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HER BRITANNIC MAJESTY'S GOVERNMENT

Printed for the Cabinet. January 1965

C.C. (65)
1st Conclusions

Copy No. 36

CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W.1, on Thursday, 14th January, 1965, at 10 a.m.

Present:

The Right Hon. HAROLD WILSON, M.P., Prime Minister	
The Right Hon. PATRICK GORDON WALKER, Secretary of State for Foreign Affairs	The Right Hon. HERBERT BOWDEN, M.P., Lord President of the Council
The Right Hon. LORD GARDINER, Lord Chancellor	The Right Hon. DENIS HEALEY, M.P., Secretary of State for Defence
The Right Hon. Sir FRANK SOSKICE, Q.C., M.P., Secretary of State for the Home Department	The Right Hon. ARTHUR BOTTOMLEY, M.P., Secretary of State for Commonwealth Relations
The Right Hon. WILLIAM ROSS, M.P., Secretary of State for Scotland	The Right Hon. JAMES GRIFFITHS, M.P., Secretary of State for Wales
The Right Hon. DOUGLAS JAY, M.P., President of the Board of Trade	The Right Hon. THE EARL OF LONGFORD, Lord Privy Seal
The Right Hon. MICHAEL STEWART, M.P., Secretary of State for Education and Science	The Right Hon. RICHARD CROSSMAN, M.P., Minister of Housing and Local Government
The Right Hon. DOUGLAS HOUGHTON, M.P., Chancellor of the Duchy of Lancaster	The Right Hon. R. J. GUNTER, M.P., Minister of Labour
The Right Hon. FRANK COUSINS, Minister of Technology	The Right Hon. FRED PEART, M.P., Minister of Agriculture, Fisheries and Food
The Right Hon. FREDERICK LEE, M.P., Minister of Power	The Right Hon. TOM FRASER, M.P., Minister of Transport (Items 3-5)

The following were also present:

The Right Hon. ANTHONY WEDGWOOD BENN, M.P., Postmaster-General (Item 4)	Mr. JOHN DIAMOND, M.P., Chief Secretary, Treasury (Items 3 and 4)
Mr. ANTHONY CROSLAND, M.P., Minister of State, Department of Economic Affairs (Items 1-4)	The Right Hon. Sir ELWYN JONES, Q.C., M.P., Attorney-General (Item 5)

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

Secretariat:

Sir BURKE TREND
Mr. P. ROGERS
Miss J. J. NUNN

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CAB 128/39

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C.C. 1 (65)

Overseas
Affairs
United Arab
Republic

1. *The Foreign Secretary* said that he had now explored in greater detail the possibility of gradually effecting a rapprochement between the United Kingdom and the United Arab Republic (U.A.R.), on the understanding that our relations with the Government of Israel would not be impaired. As a result he was not unhopeful about the prospects; and the U.A.R. Government had been informed that, if they wished discussions to continue, we might be prepared to send a Ministerial spokesman to Cairo for this purpose. On the other hand they showed little signs of being willing to abate their attempts to undermine our position in Aden; and, domestically, President Nasser's régime appeared to be becoming increasingly precarious. In these circumstances we need not be unduly anxious to pursue our initiative; and it would now be for the U.A.R. Government to indicate whether they were interested in following up the overtures which we had made.

Indonesia
(Previous
Reference:
C.C. (64) 2nd
Conclusions,
Minute 1)

The Foreign Secretary informed the Cabinet that the Indonesian Government had recently reinforced their troops in Borneo on a very considerable scale. We had therefore been obliged to despatch certain additional units to Borneo; and we might hope, as a result, to be able to continue to hold the position. Meanwhile, it appeared that President Sukarno's health had suffered a further deterioration and that, in the contest for the succession which was now developing, the position of the Communist elements in Indonesia was improving. Even if President Sukarno survived, it seemed probable that Communist influence would increase, although the faction controlled by the Army would probably be able to prevent it from completely dominating Indonesian policy.

The Cabinet—

Took note of these statements by the Foreign Secretary.

Sir Roger
Casement

2. *The Home Secretary* said that the Government of the Irish Republic had recently renewed their long-standing request that the remains of Sir Roger Casement, which had been interred in Pentonville Prison after his execution in 1916, should be returned to the Republic. It had been established that, despite earlier misgivings about the legality of this proposal, there would not, in fact, be any legal objections to our acceding to it. On the other hand it was known that Sir Roger Casement had expressed a wish to be buried in Northern Ireland. This would be wholly unacceptable to the Government of Northern Ireland; and it would therefore be essential that, as a condition of our agreeing to the proposal of the Government of the Irish Republic, they should give an undertaking that the remains would be reinterred in Republican territory and would not be subsequently removed.

In discussion the Cabinet were informed that both the Foreign Secretary and the Commonwealth Secretary endorsed the views of the Home Secretary.

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Printed for the Cabinet. February 1965.

CC (65)
10th Conclusions

Copy No. 36

CABINET

**CONCLUSIONS of a Meeting of the Cabinet held at
10 Downing Street, S.W.1, on Thursday, 18th February, 1965,
at 10 a.m.**

Present:

The Right Hon. HAROLD WILSON, M.P., Prime Minister

The Right Hon. GEORGE BROWN, M.P., First Secretary of State and Secretary of State for Economic Affairs	The Right Hon. HERBERT BOWDEN, M.P., Lord President of the Council
The Right Hon. LORD GARDINER, Lord Chancellor	The Right Hon. JAMES CALLAGHAN, M.P., Chancellor of the Exchequer
The Right Hon. MICHAEL STEWART, M.P., Secretary of State for Foreign Affairs	The Right Hon. DENIS HEALEY, M.P., Secretary of State for Defence
The Right Hon. Sir FRANK SOSKICE, Q.C., M.P., Secretary of State for the Home Department	The Right Hon. ARTHUR BOTTOMLEY, M.P., Secretary of State for Common- wealth Relations
The Right Hon. WILLIAM ROSS, M.P., Secretary of State for Scotland	The Right Hon. JAMES GRIFFITHS, M.P., Secretary of State for Wales
The Right Hon. ANTHONY GREENWOOD, M.P., Secretary of State for the Colonies	The Right Hon. DOUGLAS JAY, M.P., President of the Board of Trade
The Right Hon. THE EARL OF LONGFORD, Lord Privy Seal	The Right Hon. ANTHONY CROSLAND, M.P., Secretary of State for Education and Science
The Right Hon. RICHARD CROSSMAN, M.P., Minister of Housing and Local Government	The Right Hon. DOUGLAS HOUGHTON, M.P., Chancellor of the Duchy of Lancaster
The Right Hon. R. J. GUNTER, M.P., Minister of Labour	The Right Hon. FRANK COUSINS, M.P., Minister of Technology
The Right Hon. FRED PEART, M.P., Minister of Agriculture, Fisheries and Food	The Right Hon. FREDERICK LEE, M.P., Minister of Power
The Right Hon. TOM FRASER, M.P., Minister of Transport	The Right Hon. BARBARA CASTLE, M.P., Minister of Overseas Development

The following were also present:

The Right Hon. CHARLES PANNELL, M.P., Minister of Public Building and Works (Item 3)	Mr. JOHN DIAMOND, M.P., Chief Secretary, Treasury (Item 4)
The Right Hon. EDWARD SHORT, M.P., Parliamentary Secretary, Treasury	Miss JENNIE LEE, M.P., Parliamentary Secretary, Ministry of Public Building and Works (Item 3)

Secretariat:

Sir BURKE TREND
Mr. P. ROGERS
Mr. R. T. ARMSTRONG

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CC 10 (65)

Parliament

1. The Cabinet were informed of the business to be taken in the House of Commons in the following week.

**Overseas
Affairs**

Vietnam
(Previous
Reference :
CC (65) 9th
Conclusions,
Minute 2)

2. *The Foreign Secretary* said that in view of the increasing tension in Vietnam United Kingdom citizens in the more remote areas had been privately advised either to move to Saigon or to leave the country as unobtrusively as possible. There appeared to be no case, as yet, for a public warning to this effect. Meanwhile, there were some indications that the Soviet Government might be more willing than hitherto to reactivate the co-Chairmanship of the 1954 Geneva Conference on Vietnam which they shared with ourselves. But, before there could be any question of our trying to turn this development to advantage in relation to a negotiated settlement of the dispute, the United States Government would have to indicate the type of negotiation which they would be prepared to undertake and the prior conditions which they might seek to impose before embarking upon it. We remained in close touch with the United States authorities on these issues.

Europe

(Previous
Reference :
CC (64) 13th
Conclusions,
Minute 2)

The Foreign Secretary informed the Cabinet that, during a recent visit to Brussels, he had held useful discussions with the Foreign Minister of Belgium, M. Spaak, and the President of the Commission of the European Economic Community, Professor Hallstein. M. Spaak had reiterated his well-known view that the United Kingdom should make a further attempt to become a member of the Community. Professor Hallstein, however, had appeared to take a more pragmatic attitude to this question in so far as he had agreed that we should concentrate, for the time being, on seeking to create functional links between the Community and ourselves. Under pressure, M. Spaak had admitted that it might be unrealistic to suppose that Europe could be defended without the participation of the United States; but it was clear that he was still influenced to a considerable extent by the rival theory of General de Gaulle.

**United Arab
Republic**

(Previous
Reference :
CC (65) 1st
Conclusions,
Minute 1)

The Foreign Secretary said that the discussions with the Ambassador of the United Arab Republic (UAR) in London, which had been initiated by his predecessor, were continuing; and we might hope that they would prepare the way for a visit to Cairo by a Foreign Office Minister in the fairly near future. Any improvement in relations with the UAR which might be achieved by these means would be welcome. But we must be concerned, at the same time, to avoid alienating the Government of Israel and arousing suspicions among certain other Arab States. The next stage of the negotiations would therefore be liable to be particularly delicate and to call for great discretion; and all members of the Government should be guided by the advice of the Foreign Office in establishing or developing contacts with any representatives of the UAR.

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CC (65)
17th Conclusions

Copy No. 36

CABINET

*CONCLUSIONS of a Meeting of the Cabinet held at
10 Downing Street, S.W.1, on Thursday, 18th March, 1965,
at 10 a.m.*

Present:

The Right Hon. HAROLD WILSON, M.P., Prime Minister

The Right Hon. GEORGE BROWN, M.P., First Secretary of State and Secretary of State for Economic Affairs	The Right Hon. HERBERT BOWDEN, M.P., Lord President of the Council
The Right Hon. LORD GARDINER, Lord Chancellor	The Right Hon. JAMES CALLAGHAN, M.P., Chancellor of the Exchequer
The Right Hon. MICHAEL STEWART, M.P., Secretary of State for Foreign Affairs	The Right Hon. DENIS HEALEY, M.P., Secretary of State for Defence
The Right Hon. ARTHUR BOTTOMLEY, M.P., Secretary of State for Common- wealth Relations	The Right Hon. WILLIAM ROSS, M.P., Secretary of State for Scotland
The Right Hon. JAMES GRIFFITHS, M.P., Secretary of State for Wales	The Right Hon. ANTHONY GREENWOOD, M.P., Secretary of State for the Colonies
The Right Hon. DOUGLAS JAY, M.P., President of the Board of Trade	The Right Hon. THE EARL OF LONGFORD, Lord Privy Seal
The Right Hon. ANTHONY CROSLAND, M.P., Secretary of State for Education and Science (Items 1-3)	The Right Hon. RICHARD CROSSMAN, M.P., Minister of Housing and Local Government
The Right Hon. DOUGLAS HOUGHTON, M.P., Chancellor of the Duchy of Lancaster	The Right Hon. FRANK COUSINS, M.P., Minister of Technology
The Right Hon. FRED PEART, M.P., Minister of Agriculture, Fisheries and Food	The Right Hon. FREDERICK LEE, M.P., Minister of Power
The Right Hon. TOM FRASER, M.P., Minister of Transport	The Right Hon. BARBARA CASTLE, M.P., Minister of Overseas Development

The following were also present:

The Right Hon. CHARLES PANNELL, M.P., Minister of Public Building and Works (Item 4)	The Right Hon. SIR ELWYN JONES, Q.C., M.P., Attorney-General (Items 3-4)
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The Right Hon. EDWARD SHORT, M.P.,
Parliamentary Secretary, Treasury
Secretariat:

Sir BURKE TREND
Mr. P. ROGERS
Mr. A. A. JARRATT

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CC 17 (65)

Parliament

1. The Cabinet were informed of the business to be taken in the House of Commons in the following week.

**Overseas
Affairs
Vietnam
(Previous
Reference:
CC (65) 15th
Conclusions,
Minute 5)**

2. *The Foreign Secretary* said that the Soviet Government had now replied to the suggestion, which we had conveyed to them on 20th February, that the Governments of the United Kingdom and the Soviet Union, as co-Chairmen of the 1954 Geneva Conference, should invite the Governments concerned to indicate their views about a possible basis for a settlement of the conflict in Vietnam. The Soviet response to this proposal had been little more than a denunciation of the United States Government and had therefore been unacceptable. He had accordingly discussed the situation with the Soviet Foreign Minister, Mr. Gromyko, on the basis that it was not the function of the co-Chairmen to provoke controversy of this kind; but Mr. Gromyko had given no indication that his Government were prepared to adopt a more conciliatory attitude. Nevertheless, the time which the Soviet Government had taken to reply to our proposal suggested that they might have been disposed to entertain it if they had not been subjected to strong pressure by the Governments of Communist China and North Vietnam to refuse to compromise on the issues involved. In these circumstances he proposed to explore further with the United States Government, during his forthcoming visit to Washington, how we might still maintain our original initiative. It might be helpful, for example, if the United States authorities would make some further public statement of their policy towards Vietnam, including some indication that they were prepared to contemplate inter-Governmental discussions for the purpose of ending the conflict.

In discussion it was agreed that there was no simple or obvious solution for a deadlock in which each party was seeking to insist that the other party must desist from aggression before there could be any question of negotiation. Nevertheless, we should seek to persuade the United States Government to recognise the potential opportunities implicit in a situation in which the Soviet Government must be becoming increasingly resentful of Chinese pressure; and we should therefore endeavour to ascertain how far they might be prepared, despite apparent Soviet intransigence, to acquiesce in our maintaining our initiative to promote a negotiated settlement of the conflict.

**The Federal
German
Republic
(Previous
Reference:
CC (65) 15th
Conclusions,
Minute 5)**

The Foreign Secretary informed the Cabinet that, as a result of their recent dispute with the Government of the United Arab Republic (UAR), the Federal German Republic had now announced their intention of establishing diplomatic relations with the Government of Israel. The reaction of the other Arab Governments had varied. Some were threatening that when German/Israel diplomatic relations had been established they would not only break off diplomatic relations with the Federal Government but also recognise the Government of East Germany, while others had confined themselves, for the moment, to forecasting a rupture of

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relations with the Federal Government. These developments were unfortunate in so far as they were liable to intensify antagonism between the West and the Arab world. On balance, the Government of Israel had probably improved their position, while the UAR Government might suffer in the longer term as a result of having coerced other Arab Governments to contemplate more forcible action than many of them might have wished. In these circumstances, while we should not abandon our attempt to promote more cordial relations with the UAR Government, we must clearly moderate our initiative; and it would now be undesirable to pursue the earlier suggestion that a United Kingdom Minister should pay a visit to Cairo at Easter. It would be tactically unwise to appear to invoke the breach between the Federal Government and the UAR Government as a reason for deferring this visit; but the recent intensification of UAR aggression in Aden and the South Arabian Federation would justify us in informing the UAR Government that it must be postponed for the time being.

In discussion there was general agreement with these proposals. It was also suggested that the Cabinet should take an early opportunity to discuss our foreign policy as a whole.

**Iron and Steel
Nationalisation**
(Previous
Reference:
CC (64) 2nd
Conclusions,
Minute 3)

3. The Cabinet considered a memorandum by the Chancellor of the Exchequer and the Minister of Power (C (65) 42), together with a memorandum by the Attorney-General (C (65) 39), on the nationalisation of the iron and steel industry.

The Chancellor of the Exchequer said that the proposals contained in C (65) 42 were designed to keep the Bill for nationalising the iron and steel industry relatively short and simple, to prevent it from being a hybrid measure and to facilitate the effective and speedy transfer of the main part of the industry into public ownership. A large number of small companies would remain outside the public sector; but it would be open to them to seek to be taken over by the proposed National Steel Corporation and the Corporation would have powers to acquire such companies if it so wished. The Bill did not provide for taking into public ownership the British Iron and Steel Federation (BISF) and its associated trading companies, since this would almost certainly make it a hybrid measure; nor was sufficient information about the activities and organisation of the BISF available to enable statutory provisions for this purpose to be framed with confidence. Even so, the degree of nationalisation provided by the Bill would represent a major step towards bringing the iron and steel industry into public control, which should not be delayed merely because it would not be feasible to include the BISF in the Bill. It should be possible to achieve the transfer of the industry's central trading services to the National Steel Corporation after nationalisation by means of negotiation with the Federation; but the Government should make it clear, during the debates on the Bill, that, if a satisfactory settlement in this matter were not reached, they would introduce further legislation for the purpose. The question

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Printed for the Cabinet. March 1965

**CC (65)
19th Conclusions**

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CABINET

*CONCLUSIONS of a Meeting of the Cabinet held at
10 Downing Street, S.W.1, on Tuesday, 30th March, 1965,
at 10.30 a.m.*

Present:

The Right Hon. HAROLD WILSON, M.P., Prime Minister

The Right Hon. GEORGE BROWN, M.P., First Secretary of State and Secretary of State for Economic Affairs	The Right Hon. HERBERT BOWDEN, M.P., Lord President of the Council
The Right Hon. LORD GARDINER, Lord Chancellor	The Right Hon. JAMES CALLAGHAN, M.P., Chancellor of the Exchequer
The Right Hon. MICHAEL STEWART, M.P., Secretary of State for Foreign Affairs	The Right Hon. DENIS HEALEY, M.P., Secretary of State for Defence
The Right Hon. ARTHUR BOTTOMLEY, M.P., Secretary of State for Common- wealth Relations	The Right Hon. WILLIAM ROSS, M.P., Secretary of State for Scotland
The Right Hon. JAMES GRIFFITHS, M.P., Secretary of State for Wales	The Right Hon. ANTHONY GREENWOOD, M.P., Secretary of State for the Colonies
The Right Hon. DOUGLAS JAY, M.P., President of the Board of Trade	The Right Hon. THE EARL OF LONGFORD, Lord Privy Seal
The Right Hon. ANTHONY CROSLAND, M.P., Secretary of State for Education and Science	The Right Hon. RICHARD CROSSMAN, M.P., Minister of Housing and Local Government
The Right Hon. DOUGLAS HOUGHTON, M.P., Chancellor of the Duchy of Lancaster	The Right Hon. FRANK COUSINS, M.P., Minister of Technology
The Right Hon. FRED PEART, M.P., Minister of Agriculture, Fisheries and Food	The Right Hon. TOM FRASER, M.P., Minister of Transport

**The Right Hon. BARBARA CASTLE, M.P.,
Minister of Overseas Development**

Also present:

**The Right Hon. EDWARD SHORT, M.P.,
Parliamentary Secretary, Treasury**

Secretariat:

**Sir BURKE TREND
Mr. P. ROGERS
Mr. D. S. LASKEY**

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CC 19 (65)

Without such an assurance the Indian Government might well embark on the manufacture of nuclear weapons; and in that event other countries would follow their example. Our objective should therefore be to arrest this process of proliferation by seeking to promote some form of collective nuclear security in Asia, to which we might contribute our own nuclear capability East of Suez.

The Middle East

The Cabinet next considered the memorandum by the Foreign Secretary on the Middle East (C (65) 49).

The Foreign Secretary said that most of the Governments in the Middle East were genuinely trying to modernise their economies and to improve the standard of living of their peoples. The bitter hostilities which divided them, whether between the Arab States and Israel or between one Arab State and other, were not based on any real conflict of interests. The United Kingdom, however, no longer had the power, as in the 19th century, to impose solutions; and, indeed, there were no clear-cut solutions which could resolve the problems of the area. In these circumstances our policy must be to try to reduce the tension in the area in the hope that in the longer term the interests which the Middle East countries had in common would prevail over their traditional hostilities. It was in this spirit that we were seeking to maintain a balance in the supply of arms to Israel and to her Arab neighbours and to dissuade Syria and the Lebanon from action in relation to the Jordan waters which would provoke Israel.

In discussion it was agreed that it would be necessary to give further consideration to our policies in the Middle East in the light of the outcome of the current review of our defence commitments overseas. In particular, we should need to examine the value of the Central Treaty Organisation (CENTO) since, although our overflying rights in Iran were currently of vital importance for the reinforcement of our forces in the Far East, the political value of the organisation in the longer term was less certain. We should also need similarly to review our military commitments in relation to Kuwait and the Persian Gulf in terms of the importance of maintaining stability in the area and ensuring the continued supply of oil from the Middle East. It seemed clear that, if we were to achieve the necessary economies in defence expenditure, our commitments in the Middle East would have to be reduced; but it was essential that this should be achieved by planned and deliberate judgment rather than by changes of policy adopted at short notice and without due deliberation.

The Cabinet—

Agreed to resume their discussion of foreign policy at a subsequent meeting.

Cabinet Office, S.W.1,
30th March, 1965.

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Printed for the Cabinet. September 1965

CC (65)
49th Conclusions

Copy No. 36

CABINET

*CONCLUSIONS of a Meeting of the Cabinet held at
10 Downing Street, S.W.1, on Thursday, 23rd September, 1965,
at 10.30 a.m.*

Present:

The Right Hon. HAROLD WILSON, M.P., Prime Minister	
The Right Hon. GEORGE BROWN, M.P., First Secretary of State and Secretary of State for Economic Affairs	The Right Hon. HERBERT BOWDEN, M.P., Lord President of the Council
The Right Hon. LORD GARDINER, Lord Chancellor	The Right Hon. MICHAEL STEWART, M.P., Secretary of State for Foreign Affairs
The Right Hon. DENIS HEALEY, M.P., Secretary of State for Defence	The Right Hon. SIR FRANK SOSKICE, Q.C., M.P., Secretary of State for the Home Department
The Right Hon. ARTHUR BOTTOMLEY, M.P., Secretary of State for Common- wealth Relations	The Right Hon. WILLIAM ROSS, M.P., Secretary of State for Scotland
The Right Hon. JAMES GRIFFITHS, M.P., Secretary of State for Wales	The Right Hon. DOUGLAS JAY, M.P., President of the Board of Trade
The Right Hon. THE EARL OF LONGFORD, Lord Privy Seal	The Right Hon. RICHARD CROSSMAN, M.P., Minister of Housing and Local Government
The Right Hon. DOUGLAS HOUGHTON, M.P., Chancellor of the Duchy of Lancaster	The Right Hon. FRANK COUSINS, M.P., Minister of Technology
The Right Hon. TOM FRASER, M.P., Minister of Transport	The Right Hon. BARBARA CASTLE, M.P., Minister of Overseas Development (Items 2 and 3)

Also present:

The Right Hon. Sir ELWYN JONES, Q.C., M.P.,
Attorney-General (Item 2)

Secretariat:

SIR BURKE TREND
MR. P. ROGERS
MR. D. S. LASKEY
MR. J. H. LOYD

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overcome the initial opposition of some of our NATO allies. Real progress must also depend on the attitude of the Soviet Union; and the Soviet Government might find it difficult to co-operate in this respect so long as problems such as Vietnam remained unsolved. Nevertheless, we had succeeded in promoting constructive action on such issues as the dispute about Article 19 of the United Nations Charter, which should ease relations with the Soviet Union; and the Soviet attitude towards the hostilities in Kashmir, culminating in their offer to mediate between India and Pakistan, opened up possibilities of closer collaboration, since the Soviet Government would probably find it necessary to co-operate with ourselves and the United States in this context and undoubtedly shared our joint concern to avoid a conflict in the Indian sub-continent from which only China would profit. We must accept the fact that Russian influence in India might increase; but this was not necessarily contrary to our long-term interests, since the Soviet Union was bound to play an increasingly important role in Asia.

Our proposals for the creation of an Atlantic Nuclear Force (ANF) had been designed to provide some degree of satisfaction for German aspirations to become a nuclear power, without giving the Federal German Government effective control over nuclear weapons. They would also provide an appropriate method of internationalising our own nuclear weapons. It now seemed likely, however, that Soviet objections to the ANF would be maintained and that, if the force were established, the Soviet Government would make it their excuse for refusing to participate in a non-dissemination treaty. Moreover, it was now uncertain whether it would be practicable in any event to bring the ANF into being; and the Federal German Government might therefore have to be satisfied with machinery for closer consultation on nuclear matters instead of a collective nuclear force. This could still leave open the way to a non-dissemination treaty; but it would confront us afresh with the problem of bringing our own nuclear capability within some system of collective control. Meanwhile, we must continue to seek to promote disarmament by such means as the extension of the Test Ban Treaty, the convening of a world conference and an increase in the authority of the United Nations in maintaining international order, which would in itself be the most significant and practical contribution to progressive disarmament.

Middle East

We had inherited a position which we could not afford to maintain indefinitely. We must therefore contemplate a gradual and orderly withdrawal from the Middle East; and we had already made some progress in this direction, e.g., by promoting co-operation between the Rulers in the Persian Gulf in order that they might be better able to rely on their own resources. But the Government of Iran remained apprehensive about any extension of the influence of the United Arab Republic (UAR) in this area; and they would require to be convinced that a settlement in the Persian Gulf would not result in its becoming a base for UAR subversion of Iran. The Minister of State for Foreign Affairs, Mr. Thomson, was about to

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CC 49 (65)

pay a series of visits to certain countries in the Middle East in order to explain our policy to the Governments concerned. His itinerary would include Cairo; but there seemed little chance at present of inducing the Government of the UAR to be less hostile to our interests, particularly in Southern Arabia.

South-East Asia and the Far East

The Government of South Vietnam appeared to be succeeding, with United States assistance, in redressing the military balance in the conflict in Vietnam; but there was still no indication that the Governments of North Vietnam and the Chinese People's Republic were willing to negotiate a political settlement. As regards the dispute between Malaysia and Indonesia we continued to maintain close contacts with the Governments of Australia, New Zealand and the United States; but there seemed no present prospect of a satisfactory solution. In the longer term we must look to a Western withdrawal from the Far East; but it would be important to ensure, so far as possible, that the vacuum would be filled by régimes which, although not necessarily pro-Western, would not be wholly under Chinese domination.

Over the whole field of foreign policy we no longer enjoyed the power and influence which we had possessed earlier in the century. But, although we could not now act decisively in world affairs on the basis of our own unaided resources, our influence would remain very considerable so long as we acted in concert with our allies.

In discussion the following main points were made:

(a) In the light of our limited defence resources, it might become increasingly difficult for us to take effective international action even in conjunction with our allies. In terms of both demographic and technological power the balance of advantage would tend to incline in favour of other countries, which would not necessarily be deterred by poverty or a scarcity of economic resources from developing or acquiring sophisticated weapons systems. It would therefore be increasingly necessary to establish effective priorities in our politico-military policies. On the other hand we could not allow other countries to suppose that they could resort to aggression as a simple means of solving the problems caused by over-population and under-development; and we must remain ready to oppose policies of this kind at some point provided that we continued to mitigate as far as possible, by the provision of aid and related measures, the economic conditions which created them.

(b) If the Soviet Union were willing to become actively engaged in promoting a settlement of the dispute between India and Pakistan, we might hope for Soviet collaboration in other spheres, in relation to e.g., the progressive containment of China and the control of the supply of arms by the Great Powers to smaller countries. Both the Sino-Soviet dispute and developments within the Soviet Union itself might create an increasing community of interest between the Soviet Union and the West, even though we might have to reassess our

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