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*Printed for the Cabinet. July 1946.***SECRET.****Copy No. 42****C.M. (46)****63rd Conclusions.****CABINET 63 (46).***CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W.1,
on Monday, 1st July, 1946, at 10 a.m.***Present :**The Right Hon. C. R. ATTLEE, M.P., Prime Minister (*in the Chair*).The Right Hon. HERBERT MORRISON,
M.P., Lord President of the Council.The Right Hon. HUGH DALTON, M.P.,
Chancellor of the Exchequer.The Right Hon. J. CHUTER EDE, M.P.,
Secretary of State for the Home
Department.The Right Hon. G. H. HALL, M.P.,
Secretary of State for the Colonies.The Right Hon. VISCOUNT STANSFORD,
Secretary of State for Air.The Right Hon. ELLEN WILKINSON,
M.P., Minister of Education.The Right Hon. ARTHUR GREENWOOD,
M.P., Lord Privy Seal.The Right Hon. LORD JOWITT, Lord
Chancellor.The Right Hon. VISCOUNT ADDISON,
Secretary of State for Dominion
Affairs.The Right Hon. J. J. LAWSON, M.P.,
Secretary of State for War.The Right Hon. G. A. ISAACS, M.P.,
Minister of Labour and National
Service.The Right Hon. ANEURIN BEVAN, M.P.,
Minister of Health.The Right Hon. T. WILLIAMS, M.P.,
Minister of Agriculture and Fisheries.**The following were also present :**The Right Hon. JOHN STRACHEY, M.P.,
Minister of Food (*Items 5-6*).The Right Hon. P. J. NOEL-BAKER,
M.P., Minister of State.The Right Hon. WILLIAM WHITELEY,
M.P., Parliamentary Secretary,
Treasury (*Items 5-6*).Sir ORME SARGENT, Permanent Under-
Secretary of State for Foreign
Affairs (*Items 1-4*).Marshal of the Royal Air Force LORD
TEDDER, Chief of the Air Staff
(*Items 1-4*).Admiral Sir JOHN H. D. CUNNINGHAM,
First Sea Lord and Chief of Naval
Staff (*Items 1-4*).Field-Marshal VISCOUNT MONTGOMERY
OF ALAMEIN, Chief of the Imperial
General Staff (*Items 1-4*).*Secretariat.*

Sir EDWARD BRIDGES.

Sir NORMAN BROOK.

Mr. W. S. MURRIE.

Mr. C. G. EASTWOOD.

Brigadier A. T. CORNWALL-JONES.

CABINET 63 (46).

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Chiefs of Staff.

Field-Marshal Montgomery.

1. *The Prime Minister*, on behalf of the Cabinet, welcomed Field-Marshal Viscount Montgomery on his first attendance at Cabinet since assuming his appointment as Chief of the Imperial General Staff.

Future of Italian Colonies.

(Previous Reference: C.M. (46) 45th Conclusions, Minute 1.)

2. The Cabinet had before them telegrams from the Foreign Secretary (Nos. 285, 286 and 287 of the 30th June) regarding the latest developments in the discussions at the Council of Foreign Ministers in Paris about the future of the Italian Colonies.

Difficulties had arisen over the terms of the provision to be inserted in the draft Treaty to give effect to the suggestion of the United States Delegation that Italy should cede her sovereignty over her former Colonies to the four principal Allied Powers, who should within a year agree on arrangements for their future or, failing such agreement, refer the problem to the United Nations. The Foreign Secretary had objected to the proposed cession of the Colonies to the Four Powers, while the Soviet Delegation had suggested a Four-Power supervisory body to assist the administration of the Colonies during the interim period and this was not acceptable to the other Foreign Ministers.

The Foreign Secretary now proposed to put forward a draft Article for inclusion in the Peace Treaty and a draft of an accompanying Declaration by the Four Powers, which he thought might prove acceptable to the other Foreign Ministers. The draft Article provided that Italy should surrender her sovereignty over her Colonies but avoided cession to the Four Powers; their future was to be settled by the Four Powers within a year in accordance with the accompanying Declaration. Under the draft Declaration the Four Powers agreed that the Colonies should either be granted their independence or be incorporated in a neighbouring territory or be made subject to individual or collective trusteeship; and if the Powers were unable to reach agreement within a year, the matter was to be referred to the General Assembly of the United Nations and the Powers were to agree to accept their recommendation. The Foreign Secretary drew particular attention to the last point; in binding themselves in the last resort to accept a recommendation of the Assembly the United Kingdom Government would be taking a risk, but in his view it was one which ought, in the circumstances, to be taken.

In discussion the Cabinet, bearing in mind that the general background of the conversations in Paris now seemed more favourable, were strongly of the opinion that this meeting of the Council of Foreign Ministers must not be allowed to break down on this point alone, and that it would be preferable to accept a solution on the lines proposed.

The Chief of the Air Staff said that the question of the Italian Colonies was but one aspect of the problem of our general strategic position in the Middle East—a subject on which the Chiefs of Staff had just completed a review which they hoped would shortly be considered by the Defence Committee. The Chiefs of Staff considered that the draft Declaration proposed by the Foreign Secretary was open to military objection only to the extent that it visualised the possibility of a form of trusteeship which would allow the Soviet Government some share in the control over the Italian Colonies. This would be greatly to our military disadvantage. The Chiefs of Staff were also concerned at the possibility that, if in discussions in the General Assembly the alternative of independence was favoured, it might be accompanied by demilitarisation, which again would be to our disadvantage.

The Secretary of State for Dominion Affairs and other Ministers thought that some of the Dominion Governments would criticise this proposal on the ground that it gave no special share in the decision about the disposal of the Colonies to any of the active belligerents other than the four principal Powers: if the Four Powers failed to agree, the question was to be referred straight to the Assembly. It was pointed out that both the draft Article

and the draft Declaration would be placed before the Peace Conference, at which all the active belligerents would be represented, and that they would then have the right to criticise those drafts and to propose amendments. The position would, however, be eased if it were possible to include in the third paragraph of the draft Article, and in the second and third paragraphs of the draft Declaration, some provision whereby the Four Powers would act after consultation with the active belligerents. This point should be brought to the notice of the Foreign Secretary.

The further suggestion was made that, in view of the attitude which some of the Dominion Governments were likely to take, it would have been preferable if this proposal could have been put forward by one of the other Foreign Ministers rather than by the Foreign Secretary. It was appreciated that it might be impossible to arrange for this, but the point should also be brought to the Foreign Secretary's notice. The Foreign Secretary would no doubt make it clear, if indeed he had not already done so, that he would not be debarred at the Peace Conference from supporting any suggestions put forward by other belligerent Powers, even though they involved amendments to proposals which he had himself made.

The Cabinet—

- (1) Agreed that a settlement regarding the future of the Italian Colonies should be sought on the lines proposed by the Foreign Secretary in telegrams Nos. 285 and 287 of the 30th June.
- (2) Took note that the Prime Minister, in communicating this decision to the Foreign Secretary, would inform him of the points made in the Cabinet's discussion.

Future of Trieste.

(Previous
Reference:
C.M. (46) 45th
Conclusions,
Minute 1.)

3. The Cabinet had before them telegrams from the Foreign Secretary (Nos. 283 and 284 of the 29th June and Nos. 288 and 290 of the 30th June) describing recent developments in the discussions at the Council of Foreign Ministers in Paris about the future of Trieste.

At the Council's meeting on the 29th June the French Delegation had put forward a tentative proposal for placing Trieste and the neighbouring territory under an international régime for a period of ten years. The Soviet Delegation had indicated that they were prepared to discuss a solution on these lines, provided that the international régime was permanent, not temporary. This indicated that the Soviet Government were now prepared to abandon their uncompromising support of the full Yugoslav claim to Trieste; and the Foreign Secretary thought that, having now exhausted all possibility of securing agreement on the basis of the Italian claim, he should see whether an agreed solution could be found on the lines of an international régime. There were, however, serious objections to the specific proposal put forward by the French Delegation; and the Foreign Secretary proposed, subject to the Cabinet's views, to work for a solution on the lines indicated in paragraph 4 of his telegram No. 290. Under this scheme Trieste and the neighbouring area would be placed permanently under the control of the United Nations as an autonomous territory, whose integrity would be guaranteed by the Four Powers. An independent Governor would be appointed by the United Nations on the agreed recommendation of the Governments of Italy and Yugoslavia or, failing such agreement, by the United Nations; and there would be a governing commission consisting of the Governor, the Deputy Governor, the Chairman of the free port of Trieste and two local residents chosen, respectively, from the Italian and Slovene population. This commission would exercise all powers of government, including legislation. It would arrange for the election of a consultative assembly by universal suffrage and secret ballot. It would exercise its legislative powers in consultation with the assembly, which would also have the right to formulate proposals for legislation and to submit them to the commission. The commission would arrange for the creation of appropriate organs of municipal and local government. It would submit an annual report to the United

Nations, and would also refer to the United Nations any difficulties or disputes arising in the application of the constitution. Proposals for amendment of the constitution would be submitted for the approval of the United Nations.

The Cabinet approved in principle the line which the Foreign Secretary was proposing to take. Particular points made in discussion were—

(a) The Cabinet were informed that the Chiefs of Staff saw no objection on military grounds to the establishment of an international régime for Trieste on the lines indicated in the Foreign Secretary's telegram. They pointed out, however, that it would be necessary to retain Allied troops in this area for the purpose of preserving public order until the proposed international régime had been established and had created a gendarmerie adequate for that purpose. The man-power plan to which the War Office were working was based on the assumption that all British troops would be withdrawn from Venezia Giulia by the end of 1946; and, to the extent that this assumption was not realised, the Army would be unable to drop to the strength planned for the end of 1946.

(b) It was the general view that a régime on these lines could be made to work if the Great Powers desired its success and the authority of the United Nations was respected. Reference was made in this connection to the comparable régimes created after the last war for Danzig and the Saar, which were operated successfully so long as the authority of the League of Nations was maintained.

(c) Special importance was attached to the Foreign Secretary's point that an international régime on these lines should be designed as a permanent régime. To establish such a régime on a temporary basis for ten years would encourage each of the two national groups to try to increase its influence in the area with a view to improving its case for assuming exclusive sovereignty at the end of the temporary period.

(d) For similar reasons it was important that the inhabitants of the area should be encouraged jointly to assume responsibility for their own government. Did the constitution outlined in the Foreign Secretary's telegram make sufficient provision for this? Was it not desirable that full legislative powers should be exercised by a democratically elected assembly, as under the proposals tentatively put forward by the French Delegation? Or should it be specifically provided that the constitution would be reviewed at a specified future date?

It was the general view of the Cabinet that the constitution outlined in the Foreign Secretary's telegram would make sufficient provision for self-government by the inhabitants of the area. Thus, the consultative assembly would be empowered to formulate legislation for the approval of the governing commission; and provision was made for municipal and local government. There was scope here for the development of a democratic system. And it would be preferable not to provide for the constitution to be reviewed at any particular date, since this might discourage the inhabitants from settling down to work the existing constitution. The scheme already contemplated that the constitution might be amended by the United Nations.

The Cabinet—

- (1) Agreed that the Foreign Secretary should be authorised to explore the possibility of reaching agreement on the Council of Foreign Ministers to an international régime for Trieste and the neighbouring territory on the lines indicated in paragraph 4 of his telegram No. 290 of the 30th June.
- (2) Agreed that any such international régime should be established as a permanent régime and not, as suggested by the French Delegation, as a temporary régime.
- (3) Took note that the Prime Minister would arrange for the Foreign Secretary to be informed of the views expressed in the Cabinet's discussion.

Palestine.

(Previous
Reference:
C.M. (46) 61st
Conclusions,
Minute 3.)

4. *The Secretary of State for the Colonies* informed the Cabinet of the latest developments in Palestine. Acting under the authority given him in pursuance of the Cabinet's decision of the 20th June, the High Commissioner had put into operation on the 29th June measures for breaking up the illegal Jewish organisations throughout Palestine and arresting the leaders responsible for instigating and directing the present campaign of violence. On the morning of that day military and police forces had occupied buildings in Jerusalem and Tel Aviv, including the Jewish Agency's building, and had carried out searches in a number of Jewish settlements. Large quantities of documents had been seized, and about 2,000 persons had been arrested for interrogation. In these extensive operations only 3 Jews had been killed and only 13 injured had been admitted to hospital. One British soldier had been accidentally shot and killed. The next steps would depend on the results of the examination of the documents which had been seized, but evidence had already been secured of close connection between the Jewish Agency and the Hagana.

The latest telegrams from the High Commissioner (Nos. 1069 and 1071) were read to the Cabinet. These gave his appreciation of the position on the 30th June and an account of an interview which he had had with Dr. Weizmann.

The Prime Minister suggested that he should make a full statement on the situation in reply to a Private Notice Question which Mr. S. S. Silverman, M.P., was to put to him in the House of Commons that afternoon. A draft of this statement was read to the Cabinet; and various suggestions for amendment of the draft were made and approved.

The Cabinet were also informed that Mr. Silverman might ask for the House to be adjourned for the purpose of debating this statement. It was agreed that, if there were a general discussion on the adjournment, the Prime Minister should reply to the debate.

In further discussion reference was made to an allegation that immediately after the publication of the Report of the Anglo-American Committee on Palestine the Higher Arab Committee had met and decided that they would not countenance any violent resistance to the implementation of that Report.

The Cabinet—

- (1) Took note that the Prime Minister would make a statement on Palestine in the House of Commons that afternoon, in the terms of the draft which had been read to the Cabinet, subject to the amendments suggested in the discussion.
- (2) Invited the Secretary of State for the Colonies to enquire into the suggestion that the Higher Arab Committee had resolved not to countenance any violent resistance to the implementation of the Report of the Anglo-American Committee on Palestine, and to report the results of his enquiries to the Prime Minister.

Parliament.

Bread
Rationing.
(Previous
Reference:
C.M. (46) 62nd
Conclusions,
Minute 3.)

5. The Cabinet discussed the arrangements for the debate on bread rationing which was to take place in the House of Commons on the 3rd July.

The Minister of Food said that the only new figures that he proposed to give in the debate were his estimates of the stocks of wheat in the United Kingdom at the end of August, and these would be broken up to show how the total stocks would be distributed along the pipe-line. He would hope to show that the introduction of rationing could be amply justified because of the many uncertain factors affecting our wheat supplies in the next few months. Thus, the United States Government might be prevented by a maritime strike from sending us all the wheat they had promised, the weather might make it impossible to obtain in August and September all the home-grown supplies on which we were relying, and the good prospects for the Canadian crop might not be realised. So far as

concerned Germany, he would give figures showing the amounts already sent from the United Kingdom and would stress the fact that, unless the United States provided the monthly supply of 120,000 tons of wheat allocated to the British Zone of Germany for the next three months, they must be held responsible for the consequences.

The following points were made in discussion :—

(a) *The Minister of Food* said that he did not intend to give estimates of United Kingdom wheat stocks for any date earlier than August, nor would he commit himself to giving such estimates for any future date.

(b) *The Lord President* said that he hoped that, in dealing with Germany, the Minister of Food would not imply that the United States Government had gone back on their earlier undertakings.

(c) It was suggested that the Minister of Food should explain why we had not been able to obtain larger supplies from the Argentine, and should stress the extent to which United Kingdom wheat supplies had been reduced to meet the needs of countries (such as India and Germany) whose peoples were in danger of starvation. In this connection, too much prominence should not be given to Germany.

(d) *The Minister of Food* said that there had been an alarming run on flour, and it would be unfortunate if the bread rationing scheme were to start with depleted stocks in the hands of bakers. He might, therefore, find it necessary to limit the offtake of flour to the normal figures. He would also consider the possibility of appealing to the public not to buy excessive quantities of flour, and asking retail distributors to do everything possible to ensure that the limited amount of flour was fairly shared during the next three weeks.

(e) There was general agreement that if the debate was in Committee of Supply the Minister of Food should speak first and should also wind up the debate. The Lord President should, however, be available in case any reference were made to his mission to the United States.

The Cabinet—

Took note with approval of the arrangements proposed for the debate on bread rationing on the 3rd July.

**Select
Committee
on National
Expenditure.**

Publication
of Secret
Reports.
(Previous
Reference:
C.M. (46) 51st
Conclusions,
Minute 6.)

6. *The Lord President* recalled that at their meeting on the 23rd May the Cabinet had agreed that he should arrange for the publication of the Report on Tank Production presented by the Select Committee on National Expenditure on the 9th March, 1944, together with the Coalition Government's reply.

Mr. Churchill had subsequently asked that he should have an opportunity of seeing the documents before they were published, and the Minister of Supply was arranging to provide the Prime Minister with a print which he might send to Mr. Churchill. Meanwhile, Mr. R. R. Stokes, M.P., had renewed his pressure for the publication of the Report and it would be difficult to defer publication much longer. He hoped, therefore, that there would be no further delay in sending the documents to Mr. Churchill, and that it would be made clear to him that the Government proposed to publish them at a very early date.

The Cabinet—

Took note of the position.

*Cabinet Office, S.W. 1,
1st July, 1946.*

