.

Seeing both sides this p.m. – will try to get settlement on 7/=, as agreed in Ldn.

Failing settlement, Ct. of Enquiry is next move: but don't want too many of them.

May be trouble in light-castings industry.

Electrical contractors. Best to let it go on & hope they will get sick of it. Expensive to them.

Argument betwn. E.T.U. and Albert Hall. Have asked Ld. Ch. & Att. Genl. to consider wtr there is anything in this in the nature of conspiracy. Possibly a co. might start an action.

Sim.

It is an aspect to watch. Presume advisers of Albert Hall have it in mind. But dangerous ground to tread on. For they cd. turn it into a trade dispute on the "closed shop" issue – avoiding any suggⁿ. tht. their action was in retaliation for refusal to allow them to use Albert Hall.

[Enter B.C., B-H., A.H., de L., J.T.
AL.B., S.LI.]

1. Parliament.

H.C. Oppⁿ. have sugg^d. debate on rifle, on Mon. after 7. p.m.

P.M. V. well. S. of S. for war shd. open : but I mght. say a few words.

2. Egypt.

P.M. V. interesting memo. Favour course (c) - to be adopted if either
E. refuse our terms or delay so long tht. we w'draw them.
Like idea of falling back on 1936 Treaty.
Then we must keep it. Reduce to 10,000. That no. wdn't enable us
to go into Cairo or Alex. But cd. hold 2 ends of Canal, incldg.
control over Cairo's oil. Our supporters wd. be content with
that. E. wd. see our evacuation & mght become more friendly :
then we mght negotiate a new agreement with them.
No good leaving our 10,000 as a bait – or exposing them to undue
risk. W^d. they be safe enough?

Al. Two maps.
With 10,000 we cd. hold perimeter posⁿ. at Suez. Tho' if activity
opposed by E. cdn't defend whole Base area or guarantee to
keep Canal open.
If E. were not hostile we cd. move some light stores fr. Base.
With E. co-opⁿ. we cd. move more.
With E. hostile : guerrillas, we cd. move some : E. Army we shd.
have to stop dismantling Base.
E. Army are short of weapons & ammunⁿ. & cdn't m'tain
protracted op^{ns}. But they may fight well, out of rancour.
From Suez perimeter we cd. exercise negative control over Canal &
positive control over E.'s oil.
10,000 wd. be a small divⁿ. C^d. be re-inforced by air fr. Cyprus
(brigad) & by arm^d. brigade fr. Libya: & if necessary fr. U.K.
thro' Tobruk.
Airport 7 miles n. of Suez – wd. have to be w'in perimeter.
Make landing strips nearer Suez.
Will work out detailed plans for this – for readiness if needed.

A.H. Suez is outside Treaty area for Army.

Sal. W^d. meet Tory critics.
But what wd. be declared object of our policy?

Treaty envisaged our troops for Anglo-E. defence?

S.Ll. No : for liberty of Canal.

Sal. Shan't be able to keep Canal open thus. Can we say its our purpose? Real purpose is to threaten E. - & we cdn't admit that.

Sw. Have we a case under Treaty, if taken to U.N. for troops at Suez?

Al. No. But no room for 10, 000 at Ismailia.

A.H. W^d. take 12 mos. to reduce to 10,000. Sh^d. have that time in wh. to assess E. intentions.

de L. C^d. supply Fayid by air?

Al. Dangerous. E. cd. cut our water. And we cdn't cut their oil.

Sim. If taken to U.N., we cdn't justify our presence in Suez – or indeed anywhere in E. after 1956.

H.C. Once we cease negot^g., m'tenance of troops to “enforce our rights” under Treaty wd. be in effect an act of war.

S.Ll. Treaty lasts until Dec. '56.
They have denounced Treaty: can they plead it?
In U.N. it wd. be Security Council, incldg. T. & N.Z. – who cd. veto.
And we cd veto any action decided upon.

Sal. Favour this policy – if F.O. can find means of defending its legality.

ALB. C^d. we m'tain tht. troops at Suez (not Fayid) are nec. for our duty to guard Canal?

P.M. Redeploymt. & redⁿ. of nos. wd. be gratifying to E. opinion. Need we assume their continuing hostility.

S.Ll. Tel. 117 fr. Cairo. U.S. have made their rep^{ns}. – strongly.
A.E. still thinks agreement is better than course (c) in my memo.

P.M. We shall have to accept agreemt. on those terms if E. will have them.

S.Ll. U.S. action affects my memo. They have done para. 10(a) and (b).
No occasion for any further prod to them.

P.M. We must have a plan for falling back on Treaty.

Suppose they break off negot^{ns}., we must be ready.

M.F. Must explore posⁿ. – Treaty denounced by E. unilaterally. Can't other party make dispos^{ns}. to protect its rights? We have people there: doesn't that give us right to decide how they shd. be protected – with some discretion on location. C^d. we not argue tht. only safe place is Suez. They, havg. denounced Treaty, can't plead its limitⁿ. re location. If they seek to revive Treaty we can say we wish to discuss loc^{ns}. with them in new circs.
If we were taken to U.N., cdn't we use some of these arguments?
And those set out in (c) of A.E.'s memo. offering arbitⁿ.
We cd. discuss all this over 2/3 years, while re-deploymt. was continuing.
W^d. involve minimum loss of prestige.

Sim. Doubt legality of that line. Sending or deploying troops to protect our rights under a Treaty denounced is v. like an act of war.

M.F. Only steps to protect troops entitled to be there under Treaty.

P.M. If they accept our terms we must make the agreemt. Comm^d. on this to U.S., let alone Egypt.
If they break off – by refusal or inordinate delay – we fall back on 1936 Treaty.
Let a Ctt^{ee}. consider how security of 10,000 can best be safeguarded with some regard to prov^{ns}. of Treaty. They must be in a posⁿ. where they can defend themselves, if attacked, until re-inforced – even if it's not the best military position. Can min. mil. need be reconciled with legal cons^{ns}. arising fr. Treaty.
Bringing in our duty to protect Canal.

Cab. Ctt^{ee}. to consider this problem –
M-F., Sim., M/State, M/Def., S of S. for War & Air, A.L.B.

3.

ALB. Are we reachg. stage for reviving project of concert of mar. Powers to consider Canal? Hope F.O. will keep in mind timing of that.

[Exit BH., Serv. Min., ALB.]

[Enter Watk.]

4. Royal Commission on Lunacy.

P.M. P.Q. to-day. Shan't announce names because they haven't yet bn.

invited.

General view: good & well-balanced list of names.

5. Industrial Disputes.

Watk. Private buses. Mtg w'in normal machinery on Fri. If no progress
then shall have to appoint ct. of enquiry.
Light castings. Ban on overtime p'poned until engin. ct. of enquiry
reports.
Coal-miners have accepted award.
[Enter P.T., H.H., Maudling.

6. Japan.

M. E. Afr. has reduced their imports fr. J. more than the addⁿ. we propose
for U.K. On balance Lancs. wd. gain. Esp. as it wd. be finished
here and re-exported.
W. Lancs. won't like this. But they always resent any J. competⁿ. – & they
have exaggerated it.
P.T. They will make a row about this. But I support it.
H.H. E. Africa has increased its imports fr. Lancs because they cdn't wait
for this agreemt.

Memo. Approved.

7. British Industries Fair.

P.T. Real point: how explain, when challenged, tht. we didn't invite them.
Singling them out as only nation not to be invited.
| F.O. are on record as saying we want to encourage trade in non-
x| strategic goods with China.
S.Ll. We haven't invited them before : this isn't the time to make a change.
P.T. We did in 1951.
Anyway, what about x/?
The Comm. organⁿ. for trade has bn. closed down by F.O., on ground
tht. trade shd. go thro' individual firms.
Sal. This is not the moment. W^d. embarrass U.S. Advantage to us wdn't
out-weigh that.

- Sw. Say “we didn’t do it last year or 1952 : this is not a good moment to start”.
- P.M. That is good enough: stand on it.
- S.Ll. Prob. 1951 invit^{ns}. sent before Ch. intervened in Korea.

1. Parliament. [B-H., A.H., de L., ALB., S.Ll., J.T.

H.C. Debate on Sydney Conference on 4/2. Because politically impossible to go on with Ind. Organisation & Development Bill.

P.M. Imp. Pref. Make it clear tht. Govt. haven't changed their view but no-one else in Comm. wants an extension of Pref. at present time.

P.T. Serious diff^{ies}. with Party over my Bill. Extends purposes to cover levies for productive efficiency. Organised industry has accepted it. Party objects however to levies for any purpose wh. it regards as Socialist.

x/ It is, however, our alternative to Dev. Councils.
Propose now to sound FBI. – to see wtr they wd. openly support Bill on basis of x/.

H.C. Business for next week.
Jap. Trade Agreement – on adjournment 9/2.

RAB. Won't be serious political trouble: only anxiety for Lancs. Agreemt. as a whole is to our advantage. We have a good case.
Suggest Maudling speaks, as well as P.T.

2. Egypt.

Sim. Result of Ctt^{ee's} consideration. Plan shd. be ready for Cab. next Wed.

P.M. Cairo 133., asking leave to discuss availability.
"Serious incidents" shd. not alter our views on availability.
Amb. shd. be stiffened.

S.Ll. "Incidents" have ceased since 21/1. We are now killing Egyptians.

P.M. Let Ctt^{ee}. press on.
M'while no ques of altering our proposals?

S.Ll. No. Tho' some alternative (omitting reference to U.N.) wd. be more favourable to us.

P.M. Drew attentⁿ. to conversation betwn. Oriental Counsellor Cairo & Nasser. This stresses need for time-table – limit.

[Exit A.LB., B.H.

[Enter Watk.

3. Service Pay.

- Al. 3½ yrs. since last review – and c/living has bn. rising, with civil pay. RAB comparisons with '38 are irrelevant. Then, married corp. had only 45/=. RAB says w.o. draws £700 : but he will have had 25 yrs' service & equivalent to senior foreman in industry. Slow disintegration of middle-piece & long-term regulars. Views of C.O.S.
- J.T. R.N. is losing experienced regulars. Re-engagement is falling off – p.o.'s and stokers. They are going out because civil earnings are higher. RAB over-values receipts in kind. Is it worth 45/= p.wk. Semi-skilled docky^d. workers getting v. much more & shorter hours. Need a pay code to hold as well as attract regulars.
- P.M. RAF have many amenities and R.N. hasn't changed. But Army's special need arises fr. fact tht. 80% serve overseas. Experienced men must not be lost to Army – where there has bn. gt. change in cond^{ns}./service.
- de L. Rate of internal recruit^{mt}. for technical branches. Must be able to keep people. At present rate of loss we shall be 40% short of establ^{mt}. in key groups for m'taining aircraft. These men have many attractive openings in civil life. Lowers level of skill in Service. Also requires us to use short-service men, uneconomically, on highly techn. work. If you spend a lot of money on RAF it's wasteful not to pay market rate for these few men.
- A.H. P.M.'s remarks support my separate request for "concessions". £600.000
On Pay : 2 kinds of men i) remains of 5 and 7 yr. service 74.000
Source for w.o. in 10 yrs' time, Of these
on re-engagement, last year 24,000 left : 4,000 stayed
6.500 .. 750 stayed
These re-engagemt. figures augur ill for men re-engaging at end of new 3 year period.
Army becomg. increasingly techn. – men are more eligible for outside jobs.
Comparisons with '38 are unfair – for Army pay was then v. low.
RAB. condⁿ. re "concessions". I cdn't accept tht. when 80% overseas, 60% married men are separated, & some 5 batt^{ns}. consistently overseas since end/war.
- P.M. Too many men are marrying young on the strength. They used to be

compelled to leave the girl behind.

- A.H. My concessions wdn't encourage that – only alleviate cond^{ns}. in Kenya, Egypt etc., These cond^{ns}. are taking people out of Army.
- R.A.B. Met Ministers before Sydney. Sugg^d. £2M. On 29/12 raised my offer in lr. wh. hasn't bn. answered. Haven't bn. able to correct my memo. since my return.
On claim for £21 M. – too much, in relⁿ. to genl. industrial sitⁿ.
W^d. be unwise to concede so much.
Moreover, selection isn't right. This wd. cover 60% of the whole.
Must be more selective.
Let us have another shot at workg. out finer selection inside smaller total.
Comparison with '38 is rejected. Then compare with '46. Gave figures excludg. value in kind. W.o. : also privates. Show an increase not more unfavourable than civilians.
Timing. Suggest we defer announcemt. until March when Def. debate is on, leaving it out of W. Paper.
Concessions. Gave £1.5 M. earlier. Will consider some of these again.
Officers. Case is not so urgent. W^d. prefer to restrict this to o. ranks.
- Al. Wrangling with Ty. for 8 months. Further examⁿ. will serve only to defer decision still longer.
Total of £8 M. won't do. 1949 increases (£12 M.) were v. ill-received: did more harm than good : had to be followed in 1950 by a more generous settlement.
Must stop the drain of experienced men.
- de L. They have bn. draining away during the 8 months we have bn. wrangling.
- A.H. Comparison with '46. Was admitted then tht. Services were grossly under-paid. What about civilian increases since '50 since when there has bn. no rise in Service pay.
- Sal. As result of 2 wars, we have citizen Army – and pay must be nearer to civilian levels. Ty. line is what ought to satisfy Services. Fact is they aren't satisfied and are leaving. That is the actual test.
Can't have efficient Services unless we keep these men.
Same argument applies to concessions. Useless to compare with Police & others who can live normal life in U.K.
Welcome joint examⁿ. But shd. be based on need to stop the drain, not on what pay ought to be.
- Watk. Why are they leaving? Is it cond^{ns}. (civil life) rather than pay?

- In 1950 agreed there shd. be a review to relate Service to civil.
That was never completed. W^d. be useful if we cd. complete it.
To see wtr pay or amenities is main cause.
W.M. thinks tht. £21 M. increase now wdn't make it easier to hold
civil wage awards to average of 7/= p.wk.
- A.H. M/L. always find a reason for judging the moment inconvenient.
Comparison : we can't get agreemt. with Ty. on value of receipts
in kind.
Concessions : have discussed with Ty. for 18 months. The £1.5 M.
was given on direct order of P.M. when we failed to agree.
- R.A.B. Drew attention to paras. suggesting need for finer selection.
Estimates. Poor response to my appeals for economy. Def. burden
is enormous. Has made it imposs. for us to reduce c/living.
All our improvemt. in trade has had to go into paying for this.
- A.H. We have offered to carry 50% of this w'in our Estimate total.
- P.M. What is proportionate increase in married men in Army as cpd. with
before war?
- A.H. Applies only to m. allowances not to nos. on strength, wh. haven't
bn. increased.
- de L. False economy to keep pay so low tht. we can't service equipment
on wh. we spend so much money.
Agreed : 50% of total cost be found w'in Def. Budget.
- A.H. Our plan will be recognised as improvemt. for N.C.O.'s &
technicians.
- H.C. Officer proposals cost £5½ M. What of them? Are they pressed?
- Al. Is it wise to ignore middle-piece officer? 30-40 : Capt./Major.
Most valuable officer & the worst off.
- A.H. 1950 increase (Socialists) was criticised by us as disproportionately
ungenerous to officers. To increase NCO again & leave
officers unchanged wd. expose us to criticism.
We aren't getting good recruits to S'hurst – largely because Army
parents can't afford to support them.
- de L. We can't fill Cranwell.
- P.M. We must have a target figure. We must announce in Def. Debate.

- Must break deadlock in off^s. discussions.
- H.M. Support the “concessions” – a better remedy than pay for Army.
Regular engagemt. is now only 3 year. Can you concentrate
improvements on incentive to renew.
- A.H. Bounty schemes are included in our proposals.
- Sw. Can they be linked with it more closely.
Support “concessions”.
- P.M. Ctt^{ee}. to report in a week – on incentive concessions totalling £12 M.
- A.H. Our minimum wd. be £18 M. On basis that below that improvements.
wd. be described as derisory.
- RAB. Total £18 M., includg. “concessions”. And £10½ w’in Service
Estimates. Agreed.
- A.H. Fairer to deal separately with “concessions”.
I must have it. Other Services may not want £400,000 for these.
- RAB. Agree in principle to concessions – if A.H. will take 50% in his
Estimate - Agreed. Outside the £18 M.
- P.M. Ctt^{ee}. : L.P., RAB., M/D. & Service Ministers.
[Exit Serv. Ministers.
[Enter PMG., H.H.
4. Coloured Workers.
- P.M. Problems wh. will arise if many coloured people settle here. Are we
to saddle ourselves with colour problems in U.K.
Attracted by the Welfare State.
Public opinion in U.K. won’t tolerate it once it gets beyond certain
limits.
- F.H. Already becoming serious in Manchr.
- M.F. 40.000 now cpd. 7.000 pre-war.
15/6/53 : 3.666 unempl^d. : 1870 on nat^l. assist^{ce}.
Living on immoral earnings. 12 mos. to 31/8/53 : 62 convicted MPD
of whom 24 were coloured.
All admin^{ve}. measures to discourage have bn. taken. Only further step
wd. be immigrⁿ. control over admⁿ. of B. subj. to U.K.
Two methods i) apply A.O. control, incldg. 1(3)(b), to
Br. subjects.

Increase of 80 in H.O. & 40 in M/L. staff.
Double those nos. if extended to Irish Republic.
With corr. right of deportⁿ.

ii) take power to deport B. subj. fr. overseas if
convicted of serious offence or become public charge.
W^d. have to admit in Parlt. tht. purpose of legⁿ. was to control admⁿ.
of coloured.

There is a case on merits for excludg. riff-raff. But politically it wd.
be represented & discussed on basis of a colour limitation.
That wd. offend the floating vote viz., the old Liberals.
We shd. be reversing age-long tradⁿ. tht. B. S. have right of
entry to mother-country of Empire. We shd. offend Liberals,
also sentimentalists.

On ii) gt. public feeling cd. be aroused by a bad case. We are in gt.
danger of that.

On balance, scale of the problem is such tht. we shdn't take these
risks to-day.

The col. pop^{ns}. are resented in Lpl., Paddington & other areas. – by
those who come into contact with them. But those who don't
are apt to take Liberal view.

L.P. This is increasing evil. Principle laid down 200 yrs. ago are not
applicable to-day.
See dangers of colour discriminⁿ. But other Doms. control entry of
B. subjects. C^d. we present action as coming into line with
them & securing uniformity.

P.M. Ques. is wtr it is politically wise to allow public feeling to
x| develop a little more – before takg. action.

Sw. Restⁿ. on entry in 4 old Doms. & Ceylon. None in India or Pak.
They might retaliate by rest^{ns}. on B. subj. entry.
Power to deport B. subjects is universal in Doms. There wd. be
no bad re-action v. legⁿ. here takg. similar power.
I wd. support second, tho' not first.

H.H. Right of entry is restricted in most Colonies. And most have power
to deport.
Legⁿ. based on colour wd. be disastrous in Colonies.
Genl. restⁿ. of entry wd. be resented in many Comm. countries.
No objⁿ. likely to be taken against power to deport.

P.M. May be wise to wait as at x/. But it wd. be fatal to let it develop
too far.

H.M. Study first the ques of deportⁿ.

P.M. W^d. like also to study possibility of “quota” – no. not to be exceeded.

Sw. Will submit memo. on depⁿ. powers in Doms.
C.O. shd. do same for Colonies.

[Exit PMG.

5. Overseas Information Services.

R.A.B. Solution - i) all D. economies to come in at once. £171.000.

ii) contⁿ to rising costs £150.000.

iii) 40,000 F.O. } new money.

35,000 C.O. } ..

7,000 C.R.O. } ..

C^d. Ty. examine this in consultⁿ. with all overseas Dpts. and B/T.

S.Ll. Will consider – doesn’t meet A.E.’s view.

R.A.B. Can’t give C.o.I. any more.

S.Ll. It includes Arab newspaper.

P.M. Our expenditure was never more & our rel^{ns}. never worse.

6. Industrial Disputes.

Watk. El. dispute will continue.

1. Parliament: Japanese Trade Agreement. [Enter B-H., S.Ll.
P.1395 of O. Paper of 10/2.

H.C. Jap. Trade Agreemt. Tory amendment to Labour motion.

P.T. Advantageous to accept this. Get Assheton to make a moderate speech. I cd. indicate our limit^{ns}. – e.g. as regards Colonies, wh. we can't direct.

RAB. We shd. in any case watch its opⁿ. over coming year: no reason why we shdn't accept. C^d. O.L. take it?

O.L. Amendmt. safeguards Col. posⁿ. sufficiently.

P.T. Interests of textile ind^{ies}. are in exports to Col. : we can't ensure that :
But we can do our best. Will make it clear tht. we can't compel Col. decisions.

O.L. If you make this clear, I cd. take whatever risk there may be.

2. Parliament.

H.C. Business for next week.

Sim. Judges Bill?

H.C. Party have now linked it with officers' retired pay.
Unless we clear that before Army Estimates, there will be trouble.

R.A.B. If large increases are made in Service pay, we shall have to make the concession on pensions.

P.M. What about M.P.'s salaries? Is not that connected too?

Sal. Get them all over together.

W.M. And not during my crisis from 20th. Feb. to mid-March.
Engineering is crucial : bldg. less so. Once they are over, we shall be thro' this round at about 7/= a week.

Sim. Judges really shd. be differentiated from all others.

Sal. Allowances for Peers. Can't be held unless M.P.'s salaries are not raised.

P.M. Leave M.P.'s and Peers out of this.
But consider the others jointly. [Enter 3 Serv. Ministers.

3. Service Pay.

Sal. Proposals of Ctt^{ee}.

W.M. To effect their purpose, increases must be attractive. Increases fr. 14/= to 49/= - embarrassing when I am aiming at a 7/= increase. I want to be sure tht. none of these are greater than industry has had since last Service pay increase in 1950.
Must have time to consider that point – 24 hrs.
On presentⁿ. and timing, I may have more to say.

P.M. Doubt if we can get thro' debates on Service Estimates w'out an announcement on this.

de L. Rises in comparable civil earnings (e.g. aircraft manufacture) have been much larger over the whole period from 1950.

H.C. Industrial wages are not incentives to continued skilled service.

P.M. Can't avoid this addⁿ. to M/L.'s difficulties. Must announce before Service Estimates.

R.A.B. Wish it recorded tht. £8 M. wd. have bn. a sufficient settlement.
I am not in agreemt. with this plan for £16.5 M.

P.T. Bad effect on Br. industry.

P.M. Cab. must take responsibility for decision.

W.M. Accept date of 4/3.
Still want to examine detailed rates.

Agreed. P.M. Cab. will meet to-morrow, if M/L. or R.A.B. want to raise points on further examination.

P.M. Wdn't worsen M/L. posⁿ. if we then cleared up officers' retired pay & proceed thereafter with Judges' Bill.

R.A.B. Want to submit memo.

H.C. And I wish to consider timing – in detail.

4. Five-Power Conference.

P.M. Para. 7 of A.E.'s telegram.

S.Ll. U.S. proposal is unfortunate – in terms & in notⁿ. But it is furthest he can go, he says. Urge A.E. to get D. to modify terms. But at all costs avoid open breach with U.S. & France.

Sal. Must keep w. front unbroken. Try to get D. as far as we can.

P.M. Don't commit ourselves needlessly to defending awkward pos^{ns}. taken by D. – e.g. "conduct" vice "action". Can't be expected to agree on every point. Not bound always to speak with one voice with U.S.
We can't hope to defend here pos^{ns}. wh. he took up v. his better judgment.

H.M. B. is more important than D. There will be failure on G. B.'s only hope of carrying E.D.C. is to have our full support. I am therefore more impressed by importance of not being seen to disagree with B.'s attitude. We must strengthen him.

S.Ll. We can't defend having no discⁿ. on F/E. And that must be made clear to D.

P.M. Fact (of Conf^{ce}.) is more important than form.
Do best you can. We will support you.
Doesn't follow tht. we must endorse every word used by D. or B.

[Enter ALB. & C.O.S.
[Exit B-H.

5. Egypt.

Sim. This is next best course to getting an agreement. Ctt^{ce}. believe tht. considⁿ. emphasises advantages of getting an agreement. cf. A.E.'s telegram.

P.M. That means further concessions.

Sim. Even so.

Sim. On the law – we can't predict what decⁿ. an internat^l. court might take. But we are satisfied tht. there are plausible arguments

wh. we could put fwd.

- P.M. A.E.'s tel. was unnecessarily alarmed. We shall not decide to-day.
A.E. is ready to contemplate further concessions. Cab. has said
h'to. it wd. not make any further offer. Serious trouble from
Party if we did.
Consider the weak points in alternative plan.
Either course wd. look v. much the same. Large nos. of troops wd.
be leaving – wtr we relied on Base or on Treaty. Neguib cd.
point to departing Br. troops. E. mght well think they need
not impede that part of the basis. No need to assume violent
attacks or hostility. But, if that did occur, our posⁿ. here wd. be
easier – we shd. have more support for a stiffer attitude, which
(militarily) we cd. easily take.
- C.I.G.S. Eventual posⁿ. concerns me most. 10,000 concentrated with l/c
unguarded.
- P.M. But if they were attacked it wd. be act of war : & we cd. re-inforce.
- CIGS. Sh^d. we be able to use air-arm v. Egyptian forces.
- P.M. What of our resolution to launch Rodeo – 96 hrs' notice for wks. at
end. That wd. have bn. much more serious act.
We must work further on this plan. [Exit L.P., de L., P.T.
E.g. how do we justify saying Base doesn't matter?
- Al. Done our best to secure it. As E. have made it imposs., we are
moving it to pos^{ns}. which, tho' less ideal, are more workable
because friendlier population etc.,
- Sim. Course (c) contemplated declⁿ. we were re-treatg on Treaty rights.
Our local people think that wd. arouse E. antagonism.
But we cdn't handle Party w'out such a reference.
- M.F. Para. 5 is important point. We have time to w'draw & to protect
ourselves m'while.
- P.M. Continue to study alternative in this memo.
Construct mil. and pol. time-table from a D. day.
(e.g. at what point do we declare our policy)
- CIGS. Assumg. for tht. purpose tht. 10,000 need not be wholly
w'in Treaty areas – relying on argument at end of
para. 5.

- S.Ll. We cd. make privately to E. Govt. a rather different statement from that which we make publicly. Inclgd. ultimatum to E. tht. if they attack us m'while it will be an act of war.
- P.M. What of other course of further concessions to obtain agreemt?
V. weak course, after we have made it plain tht. these were our last words. Are we to yield to E. when we declined to shift on a/c of U.S. pressures?
- Sim. I wd. go a long way to get agreemt.
- S.Ll. A new availability formula might be improvmnt. fr. our pt. of view, not a concession. E.g. Turkey vice U.N.
On uniform: no E. civil jurisdⁿ. & right to carry arms mght be better than uniforms.
These changes, not concessions, might be examined.
- P.M. Examine both alternatives.
- H.M. Will an agreement extracted fr. us by E. do us any good in M/E.
Shall we do ourselves any good in eyes of other M/E. countries.
More long-term advantage in the alternative course.
[Exit C.O.S., J.T.]
6. Railways: Freight Charges.
- A.L.B. As in memo.
- RAB. No alternative.
Reserve my position on alternative method of financing. Will consider on merits.
- P.M. Will there be outcry?
- J.S. Yes. There seems to be no end to it.

Other Ministers agreed with this view.
- M.F. Hope tht. in debate M/T. can give some hope of future offsets thro' efficiency etc.
- ALB. Will try. But T.U.'s have a stranglehold on rlways.
[Re-enter CIGS, P.T., Sal.]
7. Kenya.

- P.M. Talk in Press – e.g. D. Mirror. Much in this general argument – executions shd. serve a public service.
- O.L. Justice or expediency?
Genl. China did not surrender under terms of amnesty.
Expediency : disastrous to respite such an outstanding leader merely because he surrendered. Govr. thinks effect on public opinion wd. be disastrous.
- P.M. What of Govr.'s last para. He wd. reprieve if the man gave informⁿ. or induced others to surrender. This is no more reputable a motive than mine (viz., to encourage surrender).
- O.L. I don't agree with last para. Unless he came in with 4.000 followers or so.
- O.L. Second case is diff^t. For man claims tht. he voluntarily surrendered under amnesty. If that is substantiated, he must be reprieved. Is our policy appeasement or deterrence?
- P.M. Execution of men who fight to defend their native land.....
- O.L. But this is armed rebellion.
- O.L. Let me say Ch. can't be commuted because didn't surrender under amnesty. If it is proved tht. the other man did, he will be commuted.
- [Enter I. McL.
[Exit AH., C.I.G.S.
8. Smoking & Cancer.
- Memo. approved.
- P.M. Will you publish the facts?
- I.McL. Sh^d. meet the Press after announcemt.
- P.M. You shd. publish the report. [Exit McL.
9. Betting : Pools Bill.
- M.F. Comment tht. Govt. did not announce policy on Pools Bill. Will be another opportunity on Friday. Govt. will suffer if we don't make our view known then on

Pools Bill.

Agreed.

10. Royal Tour.

P.M.

Had thght previously tht. it wd. be better if she didn't go.

Ceylon Govt. now think that she shd. go.

Queen is disposed to go. Thinks it wd. be courteous to her

Buddhist subjects to remove her shoes.

1. Parliament.

[Enter S.Ll., B-H.

P.M. F.A. debate next week – as Berlin Mtg. will end this week.
Perhaps a W. Paper, as a basis.

B-H. AE preferred Wed./Thurs. If so, late in week, we shall be pressed
for earlier statement or W. Paper.

P.M. Statement wd. take bloom off A.E.'s speech. W. Paper wd. be
better.

S.Ll. A.E. dislikes idea of either : is telegraphing his views.

H.C. Housing Repairs Bill. Time for time table for rest of Ctt^{ee}. Stage
because of slow tactics of Opposⁿ. Propose to break this to
CRA to-day. 2 days for Rpt. & 1 for 3rd. Rdg., after time
limit for Ctt^{ee}. ending. W^d. of course try for vol. agreemt. before
we impose a time table. If time-table needed, wd. be debated
on floor on 22/2.

F.A. debate will need 2 days : but one shd. be provided by Opposⁿ.

S.Ll. AE. won't be ready before Wed.

J.S. He cd. escape prelim^y. statement if debate were on Tues./Wed.

P.M. H/C. shd. wait until Wed.

H.C. They won't if D. has made a speech earlier.

P.M. Try for Wed./Thurs. debate on F. Affairs.
A.E. to decide wtr W. Paper is inevitable.

2. Teachers' Superannuation.

P.M. Much opposition in Party.

F.H. Mtg. y'day – 200: hope that opinion was influenced in favour of Bill.
Can't say yet how many were converted – by F.H. and Fin. Secy.

J.S. Mtg. ended about evenly divided, but balance just in favour of Bill.

B.H. Whips think opinion much less hostile after mtg.
May be unpopular but can be put thro'.

- But later Powell & 3 others left Ir. threatening to abstain on 2nd. Rdg.
- R.A.B. Clear issue. Only alternative is to put £2½ M. of taxpayers' money into Fund indefinitely just because teachers & l.a.'s won't pay their share.
Proper actuarial contⁿ. wd. be 12% viz 6% more than we are asking them to pay.
- W. Not a Fund.
- F.H. But a separate a/c. And it was £167 M. in deficit in 1948 and now is £194 M. We are takg. over the liability up to '48 and start afresh – not ungenerous. And increased salaries & pensions (April) will impose further strain.
- W. W^d. be less feeling if this cd. be put across to public.
- M.F. Burnham Ctt^{ee}. knew this was intended when they made their award?
- F.H. Yes : but can be argued both ways. Can't stand on argument tht. salaries were raised with this in mind.
- R.A.B. Continue process of education. I will see any M.P.'s whips are nervous about.
- J.S. P'pone Bill for widows' pensions?
- F.H. Bill makes same provⁿ. for this as l.a. pension scheme – powers only.
We are discussing nature of scheme.
- P.M. Gain time : continue process of education: RAB to talk to dissidents quietly, in groups.
- B.H. Proceed, if all is well, with 2nd.Rdg. in week after next.

3. Kenya : General China.

- P.M. Tel. No. 126. Some prospect tht. he may bring a large no. to surrender. But you can't bargain with a man under sentence of death and hang him if he doesn't come across.
- O.L. No. I disapprove the whole thing. But I must leave it to the Govr.
He will get a bad bargain if only a few come across & you have to let him off.

4. Egypt.

P.M. Tel. No. 28 from Khartoum.
Any truth in story of disturbance in s. of Sudan?

S.Ll. No informⁿ.

P.M. V. disagreeable development.

5. Four Power Meeting.

P.M. Ends this week. AE. returns Friday 3 p.m.
Satisf. tht. it ends in relatively good atmosph., tho' nil achieved.

Sal. Has at least demonstrated tht. R. won't move on A. or G.

P.M. Heard tht. their reason for obstinacy is mil. not pol. That Malenkov
wd. have made some concession but Zhukov was against it
because it wd. involve re-casting whole of mil. dispositions.

P.M. Suggest to A.E. mtg. of Cab. last in p.m. of Monday.

[Exit B.H.
[Enter D.E., G.Ll., Low.

6. Atomic Energy: Uranium from Congo.

Sal. New situation because failure to get agreemt. with Australia.
Moreover, Cab. in earlier discⁿ. were under misapprehension re dollar/
sterling consequences of C.D.A. agreemt. Recommend we now
go back to 50% basis. There is in fact no way out of that.

Al. Only \$2 m. p.a. Not too bad.

R.A.B. Agree it's inevitable.
But hope we shall make some modest purchases fr. Canada - & keep
Austr. possibilities in mind.

Sal. Will look into Can. possibility. As regds A., it's their fault not ours.

Sw. Mustn't have it said tht. C.D.A. supplies prevent us from taking
supplies fr. A. when available.

R.A.B. Keep possibility open re Austr. and do somethg (small) with Canada.
For Comm. reasons.

Memo. approved, subject to point re Doms.

[Exit D.E., GLI.

[Enter J.T.

7. East/West Trade.

P.T. Agreed short list : as what we wd. want. Agreed also on tactics.
Outstanding questions : Copper. At least don't let us embargo
semi-fabricated.
Craven Bros. Machine Tools. Two are not embargoed now.
If we omit altogether, shall have to defend on basis of new
policy.
Shipping : A new memo. by Adm^y. will be submitted. This
can wait.

Tactics. Agreed now we present this as new policy.

Copper.
P.M. They can assure mil. needs by giving them priority.
Denial will hamper industrial develop^{mt}. generally.
Hope copper may be excluded.

Machine Tools.
O.L. There was much discⁿ. re rubber, at that time. I developed argumt.
(applicable to copper) tht. rubber goes into much that isn't war
potential. On that a/c I wd. now agree to exclude copper
fr. embargo.
But the 3 machine tools are different. Most people wd. regard them
as directly useful to munitions prodⁿ. They are for v. heavy
planing & boring operations. W^d. continue to embargo the
v. large types.

P.T. One is embargo-ed now. The other two aren't – merely quantitative
control.
C^d. we m'tain embargo on the one : but don't elevate other two to
embargo. W^d. be diff to get G. to agree to that.

Low. Vertical borers are vital. Sh^d. be embargo-ed.
The other 2 aren't quite so vital. Planing machines, particularly, cd. go
because armour-plate planing machines are subject to embargo.
W^d. like to keep centre lathes subject to embargo.

P.M. Don't stultify our past on tools : will make it more diff. with U.S.
Agreed : 3 extra tools shd. be subject to embargo.

Copper.
Low. R. wd. be short in war. We shd. therefore prevent them fr. bldg.

a war stock. Propose we embargo copper, but free fabricated so long as orders were linked with other supplies.

- Sw. Comm. interest in free-ing it. Large producers.
Low's line really falls back to war potential argument.
Copper is back on Metal Exchange : wd. be awkward to apply special arrangemt. to it.
- O.L. They cd. stock-pile via semi-fabricated, tho' at higher cost.
- P.M. If we aim at peace, it is wrong to deny them so essential an element in ordinary industrial prodⁿ.
- O.L. Why stop at copper. Sulphur is as important.
- W. 200,000 t. surplus of copper is likely. R. will get it somehow.
Let them get it thro' Ldn. market.
- Sal. Will it go thro' from R. to China?
- Al. Willing to accept Cab. decⁿ. But omission of copper will discredit our List with U.S.
- S.Ll. Support this view. Mght prejudice our chances on whole List.
- P.T. May have to make a concession. But it's logical to start without copper.
- SLl. Method presentation.
Mght be mistake to ask Stassen here. He is known to be ahead of p. opinion. Don't want Paris group to know Anglo/U.S. talks are being held first.
- P.M. Stassen is best judge of his own position.
Not impressed by argument re Paris group. He cd. go to Paris, too.
Let's ask his opinion.
- [Enter A.H., de L.
[Exit Low.
8. Service Pay.
- R.A.B. Date of announcement.
Diff. to avoid doing it in debates on Service Estimates. But that is v. awkward for M/L.
- W.M. There are startling comparisons with civil industry. E.g. –
218/= to 239/= engineers.

310/= for W.O. in R.A.F. 250/= Sergt. 275/= Staff Sergt.
Therefore diff. to avert this comp. argumt. at critical stage.

P.M. They haven't same freedoms – e.g. to strike or take leave.

W.M. Yes : but needs careful presentⁿ. And will make it diff. for
employers in argument.
Hope therefore that Serv. Ministers will consult me on presentⁿ.
Timing. I wd. prefer to delay.
Agreed : Serv. Ministers to consult M/L. on presentⁿ.

Al. Timing. Leak in D. Express & D.T. "Times" contemplating leader.
Can't hope to hold this much longer.
Propose P.M. shd. announce in defence debate on 2/3. Wh. Paper
to be published on same day.

Agreed : Announce in Def. Debates, as proposed.

[Exit J.T., de L.

[Enter C.I.G.S., Att. G.

9. Kenya : Forced Labour.

O.L. Since memo. disc^{ns}. with Dpts. concerned. Agreemt. reached on
amendment wh. avoid techn. breach.
Prob. need not now pay normal wage rates.

W.M. Welcome this amendment. It wd. make it much more defensible.

J.S. What if some refuse to work?

O.L. Experience suggests tht. they may be persuaded. Failing that,
punishment e.g. low diet.

Memo. approved, subject to amendment agreed
between Dpts.

[Exit CIGS., A.H., Att. G.

10. British Honduras.

O.L. Guatemalan For. Minister sent his trousers to cleaners & this
document was found in it.
We shd. publish. W^d. like to say at once tht. its authenticity will
at once be tested by a commⁿ. of enquiry. We cd. wait to see
wtr. it is challenged. But I think it's sure to be challenged.

Sw. How long wd. it take to examine authenticity?

P.M. Wisier to be sure before we publish.

H.C. Especially after what H/C said re B. Guiana evidence.

S.Ll. W^d. sooner wait until after conf^{ce}. of S. Am. States in Caracas on 1/3.

O.L. It wd. all come out when enquiry starts. Cdn't avoid publicity.

Sim. How do you test authenticity?

W. Start a general enquiry – & let this paper come out in course of it.

O.L. Yes : can start quietly.

S.Ll. Won't it involve p'poning elections, due in Apl.

O.L. Depends what comes out.

M.F. x| Limit it to links betwn. P.U.P. & Guatemala & produce this
| as one of items of evidence.
Agreed – as at x/. [Exit S.Ll.
[Enter I. McL.

11. National Food Survey.

Ll.G. Addⁿ. to f. allowances has not checked deterioration in diet of
larger families.
Publⁿ. wd. help us to rebut Socialist claim tht o.a.p. are suffering.
But wd. open us to new criticism re larger families.

R.A.B. Publish and pig. it. We have no alternative.

I.McL. Such indep. ev^{ce}. as we have confirms this finding. E.g. weights.
Food & Nutrition Ctt^{ce}. shd. be asked to advise on remedies before
publⁿ. of these Rpts.

Sal. Is the money being spent rightly?

Ll.G. Para. 5 gives part answer. They do spend higher proportion on food.

F.H. Children won't drink 2/3rds. pint. Many of them won't drink 1/3rd.
Wdn't keep until p.m. Shall be attacked for raising price of
school meals.

P.M. Let Rpts be published & see what reactions there are.

Food & Nutrition Ctt^{ee}. to consider & report (quickly).
[Exit McL.

12. Betting and Lotteries.

M.F. Motion won't be moved this week. Less urgent therefore.
But Leeds: Supt., Insp. & 4 Sergrts. have had to be sacked. When
that is known I shall have to hold enquiry into Force.
C/Ede has exp^d. support for cash betting, primarily. Want to see
wtr he has support of his colleagues. Explore chance of doing
this on bi-partisan basis.
Must be able, when it is next discussed, to give some faint indications
of Govt. attitude.

Resume at a later mtg.

13. International Labour Conference, 1952.

W.M. As in memo.
No legislation involved.

Approved.

C.C. 10(54).

22nd February, 1954.

1. Four-Power Meeting.

A.E. i) Extreme rigidity of Sov. posⁿ. Not prep^d. to yield on
anything – even Austr. Why? Two possible reasons -
a) they daren't give way : thinkg. tht. if they do they will
be pressed all round. Austria : if they w'draw,
Hungary (l of c) will invite them to go. No hope of
change because based on weakness.
b) Figl thgt Kremlin v. mil. regime. Reason was solely
military.
I prefer a) tho' b) not inconsistent with it.
E.D.C. They don't really fear it. Merely a means of splitting us.
When I put my view to M. & asked him what was his alternative,
he admitted in effect he had none. Believe therefore they
will not react v. violently if we go on with E.D.C.
But genuine fear of U.S. Hence objⁿ. to bases. Exp^{'re} on infrastructure.

U.S. speeches & Press. R. are really nervous of them. M. seemed to accept my assurance tht. our bases wd. not be used for aggressive purpose.
“Double-talk.” E.g. democracy, elections etc., mean quite diff. things to R. They really don’t understand our meanings of these words. But Mtg. has not left heightened temperature. No bitterness.

China. M. wanted 5-Power Mtg. v. much. Not merely to raise Ch. prestige or he wdn’t have given way on composⁿ. D. & B. both think Kremlin is nervous of Ch. – now Stalin is dead. They may do somethg. rash & involve R. in it. M. really began to negotiate for a Mtg – quite diff. fr. attitude on G.

Germany. In may 2 yrs. since Bonn agreemts. G. are getting impatient: not Adenauer but lesser politicians : and critical of West. They are doing well economically & getting arrogant. We haven’t long in wh. to get G. in on E.D.C. terms : they will begin to ask for more. cf M. Guardian to-day. Can’t therefore afford to fiddle along over EDC. for long.

France. B. was good – neither hectored nor cozened by R.

M. seemed disappt^d. at end. Prs. expected more disarray – surely not more results. Hard to see why he chose Berlin – bad for R. – unless he hoped to divide us.

Association with E.D.C. Tel. 409 of 20/2. Shall have to study that.

D. showed courage re China. May be in trouble in U.S. over this.

Little chance of change in R. policy in Europe. May be some in China. Several years of stalemate in E. We must go on with defence. For can’t hope to negotiate with R. except from strength – even if then.

P.M. B. said at W’ton mtg. tht. failure of a Mtg. wd. help him to get E.D.C. Thro’ Fr. Parliament.

Sal. Yes. B. wants E.D.C.

P.M. Can we do more to help French to ratify E.D.C.?
We must have a G. army. Opposⁿ. here won’t make serious diff^{ies}.

AE. Some small things prs. But not the assurance he sought at B’muda about continuing level of U.S. & Br. forces in Europe. It’s a

legitimate fear: but how can we satisfy him?

P.M. Must avoid posⁿ. in wh. we are expected to stay while U.S. troops go.
C^d. we ear-mark token force to serve with E.D.C. e.g. an
armoured divⁿ.? W^d. sooner do that.

A.E. Have considered – arm^d. brigade grp. wd. be enough. But v. awkward
constitutionally.

Al. E.g. uniform, pay, discipline etc.
AE and Al. undertook to consider.

P.M. End of Mtg. attempt stresses need to try alternative of E/W. trade.
We want peace (& peaceful rel^{ns}.) as well as strength.
Must ensure Br. people have clear conscience tht. we are trying to
take edge off intern^l. rel^{ns}. & tht. we are trying our best to get
more normal relations. We cd. press U.S. to take easier view
on strategic goods. We shd. have a more united P. opinion if
we had the lollypop as well as the cane.

A.E. Talked to M. – he didn't mention strategic goods.

2. Kenya.

O.L. Parl^y. Delegⁿ. report. Have undertaken to publish. At end, Mau-Mau
oath. Sh^d. we publish? It is such filth.

P.M. x/ Put it in Library. Only M.P.'s to read it. In charge of an official.

Sw. Shdn't Press know of it. Don't suggest they publish it.

P.M. y/ Let Newsp. Proprietors' Assocⁿ. have access to it, via Press Council.

Sim. Lawyers are familiar with this in ritual murders.

Sal. z/ Let Lobby see it?

P.M. Yes.

P.M. And if M.P.'s press for publⁿ., we shall have support for doing it.

3. Persia.

A.E. Will tell U.S. Govt. thro' Makins tht. we think AIOC shd. have

44% & balance to other Cos. in the talks – 8% each. One is Shell. Prefacing this by saying we wd. have preferred this negotiated thro' Cos.

Last resort : 40% AIOC. 20% Shell. 40% others (U.S.).

The Fr. share in that event shd. not come from A.I.O.C. or Shell.

R.A.B. W^d. accept either. Don't want U.S. to have more than 35% if poss. because they remit in dollars.

[Exit G.Ll.

[Enter J.T. C.N.S.

4. Antarctica.

A.E. Argentine naval rep^{ves}. (equivalent of 1st. Lord) going to A. in unarmed ship.

Courses i) turn a blind eye.

ii) protest in B.A.

iii) turn it back by force

prs. fire a salute & let it be mistaken for an attack.

They cd. bring up reserves much more quickly than we.

iv) our frigate cd appear & tail them – doing nothg. violent.

x/ Legally, we cd. strengthen our claim to sovereignty by welcoming them as guests on our territory. W^d. H/C. understand that?

P.M. I like x/.

J.T. We cd. provide frigate as escort – if we can find them.

Agreed : Follow her round and offer entertainment.

Adm^y. to submit inst^{ns}. to A.E. & P.M.

[Exit J.T. & C.N.S.

5. Farm Price Review.

R.A.B. We must lower prices. Diff^{ces}. are only of degree.

Save on milk I wd. like to see M/F. proposals adopted.

Eggs – public scandal : will reflect on our agricultural policy.

Milk – eggs – cereals are the important ques for Cabinet.

This is about the only hope for redⁿ. in Budget.

If we can't get redⁿ. on prices, I shall have to revert to idea of subsidy.

T.D. Diff^{ties}. now arise fr. success of our policy – increased prodⁿ.

Believe tht. even my figures go too far, in attempt to meet Ty.

Tho' I will stick to them.

Ty. memo. on b/paymts shows anxiety for '55. Wdn't it be v. unwise to risk losing momentum in home food-prodⁿ.?

Even my figures cdn't be accepted by farmers: settlement wd. have

- to be imposed. Whatever we impose must be enforced : no concession thereafter.
- Farmers expect an increase. This will be first time there hasn't been an increase. H'to we have had full support fr. Party in H/C. Shan't get that for less than my figures. For first principle of our policy has bn – first chance to home producers : and now Party wants control of import policy to ensure this.
- Milk. The marginal man lives on it.
- Cereals. World price is below ours for first time. For 10 years Govts. have urged max. wheat prodⁿ. Diff. to slash price just when our farmers are produc^g. enough.
- L.I.G. Agree on import^{ce}. of stable & prosperous agriculture. But in siege economy we aimed at prodⁿ. at any cost – and we have achieved it. Farmers will lose public sympathy if cost becomes known. Pity to allow that to happen.
- Egg subsidy this year will be £28 M. W^d. be £35 M next year on same basis.
- Milk. Will rise by 20 m. gall. this year. We can't dispose of it. Limit to what manuf^{rs}. will take. Need therefore to reduce price in order to reduce prodⁿ. Milk is less needed now other food is available.
- Must move twds. known objective of departing fr. siege economy methods & prices.
- x| Start negotⁿ. with lower prices e.g. mine. We shall be forced into some concessions. Even on milk – where my figure is prs too high. In 1952 we had to concede £14 M.
- T.D. I agree on x/.
- W.M. Milk. £250M. are producer subsidies. Diff^{ce}. of £8M. on milk. RAB says, if no more than 1^d. on milk, he will consider putting ½^d. on retail price. W^d, yield £7M. but .5 on c/l. index. And psychol. effect wd. be v. great. Housewife cdn't be persuaded we were trying to keep c/l. down if we put up milk price when there is surplus of milk. Anyway you wd. decrease consumptⁿ. and so increase surplus.
- I support M/F. in general but want the cut on producers' end.
- M.F. Milk & eggs are most important to small farmers (N.I.).
- R.A.B. Farmers are worried not bitter. Doubt if we shd. cut milk by 2^d. for so many depend on that. C^d. start at 2^d., but shdn't insist on it.
- T.D. Eggs. We think cost at 4/- wd. be only £15 M. next year, if linked with feeding-stuffs.

W. Try for 1½^d. on milk. No chance of 2^d. Politically, of most concern.

O.L. Diff^{ce}. betwn 2 Ministers is £40 M. Too big for negotiating.
y| Start therefore at point halfway between T.D. and Ll.G. And
fall back on T.D. figure, but only if driven to it.

A.E. Agree. To start from Ll.G. figures wd. cause explosion.
Agreed : start negotiating on milk at 1½^d.

R.A.B. Can't go on with agric. policy as now.
Want to re-consider eggs. – on basis of lump sum for a
limited number. Suggest this be remitted to us to report
again on Wed^y.

T.D. Fertilisers?

R.A.B. Ty. shd. share in any fall in prices : at moment farmers are getting
whole benefit. Can settle this with T.D.

A.E. Decide provisionally on y/. But argue strenuously.

Agreed. R.A.B. to bring up long-term ques of producer subsidies.

6. Uganda.

a) Royal Visit.
O.L. As in memo. Visit shd. go fwd. save for Mengo.

P.M. Yes. But watch situation & revise plans if it deteriorates.

b) Policy Statement.
O.L. Object : regain initiative. Nothing new – makes it more precise.
Can never be a white man's country. Not like Rhodesias.

Approved.

7. Town and Country Planning.

H.M. Bill must be introduced in a few days – so as to allow time before
2nd. Rdg. Must go thro' – because paymts. outstanding. It is
for its sake we are guillotining Housing & Rents Bill.
Original plan. Once-for-all purchase of developmt. rights.
Now we are to pay as we go. Limit (admitted claims) was

£350 M. We shall now have to pay only £75 M. over next few years – only for planning disallowed.

Attack on our Bill will be : all land is put back into free market & planning will be hampered. We rely on consents. They will then say : money will determine it. I want therefore to charge £75 M. to Cons. Fund : to pay off backlog & see us thro' first few years : so as to have answer to claim tht. dead hand of Ty. will determine amount of planning.

Estimates for housing etc., – if cut, no harm is done, tho' benefit may be p'poned. On this, if money is not available to decline consent, irreparable damage may be done.

After a few years we cd. go back to normal Ty. control.

Recognise tht., if precedent, this wd. be dangerous. But this is special case. i) Total is limited : no-one can get more than admitted claim. ii) Can't estimate cost in any year. iii) x/ above.

Income of dev. charge had no real relation to £300 M.

I was founder of P.E.P. Am now accused of betraying planning.

Matter of honour for me. I wd. sooner have stuck to '47 Act than commit planning wholly to financial control. We shall re-open the old land controversy. But, by my way, we can say : it will be decided on merits & paymt. made on ascertained facts.

R.A.B. Ministers when administering discretionary service have always had to obtain their money by Vote, approved in advance by Parlt. Nothg. like a loan on Con. Fund. Certainly no discretionary admⁿ. My compromise was to carry back-log (or automatic paymts by Land Fund) on loan : but new current adminⁿ. on Votes.

H.M. This offer doubles the injury. I'm not concerned about total money. Emphasises the fact that future will be subject to Ty. veto.

P.M. Votes aren't quite sacrosanct. Supplementaries show that Votes aren't guarantee of financial probity. Precedent argument. Cabinet is still in control. Can refuse it if there were a less good case.

R.A.B. Supplementaries have to be obtained fr. Parlt. Ministers with discretion must go to Parlt. for their money.

Sw. This Bill limits Minister's discretion. Past claims to be paid. Future decisions are to depend on planning merits not finance. The paymt. is automatic thereafter.

H.M. Decision shd. not rest on amount of money remaining in his Vote for the year.

- Sal. Objects of legⁿ. (1947 & this) were planning of England.
We have scrapped the once-for-all. But we are not starting quite afresh. Object is to make new system work as well. That being so, I support H.M. Only by his method can he be certain of reachg. right planning decision. If he has to seek Supplementary he can't appear to be wholly free. This course is justified because we are proceeding fr. £300 M. scheme.
- P.M. We have gone back on promise to buy the rights.
- Sim. All claims known. A fund to meet claims as they materialise will involve no discretion to Minister save wtr circs. have arisen when paymt. shd. be made. If claims had to be paid by some external body, no discretion wd. vest in Minister. This really is sui generis.

Discussion adjourned.

[Enter B-H

171. Queen's Tour: Gibraltar.

P.M. Govr's statement contains various things he shd. not have said.
V. serious concern if Spaniards welcomed into Gib. for Queen's visit.
They are v. excitable people.
O.L. has called him home for consultⁿ.

O.L. His statement that frontier won't be closed needed detailed examinⁿ.
before any public statement was made.

P.M. Bravado at Queen's expense.

1. Parliament.

H.C. Business for next week.
Defence Debate. 2/3 P.M. to open.
3/3 Supply: Industrial Situation (excluding wages).

1. Television.

H.C. This week saw leaders of 2 Opposⁿ. Parties. Rep^d. it as semi-constitutional issue. W^d. we like to confer, to avoid Party controversy. Became clear they wd. accept 2nd. Corpⁿ. financed by increased licence fees tho' by Ty. (capital & revenue) for first few years. We have rejected that already.
M.F., PMG & I saw them on this occasion.
Propose to reply tht. we cdn't support that plan : not workable : must use advertising as main source of revenue.
Tho' we will say we cd. reach agreemt. with them on religion & politics.

1. Raw Materials: Tungsten.

W. State trading in tungsten will cease on 1/4.
This is the last, save only jute.
Will be announced next week - ? Mon. – by H. Amory.

1. Teachers Superannuation.

P.M. Delay – leave it for the massacre at end/session.

F.H. Times Ed. Suppl. support us.
I'm being asked if we are going to run out – awkward for Members who support us now.

B.H. Gt. majority of our supporters want to go on: & will make trouble if we do abandon it.

Sw. Handling Press.

F.H. Press generally supports us, if we are firm.

R.A.B. On merits no doubt. N.U.T. expect us to do this. If not passed we shall need suppl. in July. Taxpayers will then know that it's a teachers' ramp.

F.H. & J.S. L.a.'s support the schemes.

P.M. Not so sure of merits. Depends on actuarial calcul^{ns}. – wh. I don't much like.

R.A.B. We must go on with this, at appropriate time.
Suggest we consider, in smaller gathering, how we handle it tactically.
RAB., with F.H., J.S., Ch. Whip.
[Enter 3 Serv. Ministers. O.P.]

177) 1. Retired Pay of Service Officers.

Sw. Memo. covers Indian Army Officers not I.C.S. We shall have to do same for Indian civilians as for Home civilians.

Al. V. wise plan. Will remove a gt. grievance.

R.A.B. Will be raised on Service Estimates – that's why I circulated it now.
If it is unlikely to be raised on Air Estimates, we cd. defer announcemt. until Army Estimates.

P.M. If I am to announce Service pay increases on 2/3, shd. I not mention this too? If I don't, it will spoil effect of pay increases.

O.P. Pressure from war pensioners etc., Sh^d. like an opportunity to spk. on this.

P.M. Want a memo. from you on o.a.p. future generally.

O.P. Ctt^{ee}. sitting : won't report until end/year.

W^d. like this concession coupled with £¹/₂ M concession on v. severely disabled.

P.M. Want memo. before Phillips reports.

R.A.B. Can I see O.P. this p.m. Report to Cab. Friday. Genl. statement by P.M. on 2/3 – with Wh. Paper to follow later in the day.

[Exit O.P., B.H.]

1. Civil Defence Training.

M.F. As in memo.

Importance of this – C.D. policy i) local part-time service under l.a.'s ii) mobile columns centrally directed. We have raised i). We have had only one experimental column for one year. under (ii). We are rightly criticised for this.

P.M. Cole's speech shows how right I was to stop works on underground accommodⁿ.

M.F. Must however hedge v. conventional attack
Anyhow, this doesn't effect need for mobile columns.
We shd. announce this in Def. Debate – to forestall criticism.
Will need a simple Bill – to authorise C.D. training during Nat. Service.

H.C. No promise shd be given re date of legⁿ.

[Exit AH., de L.
[Enter ALB.]

1. East-West Trade: Shipping.

P.T. We agree to embargo all ships over 15 knots.
.. .. outside that no quantitative control.
.. .. m'while we shd. continue in Paris group to get extended trade under existing policy.

J.T. We are ready to discuss in Paris group.
Propose we accept orders up to 30,000 t in any year, and continue in Paris to press for a larger quota.

RAB. Shd. we not have timed it to follow other talks with U.S.

P.T. Cdn't. Must talk in Paris group. M'while we need the orders.

Sw. Doesn't prejudice our general position.

A.L.B. We welcome this.

Approved.

1. Royal Tour : Homecoming.

[Exit J.T., ALB.

[Enter D.E., A.E.

D.E. Ld. Ch. has submitted proposals diff^t. fr. earlier occasions. They contain more ceremony and display. Ld. Mayor & Corpⁿ. will go in barge to Pool of London. Bridges above the Pool will be decorated. Ques therefore of co-ordinating scale of decor^{ns}. by various auth^{ies}. My estimate does not include provⁿ. for restoring damage in Parks.

P.M. Summers P.Q. re bills. Seems quite a good idea.

R.A.B. I wasn't consulted. Don't want a Supplementary. Sh^d. be w'in 1954/5 Estimates. £8 or £10,000 has covered 7/8 day visits of French President.

L.P. Bon-fires throughout the country wd. be good & inexpensive.

Approve in principle.

D.E. to discuss details with R.A.B.

L.P. to consult Cantuar re bills.

[Exit D.E.

1. Betting and Lotteries.

M.F. You sugg^d. a canter in H/L. This indicates line tht. a Govt. spokesman mght then take. Corruptⁿ. in Leeds Police – v. serious. Counsel has said he wdn't be able to rely on evidence of a Leeds Police witness in a criminal case. R. Commⁿ. reported 4 years ago. Penultimate para. of draft statement.

P.M. Look at the Opposⁿ. – bookmakers plus Church assoc^{ns}. v. gambling. Don't offer to break your neck over it. The argument is the same as for maisons tolérées.

M.F. But corruption of Police is v. serious matter. Has bn. going on for 30 years and is now on a v. serious scale. Leeds Police admitted to R. Commⁿ. tht. they don't attempt to enforce the law.

P.M. Don't get too far ahead of public opinion.

A.E. We can look at it again in light of H/L. discussion.

Memo. approved.

subject to omission of specific mention of Leeds Police – lest we seem to be generalising too much from a particular case.

1. Delegated Legislation.

H.C. First recommⁿ. was unanimous. Opposⁿ. are likely to support it.

Some of our Members don't like it because wd. prevent us fr. filibustering in Opposⁿ. But they can't use this argument in public. And both parties have pretty well exhausted this particular tactic of obstruction.

Recommend we try this experimentally for rest of this Session – by a Sessional Order.

The other recommend^{ns}. are of lesser importance.

J.S. Support these recomm^{ns}.

V. awkward to keep a House late for these.

Memo. approved.

1. Visiting Forces Act.

M.F. Delayed so tht. we can give assurance of reciprocal treatment.

Propose to apply it to all N.A.T.O. countries wh. have ratified Agreemt.

Can't promise there won't be trouble in H/C. Detailed immunities.

But I'm pressed to bring it in because at present U.S. Forces have an exclusive jurisdⁿ. : this will bring them under concurrent jurisdⁿ.

This is the time to do it.

A.E. We have bn. criticised for not doing it earlier.

The U.S. point is important – and used by those who want to make mischief betwn. us and U.S.

The sooner we regularise posⁿ., the better.

1. Sexual Offences.

M.F. Prostitution : annoyance and 40/= maximum : couldn't get law amended

without an authoritative enquiry.

Homosexuality.

While crime generally has doubled, these offences have risen 4^{1/2} times. Some think [existg] law shd. be limited to protⁿ. of young and public indecency. I don't agree: homos. make a nuisance of themselves. But admit I can't account for this increase.

P.M. Tory Party won't want to accept responsibility for makg. law on homosexuality more lenient – or for maisons tolérées.
But, w'out enquiry – i) could we not limit publicity for homosexuality, as was done for divorce?

ii) persons convicted shd. have opportunity to apply for medical treatment.

Otherwise, I wdn't touch the subject. Let it get worse – in hope of a more united public pressure for some amendment.

Sw. i) might be tried by Private Members Bill under 10 min. rule. The divorce legⁿ. began on that basis.

O.L. There is also the case for amending law re prostitⁿ. On that there is a case for enquiry.

R.A.B. London is a public scandal. Cd. we not try to deal with that, w'out enquiry. E.g. by increasing penalties.

Sal. Course i) wd. not command unqualified support. Some say tht. publicity is a deterrent. But you cd. get ques ventilated by such a Bill ; and Govt. cd. decide after discⁿ.
Winterton has sugg^d. motion in H/L. I have discouraged him for the time. But he will revert to it, if we don't make any statement.

M.F. Immed^{te}. legⁿ. Diff^y. is tht. Women's Societies w^d. make an issue of it. That's why I wanted to be strengthened by enquiry.
If it is thght tht. R.C. is too heavy, Dpt. Ctt^{ee}. w^d. meet me.

F.H. Confirmed tht. Woman's Societies wd. oppose any legⁿ. – wh. they wd. represent as unfairness to women.

M_F. Let us turn it over in our minds and discuss again the ques of an enquiry.

P.M. Remember that we can't expect to put the whole world right with a majority of 18.

1. Industrial Disputes. a) Engineering.

185)

W.M.

Rpt. of Court of Enquiry will be publ^d. on Friday.

Good on the whole. Too much weight to basic rates.

- i) improvmts. in structure & machinery to be explored.
- ii) wider enquiry into effect of wages on national economy
e.g. a standing Ctt^{ee}.
- iii) some increase this year : parties to negotiate : somethg.
like a third of the claim. That wd. be about 7/=^o.
- iv)

b) Docks.

Trouble brewg. seeing 2 sides to-morrow. Will delay imports.

It's on ques wtr or not over-time shd. be voluntary.

[Enter PMG. Gammans, B.H., Solr. Genl.

185. Television.

Bill.

P.M.G. Modified plan more likely to meet public opinion.

Clause 1.

M.F. Independent T.V. Authority vice competition.

Agreed.

Sal. Don't qualify "quality" in 1(1).

.. ..

M.F. Minor points re N. Ireland. Will settle among officials.

Clause 2.

PMG. Cl. 2 (2) (a). Some cos. may like it.

O.L. Omit "comprehensiveness".

Agreed.

Sw. Omit also power to direct them to take particular items.

Clause 3.

P.T. W^d. like Bill's method, but doubt if we shd. get away with it. Film trade wd. press hard for closer control on quota method.

Sw. V. complicated. This t.v. thing is v. embryonic – trade not yet formed. Can't hope to get a quota system right at this early stage. This was view of Ctt^{ee}. after careful thght.

P.M.G. I agree. Troubled only by pledges given re B. character of p'mme.

A.E. F.O. wd. prefer quota system – in a separate Bill.

Sw. Start with 3(1)(d). Promise separate quota legⁿ. if too much pressure.

- A.E. Amend Cl. 3(1)(a) to read “tone & style of p’mmes are predominately British”.
 “nothg. offends v. good taste or decency”.
 Retain (d) and wait for pressure as above.
 Cl. 3 (1) (b) delete comprehensiveness.
- Clause 5.
- M.F. Want to limit it to persons resident in U.K. But we treat Irish as non-foreigners: higher than m.f.n. Add them.
- Sw. And delete “ordinarily”. – to let in Australians etc.,
- A.E. F.O. don’t like (i) at all. W^d. sooner rely on amended 3(1)(a).
 They cd. still operate thro’ agencies. Wdⁿt. be effective.
- H.C. H/C. will be hot on this because Americans.
- Sol. Genl. U.S. cos. cd. easily get round this reglⁿ.
- Agreed : Limit this to cos. reg^d. in U.K. or persons ordinarily resident.
- Penalties Cl. 5 (4) (b).
- Solr. G. Many duties put on Auth^y. They must have sanction other than 5(5)
 They ought to be something less than terminatg. contract. Hence I proposed money penalties. Cl.5(5) wd. be rarely used because fear of loss of revenue.
- O.L. I support this. Fine is lesser penalty. I wd. say after 3 fines Cl.5(5) comes into operation. }
- Sim. Make it clear tht. there will be no fines w’out arbitⁿ. } Agreed
 if possible on face of Bill. }
- Clause 7. & 12.
- RAB. Will send in small amendmt on financial matters.
- Licence Fees.
- R.A.B. Make it guineas?
- P.M.G. W^d. be said tht. the 3/- rep^d. cost of competitive service.
 We can manage at £3. B.B.C. will take it, grudgingly.

We have some elbow-room because low estimate of increase in numbers.

P.T. Raise the sums before the Bill comes in.

P.M.G. Not much time. Can announce on Tuesday. Bill a few days later.
Revenue increase for B.B.C. will be 50%.

Announce Tuesday.

Introduce Bill on Friday.

[Exit PMG. Gamm. S.Glr.

187) 1. Town & Country Planning.

Noted with approval.

[Enter Hill

188) 1. Fatstock Guarantees.

C. Hill F.A.O. conclusion of Tuesday: assumed a further opportunity to review.
But if we don't decide final form of cards now, we can't be sure of being
ready to open new scheme (& end rationing) in July.
Staff of 800 and much expenditure needed already on this Scheme.
More if it becomes more complicated.

T.D. Agree on merits tht. fat cows shd. be excluded. But can't do it w'out time
to bring farmers round. There will be gt. trouble. No money in it.
Leaving them in now doesn't mean that they will be in for ever.
In a year or two, we cd. get them out.
V. strong feeling among farmers e.g. in N. West. Fat cows have bn.
covered ever since 1940.

R.A.B. Purely political. Excites much fury among M.P.'s. Right on merits to
exclude. Wiser course is to include – but screw price right down to
guaranteed price.

C.H. May be a lot of money in this if prices of this meat falls.

[Exit Hill.

[Enter 3 Serv. Min. O.P.

189) 1. Officers Retired Pay.

P.M. We can mention this on Tuesday, in connⁿ. with Service pay.
Then Judges Bill can go forward also.

R.A.B. Sh^d. we also publish W. Paper?

Approved.

O.P. Had hoped to m'tain pensions front unbroken until Phillips had reported. I have stat^y. duty to review N.H. rates this year : & can't do it until end/year. Heavy pressure fr. B. Legion & o.a.p.
Hoped therefore tht. if this were done, suppl. allowances for worst war injured cd. be increased. Will submit proposals to that end to Cabinet.
Don't want award to be simultaneous.

Thursday. M.P.'s Salaries – O.P.'s memo.