

## British Documents on the End of Empire Project Volumes Published and Forthcoming

### Series A General Volumes

- Vol 1 Imperial Policy and Colonial Practice 1925–1945 (in two parts, 1996)
- Vol 2 The Labour Government and the End of Empire 1945–1951 (in four parts, 1992)
- Vol 3 The Conservative Government and the End of Empire 1951–1957 (in three parts, 1994)
- Vol 4 The Conservative Government and the End of Empire 1957–1964 (in two parts, 2000)
- Vol 5 East of Suez and the Commonwealth 1964–1971 (in three parts, 2004)

### Series B Country Volumes

- Vol 1 Ghana (in two parts, 1992)
- Vol 2 Sri Lanka (in two parts, 1997)
- Vol 3 Malaya (in three parts, 1995)
- Vol 4 Egypt and the Defence of the Middle East (in three parts, 1998)
- Vol 5 Sudan (in two parts, 1998)
- Vol 6 The West Indies (in one part, 1999)
- Vol 7 Nigeria (in two parts, 2001)
- Vol 8 Malaysia (in one part, 2004)

- Series A is complete. Further country volumes in series B are in preparation on Kenya, Central Africa, Southern Africa, the Pacific (Fiji), and the Mediterranean (Cyprus and Malta).

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**East of Suez and the Commonwealth  
1964–1971**

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BRITISH DOCUMENTS ON THE END OF EMPIRE

General Editor S R Ashton  
Project Chairman A N Porter

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Series A Volume 5

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**East of Suez  
and the  
Commonwealth  
1964–1971**

**Editors**  
**S R ASHTON**  
**Wm ROGER LOUIS**

**Part I**  
**EAST OF SUEZ**

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## Foreword

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The main purpose of the British Documents on the End of Empire Project (BDEEP) is to publish documents from British official archives on the ending of colonial and associated rule and on the context in which this took place. In 1945, aside from the countries of present-day India, Pakistan, Bangladesh and Burma, Britain had over fifty formal dependencies; by the end of 1965 the total had been almost halved and by 1985 only a handful remained. The ending of Britain's position in these formal dependencies was paralleled by changes in relations with states in an informal empire. The end of empire in the period at least since 1945 involved a change also in the empire as something that was more than the sum of its parts and as such formed an integral part of Britain's domestic affairs and international relations. In publishing official British documents on the end of empire this project is, to a degree, the successor to the two earlier series of published documents concerning the end of British rule in India and Burma which were edited by Professors Mansergh and Tinker respectively. The successful completion of *The transfer of power* and *The struggle for independence*,<sup>1</sup> both of which were based on British records, emphasised the need for similar published collections of documents important to the history of the final stages of Britain's association with other dependencies in Africa, the Middle East, the Caribbean, South-East Asia and the Pacific. These documents are crucial research tools for scholars both from sovereign independent states which emerged from colonial rule as well as those from Britain itself. BDEEP is also set in the much wider context of the efforts made by successive British governments to locate Britain's position in an international order. Here the empire, both in its formal and informal senses, is viewed as an instrument of the domestic, foreign and defence policy of successive British governments. The project is therefore concerned with the ending of colonial rule in individual territories as seen from the British side at one level, and the broader political, economic and strategic considerations involved in that at another.

Despite the similarities, however, BDEEP differs in significant ways from its predecessors in terms both of presentation and content. The project is of greater magnitude than that undertaken by Professor Mansergh for India. Four major differences can be identified. First, the ending of colonial rule within a dependent empire took place over a much longer period of time, extending into the final years of the twentieth century while having its roots in the Second World War and before. Secondly, the empire consisted of a large number of territories, varying in area, population, wealth and in many other ways, each with its own individual problems but often with their futures linked to those of neighbouring territories and the

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<sup>1</sup> Nicholas Mansergh et al, eds, *Constitutional relations between Britain and India: the transfer of power 1942-47* 12 vols (London, 1970-1983); Hugh Tinker, ed, *Constitutional relations between Britain and Burma: the struggle for independence 1944-1948* 2 vols (London, 1983-1984).



growing complexity surrounding the colonial empire. Thirdly, while for India the documentary record for certain matters of high policy could be encapsulated within a relatively straightforward 'country' study, in the case of the colonial empire the documentary record is more diffuse because of the plethora of territories and their scattered location. Finally, the documents relating to the ending of colonial rule are not conveniently located within one leading department of state but rather are to be found in several of them. As the purpose of the project is to publish documents relating to the end of empire from the extensive range and quantity of official British records, private collections and other categories of non-official material are not regarded as principal documentary sources. In BDEEP, selections from non-official material will be used only in exceptional cases to fill gaps where they exist in the available official record.

In recognition of these differences and also of the fact that the end of empire involves consideration of a range of issues which operated at a much wider level than that normally associated with the ending of colonial rule in a single country, BDEEP is structured in two main series along with a third support series. Series A represents the general volumes in which, for successive British governments, documents relating to the empire as a whole are published. Series B represents the country or territory volumes and provides territorial studies of how, from a British government perspective, former colonies and dependencies achieved their independence and countries which were part of an informal empire regained their autonomy. In addition to the two main documentary series, a third series—series C—has been published in the form of handbooks to the records of the former colonial empire which are deposited at The National Archives (formerly the Public Record Office). Series C consists of two volumes which form an integral part of BDEEP and also serve as guides to the records at The National Archives. Together they enable scholars and others wishing to follow the record of the ending of colonial rule and empire to pursue their inquiries beyond the published record provided by the general studies in series A and the country studies in series B. Volume one of the handbooks, a revised and updated version of *The records of the Colonial and Dominions Offices* by R B Pugh which was first published in 1964, is entitled *Records of the Colonial Office, Dominions Office, Commonwealth Relations Office and Commonwealth Office* (1995). It covers over two hundred years of activity down to 1968 when the Commonwealth Office merged with the Foreign Office to form the Foreign and Commonwealth Office. Volume two, entitled *Records of the Cabinet, Foreign Office, Treasury and other records* (1998), focuses more specifically on twentieth-century departmental records and also includes references to the records of inter-departmental committees, commissions of inquiry and international organisations. The two volumes were prepared under the direction and supervision of Dr Anne Thurston, at the time honorary research fellow at the Institute of Commonwealth Studies in the University of London, and more recently executive director of the International Records Management Trust.

In the two main series the research is organised in stages. Stage one, covering the years 1925–1957, is now complete and consists of three general volumes and five country volumes, collectively published in twenty-one individual parts. In series A there are volumes on *Imperial policy and colonial practice 1925–1945* in two parts (1996), *The Labour government and the end of empire 1945–1951* in four parts (1992), and *The Conservative government and the end of empire 1951–1957* in three

parts (1994). In series B there are volumes on *Ghana* in two parts (1992), *Sri Lanka* in two parts (1997), *Malaya* in three parts (1995), *Egypt and the defence of the Middle East* in three parts (1998) and the *Sudan* in two parts (1998). Starting in 1999, the project began publishing volumes in a second stage which covers the period 1957–1964. Here there are five volumes, a general volume on the *Conservative government and the end of empire 1957–1964* in two parts (2000), and country volumes on the *West Indies* in one part (1999), *Nigeria* in two parts (2001), *Malaysia* in one part (2004) and Kenya. Research for a third and final stage, covering the years 1964–1971, began in 2000. It consists of a general volume and country volumes on Central Africa, Southern Africa, the Pacific (Fiji), and the Mediterranean (Cyprus and Malta).

The criteria which have been used in selecting documents for inclusion in individual volumes are explained in the introductions written by the specialist editors. These introductions are more substantial and contextual than those in previous series. Each volume also lists the sources searched at The National Archives. However, it may be helpful to outline the more general guiding principles which have been employed. BDEEP editors pursue several lines of inquiry. There is first the end of empire in a broad high policy sense in which the empire is viewed in terms of Britain's position as a world power and of the inter-relationship between what derives from this position and developments within the colonial dependencies. Here Britain's relations with the dependencies of the empire are set in the wider defence, economic and foreign policy contexts of Britain's relations with the United States, with Europe, and with the Commonwealth and United Nations. Secondly, there is investigation into colonial policy in its strict sense. Here the emphasis is on those areas which were specifically—but not exclusively—the concern of the leading department. In the period before the administrative amalgamations of the 1960s,<sup>2</sup> the leading department of the British government for most of the dependencies was the Colonial Office; for a minority it was either the Dominions Office and its successor, the Commonwealth Relations Office, or the Foreign Office. Colonial policy included questions of economic and social development, questions of governmental institutions and constitutional structures, and administrative questions concerning the future of the civil and public services and of the defence forces in a period of transition from European to indigenous control. Finally there is inquiry into the development of political and social forces within colonies, the response to these and the transfer of governmental authority and of legal sovereignty from Britain to its colonial dependencies as these processes were understood and interpreted by the British government. Here it should be emphasised that the purpose of BDEEP is not to document the history of colony politics or nationalist movements in any particular territory. Given the purpose of the project and the nature of much of the source material, the place of colony politics in BDEEP is conditioned by the extent to which an awareness of local political situations played an overt part in influencing major policy decisions made in Britain.

Although in varying degrees and from different perspectives, elements of these various lines of inquiry appear in both the general and the country series. The aim in

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<sup>2</sup> The Colonial Office merged with the Commonwealth Relations Office in 1966 to form the Commonwealth Office. The Commonwealth Office merged with the Foreign Office in 1968 to form the Foreign and Commonwealth Office.

both is to concentrate on the British record by selecting documents which illustrate those policy issues which were deemed important by ministers and officials at the time. General volumes do not normally treat in any detail of matters which will be fully documented in the country volumes but some especially significant documents do appear in both series. The process of selection involves an inevitable degree of sifting and subtraction. Issues which in retrospect appear to be of lesser significance or to be ephemeral have been omitted. The main example concerns the extensive quantity of material devoted to appointments and terms of service—salaries, gradings, allowances, pension rights and compensation—within the colonial and related services. It is equally important to stress certain negative aspects of the official documentary record. Officials in London were sometimes not in a position to address potentially significant issues because the information was not available. Much in this respect depended on the extent of the documentation sent to London by the different colonial administrations. Once the stage of internal self-government had been reached, or where there was a dyarchy, the flow of detailed local information to London began to diminish.

Selection policy has been influenced by one further factor, namely access to the records at The National Archives. Unlike the India and Burma series and the current Foreign and Commonwealth Office series of Documents on British Policy Overseas (DBPO), BDEEP is not an official project. In practice this means that while editors have privileged access (in the form of research facilities and requisitioning procedures) to the records at The National Archives, they do not have unrestricted access. For files which at the time a volume is in preparation are either subject to extended closures beyond the statutory thirty years or retained in the originating department under section 3(4) of the Public Records Act of 1958, editors are subject to the same restrictions as all other researchers. Apart from cases where files or series of files are withheld, official weeding processes now tend to remove sentences or paragraphs from public view, rather than the whole document; such omissions are indicated in footnotes. To date access has not impeded the research undertaken by the project to any significant degree, and the project has been successful in securing the release of a number of hitherto withheld documents from the Historical Section of the Cabinet Office and the Records and Historical Department of the Foreign and Commonwealth Office.

A thematic arrangement of the documents has been adopted for the general volumes in series A. The country volumes in series B follow a chronological arrangement; in this respect they adopt the same approach as was used in the India and Burma series. For each volume in both series A and B a summary list of the documents included is provided. The headings to BDEEP documents, which have been editorially standardised, present the essential information. Together with the sequence number, the file reference (in the form of the call-up number at the Archives and any internal pagination or numeration) and the date of the document appear on the first line.<sup>3</sup> The second and subsequent lines record the subject of the document, the type of document (letter, memorandum, telegram etc), the originator (person or persons, committee, department) and the recipient (if any). A subject

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<sup>3</sup> The call-up number at the Archives precedes the comma in the references cited. In the case of documents from FO 371, the major Foreign Office political class, the internal numeration refers to the jacket number of the file.

entry in a heading in single quotation marks denotes the title of a document as it appears in the original. An entry in square brackets denotes a subject indicator composed by the editor. This latter device has been employed in cases where no title is given in the original or where the original title is too unwieldy to reproduce in its entirety. Security classifications and, in the case of telegrams, times of despatch and receipt, have generally been omitted. In the headings to documents and the contents lists, ministers are identified by the name of the office-holder, not the title of the office (ie, Mr Greenwood, not secretary of state for the colonies).<sup>4</sup> In the same contexts, officials are identified by their initials and surname. In general volumes and where appropriate, ambassadors, governors, high commissioners and other embassy or high commission staff are cited in the form Sir D Jakeway (Fiji). Footnotes to documents appearing below the rule are editorial; those above the rule, or where no rule is printed, are part of the original document. Each volume provides an initial summary list of which principal offices were held by whom, and a separate series of biographical notes (at the end) for major figures who appear in the documents. Other figures are identified in editorial footnotes on the occasion of first appearance. Link-notes, written by the volume editor and indented in square brackets between the heading and the beginning of a document, are often used to explain the context of a document. Technical detail or extraneous material has been extracted from a number of documents. In such cases omission dots have been inserted in the text and the document is identified in the heading as an extract. Occasional omission dots have also been used to excise purely mechanical chain-of-command executive instructions and some redundant internal referencing has been removed, though much of it remains in place, for the benefit of researchers. No substantive material relating to policy-making has been excised from the documents. In general the aim has been to reproduce documents in their entirety but where available space is a major constraint on editors, a consideration which applies particularly in the case of general volumes, where the documentation is voluminous, this is not always possible, and some purely factual information may be omitted. It must also be emphasised in this context that the BDEEP volumes do not remove the necessity for researchers to study the original records themselves. The footnote reference 'not printed' is used only in cases where a specified enclosure or an annex to a document has not been included. Unless a specific cross-reference or note of explanation is provided, however, it can be assumed that other documents referred to in the text of the documents included have not been reproduced. Obvious typing errors in the original are in the main silently corrected, but abbreviations and contractions stand. Each volume has a list of abbreviations together with a consolidated index, and country volumes include a chronology of principal events.

One radical innovation, compared with previous Foreign Office or India and Burma series, is that BDEEP reproduces many more minutes by ministers and officials.

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<sup>4</sup> This is an editorial convention, following DBPO practice. Very few memoranda issued in their name were actually written by ministers themselves, but normally drafted by officials.

Formally launched in 1987, BDEEP has been based since its inception at the Institute of Commonwealth Studies. The work of the project is supervised by a Project Committee chaired by Professor Andrew Porter, Rhodes professor of imperial history in the University of London. Professor Porter succeeded Professor Anthony Low, formerly Smuts professor of the history of the Commonwealth in the University of Cambridge, who retired in November 1994. Professor Michael Crowder became the first general editor while holding a visiting professorship in the University of London and a part-time position at Amherst College, Massachusetts. Following his untimely death in 1988, Professor Crowder was replaced as general editor by Professor David Murray, pro vice-chancellor and professor of government at the Open University, who played a critical role in establishing a secure financial base for the project and in negotiating contracts with the volume editors and the publisher. His invaluable advice and expertise in dealing with the early manuscripts are acknowledged with particular gratitude. Mrs Anita Burdett was appointed as project secretary and research assistant. She was succeeded in September 1989 by Dr Stephen Ashton who previously worked with Professors Mansergh and Tinker during the final stages of the India and Burma series. Dr Ashton replaced Professor Murray as project director and general editor in 1993.

The project benefited from an initial pump-priming grant from the British Academy. Thanks are due to the secretary and Board of the Academy for this grant and for the decision of the British Academy to adopt BDEEP as one of its major projects. The Academy made a further award in 1996 which enabled the project to employ a research assistant on a fixed term contract. The Managers of the Smuts Memorial Fund in the University of Cambridge are also to be acknowledged. They made possible the workshop from which the project developed and they have since provided a further grant for work on two of the stage two volumes. The principal funding for the project in stages one and two has been provided by the Leverhulme Trust, and the early volumes are a tribute to the support provided by the Trustees. For the third and final stage beginning in 2000, BDEEP has been the beneficiary of a major research award from the Arts and Humanities Research Board. In making the award the AHRB made generous reference to the value of BDEEP, and the project is grateful for this support.

Members of the Project Committee, who meet annually at the Institute of Commonwealth Studies, have provided valuable advice and much needed encouragement. Professor Low, the first chairman of the Committee, made a singular contribution, initiating the first exploratory meeting at Cambridge in 1985 and presiding over subsequent developments in his customary constructive but unobtrusive manner. Professor Porter continues in a similar vein and his leadership and experience are much appreciated by the general editor. The director and the staff of the Institute of Commonwealth Studies have provided administrative support and the congenial surroundings within which the general editor works. The editors of volumes in both stages one have benefited considerably from the researches undertaken by Dr Anne Thurston and her assistants which resulted in the publication of the two handbooks. Although BDEEP is not an official project, the general editor wishes to acknowledge the support and co-operation received from the Historical Section of the Cabinet Office and the Historical and Records Department of the Foreign and Commonwealth Office. He wishes also to record his appreciation of the spirit of friendly co-operation received from the editors of

DBPO. Dr Ronald Hyam, editor in stage one of the general volume on the post-war Labour government and co-editor of the stage two volume on the Conservative government, played an important role in the compilation of the house-style adopted by BDEEP and his contribution is acknowledged with gratitude. Thanks also are due to The Stationery Office for assuming publishing responsibility and for their expert advice on matters of design and production. Last, but by no means least, the contribution of the chief executive and keeper of the records and the staff, both curatorial and administrative, at The National Archives must be emphasised. Without the facilities and privileges afforded to BDEEP editors at The National Archives, the project would not be viable.

S R Ashton  
Institute of Commonwealth Studies  
February 2004



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## Abbreviations: parts I–III

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AA	Automobile Association
AID	Agency for International Development
AMDA	Anglo-Malaysian Defence Agreement
ANF	Atlantic Nuclear Force
ANZUS	Australia, New Zealand and United States (Pact)
AOC	air officer commanding
ASA	Association of South-East Asia
AUS	assistant under-secretary (of state)
BAC	British Air Command/British Aircraft Corporation
BBC	British Broadcasting Corporation
BDEEP	British Documents on the End of Empire Project
BEA	British European Airways
BIOT	British Indian Ocean Territory
BMC	British Motor Corporation
BNEC	British National Export Council
BOAC	British Overseas Airways Corporation
BOAR	British Army of the Rhine
BP	British Petroleum
BPP	British Protected Persons
BSIP	British Solomon Islands Protectorate
BVI	British Virgin Islands
CAB	Cabinet
CAP	Common Agricultural Policy
CBI	Confederation of British Industry
CDC	Colonial/Commonwealth Development Corporation
CDS	chief of the defence staff
CD&W	colonial development and welfare
CEC	Commonwealth Economic Committee
CELU	Commonwealth Education Liaison Unit
CENTO	Central Treaty Organisation (Turkey, UK, Pakistan, Iran)
CFP	Compagnie Française des Pétroles (Total)
CIA	Central Intelligence Agency
cif	cost in freight
CINC	commander-in-chief
CINCFE	commander-in-chief, Far East
CO	Colonial Office/ Commonwealth Office
COI	Central Office of Information
COMECON	Council for Mutual Economic Assistance (Soviet bloc)
Con	Conservative Party (UK)
COS	Chiefs of Staff

CPA	Commonwealth Parliamentary Association
CPG	Chinese People's Government
CRO	Commonwealth Relations Office
CSA	Commonwealth Sugar Agreement
CSD	Civil Service Department
DAC	Development Assistance Committee
DEA	Department of Economic Affairs
DEP	Department of Employment and Productivity
DES	Department of Education and Science
DHC	deputy high commissioner
DOP(C)	(Cabinet) Defence and Oversea Policy Committee
DSAO	Diplomatic Service Administration Office
DTC	Department of Technical Co-operation
DTD	Dependent Territories Department/Division
DTI	Department of Trade and Industry
DUS	deputy under-secretary (of state)
EAP	Eastern Aden Protectorate
ECAFE	Economic Commission for Asia and Far East
ECFA	Economic Commission for Asia
ECGD	Export Credit Guarantee Department
ECSC	European Coal and Steel Community
EDC	European Defence Community/ Economic Development Committee
EEC	European Economic Community
EFTA	European Free Trade Association
EURATOM	European Atomic Energy Commission
FAA	Fleet Air Arm
FARELF	Far East Land Forces
FCO	Foreign and Commonwealth Office
FLOSY	Front for the Liberation of Occupied South Yemen
FM	field marshal
FMG	Federal Military Government (Nigeria)
FO	Foreign Office
fob	free on board
FSA	Foreign Service Assistance
GAP	gross annual product
GATT	General Agreement on Tariffs and Trade
GEIC	Gilbert and Ellice Islands Colony
GNP	gross national product
GOC	general officer commanding
HC	high commissioner
HE	His Excellency/high explosives
HEO	higher executive officer
HMOCS	Her Majesty's Oversea Civil Service
HO	Home Office
<i>H of C Debs</i>	House of Commons Debates (Hansard)
HQMEC	Headquarters Middle East Command
IBRD	International Bank for Reconstruction and Development
ICI	Imperial Chemical Industries

IDA	International Development Association
idi	illegal declaration of independence
IFB	Independent Forward Bloc (Mauritius)
IMF	International Monetary Fund
IPBA	India, Pakistan and Burma Association
IRD	Information Research Department (FO)
IS	internal security
ISA	(Office of the Assistant Secretary of Defence for) International Security Affairs (US)
JIC	Joint Intelligence Committee
KANU	Kenya African National Union
KCB	Knight Commander of the Bath
KCMG	Knight Commander of St Michael and St George
KCVO	Knight Commander of the Royal Victorian Order
KMT	Kuomintang (Chinese Nationalist Party)
KPU	Kenya People's Union
Lab	Labour Party (UK)
ldc	less developed countries
MCA	Malaysian Chinese Association/Muslim Committee for Action (Mauritius)
MEA	Ministry of external affairs/minister for external affairs
MELF	Middle East Land Forces
MFN	most favoured nation
MLF	Multilateral Force
MLP	Mauritius Labour Party
MoD	Ministry of Defence
MP	member of parliament
NASA	National Aeronautics and Space Administration (US)
NATO	North Atlantic Treaty Organisation
NCO	non-commissioned officer
NIBMAR	no independence before majority rule (or before majority African rule)
NLF	National Liberation Front (Aden)
NPC	Northern People's Congress (Nigeria)
NT	New Territories (Hong Kong)
NTS	Northern Trucial States
NZBC	New Zealand Broadcasting Corporation
OAS	Organisation of American States
OAU	Organisation for African Unity
OCS	Oversea Civil Service
ODA	Overseas Development Administration
ODM	Ministry of Overseas Development
OECD	Organisation for Economic Co-operation and Development
OPD	Oversea Policy and Defence (UK Cabinet) Committee
OPD(O)	Oversea Policy and Defence (Official) Committee
OSAS	Overseas Service Aid Scheme
PAP	People's Action Party (Singapore)
PKI	Partai Komunis Indonesia (Indonesian Communist Party)

PLP	Parliamentary Labour Party
PM	prime minister
PMD	Prime Minister's Department
PMM	Prime Ministers' Meeting
PMSD	Parti Mauricien Sociale Démocrate (Social Democratic Party of Mauritius)
PNC	People's National Congress (British Guiana/Guyana)
POL	petroleum, oil, lubricants
PPP	People's Progressive Party (British Guiana/Guyana)
PSP	People's Socialist Party (Aden)
PUS	permanent under-secretary (of state)
PWD	Public Works department
qr	quota restriction
RAF	Royal Air Force
RBC	Rhodesian Broadcasting Corporation
RBMR	Royal Brunei Malay Regiment
RE	Royal Engineers
RF	Rhodesian Front
RISCO	Rhodesian Iron and Steel Corporation
RMA	Royal Malta Artillery
RN	Royal Navy
RRAF	Royal Rhodesian Air Force
RRB	Race Relations Board
Rsigns	Royal Signals
RTV	Rhodesian Television
SAA	South Arabian Airforce/Army
SACEUR	supreme allied commander, Europe
SAF	Saudi Arabia/Sultan (of Oman's) Air Force
SAL	South Arabian League (Aden)
SAS	Special Air Service
SASA	South Atlantic and South America
SB	Special Branch
SBA	Sovereign Base Area (Cyprus)
SDP	Seychelles Democratic Party
SEAD	South-East Asia Department (FO)
SEATO	South-East Asia Treaty Organisation
SNOWI	senior naval officer, West Indies
SPUP	Seychelles People's United Party
TAER	Territorial Army Emergency Reserve
TANU	Tanganyika African National Union
tel	telegram
TOS	Trucial Oman Scouts
UAC	Unified Arab Command
UAE	United Arab Emirates
UAR	United Arab Republic
UARAF	United Arab Republic Air Force
UDI	unilateral declaration of independence
UF	United Front (British Guiana/Guyana)

UF	United Front Party (Rhodesia)
UK	United Kingdom
UKMIS	United Kingdom Mission (UN, New York)
UMNO	United Malays National Organisation
UNCTAD	United Nations Commission for Trade and Development
UN	United Nations
UNDP	United Nations Development Project
US(A)	United States (of America)
USSR	Union of Soviet Socialist Republics
VCGS	vice-chief of the general staff
VOA	Voice of America
VSO	Voluntary Service Organisation
WCP	World Council of Peace
WEU	West European Union
WIAS	West Indian Associated States
ZANU(PF)	Zimbabwe African National Union (Patriotic Front)
ZAPU	Zimbabwe African People's Union



# Principal holders of offices 1964–1971

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## *Labour governments 16 Oct 1964–19 June 1970*

### 1. *Ministers*

#### (a) *Cabinet ministers*

Prime minister	Mr J H Wilson (16 Oct 1964)
Lord chancellor	Lord Gardiner (16 Oct 1964)
First secretary of state and (until Aug 1967) secretary of state for economic affairs	Mr G A Brown (16 Oct 1964) Mr M M Stewart (11 Aug 1966)
Chancellor of Exchequer	Mr L J Callaghan (16 Oct 1964) Mr R H Jenkins (30 Nov 1967)
S of S foreign affairs foreign and Commonwealth affairs from 17 Oct 1968	Mr P C Gordon Walker (16 Oct 1964) Mr M M Stewart (22 Jan 1965) Mr G A Brown (11 Aug 1966) Mr M M Stewart (16 Mar 1968)
S of S Home Department	Sir F Soskice (18 Oct 1964) Mr R H Jenkins (23 Dec 1965) Mr L J Callaghan (30 Nov 1967)
S of S defence	Mr D W Healey (16 Oct 1964)
S of S colonies came under Commonwealth affairs, 1 Aug 1966, office discontinued, Jan 1967	Mr A Greenwood (16 Oct 1964) Lord Longford (23 Dec 1965) Mr F Lee (6 Apr 1966)
S of S Commonwealth relations Commonwealth affairs from 1 Aug 1966 (office discontinued, 17 Oct 1968)	Mr A G Bottomley (16 Oct 1964) Mr H W Bowden (11 Aug 1966) Mr G R Thomson (29 Aug 1967)
President of the Board of Trade	Mr D P T Jay (16 Oct 1964) Mr A Crosland (29 Aug 1967) Mr R Mason (12 Oct 1969)



Minister of overseas development office not in Cabinet from 29 Aug 1967	Mrs Barbara Castle (18 Oct 1964) Mr A Greenwood (23 Dec 1965) Mr A G Bottomley (11 Aug 1966)
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(b) *Junior ministers*(i) *Foreign Office, Foreign and Commonwealth Office from 17 Oct 1968*

Minister of state	Lord Caradon (16 Oct 1964–19 June 1970) Mr G R Thomson (19 Oct 1964–6 Apr 1966) Mr W E Padley (19 Oct 1964–7 Jan 1967) Lord Chalfont (23 Oct 1964–19 June 1970) Mrs Eirene White (11 Apr 1966–7 Jan 1967) Mr G R Thomson (7 Jan 1967–29 Aug 1967) Mr F W Mulley (7 Jan 1967–6 Oct 1969) Mr G O Roberts (29 Aug 1967–13 Oct 1969) Lord Shepherd (17 Oct 1968–19 June 1970)
Parliamentary under-secretary of state	Lord Walston (20 Oct 1964) Mr W T Rodgers (7 Jan 1967) Mr M A Foley (3 July 1968) Mr W C Whitlock (17 Oct 1968) Mr E T Luard (13 Oct 1969)

(ii) *Colonial Office (until 1 Aug 1966)*

Parliamentary under-secretary of state	Mrs Eirene White (20 Oct 1964–11 Oct 1965) Lord Taylor (20 Oct 1964–11 Apr 1966) Lord Beswick (11 Oct 1965–1 Aug 1966) Mr J T Stonehouse (6 Apr 1966–7 Jan 1967)
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(iii) *Commonwealth Relations Office, Commonwealth Office, 1 Aug 1966–17 Oct 1968*

Minister of state	Mr C Hughes (19 Oct 1964–6 Apr 1966) Mrs Judith Hart (6 Apr 1966–26 July 1967) Mr G Thomas (7 Jan 1967–6 Apr 1968) Lord Shepherd (26 July 1967–19 June 1970)
Parliamentary under-secretary of state	Lord Taylor (20 Oct 1964–11 Apr 1966) Lord Beswick (11 Oct 1965–26 July 1967) Mr J T Stonehouse (1 Aug 1966–7 Jan 1967) Mr W C Whitlock (26 July 1967–19 June 1970)

(iv) *Ministry of Overseas Development*

Minister	Mr R E Prentice (29 Aug 1967) Mrs Judith Hart (6 Oct 1969)
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*Conservative government 19 June 1970 (until 1971)*1. *Ministers*(a) *Cabinet ministers*

Prime minister	Mr E R G Heath (19 June 1970)
Lord chancellor	Lord Hailsham (20 June 1970)
Chancellor of Exchequer	Mr I N Macleod (20 June 1970) Mr A P L Barber (25 July 1970)
S of S foreign and Commonwealth affairs	Sir A Douglas-Home (20 June 1970)
S of S Home Department	Mr R Maudling (20 June 1970)
S of S defence	Lord Carrington (20 June 1970)
President of Board of Trade S of S for Trade and Industry and president of Board of Trade from 15 Oct 1970	Mr M Noble (20 June 1970) Mr J Davies (15 Oct 1970)

(b) *Junior ministers*(i) *Foreign and Commonwealth Office*

Minister of state	Mr J Godber (23 June 1970)
Parliamentary under-secretary of state	Marquess of Lothian (24 June 1970) Mr A H F Royle (24 June 1970) Mr J A Kershaw (24 June 1970)

(ii) *Ministry of overseas development (under FCO from 15 Oct 1970, when  
announcement made, but change formally made 12 Nov 1970)*

Minister	Mr R F Wood (23 June 1970)
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*Civil servants*

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| (a) <i>Secretary to the Cabinet</i>   | Sir B Trend (1963–1973)  |
| (b) <i>Foreign Office, Foreign and Commonwealth Office from 17 Oct 1968</i>           |  |
| (i) Permanent under-secretary of state<br>and head of Diplomatic<br>Service from 1968 | Sir Harold Caccia (1962–1965)<br>Sir Paul Gore-Both (1965–1969)<br>Sir Denis Greenhill (1969–1973) |

- |   |  |
|---|--|
| (ii) Deputy under-secretary of state (select) <sup>1</sup>                                | Viscount Hood (1962–1969)<br>Sir Geoffrey Harrison (1963–1965)<br>Sir Bernard Burrows (1963–1966)<br>Sir John Nicholls (1963–1966)<br>Sir Roger Allen (1965–1967)<br>(Sir) Denis Greenhill (KCMG 1967)<br>(1966–1969)<br>Sir Denis Allen (1967–1969)<br>Sir John Rennie (1967–1974)<br>Sir Arthur Galsworthy (1968–1969)<br>Sir Arthur Snelling (1968–1969)<br>Sir E Peck (1968–1970)<br>Sir John Johnston (KCMG 1966)<br>(1968–1971)<br>J R A Bottomley (1970–1972) |
| <br>(c) <i>Colonial Office (until 1 Aug 1966)</i>   |  |
| (i) Permanent under-secretary of state  | Sir Hilton Poynton (1959–1966)   |
| (ii) Deputy under-secretary of state  | Sir John Martin (1963–1965)<br>A N Galsworthy (1965–1966)  |
| (iii) Assistant under-secretary of state  | C G Eastwood (1954–1966)<br>W B L Monson (1951–1964)<br>A R Thomas (1952–1964)<br>A N Galsworthy (1957–1966)<br>Trafford Smith (1959–1966)<br>W I J Wallace (1962–1966)<br>J E Marnham (1964–1966)   |
| <br>(d) <i>Commonwealth Relations Office, Commonwealth Office, 1 Aug 1966–17 Oct 1968</i> |  |
| (i) Permanent under-secretary of state and head of Diplomatic Service, 1965–1968          | Sir Saville Garner (1962–1968)<br>Sir Morrice James (1968)   |
| (ii) Deputy under-secretary of state  | Sir Algernon Rumbold (1958–1966)<br>Sir Arthur Snelling (1962–1968)<br>Sir Neil Pritchard (1963–1967)<br>Sir Morrice James (1966–1968)<br>A N Galsworthy (KCMG 1967)<br>(1966–1968)  |
| (iii) Assistant under-secretary of state  | G E B Shannon (1956–1966)<br>G W StJ Chadwick (1960–1966)<br>L B Walsh Atkins (1962–1966)  |

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<sup>1</sup> Officials below the rank of deputy under-secretary of state at the FO/FCO are identified in footnotes.

N D Watson (1965–1966)  
 J B Johnston (KCMG 1966)  
 (1966–1968)  
 J O Moreton (1966–1968)  
 H P Hall (1966–1968)  
 Trafford Smith (1966–1968)  
 J R A Bottomley (1967–1968, then FCO)

(e) *Ministry of Overseas Development, to 12 Nov 1970*

- (i) Permanent under-secretary of state Sir Andrew Cohen (1964–1968)  
 (Sir) Geoffrey Wilson (KCB 1969)  
 (1968–1970)

(f) *Department of Economic Affairs to 6 Oct 1969*

- (i) Permanent under-secretary of state Sir Eric Roll (1964–1966)  
 (Sir) D Allen (1966–1968)  
 Sir W Nield (1968–1969)

*Chiefs of Staff*

Chief of defence staff	Earl Mountbatten of Burma (1959–1965) Sir Richard Hull (1965–1967) Sir Charles Elworthy (1967–1971)
Chief of general staff	Sir Richard Hull (1964–1965) Sir James Cassels (1965–1968) Sir Geoffrey Baker (1968–1971)
First sea lord and chief of naval staff	Sir David Luce (1964–1966) resigned Sir Varyl Begg (1966–1968) Sir M Le Fanu (1968–1970) Sir Peter Hill-Norton (1970–1971)
Chief of air staff	Sir Charles Elworthy (1964–1968) Sir John Grandy (1968–1971)

*Select list of ambassadors and high commissioners*

Ambassador in Washington	Sir David Ormsby-Gore (Lord Harlech) (1961–1965) Sir Patrick Dean (1965–1969) J Freeman (1969–1971)
Ambassador to South Africa	Sir Hugh Stephenson (1963–1966) Sir John Nicholls (1966–1967)

	Sir Arthur Snelling (1970–1972)
Permanent representative to the UN	Lord Caradon (1964–1970) Sir Colin Crowe (1970–1973)
High commissioner, Aden and Protectorate of South Arabia	Sir Kennedy Trevaskis (1963–1965) Sir Richard Turnbull (1965–1967) Sir Humphrey Trevelyan (1967)
High commissioner, Australia	Sir Charles Johnston (1965–1971) Sir Morrice James (1971–1976)
High commissioner, Canada	Sir Henry Lintott (1963–1968) Sir Colin Crowe (1968–1970) (Sir) Peter Hayman (1970–1974)
High commissioner, India	Sir Paul Gore-Booth (1960–1965) J Freeman (1965–1968) Sir Morrice James (1968–1971) Sir Terence Garvey (1971–1973)
High commissioner, Kenya	M MacDonald (1965–1966) Sir Edward Peck (1966–1968) (Sir) Eric Norris (1968–1972)
High commissioner, Malaysia	Lord Head (1963–1966) Sir Michael Walker (1966–1971)
High commissioner, New Zealand	Sir Ian MacLennan (1964–1969) Sir Arthur Galsworthy (1969–1973)
High commissioner, Nigeria	Sir Francis Cumming-Bruce (1964–1967) Sir David Hunt (1967–1969) Sir Leslie Glass (1969–1974)
High commissioner, Singapore	J V Robb (1965–1968) (Sir) Arthur de la Mare (1968–1970) (Sir) Sam Falle (1970–1974)
High commissioner, Uganda	(Sir) David Hunt (1962–1965) R C C Hunt (1965–1967) D A Scott (1967–1970) R M K Slater (1970–1973)
British government representative, West Indies Associated States	C S Roberts (1967–1970) J E Marnham (1970–1972)

# Introduction\*

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This is the final general volume in Series A of the British Documents on the End of Empire Project. It covers nearly six years of a Labour government elected in October 1964<sup>1</sup> and re-elected in March 1966, and extends into the first eighteen months of the Conservative government elected in June 1970. In three areas of policy, the extension into the Conservative administration enables the volume to provide coverage of what would be unfinished business if the volume ended when the Labour government left office. First, documents have been selected to illustrate how, although Britain's formal defence role East of Suez ended in 1971, in both South-East Asia and the Persian Gulf a residual British presence remained. Secondly, there is documentation on the meeting of Commonwealth Prime Ministers at Singapore in January 1971, explaining why it is seen as an important landmark in the evolution of the Commonwealth. Finally, there is reference to the Immigration Act of October 1971, the first attempt by a British government not simply to restrict immigration but to define who had a right of abode in the United Kingdom.

Much unfinished business still remained in 1971. Britain had yet to join the European Economic Community. Another attempt was about to be made to resolve the Rhodesian impasse. The sterling area was still intact but only just and the floatation of the pound in June 1972 led to its dismantlement. Lurking round the corner was the not wholly unexpected Ugandan Asian crisis. Part of the explanation of why coverage in the final general volume stops in 1971 is logistical and dictated by the constraint of space. Research for the volume has been slightly constrained by access to the records under the thirty-year rule. Chronologically, we still await the release of documents to complete the British record of end of empire in the Caribbean (including the Central American republic of Belize) and the Pacific. Unless the legislation governing access is changed, it will be 2028 before the official record of end of empire in Hong Kong becomes available, and longer still in the cases of Gibraltar<sup>2</sup> and the Falkland Islands. Historians of the British empire have long debated the question of when the empire began. Equally open to interpretation are questions of when it ended or whether it continued in a different form, but in any event the year 1971 is a significant landmark and, with the recall of troops from East of Suez, a symbolic one.

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In December 1969, apparently as part of an exercise conducted in preparation for a forthcoming general election, the Foreign and Commonwealth Office submitted to Downing Street an assessment of what had been achieved within its own areas of responsibility since the Labour government came to power in 1964.<sup>3</sup> The FCO response covered seven areas of policy. The first was described as a 'reappraisal of Britain's role in the world'. Britain now had a 'changed but vital role'. While retaining world-wide interests and influence through the Commonwealth and trading relations, Britain had become 'predominantly a European and Atlantic power'. Second on the list was the consolidation of Britain's position in Europe. Britain had persisted in its application to join the European Economic Community, 'in the face of many frustrations and delays'. The third achievement was the strengthening of the Commonwealth, and the fourth the negotiation of 'the orderly end of empire', with independence having been granted to seven more countries.<sup>4</sup> Fifth was support for the United Nations, and sixth a 'new attitude to the developing world' through aid policy. Seventh on the list was British influence in support of a series of peace initiatives in the context of conflicts in the Middle East, South and South-East Asia, and West Africa.

Each of the policy areas in which the FCO hailed its seven 'achievements' is relevant in an end of empire context. While the material presented in this volume provides evidence by which these claims may be judged in all seven cases, three features characterising both the period and the documentation generated by it should also be mentioned.

The first, up to and immediately after the devaluation of sterling in November 1967, concerns the extent to which government policy was influenced by the worsening position and overall weakness of sterling. This was most keenly felt in the areas of defence, overseas investment, and aid policy. It also influenced government actions over sanctions against Rhodesia and government determination to avoid economic (as opposed to military) sanctions against the apartheid regime in South Africa. But over other areas of policy the impact of Britain's financial difficulties appears not as significant as is sometimes imagined. Successive crises over sterling were not in themselves major determinants of the Labour government's approach towards Europe. Equally, it would be difficult to argue that policy towards the remaining colonial dependencies was influenced solely by questions of finance and economic problems at home. Officials in Whitehall might have suggested, as one reason in favour of an agreement with Argentina over the Falkland Islands in 1968, that Britain did not have the means to defend its South Atlantic dependency (document number 329). They might also have argued, in the wake of disturbances in Hong Kong in 1967, that Britain should prepare to transfer the territory to China well in advance of the expiry of the lease on the New Territories in 1997 (339). But the Falklands remain British territory, and the crisis over Hong Kong soon passed, to the extent that when officials resumed their deliberations they considered whether British rule might extend *beyond* 1997 (342–344). Also, over territories in the Caribbean and the Pacific where there were no comparable external pressures, successive British governments wanted to withdraw but chose to remain despite the fact that no essential British interests were at stake. At the level of decisions made by government, the economic explanations for end of empire appear self-evident in some cases, but much less obvious in others.<sup>5</sup>

The second feature of the period and the documentation concerns the nature of

policy-making. The years 1964 to 1971 have much in common with the 1940s and early 1950s, with officials more involved in the initiation of policy. In both Labour and Conservative governments between 1964 and 1971, ministerial imprints on the implementation of policy were concentrated on the key issues of defence (spending and commitments), Rhodesia, and policy towards Europe. Labour ministers also grappled, none too successfully according to contemporary critics, with the final stages of Britain's involvement in Aden and South Arabia. Two further issues attracted the attention of both Labour and Conservative ministers. The first, a matter of pressing domestic political concern, was immigration policy. The second, a party political problem for Labour and a cold war issue for the incoming Conservatives in 1970, was whether weapons for naval defence should be sold to South Africa.

Harold Wilson and Edward Heath, the respective Labour and Conservative prime ministers, were involved in most of these issues, although obviously not to the same extent. Their international perspectives were different. Despite tensions generated by Vietnam and Britain's defence reductions, Wilson was at heart an Atlanticist valuing close relations with Washington. Heath by contrast, for reasons primarily of European policy, seemed determined not to have a special relationship with the United States. As prime minister in the 1960s and unlike Heath, Wilson was never a committed European. He set out instead to explore what he viewed as the economic potential of the Commonwealth. Gradually Wilson became disillusioned with the Commonwealth, as the older members moved in different economic directions and the newer members made life difficult for the British government by their attitudes towards Rhodesia and South Africa. Heath was impatient with the Commonwealth from the outset, and not a little hostile. Both prime ministers assumed what amounted almost to personal responsibility for a particular area of policy. For Wilson it was Rhodesia. Effective policy towards Rhodesia during the Labour government was conducted not from the Commonwealth departments in Whitehall but Downing Street. Before he transferred his attentions to Europe, Heath's main interest early on in his government was the sale of weapons to South Africa. Here his views were diametrically opposed to those of Wilson.

Apart from Wilson, the most consistent ministerial influence during the Labour government was Denis Healey who remained as secretary of state for defence throughout the entire administration. At different times George Brown and Michael Stewart occupied the offices of first secretary of state and secretary of state for economic affairs (a combined post), and foreign secretary. Neither emerged as a decisive influence over policy. Brown came closest by virtue of unorthodox behaviour, constant resignation threats, personal antipathy towards Wilson, and advocacy of entry to the EEC. James Callaghan made his mark as the chancellor of the Exchequer who introduced the first curbs on overseas investment through corporation tax and the voluntary programme. As home secretary in 1968 he also presided over rushed and controversial legislation to restrict the right of Kenyan Asians who had retained British citizenship to enter Britain. Early on in the Conservative government, Sir Alec Douglas Home at the Foreign Office and Lord Carrington at the Ministry of Defence agreed with Heath about selling weapons to South Africa. In opposition they had also shared Heath's view that British plans to withdraw from the Persian Gulf were premature. In office they were unable to reverse the process, although they modified it. Home soon turned his attention to Rhodesia, building on proposals he had put forward as shadow foreign secretary.



In other areas of policy during the Labour government it is not always possible to discern a guiding ministerial hand on matters relating to the end of empire. Once Anthony Greenwood departed from the Colonial Office in December 1965 policy towards the dependent territories became largely the preserve of officials. Barbara Castle was an energetic first minister of overseas development, but she held the post for just over a year and by 1967 the ministry was no longer represented in the Cabinet. Again much of the policy-making over aid devolved to officials. Between them, Arthur Bottomley, Herbert Bowden, and George Thomson held the office of secretary of state for Commonwealth relations until 1966, Commonwealth affairs until 1968. While Thomson was the most influential, the main architects of Commonwealth policy were often officials, notably Sir Saville (Joe) Garner, Sir Morris James, and Sir Arthur Galsworthy. In fact (and with the exception of Aden) as policy formulation reverted, as it had in the earlier post-war period, to a question of planning, the influence of officials, from the foreign as well as the Commonwealth branches of government, became more apparent. This was especially the case in the context of planning what role Britain might play in the world after the withdrawal from East of Suez. Several illustrations of official influence are reproduced in this volume. They include surveys of British policy in South-East Asia (89), long-term policy in the Persian Gulf (118), the value of the Commonwealth to Britain (268), future policy in Africa (376), five principles of Middle East policy (161), and, as a new departure in Whitehall planning mechanisms, a study of priorities by country for British interests in the world until the mid-1970s (157).

The years covered by this volume witnessed major administrative changes in Whitehall. The Ministry of Overseas Development was set up after the 1964 election. In 1966 the Colonial Office merged with the Commonwealth Relations Office to form the Commonwealth Office. A further merger took place in 1968 when the Foreign Office amalgamated with Commonwealth Office to create the Foreign and Commonwealth Office. Finally, in 1970, the Ministry of Overseas Development ceased to operate as a separate government department and was converted to a functional wing of the FCO. At the heart of these changes was a debate in Whitehall about the degree of attachment Britain should maintain to some of the main legacies of empire. From the former colonial and Commonwealth side of government came an emphasis on the importance to Britain of the Commonwealth relationship. The same sources continued to champion the interests of dependent territories, especially in cases where sovereignty or territory were disputed with third countries. Officials at the Ministry of Overseas Development, many of them with the Colonial Office backgrounds, argued the moral case for Britain's overseas aid effort. By contrast, officials from the Foreign Office and the Diplomatic Service had a different perspective. Not only did they assert Britain's new position as a European power with continuing global interests. Increasingly they maintained that exclusively British interests should take priority when policy issues had to be decided. Support for this view was equally apparent at the Treasury and in the Board of Trade. Both sides of the argument were mirrored in many of the deliberations conducted by ministers about defence, Rhodesia, Europe, and immigration. It is not hard to discern from the documents reproduced in this volume which of these two outlooks ultimately carried the greater weight.

*The defence withdrawal from East of Suez*

Almost the first act of the new Labour government was to receive from the Treasury a report on the economic situation facing Britain. The picture painted was far from encouraging and indeed worse than Labour had expected in opposition. The deficit on the balance of payments was forecast to be £800 million in 1964 and £450 million in 1965. Even with four per cent growth in succeeding years, tax increases would be needed to fund existing long-term public expenditure programmes and there would be a persistent balance of payments deficit of between £200 million and £300 million. Rejecting both deflation and devaluation as solutions, the Treasury advocated a strategy designed to increase industrial efficiency and competitiveness, to tackle the underlying causes of inflation, and to reduce expenditure for non-productive purposes. Singled out in the latter context were defence and prestige projects like the Concorde supersonic aircraft (1).

The Treasury presented its assessment on 16 October 1964, the day Labour took office. It was considered next day by Wilson and his two economic ministers, Callaghan as chancellor and Brown, first secretary of state and secretary of state at a new Department of Economic Affairs. Wilson alone possessed actual experience as well as expert knowledge of the issues involved and the two colleagues were ready to follow his lead. In effect this meant acceptance of the Treasury's broad strategy. One of the first to be told about what immediate measures Britain proposed to adopt was the American president. A message from Wilson to Lyndon Johnson sent on 23 October explained that two courses of action had been ruled out. The first, 'with all its repercussions on the international exchanges, will be obvious to you, and this we have rejected now, and for all time' (2). Devaluation was thus, for the time being, banished from the official vocabulary. The second was an increase in interest rates. Continuing that he 'set great store by close and continuing co-operation with the American Administration over the whole international field', Wilson outlined a series of measures of which the most immediate was a fifteen per cent surcharge on all imports except foodstuffs, raw tobacco, and basic raw materials. Meanwhile, on the financial front, the IMF provided stand-by credit to the value of £357 million, and Callaghan's November budget increased the price of petrol, raised national insurance and the standard rate of income tax, and proposed for the following spring the introduction of capital gains tax and corporation tax. Sterling was still under pressure, and this did not ease until the end of November when the bank rate was raised and the Bank of England arranged \$3,000 million credit with other central banks.<sup>6</sup>

This was the climate in which ministers, service chiefs and senior officials met at Chequers over the weekend of 21–22 November to consider Britain's defence and foreign policy. Their deliberations, however, were not only a response to the immediate economic situation. They were also the latest in a long line of reappraisals dating back at least to 1950 or 1951, and even some would argue to the 1930s. Over these years successive British governments had faced the problem of squaring means with requirements. At issue was how Britain might sustain an extensive range of commitments overseas from a shrinking resource base. This aspect of policy in an end of empire context has constituted a major focus of study throughout the BDEEP series, especially in the general volumes. It reached its climax during the time in office of the Labour government between 1964 and 1970. The debate in Whitehall had reached a significant juncture on the eve of the 1964 election. Officials servicing

the Cabinet's Defence and Oversea Policy Committee (DOPC) were ready with advice for a new government that although risks would be involved in giving them up, 'we should not indefinitely maintain our bases in Aden and Singapore'.<sup>7</sup>

The purpose of the weekend meeting at Chequers was not to make decisions but to consider various policy options for Britain's three defence roles: the nuclear deterrent, NATO, and overseas commitments, the latter in the form of military and naval bases on the one hand, and treaty obligations on the other. Of Britain's allies in Europe, West Germany performed only one of these roles, and France two. With defence costs escalating, the meeting confirmed Britain could not maintain the three roles on their existing scale. Either one or more had to be abandoned or all three scaled down. It was suggested nuclear weapons might be given up because they would become too expensive, and because war with the USSR seemed unlikely. In this event priority might be given to overseas commitments where Britain played a 'historic' role with forces and bases already in place, to the maintenance of which the US attached importance. Afro-Asian hostility to such forces might dissipate as their governments reached maturity on the international stage. US support should be encouraged and greater Australian participation sought in South-East Asia,<sup>8</sup> thus enabling Britain to reduce its own role.

An alternative scenario suggested Europe should take priority. Geographical proximity was one reason. Another was the possibility that if Britain reduced its European military role this would lead to a loss of influence with the US and a corresponding increase in German influence in Europe. Also, the size of Britain's forces East of Suez was small by comparison and it was open to question how influential they would be in a conflict wider than the current confrontation with Indonesia in eastern Malaysia. To redeploy these forces to less sensitive areas would be slow and costly, and to leave them where they were would make them vulnerable to local hostility. The conclusion at Chequers was that no decisions should be taken until Britain's allies had been consulted. That Britain had to choose between the three roles should be impressed upon them 'clearly and bluntly' (3).

Consultation produced reactions from the US and Australia ranging from suspicion to outright opposition. In conversation with Wilson at Downing Street in May 1965, Dean Rusk, the US secretary of state, emphasised three concerns, each set in the context of a deepening American involvement in Vietnam. First, regional organisations should deal with their own areas (he gave as an example the OAU in Africa). Secondly, the US should not be left as the only country of the 'free world' acting on behalf of freedom in other parts of world. Finally, the immediate danger facing the west was not nuclear or conventional war but wars of national liberation. Asked about reports Britain was planning to reduce commitments, Wilson replied that a review was underway, and he personally had a 'prejudice' for the maintenance of a role East of Suez; he would rather pull 'half our troops from Germany than move any from the Far East'.<sup>9</sup> In other conversations with British ministers, US policy-makers linked American support for sterling with the maintenance of Britain's world role. The point was not lost on Wilson who acknowledged that 'finance, foreign policy and defence must hang together particularly East of Suez'. Robert McNamara, the US defence secretary, was particularly hawkish over Britain's not pulling out. He told aviation minister, Roy Jenkins, in June 1965 that Britain had an 'inescapable commitment in the Indian Ocean and Far East for at least the next ten years'.<sup>10</sup> Australian reactions mirrored those of the US and both worked to scupper any early

British initiative to end the confrontation with Indonesia. Denis Healey, the defence secretary, was especially frustrated. In his view 'continued intervention in the affairs of Southern Asia by "blond Caucasians with guns" may be politically counter-productive' (4).

When they came to power in 1964 the Labour government inherited a defence programme forecast to cost £2,400 million in 1969–1970 at 1964 prices, an increase of £400 million above the level of defence estimates for 1964–1965. A National Plan produced by the Department of Economic Affairs in September 1965 set a spending limit for defence of £2,000 million by 1969–1970 at 1964 prices. Economies in defence programmes—cancellation of the TSR2 aircraft and a fifth Polaris submarine, together with savings in research and development, a reduction of the Territorial Army, and inter-service rationalisation (the pooling of common administrative and support services)—brought the estimate down to £2,200 million. A gap of about £200 million remained to be closed to meet the new target. The basis upon which these figures had been calculated attracted criticism. As a junior minister at the MoD, Christopher Mayhew urged no further defence cuts until decisions had been made about the commitments the defence forces were expected to uphold (5). Out of office as a result of his by-election defeat in January 1965,<sup>11</sup> Patrick Gordon Walker, Wilson's first foreign secretary, advised the prime minister that although the journey towards the £2,000 million target should begin immediately, 'when we may arrive is known only to God' (9).

What means might be found of closing the financial gap to meet the 1969–1970 target was the subject of a report to the DOPC considered by ministers, service chiefs and senior officials in November 1965. At issue now were the commitments that might be cut or reduced (6–7). Substantial savings in Europe were ruled out. Britain's own security and the political and military fabric of the western alliance were believed to be at stake. The most that could be expected was action by West Germany to ease the foreign exchange costs of maintaining British forces on the continent. Next to be considered were Southern Arabia and the Persian Gulf, where there were substantial UK forces; Iran, where there no forces but British involvement because of CENTO;<sup>12</sup> and Libya, where there were small forces and a treaty commitment. CENTO was not a viable military alliance. Its principal value was that it provided a framework for Iranian co-operation with the west and Iran's pro-western alignment was said to be 'of great value to us'. The perceived threat to Iran in the 1960s was communism, and it was therefore a front-line state. Iran also represented the one 'eastabout' air route to the Gulf and South-East Asia and the Far East that was freely open, and it was the only non-Arab source of oil in the Middle East. For CENTO purposes, Britain stationed four Canberra squadrons with nuclear capability at the Akrotiri Sovereign Base Area in Cyprus. Unless two of the squadrons could be moved to Malta, they would have to remain at Akrotiri.

Gulf oil was another factor, although here opinion was divided as to whether a British military presence safeguarded or endangered the installations and the flow of oil. There was, however, a consensus that British forces contributed to general stability and ensured the quasi-independence of the smaller Gulf states still under UK protection. A sudden withdrawal would leave a 'power vacuum' and alienate Iran. Equally it was recognised Britain could not remain indefinitely in the Gulf; the aim therefore should be to prepare for withdrawal, perhaps through some form of federation of Gulf states or by association with Saudi Arabia, simultaneously

ensuring the process did not damage relations with Iran. In considering the manner and timing of withdrawal account had to be taken of the position in Aden and the commitment to Kuwait.<sup>13</sup> The Aden base served a strategic purpose in supporting operations in the Gulf. But it was doubtful if a base could be maintained in Aden or elsewhere in South Arabia after independence, which was envisaged by 1968 at the latest. The conclusion therefore was to withdraw from the Aden base when South Arabia achieved independence. But elsewhere, in the short-term, British facilities were to be expanded. The Kuwait commitment had to be maintained, even though it meant capital costs in the Gulf would be more expensive. If the eventual withdrawal were to be orderly, Britain would have to stay in the Gulf until the mid-1970s, perhaps longer. Some of the forces in Aden would have to be moved to the Gulf and additional facilities put in place. This left Libya, where Britain had a treaty commitment lasting until 1973, and where the main aim was to keep Libyan oil out the hands of the United Arab Republic (UAR). If the US could be persuaded to take over the Libyan guarantee (US interests in the country were larger), Britain would be able give up the facilities it maintained for Libyan defence purposes in Cyprus (the base at Dhekelia) and Malta.

In such territories as Hong Kong and Gibraltar the defence commitment was unavoidable. Limited capabilities were to be maintained in the Caribbean, South Atlantic, and Africa. Over Malta the UK found itself engaged in exchanges with the Maltese authorities about the compensation to be paid for the winding down of naval facilities. These were to become increasingly acrimonious (20).<sup>14</sup> This left the 'Indo-Pacific' region, where far larger issues were involved.

It was agreed there could be no military withdrawal from South-East Asia before the end of 'confrontation' with Indonesia over Malaysia, which had to be secured not by military means but through negotiation. There was also agreement that to a far greater extent than in other theatres, Britain's defence spending in the Far East and South-East Asia was out of all proportion to the extent of British economic interests in the area.<sup>15</sup> Political interests were shared with the west generally and were not peculiar to Britain. The aim was to contain Communist China politically and militarily. The British view of how to achieve this was through regional neutralisation, and this in turn involved the end of foreign bases and the withdrawal of foreign troops. But as in the case of the Persian Gulf, Britain could not withdraw precipitately or prematurely. Instead Britain should seek a reduced role in co-operation with allies. On the base at Singapore, it was argued that ultimately the facilities would become untenable. Both Singapore and Malaysia would come under pressure from the Afro-Asian bloc to expel foreign troops, and the pressure would mount after confrontation ended. It was accepted Britain's allies would probably take an opposite view—all of them because of the communist threat in the region and additionally in the case of Singapore because of the economic implications of closing the base. But Britain could not afford to ignore its own economic imperatives. Without substantial reductions in South-East Asia, it would be impossible to meet the 1969–1970 target for defence spending. The aim therefore should be to restrict British defence spending in the whole of South-East Asia and the Far East to £186 million a year. To maintain the status quo would cost £245 million a year, £270 million a year if confrontation continued. The review concluded there should still be 'a visible United Kingdom military presence' in these regions (7), but what the nature of the force would be, where it would be located (the idea was floated of a reduced

deployment to a base in northern Australia on a cost-sharing basis), and what tasks it would perform were subjects for further investigation by Whitehall officials and for discussion with allies.

The results of the defence review were published in a White Paper in February 1966.<sup>16</sup> Albeit at a reduced level and despite the decision to give up the Aden base, the main conclusion to be drawn was that Britain still intended to perform a world role by means of an East of Suez presence (10). Two further conclusions stood out. First, Healey warned that Britain's ability to perform militarily East of Suez was now heavily circumscribed. The cuts in defence programmes meant Britain would no longer be able to fight even a limited war against a relatively sophisticated enemy (Indonesia, UAR, Iraq) outside Europe, nor would it be able to conduct long-term and large-scale counter-insurgency operations along the lines of confrontation (7). Secondly, time and again during the review the importance of keeping in step with the US was emphasised. Michael Stewart, the new foreign secretary, made the point when reflecting on policy in the Middle East (8), and his predecessor, Gordon Walker, was even more emphatic in the advice he was still tendering to the prime minister: '... our role as a world power lacks reality unless we work out our position at all points in relation to the United States. ... The issue is not Europe v. East of Suez, the problem is whether we are an island off the north-west corner of Europe or a world power and that means inter-dependence both in the framing and in the carrying out of policy' (9).

While still sceptical about Britain's ultimate intentions, those allies consulted were none the less relieved to find that more drastic recommendations had not emerged from the review. Harold Holt, the Australian prime minister, told Wilson that in not relinquishing a world role, Britain had made a 'historic' decision 'which you will never regret' (14). He was less enthusiastic about an alternative base in Australia. Again for reasons connected with Vietnam, US policy-makers were mostly concerned about Britain continuing its military commitment in South-East Asia beyond the end of confrontation. Differences over this emerged when Stewart and Healey held discussions at Washington in January 1966. While urging the merits of neutralisation and the need to be wary about SEATO<sup>17</sup> becoming 'a white man's club', the Labour ministers (Healey especially) insisted it was both unrealistic and unfair to expect Britain to commit itself at a time when the region's future seemed so uncertain. Hence they wanted quadripartite discussions (involving Australia and New Zealand) at which joint capabilities to deal with a range of contingencies might be discussed. The first need was to agree contingencies. The US was wary, fearing such an exercise would concentrate on a reduction in commitments, or their abandonment. The British government decided not to force the issue (11, 13).

The most strident critic of the 1966 defence review was found much closer to home. Mayhew resigned on 19 February. Not only did he oppose the financial basis upon which the review had been conducted. As minister of defence for the Royal Navy, Mayhew was a forceful advocate of the illogicality of the assumption Britain could remain a world power and yet give up such major naval components as its carrier force. In the inter-service dispute over whether air capability should be land-based or sea-borne, the Navy lost the argument. Mayhew was given one last opportunity to state his case at a Cabinet meeting (12), and he repeated his arguments in a resignation speech in the House of Commons on 22 February.<sup>18</sup> The speech was in effect a criticism of the government's East of Suez policy. It received a sympathetic hearing from many Labour back-benchers.

A further study by officials of the policy options in South-East Asia was ready by May 1966. Its findings were inconclusive and ministers questioned some of its assumptions. Singapore had separated from Malaysia in August 1965. For the officials this represented further confirmation that in the long-term the base at Singapore was untenable. The officials also confirmed their faith in neutralisation as the eventual solution but acknowledged little progress could be made while the war continued in Vietnam. To the extent therefore that both the US and Australia seemed determined to see the British remain in the area, the officials decided it would be pointless to engage them in discussion of long-term problems. Instead attention should focus on more immediate issues. An attempt was made to assess the various threats to the region, and the conclusion reached that in terms of British interests alone, an end to confrontation and a lasting settlement between Kuala Lumpur and Jakarta were more important than the retention of the Singapore base. If the US and Australia wanted Britain to stay in Singapore they should share the costs. Either that or they should consider positively an alternative site in Australia. For what he admitted were understandable reasons, Healey considered these conclusions somewhat unrealistic. He found it difficult to envisage how allied discussions could avoid long-term policy. Equally he realised Australia's main concern was not that China would launch direct aggression but that it would foster instability by exploiting regional differences. Since Australia looked to Britain to hold the ring it made more sense to have British forces at Singapore than in Australia. In which case Britain might be able to remain into the 1970s at much reduced costs, because Australia certainly and the US probably would have to contribute (15, 16).

Further discussions with allies were inconclusive. The US sought to deepen Britain's involvement. With confrontation close to an end—Malaysia and Indonesia signed an agreement at Bangkok in June 1966 (Britain was not consulted) and a formal treaty in August—Rusk suggested Britain might lend greater assistance in Thailand, a country in which, unknown to the public at home, there was already a small British military presence. Wilson, however, wanted no further extension of the SEATO commitment, informing Rusk in June 1966 it would have implications for the future of the base at Singapore, which was 'much criticised at present in Britain as a symbol of the Kiplingesque quality of our Far Eastern policy' (17). Contradicting what he had told Rusk a year earlier (4),<sup>19</sup> Wilson now said that if the financial costs involved in keeping troops in Germany could be surmounted, 'we would on the whole prefer to have them there than in the Far East'. When the US secretary of state answered this would not be helpful, the prime minister offered guarded reassurance. In June 1966 Stewart toured South-East Asia, Australia and New Zealand. Four-power talks in Canberra proved less difficult than the foreign secretary had expected, the Americans and Australians accepting his insistence that British forces released from Malaysia could not be sent to Vietnam or Thailand. The atmosphere in Kuala Lumpur was 'depressing'. The Bangkok Agreement seemed fragile, and if it broke down and hostilities resumed, Britain might be asked to return troops to the Borneo territories. Lee Kuan Yew, Singapore's prime minister, doubted Indonesia was acting in good faith in ending confrontation. Stewart came away with the impression Singapore and Malaysia were more suspicious of each other than they were concerned with the threat from China (19).

By the end of the summer of 1966 Britain's quest to find for itself an acceptable role East of Suez had been placed in a different context. In May 1966 a seamen's

strike brought Britain's docks to a standstill. The strike lasted forty-seven days, ending at midnight on 1 July. Once again sterling came under enormous pressure, Britain's gold and dollar reserves showing a drop of £49 million in June. Critics within the Parliamentary Labour Party attacked government defence spending, the East of Suez commitment, and the failure to condemn US 'aggression' in Vietnam. Wilson rode out the storm, but the financial crisis over the summer of 1966 revealed fault lines within the Cabinet over whether devaluation was the solution. This was avoided in favour of a statutory six months' prices and incomes standstill, to be followed by another six months' of severe restraint, and deflationary measures designed to cut domestic demand by £600 million and overseas spending on defence and foreign aid by £150 million. These measures provoked one ministerial resignation, that of Frank Cousins as minister of technology. Of greater significance, the volatile and unpredictable George Brown tendered his resignation (as he did on several occasions) but then changed his mind. Brown favoured devaluation, expansionist economic policies, and entry into Europe. The deflationary package of the summer of 1966 dealt a fatal blow to his Department of Economic Affairs and demonstrated the extent to which the Treasury had regained full control over economic policy. Brown was moved in August 1966 to the Foreign Office, Stewart replacing him at the DEA. For Wilson the reshuffle appears to have been aimed at Callaghan.<sup>20</sup> The chancellor had leaked to the press that he would take over at the Foreign Office and that the DEA would be abolished. From the perspective of policy towards Europe, it suited Wilson to have Brown as foreign secretary. But in private conversation with Barbara Castle, Brown was forthright in his views about Wilson being too beholden to Lyndon Johnson. Britain, he argued, should break the American commitment, leave troops in Germany, and remove them from East of Suez.<sup>21</sup> Michael Palliser, one of Wilson's foreign policy private secretaries, put it to the prime minister more delicately. 'The Foreign Secretary', he wrote, 'is not entirely convinced of the validity of our present approach' (19).

The implications for defence policy of the financial crisis in the summer of 1966 became evident at the end of the year. The DOPC was informed in December that by 1970–1971 the savings required from the defence budget would be within the range £200 million to £300 million. Coming so soon after the defence review the committee confirmed it would be neither politically nor practically possible to evacuate completely from any one area. Instead it recommended further studies of how force levels in Europe might be cut by one-third, in South-East Asia and the Far East by one half, with reductions in the Persian Gulf. It also suggested a reappraisal of the value of CENTO, and cuts in support facilities in Britain. Extreme secrecy would be required and, for the sake of morale in the armed forces, this would be 'the last major review of its kind in the lifetime of the present Government' (21).

The picture painted had become even starker by March 1967. In a joint submission Brown and Healey informed the Cabinet it was no longer tenable to reduce force levels but to maintain the same overseas commitments. The studies undertaken had yielded defence savings of only £100 million to £125 million. Two options suggested themselves: either the savings from defence would have to be smaller or policy would have to change. 'For the health of our economy we must change our overseas policies.' Substantial room for manoeuvre was limited to South-East Asia, Brown and Healey suggesting Britain should aim to be half-way towards withdrawal by 1970–1971, and completely out by 1975–1976. There would have to be consultation



with allies and a renegotiation of treaty commitments. If it became necessary Britain might offer to maintain, 'on an unaccompanied basis', a small maritime and air presence in Australia after the final withdrawal from Singapore and Malaysia. The heavy dependence of the Singapore economy on the presence of British forces was widely acknowledged, and it was agreed there would have to be aid in mitigation. Palliser advised Wilson if this overall policy were adopted, 'we should be under no illusion that it is anything but the end of Britain's "world role" in defence'. When Brown indicated he was prepared to be flexible about the final date for withdrawal, he had in mind an earlier not a later date (22, 23).

For the purpose of consultation with allies, Brown was despatched to a SEATO meeting in Washington in April 1967, after which Healey visited Singapore and Malaysia. The foreign secretary found the US, Australia and New Zealand reconciled to a half-way British withdrawal by 1970–1971 but opposed to a complete pull-out by the middle of the decade. Australian reaction was stronger than that of the US. According to Palliser, Rusk's attitude was 'Plan as much as you like, but for God's sake don't go announcing it all now'. The president and senior US officials were said to be particularly concerned about the impact on American opinion if the British government made a statement (24). From Singapore and Malaysia Healey reported a more helpful and constructive response than had been expected. Lee Kuan Yew, however, expressed local fears about how a total withdrawal might impact upon investment in Singapore's economy. He wanted more time to put in place a regional substitute for British forces, a concern echoed by Tunku Abdul Rahman, Malaysia's prime minister (25).

At a meeting with Wilson in June 1967 Holt confirmed a point made earlier by Healey (16). Australia was not concerned about its own military security in a narrow sense; this was covered by ANZUS<sup>22</sup> and to a lesser extent by SEATO. Holt also explained that US levels of investment in Australia were fast approaching those of Britain and that Japan had recently replaced Britain as Australia's largest export market. Australia's main concern was regional, because in the arc of the Pacific rim the only area where there was not a US military presence was Malaysia and Singapore. The US had always regarded this as a Commonwealth—and primarily British—responsibility, and the Administration would have difficulty in Congress if the US were left as the only non-Asian power on the Asian mainland. Holt argued that even if the war in Vietnam ended, there would still be a sizeable US military presence in the Far East and South-East Asia in South Korea, Taiwan, the Philippines, and Guam. If a US presence were vital to the security of the whole area, he suggested it was incumbent on America's allies to lend all possible support. Australia and New Zealand had forces in Vietnam which were small, but more important than their size was their actual presence. For Holt the same argument applied to British forces. Their withdrawal by the mid-1970s would have a 'shattering effect on Commonwealth relations in the area, on Australia and New Zealand in particular and generally throughout the Far East' (26).

In late October and early November 1967, Goronwy Roberts, minister of state at the FO, visited Iran and the Persian Gulf states. His primary aim was to reassure the Gulf rulers Britain would remain as long as necessary to maintain peace and stability, and to encourage them to modernise their administrations and to sink their local differences for a greater regional good (27). Given the rulers' state of apprehension at the withdrawal from Aden and southern Arabia then in progress, in a report

submitted to Brown on 17 November Roberts judged his mission a success. Next day the Treasury announced a 14.3 per cent devaluation of sterling from \$2.80 to \$2.40.<sup>23</sup>

Sterling had been under renewed pressure since the Six-Day War in the Middle East in June 1967. A partial oil embargo against both Britain and the US for their support of Israel, and the closure of the Suez Canal resulting in a world-wide shortage of shipping, especially oil tankers, dealt a serious blow to the balance of payments. The Biafran rebellion in eastern Nigeria made the situation worse because Biafra supplied ten per cent of Britain's oil. The year-long freeze on prices and wages was lifted on 1 July. Both had been held in check but so too had industrial expansion. Unemployment stood at just under 500,000, the highest figure since 1940, and the June trade figures showed a fall in exports and a trade gap of £39 million. Callaghan told the House of Commons in July devaluation was not the answer. On 29 November he changed places with Roy Jenkins at the Home Office.

Cabinet considered the impact of devaluation on defence policy at a meeting on 4 January 1968. Jenkins informed his colleagues that for devaluation to be a success, action was required to reduce the annual rate of demand by about £1,000 million, either by tax increases or reductions in public expenditure and preferably the latter. The chancellor proposed a parliamentary statement on 16 January to the effect first, that withdrawal from East of Suez would be completed by the end of the financial year 1970–1971 instead of the mid-1970s, and secondly, that expenditure on defence personnel and equipment would be reduced by restructuring and significant reductions in the purchase of foreign aircraft. By implication, the order for fifty American F-111 fighter aircraft would be cancelled. Ministers discussed the two issues separately. Attention here concentrates on defence commitments. Two decisions were required: whether the final withdrawal from Singapore and Malaysia should be 31 March 1971 or the same date in 1972, and whether the date for withdrawal from the Gulf should be brought forward.

Both the foreign and Commonwealth secretaries argued in favour of a 1972 withdrawal. Brown was more dove-like on this issue. Supported by George Thomson at the Commonwealth Office, the foreign secretary maintained the decision to withdraw from East of Suez predated devaluation, the only difference being, in the case of the Gulf, that no date had yet been announced. In justification of 1972 it was said the extra year would make all the difference in minimising the risks of disorder in Singapore, where at least 60,000 local inhabitants faced unemployment as a result of the closure of the base. Also for consideration was the safety of what were now some 35,000 servicemen and 12,000 dependants in Singapore and Malaysia, and the fact that all governments affected needed as much time as Britain could give them to make alternative defence arrangements. In the Gulf direct British interests were involved because of oil. Accepting British forces were too small to defend Gulf oil supplies and oil-producing states needed to sell their oil, Brown still feared Soviet intervention and local disorders might endanger the oil installations. He wanted to avoid an announcement about the Gulf on the grounds that if it became known the British were departing, there might be a repeat of the Aden situation with Britain under local pressure to leave sooner than intended.

Brown and Thomson lost the argument. Other ministers argued a withdrawal by 1971 still left over three years for preparations: in practice, an extra year would make little difference. The decision would be unpopular with allies but this was only to be expected; the threat to Gulf oil was perhaps more imagined than real.

Above all the issue was one of credibility. Advocates of the earlier date maintained that so far reductions in defence expenditure had been too little and come too late. This was an opportunity to make a final break and to demonstrate Britain's defence role would be concentrated on Europe. Britain's standing in the world 'depended on the soundness of our economy and not on a world-wide military presence'. There would be no 'special capability' for use in South-East Asia after withdrawal, but if necessary Britain's European capability would be available for overseas deployment (28).

No announcement about withdrawal was to be made until those most affected had been informed. Brown was despatched to Washington, Thomson to Singapore and Malaysia and then on to Australia and New Zealand, and Goronwy Roberts back to the Gulf. All three faced unenviable tasks. Lee Kuan Yew threatened economic retaliation and insisted on visiting London, which he did. The Malaysians said that in looking henceforth to protect their own position, Britain's remaining interests in Malaysia might suffer.<sup>24</sup> From Australia it was argued Britain was 'presenting them with cruel decisions in Malaysia while they were fighting in Vietnam, where they did not even have our support in words'. None of the governments expressed faith in a British out-of-area capability based in Europe, especially now the carrier force was to be phased out (32). In the words of the British Resident in the Persian Gulf, Gornowy Roberts's return mission had a 'shattering' effect on the Gulf rulers. They were now 'looking in all directions to see where they can run for cover' (34). These local reactions persuaded the government to allow another nine months, and the date for the final withdrawal was put back to the end of 1971. How and when the withdrawals eventually took place, and what further concessions Britain made to soften the blow, are discussed below in the sections on South-East Asia and the Persian Gulf. Concern about the proposals was not confined to the governments most affected. At home the service chiefs were apprehensive that cuts in the armed forces would damage both existing morale and the prospects for future recruitment (30).

The most telling reaction came from the Americans. Brown described his encounter with Rusk in Washington as 'bloody unpleasant'. The US secretary of state found it difficult to believe free aspirins and false teeth were more important than the Britain's world role. He described the UK's withdrawal as 'a catastrophic loss to human society' (31). Johnson made a soul-searching, eleventh-hour appeal to Wilson for a change of mind. American capability and political resolve would be 'gravely weakened if we have to man the ramparts all alone' (29). Wilson replied in kind, emphasising that the equally unpalatable measures taken on the home front 'strike at the very root of principles to which many of us have been dedicated since we first went into politics' (33). It fell to the British ambassador in Washington to put matters into their proper perspective. Throughout the whole process of three British defence reviews in the space of as many years, US policy-makers had often spoken their mind but they had never applied undue pressure. 'They never really tried to twist our arm.' Their reaction was one of 'sadness at the passing of an era rather than indignation'. The decision to leave the Gulf had caused them most surprise, and concern. Britain would now be treated by the US 'with the consideration due to a distinguished footballer who can still play a useful game and has a rich fund of experience to draw on, but who can no longer turn out in all weathers and whose retirement is not far off' (35).

*Aden and South Arabia*

As with its responsibilities in the Persian Gulf, Britain acquired Aden as an adjunct to the Indian empire. It had a deep-water harbour making it an ideal coaling station for steamships en route to India and beyond after the opening of the Suez Canal. The mountains of coal were joined in the twentieth century by refineries, as Aden became a bunkering port for Gulf oil waiting to be shipped west. The landscape of Kipling's 'cinder-heap of the world' had few redeeming features. When a military cantonment was added to the coal and the oil repositories the unappealing picture was complete. By the early 1960s the military value of the base at Aden had increased, so much so that plans were under way to extend it in what became known as Little Aden, the peninsula across the bay from Aden proper. Little Aden had the potential to become a sovereign base area, like that in Cyprus, giving Britain a permanent foothold.<sup>25</sup> Aden was the location from which Britain could fulfil its military commitments in the Persian Gulf, especially after the Kuwait crisis of 1961, and its treaty obligations to the protectorate states of southern Arabia. About 8,000 British troops were stationed in the base when Aden became the headquarters of Middle East Command in 1961.

The Labour government assumed responsibility in southern Arabia for a political structure which was probably the least promising of all its inheritances. A Federation of the Western Protectorate States had been established in 1959. In 1963 Aden colony was redesignated 'Aden state' and entered the Federation. Under a high commissioner<sup>26</sup> responsible for defence, external affairs and internal security, Aden had a measure of self-government within the Federation, including a Council of Ministers and a chief minister enjoying majority support in a Legislative Council. What further progress might be made in a devolutionary direction was uncertain, as Aden had been under a state of emergency since December 1963 after an attempt on the life of the high commissioner. Britain had no formal power over the federal government but the federal authorities were bound to accept the high commissioner's advice on matters relating to good government. Real influence over the Federation derived from Britain's provision of financial aid and military protection.

Not all of southern Arabia was part of the Federation. One Western Protectorate State and the Eastern Protectorate States remained outside, remittances from their foreign workers in Asia giving the eastern states greater wealth than their western neighbours. A disturbing presence lay to the north of the Federation. In turmoil following the revolution of 1962, a civil war was being fought in the state of Yemen between a new republican government and royalist supporters of the deposed regime. The conflict acquired a regional dimension, the UAR dominated by Egypt backing the republicans and Saudi Arabia supporting the royalists. Worrying for the federal government and the British was the presence in Yemen of 45,000 UAR troops (38, 39). Yemen also provided sanctuary and inspiration for the National Liberation Movement (NLF). Established by radicals from South Arabia, by the end of 1963 the NLF was directing sabotage operations against the British in Aden. Yemeni migrant workers in Aden's oil installations made easy propaganda targets, and Aden was a hotbed of trade union militancy.

Labour inherited from the Conservatives an agreement with the federal government that South Arabia would become independent in 1968.<sup>27</sup> In renouncing sovereignty over Aden when the Federation achieved independence, an essential part of the agreement was the negotiation of a defence treaty to allow Britain to retain

base facilities. Labour ministers involved in South Arabian affairs had from the outset little confidence in the federal structure. Indeed, in opposition, they thought the Federation as constituted a mistake, their argument being that Aden should have pursued separate development as a city state on its own, like Singapore.<sup>28</sup> On the grounds of too many commitments having already been given to the federal authorities, once in office the Labour government initially adopted the position it was too late to change course over Aden's future. But after a visit to the region in November 1964 by Anthony Greenwood, the secretary of state for the colonies, it became the aim of policy to explore the principle of creating a unitary state based on Aden, the Federation and, if possible, the Eastern Aden Protectorate states. Greenwood argued a unitary state would 'make possible the assimilation of the whole area', 'break down existing separatism', and encourage the emergence of a more liberal regime. He cautioned, however, that it would be unwise to underestimate 'the difficulties and dangers of trying to introduce Western democratic processes into parts of the Protectorate in their present form' (36, 37). This became one rock upon which Labour's plans for a 'liberal' unitary state ultimately foundered. Another was the eclipse in Aden both of moderate politicians and the politics of co-operation.<sup>29</sup>

Albeit retrospectively, opinion in the FO shared the early reservations held by Labour ministers. The collapse of the South Arabian Federation in 1967 prompted Donal McCarthy, head of the Aden Department, to ask why, in the 1950s, Britain had embarked belatedly on a forward policy in South Arabia and why the course chosen had been adopted. His answers to the first part of the question suggested that in recognising the imminence of decolonisation in the region because of what was happening elsewhere, Britain did not want to leave fragmentation. 'It was untidy. It represented a poor legacy.' Then there was the social and economic case for abolishing divisions in the protectorate, and the influence of high-minded and buccaneering officials like Sir Kennedy Trevaskis, high commissioner to Aden and the Federation (1963–1965), whose career in southern Arabia began in 1951. These officials were, in McCarthy's words, 'latter-day imperialists' who thought 'their mission in life included bringing about good government and development'. The second part of the question—why a particular course had been chosen—was answered by reference to the timing. The pace quickened after 1960 because Aden was now more important as a base and Adeni nationalism was on the rise. To secure the base Britain looked to 'our friends', the rulers of the feudal and tribal protectorate states of southern Arabia. The Adenis resented this but the threat from the pro-Nasserite Yemen made the rulers 'top dogs' and the Federation was seen as the '*cordon sanitaire* for the base'.

To these strategic considerations McCarthy attached two further political factors, both controversial and unsubstantiated. First, he claimed the Colonial Service in Aden was largely administrative and constantly changing. He suggested it was non-Arabist—it was in fact staffed in part by officers who had transferred from the Sudan—and therefore unable adequately to report Adeni sentiment. McCarthy then erroneously contrasted the Colonial Service in Aden with the 'specialists' serving in the protectorate who not only cultivated an intimate knowledge of the tribal states but who also isolated them. This led McCarthy to his second political factor, what he described as the almost complete lack of interchange between the local officials and the Colonial Office. In consequence, London knew little about the protectorate rulers and still less about how inappropriate it was to place Aden under their domination in

the Federation. In effect Trevaskis and those like him dominated the discussions and 'fooled policy makers in London' (85). These were not views the last two governors of Aden—Sir William Luce (1956–1960) and Sir Charles Johnston (1960–1963)—would have recognised, still less accepted, to say nothing of Trevaskis himself. The arguments about including Aden in the Federation—the timing, the attitude of the parties involved, British interests, and the regional context—had been exhaustively examined in correspondence.<sup>30</sup>

The first step towards the Labour government's promotion of a unitary state was the summoning of a South Arabian conference in London in 1965. The conference was another commitment inherited from the previous government but it was not held, and the Colonial Office's alternative suggestion—a visit to South Arabia by a constitutional commission—likewise never materialised. Both were thwarted by a rise in the local political temperature and an alarming increase in terrorist activity in Aden. The NLF threatened to kill anyone attending a conference in London. Local ministers in Aden, whose power-base was the trade unions, demanded an end to the emergency, federal elections on the basis of universal suffrage, and the evacuation of the base. Federal ministers representing the rulers looked askance at the demands about universal suffrage and the base, but wanted a revision of that part of the 1959 federal agreement requiring them to act on the high commissioner's advice. The security situation in Aden made the military in Britain restless, and the delay in deciding the future of the base because of the defence review added to military frustrations. After a visit to South Arabia in March 1965 the vice-chief of the general staff was especially forthright: 'Are we really going to fight Nasser and all his works or are we going to pull out and leave the Federation to its own fate?' (41). The chief of the defence staff echoed these thoughts in August when he warned that Britain's military resources were already dangerously stretched. He urged no compromise with extremists. It would be fatal to side with Aden against the rulers in the protectorate. Instead Saudi Arabian backing for the Federation might be enlisted (43). Healey shared these concerns. He feared the Colonial Office's political initiatives would serve only to persuade the moderates in Aden who wanted Britain to remain 'to re-ensure' with the radicals who wanted Britain to leave. According to the defence secretary, any statement about South Arabia's independence should be made subject to satisfactory arrangements for the continued use by Britain of defence facilities (40).

Faced by the rapidly deteriorating local security situation, the government came down on the military side of the argument in September 1965. The Cabinet approved the suspension of the constitution in Aden and the introduction of direct rule. Ministers reached the conclusion Britain could not abandon the Federation as under these circumstances the federal government would have to come to terms with the UAR, or collapse under a reversion to tribal warfare. Either way it would fall under the UAR's influence, with potentially serious consequences in the Gulf—'our whole position in the Middle East might well be undermined'. A lone voice against direct rule in Aden was Greenwood's. Sceptical about the value of the base—the essence of his argument being that the installations were vulnerable to terrorism because they were spread over a wide area (36, 42)—Greenwood believed direct rule would play into the hands of the terrorists. He suggested instead Britain should seek an accommodation with President Nasser of Egypt to bring the terrorist campaign to an end, and promote, in co-operation with the United Nations, what he now described as

'a confederation of the Western Aden Protectorate, Aden and the Eastern Aden Protectorate'. An attempt was made to talk to Nasser. George Thomson, minister of state at the FO, was despatched to Cairo, but not before direct rule had been introduced in Aden. Nasser refused to see him, precisely for the reason that direct rule had been introduced (44).

By January 1966 the outcome of the defence review was known although not as yet made public. Britain would not, after all, require defence facilities in Aden when South Arabia became independent in 1968. Sir Richard Turnbull, high commissioner between 1965 and 1967, believed Britain could not simply walk away. Without substantial aid (estimated at some £12.5 million per annum), and administrators and military advisers to train the armed forces, the Federation would collapse before Britain had withdrawn and an orderly withdrawal would be virtually impossible. Turnbull emphasised 'the entirely artificial nature of the Federation we have created'. It was divorced from the rest of the Arab world, and the protectorate rulers lived in an unreal world, buttressed by British aid and enjoying a higher standard of living than their own resources would allow. The high commissioner argued any statement about withdrawal should address the issue of the Federation's needs. Healey was likewise keen on a statement, but for different reasons. The decision to leave Aden was the one major and positive saving from the defence review, and the defence secretary now wanted it made clear Britain would not retain defence facilities. Fearing the impact of any statement on Britain's commitments to Kuwait and the other Gulf states, the FO preferred to keep public references about Aden 'as fuzzy as possible'; at most they should 'talk of thinning out our military presence'. How this might be achieved was suggested by a senior FO official. Assuming Britain's friends in the Middle East valued, not so much the Aden base as a British presence, Sir Roger Allen, deputy permanent under-secretary of state, conjectured the government might play down the abandonment of the base and play up Britain's interest in a new South Arabian state. Even though, 'in our hearts', it was known a 'ramshackle, disunited and probable unviable' South Arabian state was unlikely to survive, such a commitment in the short-term might 'enable us to turn an awkward corner as regards the Gulf' (45). A commitment, however, was not forthcoming. Parliamentary announcements and then the Defence White Paper in February 1966 made it clear Britain intended to withdraw completely in 1968. There would be no defence treaty with the new state. The die had therefore been cast. The question now was how Britain might pull out in good order, and leave behind a functioning successor government.

From the outset the omens were not favourable. Nasser hailed the announcement about withdrawal as a triumph for Egyptian policy and resolved to keep his forces in Yemen until the British removed theirs from South Arabia. On the issue of security a new opposition movement—FLOS Y (Front for the Liberation of Occupied South Yemen)—was formed in January 1966. Based in the Egyptian capital, FLOS Y was intended to unite the opposition factions in southern Arabia. That it had the opposite effect and led ultimately to a break with the NLF at the beginning of 1967, was of little comfort to the security forces in Aden. FLOS Y's support was almost entirely based on Yemeni migrant workers in Aden, said to number about 90,000. The NLF meanwhile had more support in the Federation, including ominously dissident elements within the federal army. British methods of countering terrorism placed Britain itself in the dock. Allegations of ill-treatment led to an investigation of the

conditions under which detainees were held at an Interrogation Centre in Aden (48). Asked why he did not order a judicial inquiry when the allegations first came to light, Turnbull admitted an inquiry would have brought the work of the centre to a halt, thus depriving the security forces of the 'only effective instrument left to us for combating terrorist activities' (51). Security strategy also brought Britain into conflict with the federal government. Proceedings of the Aden Security Policy Committee became increasing acrimonious. At a meeting in February 1967 federal ministers demanded the imposition of a curfew to deal with a day of strikes and demonstrations. 'Blood must flow', argued one federal minister, when he said anyone breaking the curfew should be shot. Turnbull replied Aden was still a colony and therefore subject to the requirements of British law; the doctrine of minimum force could not be abandoned and a person could not be shot merely for breaking a curfew. His words were greeted with 'great indignation' by the federal minister of internal security who suggested if the security forces were not able to shoot murderers, persons committing arson and those throwing grenades, the government 'might as well abdicate all its responsibilities' (53). The Chiefs of Staff shared these federal ministerial concerns. Somehow they argued the pressure on the security forces had to be eased, irrespective of the UN and international reaction. In a dirty war, the gloves had to come off (57).

Against a backdrop of the deteriorating security situation, plans were made for the British withdrawal. Opinion was divided over whether there should be UN involvement. A school of thought within the FO was opposed on the grounds the UN had always been obstructive and had acted in southern Arabia as 'an instrument of U.A.R. policy' (46). Fearing it might set a precedent for UN intervention in the affairs of Rhodesia and the colonies, the Colonial Office was likewise opposed (47). These reservations were set aside and a UN mission visited Aden in April 1967. It found itself caught up, literally, in the crossfire of the terrorist war. The three-man mission refused to meet the federal leaders during their visit, and the rulers retaliated by refusing to broadcast a statement by the mission on local television. Condemning what they described as federal and British intrigues, the mission withdrew (60).

A scheme for the British withdrawal from southern Arabia was drawn up at the end of 1966. Brown informed Turnbull the priority was to evacuate in good order British military forces, dependants and property by the date of 1 January 1968 when South Arabia would become independent. The treaties of protection with the protectorate states would end on the same date, and notice of their termination would be served on 1 January 1967. A 'crash' programme for an even earlier withdrawal was examined but rejected (54, 55). Turnbull was instructed to inform federal ministers of the dates, and he was also told to explain British budgetary aid would be available for three years after independence, together with capital aid for development. But he was 'not to be too specific' about the amount because financial aid was one of 'the few weapons of coercion' available to Britain for bargaining purposes. On the crucial question of Aden's relationship to the Federation, Brown said only direct rule could not be rescinded while the terror campaign continued. He suggested in the interim an increase in the number of ministers from Aden in the federal government—four out of the sixteen ministers came from Aden—and the preparation of plans to make Aden the capital of the new state (49). Brown specifically declined in his instructions to say when Britain would surrender sovereignty over Aden. This would become



crucial in subsequent planning. On a visit to Britain in February 1967 Turnbull reported the opposition of the federal government to independence on 1 January 1968. There was, he told the Chiefs of Staff, 'a tiresome air of guilt about our activities in Aden'. Federal ministers insisted that January 1968 was too soon. In order to have time to deploy methods they considered more appropriate for dealing with terrorism, federal ministers wanted control over internal security in Aden for at least six months before independence. According to Turnbull it would be November 1967 before they were ready to assume this responsibility. Here were the makings of a clash between Britain and the federal government, the British view being that control over internal security could not be transferred until sovereignty over Aden was surrendered. It suited Britain's purpose therefore that the time-lapse between the surrender of sovereignty and the date of independence should be as short as possible (56).

Into this increasing complicated situation Wilson personally intervened. He informed Brown in January 1967 of his concern 'about the way things are going in this part of the world', and he asked for a review by officials by Easter (52). A report was ready by March. It revealed there were now double the number of British forces in South Arabia, some 15,000, together with 8,000 dependants. The main threat to an orderly withdrawal rested with the attempts by FLOSY and the NLF, the former especially backed by the UAR, to bring down the federal government and to humiliate Britain. An additional threat lay in the economic effects of the closure of the base. Between 20 per cent and 25 per cent of a workforce of 80,000 would be made redundant. The report recommended bringing forward the date for independence to 1 November 1967. That the federal government might not, in the event, be ready to assume responsibility for internal security in Aden by this new date was recognised as a necessary risk. Federal concerns about Aden's security were set aside. Instead officials concentrated on the other main fear of federal ministers, that at independence they would be defenceless against external aggression. While suggesting the withdrawal of most British forces by 1 November 1967, the report therefore suggested a brigade<sup>31</sup> and a fighter squadron (both based at Khormaksar airfield in Aden) should remain, the brigade until 31 January 1968 and the air component until 30 April 1968 (the squadron being land-based until 31 January and thereafter carrier borne). By such means the federal government would have support against external aggression for six months after independence, particularly in air defence (60).

Commending these proposals to ministers Brown observed: 'The situation in Aden is bad and getting worse' (59). In discussing the proposals Healey detected a problem. The defence of Khormaksar airfield would run the risk of Britain's becoming involved in internal security operations after independence. A naval alternative was suggested, the deterrent being provided by a commando carrier and an aircraft carrier. Ministers also considered the merits of a fresh attempt to come to terms with Nasser but recognised a statement to this effect would have a 'disastrous' effect on the federal government and other friendly governments in the region. The date for independence was set for 1 November 1967. Sovereignty over Aden and the treaties of protection would end on the same date. In the meantime talks would be held locally, possibly in co-operation with the UN mission, about broadening the basis of the federal government. They should involve FLOSY and the NLF if they could be persuaded. Britain would offer limited military support after independence, of a

nature and duration to be investigated (61). This was the position on 10 March 1967. By the end of the month the UN mission had failed, and the federal government had lodged a strong complaint about the still earlier date for independence. Ministers in Britain were left wondering whether it would be better to revert to 1 January 1968. Maritime and air support might be offered for four months instead of six, thereby ending on the same date, 30 April 1968 (62).

British policy towards southern Arabia attracted criticism from a variety of sources. King Faisal of Saudi Arabia spoke 'bitterly and forcibly' to the British ambassador in Riyadh. In an angry exchange the king declared Britain always acted against Saudi Arabia's interests, to which the ambassador retorted the 'trouble with the Arabs as a whole was that they never admitted that they could make mistakes' (63). From his position as high commissioner to Australia, Sir Charles Johnston also expressed unease. Referring back to advice he had offered the Colonial Office in 1961, Aden's former governor commented that federating Aden with the protectorate states was 'like bringing modern Glasgow into a Federation with the 18th century highlands of Scotland'. Aden was bound to dominate, and Johnston believed Britain should do no more than attempt to leave behind a government which was 'presentable enough'. The rest should be left to the South Arabian method of *keen meeni*, a combination of intrigue, compromise and fixing. In other words, the Arabs should be left to work out their own destiny. The FO was not entirely persuaded by the argument (65, 70).

Closer to home Lord Beswick, parliamentary under-secretary of state at the Commonwealth Office who visited Aden in 1965 as a Colonial Office minister, reflected in April 1967 on what he considered a missed political opportunity when the outcome of the defence review had become known. Unfortunately this had coincided with a period when the post of secretary of state at the Colonial Office changed hands on no fewer than three occasions before responsibility for southern Arabia passed to the FO in May 1966 (66). The process of analysing what had gone wrong and why led to the replacement of the high commissioner. Wilson asked for alternative names in March 1967. The favourite was Sir Humphrey Trevelyan, a former ambassador at Cairo, Baghdad and Moscow and a man, according to the FO, 'of great decisiveness, energy and toughness of fibre' (58). Gordon Walker, a name on the short list (he was discounted because he lacked, in Thomson's words, a 'cutting edge'), explained to the prime minister what was assumed to be wrong with Turnbull. Much respected as the architect of Tanganyika's independence when he served as governor between 1958 and 1961, Turnbull was now portrayed in South Arabia as having been '*plus Royalist que le roi*.' He had become too identified with the cause of the protectorate rulers; in short he was seen as a failure because the policy he had been pursuing was a failure. To avoid a situation in which Aden might become another Congo, with Britain able neither to stay nor to get out, a tough new approach was required (64). The first priority was to overhaul the federal government and administration. Lord Shackleton, minister without portfolio and a former minister at the MoD, was sent to Aden in April 1967 in the first of a series of attempts to assemble a government of all talents by associating representatives of the less radical SAL (South Arabian League)<sup>32</sup> as well as the more moderate elements within FLOSY and the NLF who were prepared to compromise with the British. In May Trevelyan was brought out of retirement (he was sixty-two but still vigorous and decisive) to replace Turnbull as high commissioner.

Before accepting appointment Trevelyan was at pains to emphasise he would not be associated 'with a scuttle on Palestine lines'. He told Brown that Turnbull should be left in charge if there were no prospect of leaving behind a stable government. He also wanted flexibility over both the date of independence and the defence arrangements Britain might enter into with a new South Arabian government. His conversation with the foreign secretary was not easy, Brown at one point admitting disintegration was a possibility. 'He simply did not know what we would do if when the date [for independence] came, we were faced with chaos' (68). In commending Trevelyan's appointment to his colleagues, Brown also persuaded them to revert to 1 January 1968 as the independence date. He suggested that post-independence defence against external aggression might be offered from a naval force for six months, and possibly for a longer period thereafter from an air strike force based on Masirah and Sharjah. To avoid a collapse before Britain withdrew the federal government had to be broadened. The foreign secretary examined the prospects of agreement with each of the political factions and arrived at the conclusion the NLF had more potential, especially now it was gaining the upper hand over FLOSY in Aden and, more significantly, distancing itself from the Egyptians (69).

Two events in June 1967 were decisive in determining the final outcome. The first was the Arab-Israeli war at the beginning of the month. Defeat forced Egypt to begin withdrawing troops from Yemen, a process completed by the end of the year. The threat from the Yemen to South Arabia was thus considerably reduced, but in June Trevelyan could not be certain how Egypt would react. Assuming the Egyptians might instead respond to their defeat in Sinai by staying in Yemen, the high commissioner argued Britain could not 'sit them out' in South Arabia. This was one reason why Britain should leave early. Another was that Britain had given too much notice of its withdrawal: 'When a colonial power turns its back, it presents its bottom to be kicked.' Any defence guarantees Britain might be able to offer an independent South Arabia were really 'a kind of confidence trick'. The future was speculative. While Britain should act to strengthen the Federation's armed forces, 'we may find that equipment to the value of several million pounds of the British taxpayer's money will end up in the hands of a regime generally hostile to our interests. It will not be the first time this has happened' (71). This was very different in tone from the concerns expressed by Trevelyan before his appointment. When Brown announced in the House of Commons on 20 June 1967 what amount Britain would be prepared to spend on the Federation's armed forces, and what defence support Britain would offer, the extent of the risk to which Trevelyan referred became only too apparent. The left-wing of the Labour Party was furious (72).

The second and still more decisive event was a mutiny in the federal army. It occurred on the same day as Brown's parliamentary statement. The mutiny persuaded the high commissioner that if the federal government could not control its own armed forces, it would never be able to govern. The time had come to reconstitute the government. 'Most of the Sultans and their representatives should go home.' By the end of June the Crater area of Aden, the most densely populated part of the colony, was out of control, and the British now faced the prospect of fighting units of the federal army as well as the terrorists (73, 74). Trevelyan's concern over 'a scuttle on Palestine lines' had become reality. Palestine was being re-enacted and Aden had become a scuttle.

As frantic plans were drawn up to hasten Britain's military withdrawal (75), there

followed a period of intense correspondence over the next five months. Trevelyan was in the vanguard, urging now that the date for independence should be brought forward again to December 1967 (75–78, 80). The FO wondered at first how the Cabinet might respond to a further about-turn in relation to South Arabia (79). Early in September, however, Brown informed his colleagues an alternative government had to be found; this would mean dealing with the NLF as the strongest of the rival groups and the only one capable of forming an effective government (81). The protectorate rulers were left, quite literally, to fend for themselves. Those that could fled to Saudi Arabia with their entourages. King Faisal suspected collusion between Britain and the NLF and demanded financial compensation for accepting the refugees. The FO drew a negative response from the Commonwealth Office when it enquired whether there were financial precedents for compensation in the treatment of the Indian princes, the Sultan of Zanzibar, and the Kabaka of Buganda (in Uganda) (82, 83).

During September security in Little Aden passed to the control of the South Arabian army. At the end of October Brown sought latitude to determine the date of independence from mid-November onwards. Britain's offer to provide deterrent naval and air forces was withdrawn. Decisions on whether to supply Hunter aircraft and other military and financial aid were to be made once the colour of the new regime was known. A federal nationality law had been drawn up but never enacted. It was implemented by means of an order-in-council, thus ensuring that as many as 80,000 people remained citizens of South Arabia, not of Britain (84).

The final withdrawal took place on 29 November 1967. Next day the NLF proclaimed the Republic of South Yemen and formed a government. It was the only occasion in the history of British decolonisation that Britain handed over to a Marxist government. The head of the Aden Department at the FO had already offered thoughts on the lessons to be learned from the South Arabian experience. He suggested that 'a structure over-dependent on British participation is no good' (46). Trevelyan put a brave face on events in his valedictory despatch. In the end Britain left 'in peace and dignity', the rulers had 'virtually got rid of themselves', and the new government had 'as good a chance as any' of administering the country. But Trevelyan also observed, 'we have left their economy wholly unviable' (86), a theme developed by Britain's first ambassador early in 1968 (87). Britain offered financial support but what became the People's Democratic Republic of the Yemen in 1970 turned instead to the communist bloc.

### *South-East Asia*

Policy objectives in South-East Asia were developed at length in a Foreign Office submission of November 1964 (89). Here it was suggested the region was of relatively little economic importance to Britain and that Britain's interests were on the wane. In 1953 what had then been Malaya had brought a net balance of foreign exchange to the sterling area of £62 million. The figure stood at £43 million in 1955 but by 1964 it was in deficit and likely to remain so. By this time barely three per cent of Britain's world trade was with South-East Asia. Economically, Britain's interests were said to be 'more negative than positive'. Politically, however, the position was different. Britain still had a substantial interest in keeping communism at bay, 'and we need to maintain our effort in the area if we are to keep our position as a world power and the United States' principal partner'. Ultimately, the future lay in neutralisation and non-

alignment. Any 'excessive' desire to retain direct military and political influence would be counter-productive because it would encourage an unnatural alliance between local nationalism and communism.

And yet a balance had to be struck between the danger of staying too long and of withdrawing too fast. A western defeat in South East-Asia would render the long-term objective unobtainable. Military measures would therefore remain essential until there was a prospect of a *modus vivendi* with the communist powers. The US would have to 'make the running' but Britain's power to influence American policy would depend on Britain 'making a respectable contribution' by maintaining the Singapore base and continuing to defend Malaysia against Indonesia. British policy distinguished between the continental region in the north, where the proximity of China was the dominant factor, and the archipelago to the south, where the west was at less of a geographical disadvantage. In the north the aim was to work towards the emergence of regimes sufficiently subservient to be acceptable to China on the one hand, while sufficiently non-communist to be acceptable to the US on the other. Burma provided a 'possible illustration'. There was little prospect of applying this formula in Vietnam. In the archipelago, Maphilindo—an association of Malaysia, the Philippines, and Indonesia—seemed to offer the best prospect of future stability, but not while confrontation continued. Ultimately, a non-aligned South-East Asia would be able to stand on its feet only if it had substantial economic and technical aid. For this purpose aid should be co-ordinated with other donor countries in the west.

These were the long-term objectives of British policy. Aside from the military question of gradual disengagement, more immediate questions for consideration were the prospects for Malaysia, the means by which confrontation might be ended, and the future of the protected state of Brunei. All three were closely related, especially the first and second.

The 1963 Federation of Malaysia was a fragile structure created in inauspicious circumstances.<sup>33</sup> Its fragility stemmed largely from the different interests of the states making up its constituent parts. For Lee Kuan Yew, federation was a means to achieve Singapore's independence, to outflank his own radical left, and to pursue within a wider federal arena his own brand of multi-racial politics. He wanted a merger on what became known as the Ulster model, with Singapore preserving its own autonomy on such matters as labour and education policy and enjoying equal citizenship rights with the rest of Malaysia. Lee Kuan Yew drove a hard bargain, often resorting to brinkmanship to get his way. Tunku Abdul Rahman was a late convert to federation. As Malaya's prime minister, the Tunku had wanted to keep Singapore at arm's length across the causeway. Over time he allowed himself to be convinced that communism throughout the peninsula could best be kept in check if Singapore joined the federation and internal security in Singapore became a federal responsibility. The Tunku was acutely aware of the arithmetic in the ethnic make-up of the federation's population. Fearful of Singapore's overwhelming Chinese majority, he was suspicious of Lee Kuan Yew's multi-racial politics and his political ambitions on the mainland. As a defence against the numerical advantage the Chinese would enjoy in a wider federation, the Tunku insisted on bringing in the Borneo territories—North Borneo (Sabah from 1963) and Sarawak. Ideally he wanted them to join before Singapore. On this he encountered stiff opposition. While British officials in Borneo and the Colonial Office<sup>34</sup> argued the territories were backward and needed more time to prepare for federation, local politicians in the

territories feared Malay domination. A Federation of Malaysia was inaugurated on 16 September 1963, Singapore and the Borneo territories in the event acceding simultaneously. Brunei was a distinct problem. It was a protected state, not a colony, and while Britain could decide the future of the Borneo territories because they were colonies, advice only could be offered to the sultan of Brunei. He did not prove malleable, and stood aside while retaining British guarantees for his internal and external security.

Abroad Indonesia especially and to a lesser the Philippines had territorial claims against the Borneo territories. Indonesia was prepared to mount a stern challenge to the very concept of Malaysia, seeing in the retention of a British base at Singapore and the Anglo-Malaysian defence agreement a neo-colonial state in the making.<sup>35</sup> This was underpinning of confrontation that started in 1963. For their part the British had pursued the goal of Malaysia as the centre piece of a 'grand design'. It was intended to enable them to scale down costs in South-East Asia while maintaining essential western interests, at the same time satisfying the United Nations and international opinion that the colonial era was about to close. Confrontation threatened every one of these objectives. It deepened Britain's involvement, lessened the opportunity to begin withdrawing from all but the bare military essentials, and increased financial costs. Irrespective of what the Americans were doing in Vietnam, there could be no neutralisation in South-East Asia while confrontation continued.

Lord Head, British high commissioner at Kuala Lumpur, reflected on the prospects for Malaysia in November 1964. 'Colonialism', he wrote, 'often leaves behind it situations and consequences which provide serious difficulties for the newly independent country concerned'. In Malaysia's case the legacy was that Britain had supported the Malays in government and administration, leaving the Chinese to run large sections of the economy. The distinction continued into independence. The Malays ran the army, police and civil service, and seemed almost totally uninterested in any other career. They were now slightly outnumbered by Chinese in Malaysia, and with the departure of the British, communal problems had become more embittered. A danger signal for the Malays was the failure of the Singapore Alliance—a party formed with the Tunku's blessing to represent the Singapore branches of the United Malays National Organisation (UMNO), the Malaysian Chinese Association (MCA), and the Malaysian Indian Congress (MIC)—to win a seat at elections held in Singapore in September 1963, five days after the inauguration of Malaysia. Then in April 1964, emboldened by the sweeping success of his own People's Action Party (PAP) at the September elections, Lee Kuan Yew fielded PAP candidates in elections on the mainland, having previously pledged not to do this for at least five years after the merger. Communal disturbances in Singapore in July 1964 claimed 23 lives with 454 injured. The reverse side of the coin was the chauvinistic element within UMNO, the Tunku's political party, which contested elections as an Alliance Party in collaboration with the MCA and MIC. UMNO was staunchly anti-Chinese and determined to preserve Malaysia primarily as a Malay and Muslim state. Added to this was personal antagonism between the two leaders. They could not have been more unlike, Lee Kuan Yew a ruthless and ambitious politician, the Tunku a patrician but shrewd aristocrat displaying at times an equally ruthless side to his character. Head envisaged a clash between Singapore and the federal government, but not as yet to the extent the federation would fall apart. Indeed he thought it would survive because the disaffected elements 'know that if they don't hang together they may well hang separately' (88).

Head's analysis was perceptive but it was based on an incorrect premise. Federation with Singapore as part of it survived only another ten months. In August 1965 Singapore seceded, having been expelled by the Tunku, and became an independent city state. On the eve of separation Head offered a further analysis, profiling Malay fears of the Chinese because of their energy, drive and brains, and Chinese fears that Malay chauvinists would treat them as second-class citizens, suspend the electoral process, and rule by decree through the army and police. The high commissioner's solution was for Lee Kuan Yew to be dissuaded from further 'politicking' on the mainland, but it was too late for this. An equally unlikely alternative was that Lee Kuan Kew might go into political exile as Malaysia's representative at the UN. With the Tunku unwilling and unable to rein in the Malay chauvinists, Head described the prospects as 'dismal'. He advised Britain should avoid being drawn into the handling of communal unrest. Once confrontation was over, Britain should aim to remove its forces from Singapore and Malaysia, otherwise there would be the risk 'of our role here resembling, though in lesser degree, that of the United States in South Vietnam' (95).

This was also the view from London. The government was not consulted about Singapore's expulsion, and Healey especially thought the time had come for Britain to assert its own interests. What he described as 'the worst feature' of Britain's East of Suez responsibilities was that they required an unqualified commitment to governments 'which retain excessive freedom of political action in relation to British interests'. He added that others might benefit from a demonstration of UK assertiveness, 'for example, the Rulers in the Persian Gulf' (98). The priority now in South-East Asia was not to leave Singapore but to end confrontation and remove British forces from Borneo.

The end of confrontation owed much to the manner in which President Sukarno of Indonesia over-reached himself. Confrontation was not only damaging to the Indonesian economy. Sukarno's hostility to Malaysia in particular, and what he saw as western neo-colonialism more generally, had taken him dangerously close to alignment with China abroad and dependence on the Indonesian Communist Party (PKI) at home. The savage circumstances in which the Indonesian army suppressed the communists after the autumn of 1965 dealt an irrevocable blow to Sukarno's authority. Both before this and after, up to the end of confrontation, British policy was to stand firm, to make no concessions, but to make clear to the Indonesians that if hostilities ceased, Britain would provide aid to make good some at least of the economic damage. The US wondered if playing on Sukarno's vanity might help, and if tensions might be reduced by a further attempt to test opinion in Sabah and Sarawak on their future within the federation. The British government was cool towards both suggestions, Wilson emphasising in January 1965 the extent of Britain's military commitment. Further exchanges revealed that had Sukarno escalated the conflict into something more than 'hit and run' exchanges in the jungles of Borneo, the US itself would have been prepared for war with Indonesia. The expectation in return was that Britain would offer more active involvement in Vietnam (90, 91).

In terms of formal British responsibilities, there remained the intractable problem of Brunei, the future of which had to be settled in the light of the 1968 decisions about military withdrawal from the region.<sup>36</sup> The sultan was given two years' notice in October 1968 of Britain's intention to terminate its responsibilities for Brunei's

defence and external affairs. Effectively this meant withdrawing the Gurkha battalion. The sultan refused to negotiate, arguing Brunei was not ready for independence and required continuing defence guarantees. How Britain approached Brunei was a delicate matter. At stake were sterling balances of over £100 million, and a Shell concession for the supply of gas to Japan worth about £650 million. An extension of the deadline to March 1971 made little impact, the British high commissioner reporting that despite the 'Sword of Damocles' hanging over Brunei, life went on much as before. It was portrayed as a 'Far Eastern mini version of a Middle East oil sheikdom'. The regime represented 'a semi-feudal benevolent autocracy'; politically, it was 'an anachronism in the 20th century' and the administration continued in the 'colonial mould' with an expatriate civil service. But Brunei was prosperous because of oil and the population was apathetic; there was no pressure for political advance. Under new agreements in 1971 Britain ceased formally to be responsible for Brunei's defence, but the Gurkha battalion remained under British command. Brunei became internally self-governing, accepting British advice over foreign affairs. It did not become a fully sovereign and independent state until January 1984 (112, 113).

Much deliberation took place in the mid-1960s between officials in London and local British diplomats on the changing patterns of power and influence in South-East Asia, the aim being to determine whether the goal of non-alignment would become more likely or more remote. British heads of mission in the region had before them the FO memorandum (89) when they met in conference at Kuala Lumpur in February 1965. An attempt was made to imagine South-East Asia twenty years hence on the basis of assumptions of the US having left Vietnam and the Philippines, confrontation having ended allowing Britain to withdraw from Singapore, and SEATO being wound up but replaced by another defensive arrangement based on Japan or Australia. The conference anticipated two scenarios—described as the 'Bull' and 'Bear' cases—in both of which western influence had disappeared almost completely. The difference between them was that in the 'Bull' case western withdrawal had been phased, it had not attracted too much local hostility, and alternative bases had been established, whereas in the 'Bear' case withdrawal had taken place under considerable local political pressure. While it was just conceivable the US and Britain might be able to stay in the Philippines and Singapore respectively, these two countries would be islands of pro-western sentiment in an increasingly left-wing South-East Asia. Essentially the conference could not imagine how it would be possible to maintain a western military presence after twenty years, and concluded Malaysia and South Vietnam would have little chance of survival once western protection had been withdrawn. Any lasting belief in democratic methods in South-East Asia seemed a 'forlorn hope'; it was expected that authoritarian governments would become the order of the day. If, however, the western powers overstayed their welcome they would make the situation worse than if they adopted a policy of phased withdrawal (92).

Subsequent exchanges revealed differences between London and local British officials over the substance of British policy, and between local officials over the war in Vietnam. A further meeting of heads of mission at Bangkok in March and April 1965 reached the conclusion that unless Britain had its own policy for the region—it pronounced in favour of a 'less ostentatious' western military effort, accompanied by greater emphasis on aid and technical assistance—it would not be possible to engage



in talks with the US. Vietnam, however, found the diplomats divided. They agreed the US should not be humiliated. Subject to the qualification that too high a price should not be paid in support of South Vietnam's independence, they also agreed the South should not be controlled by Hanoi. But they could not agree what Britain should tell the Americans about Vietnam. Some argued the US should be bolstered at all costs, others that the administration should be told it was fighting a losing battle and should withdraw as soon as possible with maximum dignity (93).

The Bangkok meeting assumed London was reluctant to define the immediate objectives of policy. Responding to the deliberations, the FO clarified the government's position. An expression of policy might be attempted but in the current climate, 'this was not the moment to attempt a "definitive" expression'. The situation in the middle of 1965 was one of contradiction between the long-term objective of withdrawal, and the existing commitment to stay in order to maintain stability and hold back communism. It was not in the power of Britain alone to resolve the contradiction. 'The changing situation in South-East Asia is mainly shaped by forces over which Britain has and can hope to have little or no control.' The only purely British decisions related to Malaysia but even here freedom of action was limited by dependence on allies and world opinion. Meanwhile, serious discussions with the Americans were out of the question because they were so heavily engaged in Vietnam (94).

British policy in relation to Vietnam in 1965, the year the US began bombing the North, was twofold. First, to evade US overtures for greater assistance. Palliser advised Wilson that what Johnson wanted was for a few British soldiers to be killed in Vietnam and for their photographs to be shown in the American press. Secondly, to act as an honest broker, exploring peace initiatives through the third parties like the Russians (96, 97). This remained British policy, although two years later, as the US bombing of the North intensified, the anti-war demonstrations in western capitals grew larger, and the divisions over Vietnam within the Labour government hardened, the emphasis shifted slightly. Brown informed the Cabinet in November 1967 Britain could pursue one of three courses: unreserved support for the US, condemnation of the US, or 'committed detachment'. Unreserved support would be an act of 'folly'. Condemnation would run the risk of the US acting to increase Britain's financial difficulties, with damaging consequences for the EEC negotiations and the offset negotiations over the cost of British forces in Europe with West Germany. It would also risk destabilising the world balance. The US might become, not isolationist but unpredictable if left to fend alone in the world. How the USSR and China might react would be equally uncertain. Hence the recommendation in favour of 'committed detachment', the difference between this and the previous honest broker approach being that Britain should not now seek an active role in promoting peace. Brown attempted to tackle the moral issues raised by the war, and came down on the side of argument that if they were right to defend South Vietnam, the Americans should not be criticised for the methods they employed, even bombing. Account should be taken of how 'armchair' criticism of the war in Britain would be received on the other side of the world. To condemn the US was also to condemn Australia and New Zealand because they had sent troops, and all of the regional governments, including Cambodia and Burma, were said to have reservations about a US withdrawal. Brown's analysis did not mention the nature of the regime in Saigon (106–108).

Vietnam, according to Arthur de la Mare, a former head of the FO Far Eastern Department and now an assistant under-secretary of state, was not in any case a vital British interest.<sup>37</sup> This was a 'brutal' admission but in time history would show Vietnam to have been a 'sideshow' only. By contrast, the peaceful development of South-East Asia was an essential British interest, and it would be gained 'not on the battlefields of Vietnam but in the factories and rice fields of Indonesia, Thailand and Burma' (106). FO concern over peaceful development stemmed in part from the realisation that under current SEATO planning, should Thailand be threatened by subversion Britain was obligated to render military assistance. It seemed scarcely credible that Britain might involve itself in Thailand while simultaneously planning to withdraw from Singapore and Malaysia. Equally it was recognised the main danger in a country like Thailand was not military aggression but locally or externally inspired unrest feeding off social injustice and economic hardship. Western policy generally was not geared, co-ordinated or targeted on the socio-economic aspects of the South-East Asian problem. The FO endeavoured to make a start in this direction, attempting first to achieve a more unified approach within Whitehall (100).

For this purpose the FO engaged in some historical analysis of its own. The central argument was that for Britain, the turning point in South-East Asia was not Vietnam but the end of confrontation. This was described in March 1967 by de la Mare as 'the greatest success of British diplomacy in recent years'. It was only after confrontation ended that independence in South-East Asia had any real meaning. The independence achieved at the end of the Second World War had not been real because the countries concerned were unable to sustain it and remained, reluctantly and resentfully, under western tutelage. They looked to China to become the 'power house' of their own emancipation but this was exposed in October 1965 when they realised how close China had come to setting up a communist state in Indonesia. It came as a surprise to the governments of South-East Asia that the colonialists—for which read Britain—did not press their own advantage but instead offered Indonesia financial assistance to maintain its independence. The end of confrontation was thus the beginning of 'a revolution in positive thinking' in the region, despite Vietnam. Local governments were now keen to press ahead with economic and political development on a regional basis. They recognised they still needed US support but found US influence oppressive 'just because it was so massive'. By contrast, Britain was 'a reassuring if small counterweight'. Armed with this analysis, the FO suggested British policy should promote regional co-operation and self-help, deploy troops for peaceful purposes only, and use some at least of the savings from the defence reviews on aid (101).

The response elsewhere in Whitehall was not encouraging, and doubts were even voiced in the FO (102). The Commonwealth Office was especially critical, arguing that the end of confrontation was a military, not a diplomatic success. The FO's historical analysis read 'like some simple and uniformed expansion for children'. South-East Asia had not undergone 'some sort of Pauline conversion' because of British action after confrontation, and any 'positive thinking' in the region had been engendered because of the Vietnam war, not despite it. The danger with the FO's 'facile' analysis was that it gave Britain too important a place in the region's affairs, and created the impression a new sentiment was abroad in South-East Asia, and one the UK should foster. 'The only feeling in Asia at the moment is a fear, as Mr Lee [Kuan Yew] explained, that the British and Americans, because their ideas are twenty

years behind, may remove their troops from the area' (104). When discussion was extended to other departments in Whitehall the view was expressed that once settlements had been reached with Singapore and Malaysia on account of military withdrawal, there would not be much money left for Britain to contribute on a more general regional basis (105).

What was at stake for Malaysia in Britain's withdrawal was outlined in an exchange of correspondence between Healey and Tun Abdul Razak, his opposite number in Kuala Lumpur, in July 1967 (103).<sup>38</sup> Britain's decision to hasten the process of withdrawal brought Lee Kuan Yew hurrying to London in January 1968. He described Britain's decisions as a matter of 'life and death' to Singapore but unlike everyone else, he was not principally concerned about the immediate economic effect of a British withdrawal. Singapore had the highest per capita income in Asia. It was benefiting from purchases made by the US to help Indonesia, sales to South Vietnam, and the inflow of capital and expertise from Hong Kong. What worried Lee Kuan Yew more was that if Britain withdrew, investors would lose confidence in Singapore and turn to safer areas, like Canada and Australia. The British presence was important because it guaranteed stability, not because it warded off an unlikely Chinese attack. A withdrawal as early as 1971 would be a personal disaster because he had 'always backed Britain so wholeheartedly'. Prepared to forgo aid if he could obtain security, Lee Kuan Yew wanted sophisticated military equipment and the date for withdrawal put back to 1973 (109). His visit secured from the Labour government agreement to extend the final date for withdrawal by nine months to 31 December 1971, and to assist in the establishment of a joint air defence system for both Malaysia and Singapore (32). Singapore's prime minister was back in London in May 1968. Portrayed now as an ardent admirer of Stamford Raffles, the founder of Singapore, Lee Kuan Yew was keen to attract investment but he had little success persuading the British government and business community to take a more dynamic view of the local economic opportunities (110, 111, 419).

It fell to the Conservative government of 1970 to negotiate a successor to the Anglo-Malaysian defence agreement, and to overturn in the process the 1968 decision that Britain would withdraw completely by the end of 1971. Under a new five-power defence agreement (including the two local governments and Australia and New Zealand), Britain maintained naval and air units, together with a skeleton military force, as a guarantee against external aggression. The main British concerns were that the agreement should not extend to the maintenance of internal security, that Australia should play a full part, and that there should be a commitment to consultation only in the event of an emergency. The agreement lasted until 1976, when it lapsed and all British forces were withdrawn (114).

Between 1967 and 1970 de la Mare was high commissioner at Singapore. In a valedictory despatch written in October 1970, he reflected on Britain's long association with South-East Asia. It was thirty-four years since his first encounter with Singapore. He found it now both attractive and repellent. Attractive because of its vigour and industry. Repellent 'because every day I am reminded of the shame of 1942'. He was already a diplomatic prisoner in Japan when Singapore surrendered, and he was then too numbed and uninformed to realise 'that what had taken place was not only an appalling military disaster but the most shameful disgrace in Britain's imperial history'. However, the high commissioner ended on an optimistic note. In 1970 Britain had a 'national reason' to be grateful to the people of Singapore.

More than anyone else, including the British themselves, they had done the most 'to restore the British image in East Asia'. They had maintained the British heritage and improved upon it. The British were now remembered, not as the military bunglers who brought the misery of three and a half years of Japanese occupation but as honest and just administrators who had transformed 'an uninhabited malaria-infested swamp into the model of peaceful and ordered prosperity which is Singapore today'. When the history came to be written, de la Mare was confident the débâcle of 1942 would not overshadow '150 years of honourable endeavour and achievement' (115).

### *The Persian Gulf*

Of all the regions of the world for which Britain continued to exercise responsibility when the Labour government came to power none was more evocative of the days of the *raj* than the Persian Gulf. According to the political agent at Dubai, the atmosphere in the Trucial States was 'imperial India' even in October 1964. The analogy was appropriate, for Indian interests explained why Britain established hegemony in the Gulf in the nineteenth and early twentieth centuries, and it was through the Political Department of the British Government of India that the British exercised supervisory authority until 1947 when control passed to the Foreign Office. But the comparison extended beyond matters of administration. The agent imagined himself standing in line with 'the ghosts of dead colleagues' who had served at Mandalay, Peshawar and in the Kalahari. His was a world of 'bugles, pipes and drums', of desert camps, wealthy merchants, gold smugglers, and 'grey-haired dervishers'. The agent was in effect a proconsul or shaikh, ruling over a large but undefined area of political and commercial activity. He 'exempts, pardons, appeases; exacts, condemns, ordains'. It was all a far cry from 'the Foreign Office canteen' and 'the drab Whitehall corridor'. But it was also a world that one day would disappear. It would become 'centralised and standardised'. The privileges, discomforts and eccentricities would vanish, 'and with them the fun' (116).

British responsibilities in the Gulf covered two independent states, and nine protected states. Kuwait became independent in 1961, and concluded a ten-year defence pact with Britain. The pact was activated almost immediately when emergency forces were sent to Kuwait to forestall an Iraqi invasion. In theory and indeed in international law, the Sultanate of Muscat and Oman in the south was also an independent and sovereign state. In practice, however, Oman (Muscat, the name of the capital, was dropped from the name of the country in 1970) functioned as a protected state. Britain was militarily involved in the Dhofar region to stem the revolutionary tide on the border with the Federation of South Arabia (South Yemen from late 1967). Additionally, Britain was responsible for the defence and external affairs of the protected states—Bahrain and Qatar, and seven Trucial states, so-called because they signed a maritime treaty with Britain in 1854 under which a 'perpetual maritime truce' was agreed to stamp out piracy. Bordering Saudi Arabia to the south and Muscat and Oman to the east, the Trucial states were located at the mouth of the Gulf. The two most important, because of oil, were Abu Dhabi and Dubai. The other five were much smaller in population and resources.

The basic assumptions of British policy in 1964 were that the continued stability of the Gulf was an important British interest, that Britain alone could guarantee stability, and that the guarantee required a military as well as a political presence. To

the rulers of the Gulf states the British offered welcome and reassuring protection. Radical Arab politics over the previous fifteen years, and the Kuwait crisis of 1961, had made the rulers apprehensive. According to Sir William Luce, British Resident<sup>39</sup> in the Gulf between 1961 and 1966, internal disaffection at home and subversion from abroad were only two threats to local stability. A third was a lack of confidence the British felt in themselves, stemming from a feeling, as Luce put it, that there was something 'not altogether respectable' about the role Britain played. The Resident had no such qualms. He conceded the political system of the Gulf was feudal but this did not render it obsolete. The rulers still commanded the allegiance of the majority of the people and while without British protection they would have been swept away, by more powerful neighbours, long ago, it was 'hardly logical or honourable to disown them now'. There was, according to Luce, nothing intrinsically wrong in 'shaikhly rule'. Change would have to come, but it should be gradual and evolutionary, not sharp and sudden. Nothing should be done to undermine the confidence of the rulers in the British. On certain domestic issues over the years—concerned largely with oil exploration and migrant workers on the one hand, and such matters as arms control on the other—the British had increasingly intervened. Where appropriate internal authority should now be restored to state administrations, and the profile of the states raised by supporting their membership of international organisations. For the Trucial states there could be no independent future. They had no 'organised form of administration'; the rulers were 'unsophisticated and in some cases illiterate'. Federation seemed the only answer (117).

Nervousness in the Gulf had increased significantly by 1967. The causes were the Arab–Israeli war, the British withdrawal from Aden and South Arabia, fear that the Yemeni revolution might spread to the Gulf, and general uncertainty caused by Britain's defence reviews. Apprehension in this latter respect was staunch, if only temporarily, by the visit of a Foreign Office minister in October–November 1967, and his reassurance that Britain would remain in the Gulf 'as long as it is necessary to preserve stability' (27). But it was not only the Gulf rulers who were nervous. Their British protectors faced awkward decisions about the manner and timing of their eventual withdrawal. The crucial questions were the political structures to be left behind once the British had gone, and who or what would assume the mantle of British protection.<sup>40</sup>

A long-term study of policy in the Gulf was completed in September 1967, shortly before the ministerial visit (118). Here parallels were drawn with more conventional acts of decolonisation, the differences in the Gulf being that disengagement would proceed simultaneously with military withdrawal, and that the final aim of policy had still to remain hidden. Any declaration about the objective would serve only to cause the rulers to cling still more closely to the status quo. The study considered the regional politics of the Gulf, the options for the protected states, and the merits of an early departure on the one hand, and a later withdrawal on the other.

The politics of the Gulf were not conducive to an orderly withdrawal for, as the study made clear, borders were ill-defined and nearly every state had a territorial quarrel with its neighbours. Saudi Arabia had designs on a large area of Abu Dhabi by virtue of its claim to the Buraimi oasis.<sup>41</sup> Iran laid claim to Bahrain and to the islands at the mouth of the Gulf—Sirri, Abu Musa and the Tunbs, all of which were occupied by individual Trucial states. Iraq claimed Kuwait, and there was a separatist

movement in Muscat and Oman. For the Trucial states both independence and permanent dependence on Britain were ruled out. Attempts so far to unite them in a Gulf union had foundered on rivalry between Abu Dhabi and Dubai, and the failed federations in the West Indies, Malaysia, Nigeria, Central Africa and southern Arabia, were not 'the most encouraging of precedents'. Saudi Arabia, because of its commanding geographical position, might become responsible for the Gulf states, but not if the rulers resisted, and not if the Saudis insisted on a Buraimi settlement 'as their pound of flesh'. This would upset the regional balance by alienating Iran, the growing naval power in the region. The preferred British option for the Gulf states in the 1967 survey was to withdraw in the mid-1970s, leaving behind four 'mini-states'—Bahrain, Qatar, Abu Dhabi and Dubai, the remaining five Trucial states either uniting under Dubai or being absorbed by Abu Dhabi and Dubai between them. These four states would be just as internationally acceptable as Barbados, the Gambia or the Maldives, and they would be better able than the colonies to develop their administrative machinery and security forces because they were wealthier.

Saudi Arabian co-operation and Iranian acquiescence were said to be vital for the success of such an arrangement. In both countries there would have to be strong governments capable of seeing 'their true interests clearly across the chasms of anti-Western prejudice and Perso-Arab animosity'. The existing regimes of King Faisal in Saudi Arabia and the Shah in Iran were 'as near the ideal as we are likely to get'. There was no reason to expect either of them to disappear soon, but Faisal did not enjoy the best of health and both might become assassination targets as their countries were undergoing social revolutions. To act while Faisal and the Shah were still firmly in their respective saddles was one argument in favour of an early withdrawal from the Gulf. Another was that an early withdrawal would lessen the chances of terrorist disruption. In the Gulf, Britain was anxious to avoid the experience of Palestine, Cyprus and Aden. But there were counter-arguments, suggesting British interests would be best served by a later date. Prominent among these was Britain's dependence on the CENTO (or eastabout) air route across Cyprus, Turkey, Iran, the Gulf, and Gan for communications with forces in South-East Asia and the Far East. The alternative eastabout route (Libya, the Sudan and Aden) had been unreliable since the Sudanese revolution of 1964,<sup>42</sup> and would be abandoned altogether when the withdrawal from southern Arabia was complete. The situation would be less critical once the westabout (envisaged in the 1967 Defence White Paper) became operative, and this might be supplemented by a southabout route from Ascension Island in the Atlantic to Aldabara in the Indian Ocean. But until then nothing should be done to endanger the Gulf staging posts at Masirah (off the coast of Oman), Sharjah and Bahrain, and in Iran. Further arguments for a later withdrawal were that the Aden dust should be allowed to settle, that the US saw the Gulf as a British responsibility, and that Kuwait and Oman needed time to adjust to a world in which British military help was longer available. Above all, the protected states had to have time to use their oil revenues to develop their administrations and social services. It was important these considerations should not become 'a euphemism for indefinite postponement'. There would always be a risk of instability, and over oil the British view was that the producers would always need buyers, thereby guaranteeing supplies.

The announcement in January 1968 of Britain's intention to withdraw from the Gulf by the end of 1971 injected a note of urgency. Concern about possible Soviet exploitation

of this new situation was expressed by US officials (121), but the real problems now focused on the reaction of the Shah and the arrangements to be made for the Gulf states. Coming so soon after the assurance that Britain intended to stay to preserve stability in the Gulf, the January 1968 announcement led to a 'credibility gap' in relations with the rulers (119). The possibility of four mini-states emerging seemed remote. Locally, moves were made to promote a union of the nine protected states but they ran into the familiar difficulty of rivalry between Abu Dhabi and Dubai. By the middle of 1968 the Gulf states were divided into two camps, with Bahrain (inclined towards independence but hesitant because of the Iranian claim), Abu Dhabi and four of the smaller Trucial states in one, and Qatar, Dubai and the remaining Trucial state in the other (120, 123). A union of nine commanded wide support in the Arab world, especially in Saudi Arabia, and publicly Britain supported it. But for the British government the formal international status of the Gulf states was less important than their relations with Saudi Arabia and Iran (122). Here a major problem was encountered. The Shah was hostile, on the one hand, to a union of nine including Bahrain, and on the other, to a smaller union prejudicing his claim to the Gulf islands. He 'deplored' Britain's decision to leave the Gulf and described it as an 'incomprehensible loss of will power'. Over Bahrain he was prepared to be flexible, once he had clear evidence the Bahrainis did not want to join Iran. To determine this he was prepared to accept a UN investigation. But for reasons of 'prestige and strategy', he was not prepared to compromise over the disputed islands. They were as important to Iran as Gibraltar and the Channel Islands were to Britain (124).

By 1969 a further complicating factor had entered the calculations. The Conservative opposition in Britain announced that Britain's decision to withdraw from the Gulf might be reversed if the Conservatives won the next election and the Gulf rulers indicated they wanted Britain to stay. FO officials were sceptical. Notwithstanding the rulers' own personal feelings, it was impossible to imagine them publicly asking Britain to remain. The Shah likewise was said to be of the view that once the decision to leave had been made, there could be no turning back. Hence the comment by the head of the FO Arabian Department: 'I do not yet feel obliged to take my instructions from Mr. Heath' (125). But once the Conservatives were in office the movement for Britain to retain a military presence, however small, gathered momentum. Sir Alec Douglas-Home, the foreign secretary, shared a widely held view on the Conservative back-benches that if it were necessary to resume arms sales to South Africa because of the Soviet naval build-up in the Indian Ocean, the threat to the Gulf had to be taken equally seriously. Winston Churchill's grandson informed Heath that should the Russians move into Bahrain and the Gulf shaikhdoms with the speed with which they had infiltrated Aden after 1967, Britain and western Europe could find their industry and defence capability 'brought to a standstill within weeks' (131). Home took the matter a stage further in March 1971. He offered support for a United Arab Emirates. Britain was prepared to conclude a friendship treaty and to provide British officers and other personnel on loan for a union army based on the Trucial Oman Scouts. Should the rulers wish to avail themselves, Home also offered locally stationed British forces, including training units, provision for joint training exercises for the army and air force, and regular Royal Navy visits (133, 136).

Within the Gulf itself movement was still slow. The last Resident reported in April 1971 that while 'economic and technical miracles abound', the Gulf was 'still deaf to

the winds of *political* change'. Nearly all of the rulers and their subjects, like the local British communities, preferred 'to pretend that the British forces will somehow not leave'. Britain had 'frozen' the Gulf but it was now beginning to melt, 'drowning some and soaking many others'. It was still possible Britain might escape 'without getting wet' (132). Proposals for a Gulf union ebbed and flowed, and Luce was persuaded out of retirement in an attempt to resolve the differences. Home reported in June 1971, 'everyone is waiting for a move by someone else' (133). A confederation of the nine had been suggested, with a rotating presidency but no capital, constitution or ministers. Instead there would be Department of Foreign Affairs with a non-Gulf Arab as its head, and advised by representatives of each of the rulers. Bahrain ended both this and any other variant involving a closer association of the nine. The Iranian threat was lifted from Bahrain in May 1970 when Tehran accepted the findings of a UN mission that widespread support for union with Iran did not exist. Thereafter Bahrain procrastinated. A state in which popular opinion carried greater weight than in its neighbours ultimately decided it did not want to associate with 'backward and reactionary bedu' (135). Bahrain became independent in August 1971, and Qatar followed in September.

In supporting now a smaller union of the Trucial states, Britain was still left with the problem of the islands. Three possibilities were considered. The first was a compromise under which the Tunbs would be given to Iran, sovereignty over Abu Musa would remain with Sharjah (although Iran would be able to station troops), and compensation would be paid to Ras al Khaimah, the other claimant. The second was to impose a settlement on the Shah's terms, and the third to continue to negotiate, although with no real hope of success and in the knowledge that Iran would seize the islands come what may. The third option was chosen, the British government anxiously hoping Iran would not act until the treaties of protection with the Gulf states ended (134).

A United Arab Emirates of six of the Trucial states—the seventh joined early in 1972—came into being on 1 December 1971. The creation of the UAE coincided with the end of the treaties. Iran seized the islands on 30 November, the day before. Arab fury was directed at Britain as well as Iran. Iraq broke off relations and the revolutionary government of Libya which had come to power in September 1969 (127–130) nationalised the British Petroleum Company. Iran, and to a lesser extent Saudi Arabia, had succeeded Britain as the major regional power. But British influence in the Gulf continued by means of a friendship treaty, officers in the Union's armed forces, arms sales, and through the CENTO air route upon which no fewer than thirty separate contingency plans to implement reinforcement or evacuation plans to and from the Far East (Hong Kong) were dependent (137).

### *Europe*

In 1967, for the second time in nearly five years, the French president Charles de Gaulle vetoed a British application to join the European Economic Community. Perhaps more so than in January 1963, the result did not come as a surprise. But although new tactics were employed in the 1967 application, on fundamentals the approach remained the same. Economically, the arguments in favour and against joining the EEC were finely balanced. Politically, however, the case for entry seemed overwhelming. As Oliver Wright, private secretary to the prime minister, put it in 1965, Britain's position in the world rested on a 'four-legged chair' of the



Commonwealth, the United Nations, the Atlantic Alliance, and Europe. British policies towards the UN and Commonwealth were 'enlightened and desirable' but abroad a country had to be able to defend itself, and it needed the means whereby it might 'earn its living'. For defence Britain looked to NATO. To earn a living increasingly Britain had to look to Europe (138).

The Labour government employed two new tactics in its 1967 application. First, with the aim of determining whether essential British and Commonwealth interests could be safeguarded by Britain's accession to the Treaty of Rome, Wilson and Brown toured the capitals of the six member states of the EEC in January and February 1967, starting in Rome. The decision to make the tour was taken following the sterling crisis over the summer of 1966, Brown's appointment as foreign secretary in August, and, more immediately, a ministerial meeting at Chequers in October 1966. The second aspect of the new tactics was the government's intention to concentrate in its application on broad principles, stating only what were seen as the major British interests. No conditions were to be attached. Specific points were to be negotiated once Britain had been admitted.

The prime minister and foreign secretary reported to Cabinet on their tour in March 1967. They explained how they had concentrated on four key issues: the impact of the Common Agricultural Policy on the cost of living in Britain; the effect of entry on Commonwealth trade and the balance of payments; the effect on capital movements; and the effect on regional economic policies. On the cost of living the British ministers stressed Britain would require a lengthy transitional period. In the cases of Commonwealth sugar producers and New Zealand (virtually all of whose dairy and meat exports were exported to Britain), the transitional period would have to last at least a generation (140, 141). On capital movements the main British concern was that portfolio investment might be diverted to the US. For their part the Six were anxious that they should not be called upon to 'bail us out' because of sterling's role as an international currency. The French especially expressed concern about expansion changing the nature of the EEC, a view shared by the other five although for different reasons. Wilson and Brown maintained that Britain's strongest card was collaboration in the areas of defence production and technology more generally. If Britain and Europe pooled knowledge and resources, the gap in research and development between Europe and the US might be closed. To the extent the French reaction was critical, the prime minister and foreign secretary believed de Gaulle to have been persuaded, not only that Britain was in earnest but also that previous French objections to British entry were no longer valid. French ministers were said to be 'somewhat disconcerted by the determination and novelty of our approach'. This was wishful thinking. The French president emphasised his views that Britain was still too closely tied to the US, that technical collaboration could proceed on a bilateral basis, and that to be free and united Europe's independence of the US had to be total. He suggested Britain might have a relationship with Europe falling short of full membership. Association was mentioned, or 'something new and different' (139).

Britain lodged a formal application to open negotiations on 11 May 1967, the decision having been taken at a Cabinet meeting on 30 April. An early application was chosen in preference to four other delaying options considered by the Cabinet. Britain would be ready to join within two years, by which time the benefits of the 'stern policies' adopted to revive the domestic economy would be making themselves felt. Also, if Britain were a member state by 1969 it would be able to influence the renegotiation

of community arrangements scheduled for that year. Any delay in making the application would risk losing these advantages. The economic arguments presented at the April Cabinet meeting were inconclusive. For every economic argument against joining, there was another in favour. Politically the position seemed much clearer. The main argument in favour was the need to arrest Britain's declining influence in international politics. Recent examples of Britain's inability to uphold, independently, its own interests were cited in Guyana, Kashmir and Rhodesia. It was argued that if Britain stayed out the EEC would be dominated by Germany after de Gaulle's death. Also, if Britain did not join, the EEC would become estranged from the US. British entry would ensure the EEC became more outward looking and Britain would be able to influence any moves towards a political union. The argument about safeguarding Commonwealth interests had now been subordinated to the view that Commonwealth countries were making no attempt 'to look beyond their narrow national interests'. The policies of Australia and New Zealand in South-East Asia were cited as evidence (142). Although its essential context was always apparent, the Commonwealth was not a major impediment in Britain's negotiations over Europe.

Wilson made a further attempt to influence de Gaulle by visiting Paris in June 1967, just after the Middle East war. He found himself deflecting the French president's strictures about most of Britain's difficulties overseas stemming from 'the fundamental British link with Washington'. De Gaulle was even more insistent that if Britain joined the EEC, 'the whole thing would become an American dominated Atlantic arrangement'. The prime minister reported to Brown, 'the picture looks pretty sombre for our prospects', and yet he still believed de Gaulle had been shaken a little 'out of his complacent gloom' (143).

De Gaulle's press conference on 27 November 1967, nine days after the devaluation of sterling, put paid to such idle notions. His statement on Britain's application was not a formal veto but this effectively is what it became. It was also a calculated insult. In politics, he declared, there were dreams and realities, and it was only by pursuing realities that politics could be 'a fertile art' and not a 'vain utopia'. De Gaulle's assessment of why Britain wanted to join the EEC was uncomfortably close to the truth, and a British official might have written this part of his statement. But he was adamant the condition of Britain did not allow for entry; 'for the British Isles really to moor themselves alongside the Continent, a very vast and very deep transformation is still required' (144).

In London ministers were duly offended. They were also anxious to avoid further humiliation and instructed officials to examine the political, economic and military consequences of Britain's exclusion. A report was ready in December 1967, and its findings were duplicated in a further FO study in 1969. Both studies concluded that the alternatives—the European Free Trade Area, the Commonwealth, and a suggested North Atlantic Free Trade Association—were no substitute for the EEC. In the long-term the economic and particularly the political arguments in favour of entry were 'compelling' and would become stronger (145, 146). De Gaulle's resignation as French president in April 1969 removed one important obstacle on the road to Britain's eventual entry in 1973.

### *United Nations*

The debate as to whether or not Britain should join the EEC coincided with the onset of another exchange, albeit conducted at a significantly lower level, on the question

of Britain's continued participation in the proceedings of the Committee of Twenty-Four, the UN's Special Committee on Colonialism. From the inception of the UN in 1945 Britain had fought a rearguard action, first to defend its colonial record against a growing number of international critics represented in the Afro-Asian bloc, and secondly to resist attempts by the UN both to interfere in colonial administration and to make colonial powers politically accountable. Sir Hilton Poynton, the last permanent secretary at the Colonial Office, explained in 1966 that while it had never been Britain's position to exempt entirely colonial administration from international scrutiny, it was not right that colonial policy at the UN should become 'a sort of international football to be kicked about by foreign delegates with no responsibility' (147).

In 1961 Lord Caradon, Britain's permanent representative in New York, used Churchillian language in arguing why Britain should maintain co-operation with the UN on questions of colonial policy. He was of the same opinion in 1967. Setting out the arguments for and against continued participation on the Committee of Twenty-Four, Caradon suggested that having come 'most of the way in the conversion of the Empire into the Commonwealth', it would be a mistake 'to turn to a policy of non-cooperation when we are so near the end' (148). He reasoned if Britain wanted to maintain and strengthen the UN it could not refuse to co-operate with one of its committees. To leave the Committee of Twenty-Four would be to place Britain in the same camp as Portugal and South Africa. His view was endorsed by the FO but not the Commonwealth Office (149, 150).

Britain eventually left the Committee of Twenty-Four in January 1971. Foot ceased to be permanent UN representative in 1970, and the change of policy was not therefore a personality issue. For the British government the committee had become doctrinaire and impractical. It was now associated with the 'extremist presentation of decolonisation themes', having adopted a resolution condemning the continuation of colonialism as 'a crime which constitutes a violation of the Charter of the United Nations'. There was little inclination in the committee to interest itself in the problem of small states. On matters of direct concern to Britain, continued participation in the committee would be all but impossible if the government decided to divest itself of its responsibility for Rhodesia. Also the UN charge that Britain was aligning itself with Portugal and South Africa would be made in any case because of the Conservative government's stand on the issue of resuming arms sales to South Africa. In short the committee had, in British eyes, outlived its usefulness. Other UN bodies, including the Security Council, now handled the major problems of southern Africa. Elsewhere the major task of decolonisation was 'virtually complete'. What remained were a number of small and often isolated territories 'with individual problems requiring individual solutions' (151, 152). A significant chapter in post-war British colonial history ended with barely a ripple.

### *Planning and priorities after the withdrawal from East of Suez*

British plans to withdraw militarily from East of Suez were accompanied after 1968 by another set of plans to define for Britain a post-East of Suez role in the world. The rationale was that Britain's military withdrawal did not mean the end of British interests in the countries and areas from which troops were being withdrawn. The extent of Britain's oil interest in the Persian Gulf was a prime case in point. In a submission to Cabinet in February 1968 about foreign policy, Brown emphasised that a military

presence was not the only way to exercise influence. Trade, technical assistance, and the projection of Britain through the English language, the Commonwealth, and numerous professional and educational associations could all be used to compensate for the loss of direct political influence incurred in military retrenchment. The FO saw no future for Britain in insularity and isolation. In his same submission to Cabinet the foreign secretary articulated three European options Britain might pursue—as a ‘loner’, as part of a ‘Third Force Europe’, or as an integral part of a western Europe, ‘stronger and more cohesive than at present’ and acting in harmony with the US. Britain, Brown suggested, should pursue the third option to avoid ‘being left financially, commercially and politically on the margin of world events’ (153). The Commonwealth Office agreed. Within or without the EEC, Britain was now a ‘Europe-based power, but with a difference—we have an array of assets and opportunities in the rest of the world—we should be Europe-based but outward looking’ (154). A study was ready by the summer of 1968 of the non-military means of sustaining influence in the Persian Gulf, South-East Asia, and Australasia (155, 156).

This was hardly original. Studies of how to sustain influence by non-military means had been a feature of British government planning dating back at least to 1956.<sup>43</sup> But a novel approach to planning entered FCO calculations in the post-East of Suez climate. A major exercise was undertaken in 1968–1969 in an attempt to rank both foreign and Commonwealth countries in terms of their economic, political and defence importance to British interests for the period up to 1975. Intended to be conducted on ‘as objective and as quantitative a basis as possible,’ the methods employed were admitted to be ‘simple, and in some cases crude’. Economic interests of necessity lent themselves to quantitative analysis. Political interests by contrast could be judged only on a subjective basis. The first results, produced in October 1968 in both tabular and diagrammatic form, ranked the USA and USSR at the top of British priorities, and Togo and Upper Volta at the bottom. Real interest focused on where the countries in between were placed (157).

Attempts to refine the exercise did not meet with universal approval within the FCO (158), but it continued none the less and in June 1969 preparations were made to present the findings to other departments. The interim conclusions were unexceptional. Beyond the Atlantic area and Europe, Britain had significant interests in a small number of countries (Australia, New Zealand, Japan, India, South Africa, the Middle East, and the Persian Gulf), and small interests in a large number of countries (159). But permanent secretaries from other departments were as one in their view that the exercise was impressive, useful, and worth pursuing further. The representative from the Cabinet Office was particularly struck by the extent to which NATO ranked ahead of the Commonwealth. Mindful perhaps of how time-consuming the study had become, Sir Denis Greenhill, permanent under-secretary of state at the FO, applied a brake to the enthusiasm of his colleagues by suggesting not too much further effort should be put into it. That it should be updated periodically (annually as it turned out),<sup>44</sup> however, appeared desirable, and the study had served a purpose in clarifying British priorities for the immediate post-East of Suez years (160). At the end of 1969 and in a separate exercise, a study of British Middle East policy was produced by an FCO working party. It began with the comment, ‘During the past century British governments have treated the Middle East as an area of special concern.’ Five principles governing future Middle East policy were then identified. Collectively they recommended that Britain should distance itself from the region

politically, and protect its economic interests in the shape mainly of oil in co-operation with western Europe (161). This effectively was the policy advocated without success by Clement Attlee, Labour prime minister between 1945 and 1951.<sup>45</sup>

*Whitehall reorganisation and the Overseas Civil Service*

On 1 August 1966 the Colonial Office merged with the Commonwealth Relations Office to form the Commonwealth Office. Arthur Bottomley, secretary of state at the CRO, became secretary of state for Commonwealth affairs, although the office of secretary of state for the colonies continued a while longer until January 1967. Established in 1854 but with an administrative history dating back to the middle of the seventeenth century, the Colonial Office was one of the oldest departments within the British government. The eventual demise of the CO had been anticipated for a number of years. In 1965, for what he described as 'psychological reasons', Greenwood wanted to change the name of the department to 'Office of Territories Overseas'. The secretary of state still saw a need for experienced staff in London and for continued recruitment at the levels of principal and assistant secretary, but his views about how to portray the contraction of the CO were resisted by senior officials. Poynton especially was determined to avoid the impression the CO was 'a piece of carrion which had better be buried as quickly as possible' (164).

A circular sent to overseas missions prior to amalgamation emphasised that the name of the new Commonwealth Office did not mean Britain would be neglectful of its remaining dependent territories. Nor did the name mean the UK was trying to hide something. It made sense to combine in a single department relations with the independent countries of the Commonwealth and the dependencies: 'There is nothing neo-colonialist about what we are doing.' A Dependent Territories Division was set up within the Commonwealth Office, followed later by an Associated Territories Department (167). Responsibility for Aden was transferred from the Colonial Office to the Foreign Office in May 1966, before the merger (166). A suggestion that responsibility for Hong Kong should be transferred to the FO after the merger was rejected (165).

Even before the creation of the Commonwealth Office, officials in Whitehall were looking further ahead to a time when the Commonwealth and Foreign Offices might merge. Following the recommendations of the Plowden Committee on overseas representation in 1964, a single Diplomatic Service was created in January 1965 by merging the foreign, Commonwealth, and overseas trade services. The Plowden Report recognised that ultimately the foreign and Commonwealth departments of government should be amalgamated, but deemed this premature at the time because it might be interpreted as signifying a loss of interest in the Commonwealth. In December 1965 the House of Lords debated a proposal for a single Ministry of External Affairs. Speakers in favour were critical, both of the Commonwealth and the CRO. Defending the Commonwealth and his department's record, Sir Saville Garner, the permanent secretary, acknowledged the logic of an eventual merger but echoed Plowden when he argued the wrong signals would be sent out if the merger took place at a time when there were so many Commonwealth problems.<sup>46</sup> Emphasising also how time was needed for the new Diplomatic Service to settle down, and for the new Commonwealth Office to find its feet, Garner argued that when eventually a merger took place there would still be a need for a second minister of Cabinet rank to deal with Commonwealth relations (163).

Garner returned to the charge in February 1967 when he considered three options for the Commonwealth Office (170). One was to prepare for a merger with the FO in the near future. In rejecting it Garner went beyond the Plowden argument about a loss of interest in the Commonwealth. He suggested the Foreign and Commonwealth Offices represented different traditions, one dealing with countries which were foreign and theoretically enemies, the other with countries which were not foreign and were in fact 'friends'. The Commonwealth relationship was one of 'depth' calling for personal experience and intimate knowledge. Garner next rejected a proposal for a 'half-way' house, a single department with two secretaries of state exercising their respective responsibilities, and with a single permanent secretary who would also be head of the Diplomatic Service. This would be unworkable because differences would inevitably arise, and the permanent secretary would have to develop a 'schizophrenic personality'. Garner therefore wanted to leave matters as they were but to have a target date for change after three or four years or immediately after the next UK general election, which might be in 1970.

The FO never accepted the Commonwealth Office view that it was necessary to preserve a separate office of secretary of state for Commonwealth affairs. To the suggestion a combined office would be too great a burden for a single minister, the FO pointed out how other foreign ministers seemed to be able to cope (169, 171). A Foreign and Commonwealth Office was created by amalgamating the two departments in October 1968. In discussions before the merger the Commonwealth Office felt at a disadvantage because the FO held the edge in the field of planning (173). The main issue to be decided in 1968 was not whether there should be one or two secretaries of state (the FO view prevailed), nor whether special measures were needed to preserve the unique character of the Commonwealth relationship. Instead the FO and the Commonwealth Office were divided over the arrangements in the combined department for the administration of, and relations with, the dependent territories.

Stewart and Thomson agreed at a meeting in February 1968 there was not enough co-ordination between the two departments on questions of decolonisation involving disputes with other countries. The 'present trouble' over the Falkland Islands was described as a 'symptom', and the ministers agreed to meet with their officials to 'lay down certain principles' for handling the problems of the Falklands, Gibraltar, British Honduras and possibly Hong Kong (172). Commonwealth Office ministers and officials feared administrative rather than diplomatic expertise in relation to the dependent territories might be lost in an amalgamated office. It was essential therefore to have a minister of state responsible for the dependent territories as the political head of an administration with specialised experience. In the remaining colonies a feeling already existed that in an amalgamated office they would be treated 'like a lot of Orphan Annie's'. To maintain their confidence and to preserve in Whitehall the necessary expertise, it was important according to the Commonwealth Office to keep the dependent territories together in one department or division. It would be wrong to distribute them throughout an amalgamated office on a geographical basis (174, 179).

The FO rejected this argument. A separate department or division for the dependent territories would mean, according to the FO, a continuation of the conflicts and misunderstandings of recent years. And the very purpose of having a single ministry dealing with all aspects of foreign policy would be lost if from the

outset the relevant Foreign Office geographical department did not handle the external relations of the dependent territories. To deal with the administrative aspects of the territories the FO accepted the need for a functional department, but in an advisory capacity only and with no say over policy impinging on external relations (176). The Commonwealth Office countered that in practice it was impossible to separate internal administration from external affairs. Recent difficulties had arisen not because of deficiencies in Whitehall but because of the inherent facts of each individual situation. A moral dimension was also part of the Commonwealth Office argument. Britain was responsible through a minister to parliament for 'every conceivable' aspect of life in the dependent territories. They had no diplomatic representatives of their own in London, and looked to the minister and the relevant department within the Dependent Territories Division for the protection of their interests. The FO was not persuaded, one senior official observing the Commonwealth Office 'lose no opportunity of putting forward their special needs' (180).

Concerns about the proposed amalgamation were voiced overseas, and they were not restricted to British representatives in the dependent territories. The high commissioner at Auckland reported much unfavourable comment in New Zealand's press. Here it was suggested Britain wished to be rid of the Commonwealth in order to become more European. Relations with New Zealand, already strained because of the EEC negotiations over meat and dairy produce, would be tested still further (178). From Nairobi, in his later capacity as Britain's special representative in Africa, Macolm MacDonald reported concern that the new department was simply to be known as the 'Foreign Office' (181). This title was considered, as was the idea of having Commonwealth before Foreign in the name actually chosen. Wilson became involved in the debate. He dismissed press speculation in Britain about a Ministry of External Affairs or a Ministry of Overseas Affairs and favoured himself 'Foreign and Commonwealth Office' (175, 177). Sir Derek Jakeway, Fiji's governor, argued it would be an act of 'betrayal' if there were no separate division for dependent territories in the amalgamated department. Britain's responsibilities towards the territories had not changed just because their numbers were diminishing (183). Sir Ralph Grey, governor of the Bahamas, echoed these sentiments when he suggested the dependent territories had become accustomed to dealing in London with officials who knew their problems over several years. They would not understand how officials dealing with neighbours they regarded as hostile or unfriendly would be able to represent them. To Grey, the '*reducto ad absurdum*' of this would be 'one department dealing with both Spain and Gibraltar' (184). For administrative purposes and to avoid 'absurd fragmentation', with FO geographical departments administering individual dependent territories, Stewart and Thomson agreed in April 1968 that there should be 'a specialised Dependent Territories chain of command' (182).

The outcome when the FCO was established in October 1968 was a compromise. A Dependent Territories Administration Division was set up to handle relations between individual territories and Britain and matters of internal administration, while their external affairs were handled by the FO geographical department in whose area they were located. This division of responsibility represented the FO preference. Compensation for the Commonwealth Office lay in the fact that at the outset, the officials in charge both of the new division and the departments within it, and the FO geographical departments handling the external relations of the

dependent territories, came from the colonial or Commonwealth side of the office. The deputy under-secretary of state for the Dependent Territories Administration Division was Sir Arthur Galsworthy. He was responsible for the Gibraltar and South Atlantic, Pacific and Indian Ocean, and West Indian Departments, each headed by an assistant secretary from the former Colonial Office. James Morgan, the assistant under-secretary of state, had served successively at the Colonial Office, CRO and Commonwealth Office from 1947. The Hong Kong Department was placed in the Far East Division, with John Moreton, formerly of the Colonial Office, as assistant under-secretary of state. Moreton was responsible for the internal administration of Hong Kong. He reported to Sir John Johnston, deputy under-secretary of state responsible for the Far Eastern group of departments and the external affairs of Hong Kong. An assistant secretary, again from the colonial side of the office, was head of the Hong Kong Department. Like Morgan and Moreton, Johnston had served successively at the Colonial Office, CRO, and Commonwealth Office from 1947. The new FCO also had a Commonwealth Coordination Department, intended to be 'an expert source of Commonwealth "lore"'. Circularising posts on the eve of merger, the Commonwealth Office emphasised that under the new arrangements, 'all issues will from the outset be looked at in balance from both the foreign and *Commonwealth* (including Dependent Territories) points of view, rather than from one or the other' (185). Representatives of Commonwealth governments were assured of continued personal access to the secretary of state (186).

On the eve of the 1970 general election, senior civil servants considered whether changes should be recommended to the incoming government in the management of overseas aid. At issue was the future of the Ministry of Overseas Development in the sense, not of a merger with the FCO but of a proposal that the ODM might function with delegated authority from the foreign secretary. The ministry would remain as a separate organisation with a staff mainly of home civil servants. It would also have a minister, but not of Cabinet rank. In favour of the ODM functioning under the umbrella of the FCO was the trend within Whitehall towards fewer but larger departments headed by ministers in a smaller Cabinet, and the argument that aid was now an essential component of foreign policy. Against this was the possible political cost both at home and abroad of a move likely to be seen as a downgrading of aid in the priorities of the British government. The officials reached no conclusion of their own but the change was made under the new Conservative government in October 1970 when the ODM was dissolved and replaced by an Overseas Development Association as a functional wing of the FCO (187–189).

Over the period of these administrative changes in Whitehall there were growing concerns about staffing levels within the Overseas Civil Service. A Commonwealth Office working party reported in January 1967. It claimed as unjustified earlier assumptions about how staffing problems would be ended when some of the smaller and scattered territories followed the larger ones into independence. Of sixteen dependent territories expected to be left by 1970, the working party calculated it might be possible to give independence to eight of them by 1976. The eight included Montserrat, the Cayman Islands, Bermuda, and the Virgin Islands. All sixteen appeared 'small and relatively unimportant' but they received a 'disproportionate share of international attention'. If their standards of administration deteriorated for want of sufficient staff with the necessary expertise and experience, Britain's critics at the UN 'will make our failures widely known'. 'This is a risk HMG cannot afford to take.'



More than half the expatriates and three-quarters of the Overseas Civil Service (1,435 out of a total of 1,967) were serving in Hong Kong, and the Hong Kong service, unlike that of the other territories, was still largely permanent and pensionable. It was the position in the remaining fifteen territories that gave cause for concern. There were 1,200 expatriate civil servants, 350 pensionable, 600 on contract, and the remainder on secondment or loan from Britain or New Zealand. By 1972, and with retirement, there would be only 32 per cent left, or about 100 pensionable officers. The remainder would be contract officers or those on secondment, both with less than five years' experience. There was a risk that 'these inexperienced people' would be expected to deal with territories 'more populous, developing faster and politically more active than at present'. The working party recommended appointing more officers on contract, offering a new career structure by restoring pensionable service (abolished everywhere except Hong Kong in 1962) for officers on longer contracts, and suggesting a merger between the Overseas Civil Service and the Diplomatic Service or the Home Civil Service (168).

By August 1971 the sixteen remaining territories had grown to seventeen because British Honduras was still a dependency. Independence for the seventeen appeared unlikely. There were just under 700 serving expatriates, mostly British but with a sprinkling (in the Pacific territories) of Australians, New Zealanders and Fijians. A Dependent Territories Staffing Unit was set up in 1970 in the Dependent Territories Administration Division of the FCO, and early in 1971 an official from the Overseas Development Administration toured the Western Pacific territories. Upon the basis of his recommendations the FCO suggested the creation of a small metropolitan service, with a proper career structure (including absorption in the Diplomatic Service or Home Civil Service after the completion of service overseas), and pension provision. Administrative and professional staff on loan from the Diplomatic Service and Home Civil Service should supplement those specially recruited. The numbers now needed were not said to be large—no more than 180 posts—but they were required by 1975, after which their numbers would decline. Another working party was set up to investigate, and in 1973 a Dependent Territories Administrative Branch was set up within the Diplomatic Service. For administrative and political reasons Hong Kong did not join (190, 191).

### *Rhodesia*

At the end of a four-year term as head of the FO West and Central African Department in August 1968, Martin Le Quesne reflected on his involvement with the affairs of sub-Saharan Africa dating back to 1960. He described these as the years of European decolonisation and African independence but the two processes were not 'co-terminous' because meaningful independence would take much longer to achieve than constitutional decolonisation. British policy in Africa had always been equivocal. While there were 'no compelling reasons of objective interest' dictating that Britain should remain involved with Africa, several historical reasons explained why it was difficult to disengage from involvement. By 1968 Britain had acquired a better understanding of 'the real nature' of its own interests in Africa. But over the eight years under review mistakes had been made, especially in Southern Rhodesia where Britain was guilty of what Le Quesne described as an 'intellectual failure to analyse the problem objectively'. When the Central African Federation broke up in 1963 and Nyasaland and Northern Rhodesia proceeded to independence as Malawi

and Zambia in July and October 1964 respectively, Britain failed to take sufficient account of the fact that Southern Rhodesia, the third constituent part of the federation, had been self-governing under European minority control since 1923. Southern Rhodesia could not therefore be treated in the same way as other colonies because British power was limited. A settlement could not be imposed. It could only be negotiated. By implication 'a different technique' was required in dealing with Ian Smith, the leader of the European minority (381).

This was not a particularly convincing appraisal of Britain's Rhodesia policy. It sits awkwardly with the admission by a CRO official prior to talks on the Southern Rhodesian constitution in 1961: 'I start from the premise that we cannot impose a solution of these problems on the Southern Rhodesian Government or on the Europeans.'<sup>47</sup> R A Butler, in charge of the Central Africa Office in the Macmillan government, was equally explicit when he confided in May 1963, 'we are continually saying we have not the power of intervention and we are at present left with the worst of all worlds'.<sup>48</sup> The limits of British power had been all too obvious in Whitehall. Macmillan himself decided in March 1963 that on balance, the wiser course for British policy lay in 'deferring a decision on this issue for as long as possible'.<sup>49</sup>

The population of Southern Rhodesia when the Labour government took office was just over four million. Europeans numbered 221,000, persons of mixed race 11,800, and Asians 7,700. The African population stood at 3,830,000. The country was governed by a 1961 constitution under which fewer than 13,000 Africans were registered as voters on two separate electoral rolls. That there might be an African majority at any point in the future was anathema to the Southern Rhodesian government, a point forcibly made by Smith in discussion with Wilson's Conservative predecessor in October 1963. Smith was opposed in principle to the acceptance of any time limit for an African majority.<sup>50</sup> He had previously warned of the increasing risk of a collision if Nyasaland and Northern Rhodesia became independent before Southern Rhodesia. With the election of a Labour government in Britain, the prospect of a clash over the date for Southern Rhodesia's independence increased significantly.

The likelihood that Southern Rhodesia might resort to a unilateral declaration of independence (UDI) had long been recognised by policy-makers in London. The Labour government issued a warning statement against such a step in October 1964 as its first act of Rhodesian policy (195). But at the same time the government accepted military advice that unless Britain was prepared to start a major and perhaps prolonged war—viewed as a hazardous undertaking given that Southern Rhodesia was landlocked—military intervention would only be practicable under three conditions. Intervention had to be requested by the governor who was still the Crown's representative, assurances of co-operation had to be forthcoming from the regular Rhodesian forces, and Salisbury airfield had to be guaranteed as a point of entry. Healey cautioned that in the event of clashes with Rhodesians of British origin, intervention would be 'a most repugnant task for our forces' (192).

Britain's dilemma over Rhodesia was explained to his colleagues on the Defence and Overseas Policy Committee by Bottomley, the Commonwealth secretary, in January 1965. In the long-term pursuit of independence, if concessions were made to the white minority they would upset African, Commonwealth and UN opinion, and if Britain pushed ahead too far and too quickly in the opposite direction this ran the

risk of provoking the very declaration of UDI Britain wanted to avoid (193). Advantage was taken of Smith's presence in London for Winston Churchill's funeral in January 1965 to establish what common ground might exist. The answer was none at all. Wilson found the Rhodesian leader in bullish mood, claiming that Rhodesia already possessed 'virtual independence'. Smith was confident amendments to the existing Rhodesian constitution might enable his system of government 'to last for 60 or 70 years, or perhaps even longer', and he was determined to ensure 'European civilization lasted as long as possible'. His only concession was to agree to a visit to Rhodesia by Bottomley and Lord Gardiner, the lord chancellor. It took place between February and March. It prolonged the dialogue but achieved little beyond the restatement of fixed positions by the parties concerned (195).

Having ruled out the option of military intervention, Britain's contingency planning in the event of a UDI concentrated on the imposition of economic sanctions. But here the risks were almost as great. The Board of Trade warned in May 1965 it would cause inconvenience only if Britain alone acted to interdict Rhodesia's imports. Conversely, the cumulative impact of an embargo on Rhodesia's tobacco exports could lead to a net annual deterioration of anything up to £50 million on Britain's balance of payments. More serious still was the possibility Rhodesia might retaliate against any trade embargoes by halting Zambia's exports of copper. The potential damage, both to Zambia and Britain, was considerable. Zambia was dependent on Rhodesia in several respects. The country's two main rail arteries, north-south and east to Beira in Mozambique, carried most of Zambia's trade and both routes passed through Rhodesia. Zambia's copperbelt was dependent for its electrical power on the Kariba hydro-electric dam complex astride the Zambezi river border between the two countries but with the power generation plant on the Rhodesian side. Rhodesia supplied most of the copperbelt's coal from its own Wankie coalfield, and also controlled the greater part of Zambia's oil supply imported through Beira and refined at Umtali, south of Salisbury (Harare), the Rhodesian capital. Rhodesia had the potential to paralyse Zambia's economy, and this had implications for Britain. Zambian copper accounted for a third of the total British supplies of copper and about one-half of total British imports. This, according to an official report in January 1965, was one of 'the compelling reasons why we must avoid provoking a unilateral declaration of independence by Rhodesia' (194, 196).

Given that Britain appeared to have such a limited hand to play, officials at the FO questioned what it was they were trying to achieve. Was it the overthrow of the Smith regime and, if so, who or what might replace it? And might not the problem disappear altogether if Southern Rhodesia were to be absorbed by South Africa? To the FO the ostensible purpose was to bring about the collapse of the existing government and its replacement by one loyal to Britain. The real objective, however, was 'to do what is necessary in the light of what we have said publicly to satisfy public opinion in the United Kingdom, Africa and the UN without running ourselves into bankruptcy' (197). Lord Walston, minister of state at the FO, urged, at the very least, a statement to the effect Britain would not grant independence until majority rule was assured. While acknowledging that Southern Rhodesia was not the responsibility of the FO, Walston argued that communist penetration in Africa was very much the concern of his department. In this context it was worrying that a succession of issues—the Congo, South Africa, and now Rhodesia—had increased Black Africa's disillusionment with the west generally and Britain in particular. The attitude of

Julius Nyerere, Tanzania's president, was evidence of this. In correspondence with Wilson, Nyerere described as 'frightening' the possibility Britain might give independence to an African country upon the basis of minority rule (198).

Responding to Walston, the Commonwealth Relations Office defended its handling of Rhodesia and rejected the idea of a statement, arguing, in a manner reminiscent of Macmillan, 'we should play it long and cool' (199). Instead in September 1965 the CRO articulated five (later six) principles that should govern a settlement of the Rhodesian problem (202). This, according to Le Quesne's later analysis, was a mistake. The principles were needed to clarify British thinking but they should not have been made public. Having them in the public domain diverted discussion into a 'sterile channel', not about the acceptability of a political settlement but whether the settlement conformed in all respects with the six principles (381). Once the original five principles had been announced, the CRO next envisaged what the constitutional position of Rhodesia would be after a UDI. The hitherto widespread assumption about Britain automatically exercising the powers of a deposed Rhodesian government was revealed not to be the case. And there were arguments against, as well as in favour, of Britain resuming the government of Rhodesia. One of them was that ultimately, Britain might have to recognise UDI had succeeded. In such circumstances it would be humiliating for the government to assume the reins and then hand them back to an illegal regime (200).

Controversy continues to surround Wilson's decision, against the advice of some of his Cabinet colleagues, to visit Rhodesia in late October 1965 in an eleventh hour bid to avert a UDI. Oliver Wright, the prime minister's private secretary, argued on the eve of the visit that in microcosm Rhodesia represented the 'dilemma which faces mankind in general: how can the rich white world co-exist with the poor non-white world. It is the tragedy of our times.' The tactics during the visit were to hold Smith to the centre ground by engaging him in further discussion, while outflanking him both to left and right by taking soundings from moderate Africans, former Rhodesian prime ministers, and business and farming leaders to see if a fresh approach to independence might be made. Wright accompanied Wilson on the visit, as did Bottomley whose task it was to do most of the talking with the Rhodesian government. Wilson's purpose was to concentrate on 'climate changing' (201).

During the visit the prime minister had meetings with the detained leaders of ZAPU and ZANU, the two rival African nationalist groupings. With both groups Wilson argued that British public opinion would not accept the use of force against Rhodesia, that sanctions would be damaging and make it impossible for Smith to continue, and that Rhodesia was not ready for majority rule. Progress towards independence had to be measured not in years but in functional terms of practical experience. The nationalist leaders had to be realistic; it served no purpose to pursue policies 'simply with a view to hearing the cheers of their own followers'. He told ZANU leaders (Robert Mugabe was present) there were 'no thunderbolts which could put the situation aright'. And he used the same imagery during a press conference before he left Rhodesia when he explained that a thunderbolt in the shape of the RAF 'hurtling through the sky and destroying the enemy' would not be coming. Wilson's words about the British government's determination to avoid force were intended primarily for an African audience but the most eager listeners were those deciding policy in Salisbury (202). Back in London, on 5 November, officials submitted a fresh assessment of how the economic measures already agreed might impact on Rhodesia

in the event of a UDI. There would be no dramatic result overnight and indeed officials wondered whether ministers should be reminded that the impact was expected to be so limited (203). A week later, on 11 November, Smith declared UDI, a novel explanation for which was volunteered some five years after the event (243).

Although Wilson at first toyed with the idea of sending Lord Mountbatten to Rhodesia,<sup>51</sup> Zambia was the main concern in the immediate aftermath of UDI. President Kaunda wanted Britain to station troops on the Rhodesian side of the Zambezi to protect the Kariba plant. Britain declined, agreeing only to send an air squadron to Zambia and failing in efforts to persuade Australia and Canada to send police-keeping troops. The United States viewed Rhodesia as Britain's problem (206). In defence of its own finances against the trade embargo, Rhodesia imposed heavy duties on the export of coal and coke from Wankie and then, in retaliation for oil sanctions, cut supplies of oil to Zambia passing through Rhodesia. An international rescue, by air, rail and lake, was mounted to get oil to Zambia. In a highly charged atmosphere, Kaunda was agitated and emotional. Wilson sent him a pacifying letter. Britain was 'deeply committed' to the overthrow of the Smith regime. Failure would mean the end of the Commonwealth and racial harmony in Africa. Force was still ruled out: 'We do not want to take a sledgehammer to this when a pair of nutcrackers will do.' Sanctions would work: 'We are quite ready to throw the book at Smith' (204). The prime minister adopted the same arguments at a specially convened conference of Commonwealth heads of government at Lagos in January 1966, when the British stand on force came in for severe criticism. Ghana and Tanzania had already broken diplomatic relations with Britain over Rhodesia. Their leaders stayed away from the Lagos conference, as did Kaunda (207).

The Lagos gathering at least gave Britain breathing space until the summer of 1966 when it had been agreed Commonwealth leaders would next review the Rhodesian situation. But with Kaunda threatening to close the Zambian frontier with Rhodesia by mid-February, an act which if carried out would jeopardise Britain's copper, Wilson assumed the deadline for action was much earlier. He called for fresh economic and military planning, and requested of Healey an assessment of the options for military action, ranging from token intervention to full-scale invasion. The defence secretary replied, as before, that only two scenarios presented themselves—intervention by invitation, for which purpose a minimum of two brigades would be needed, or invasion, needing a division, up to two months of preparation, the withdrawal of troops from Germany, and, according to the Chiefs of Staff, '100% immobilisation of the RRAF' (208–210). Military planning still assumed that if Britain intervened, it would be by invitation only. In practice, however, as the CRO had acknowledged in December 1965, 'the real war we are waging is not an economic war nor a military one, but a psychological one' (205). Britain's problem was one of addressing so many different audiences, each requiring a different message, and by February 1966 the CRO acknowledged the propaganda battle was already being lost (210). The morale of the Europeans of Rhodesia had not been undermined by their international isolation. Nor, in the short-term, had they been persuaded there was a middle way between UDI and majority rule. With sanctions having little visible effect on white Rhodesian consumers (211), and oil still reaching Rhodesia through Mozambique despite surveillance by the Royal Navy (212), Britain's options had narrowed considerably. In fact, only one option presented itself: negotiations with the illegal regime.

In March 1966, three days before the British general election in which Labour returned to power with a majority of ninety-seven, Wilson revealed the presence in Salisbury of a CRO official. In April the prime minister went further, announcing that officials would pursue 'talks about talks' to see if a basis for genuine negotiation existed. He insisted there would first have to be a return to legality with the restoration of constitutional government. His position on the transition to legal independence had not changed. It had to be measured not by time but by achievement (213). Kaunda was mortified by the news, which he learnt from the radio. He was not the only one. In May Judith Hart, minister of state at the CRO, endured a stormy exchange with a ZANU delegation at a meeting in Lusaka, the Zambian capital. The African nationalists reacted angrily when she used the word 'terrorist' to describe attacks believed to have been carried out by ZANU inside Rhodesia. According to the record, 'a rowdy scene ensued' and the nationalists responded by dismissing Britain as a small country that no longer counted. 'ZANU were the heirs of George Washington and would fight alone' (214). Elsewhere, in his first despatch as Britain's special representative in East and Central Africa, Malcolm MacDonald warned in June of the risks Britain was taking by embarking on negotiations. The communist powers had singularly failed in their efforts to gain influence in Africa, but they had been handed a second chance by the 'crass folly' of the Smith regime in declaring UDI. How the UK now proceeded was of paramount importance. There should be no independence before majority rule and, in accordance with one of the six principles, the terms for independence had to be acceptable to the Rhodesian people as a whole (215).

The policy of the British government on these issues was different in one crucial respect. In a process leading ultimately to the unsuccessful meeting between Wilson and Smith on board HMS *Tiger* off Gibraltar in December 1966, the government's position was that independence might be granted before majority rule, provided three conditions were satisfied. First, the 1961 constitution had to be so amended as to ensure, on the one hand, unimpeded progress to majority rule and, on the other, watertight safeguards against retrogressive amendment. Secondly, the Rhodesian people as a whole had to approve the terms of independence, the measure of that approval being determined by a Royal Commission. Thirdly, Britain would negotiate only with a broad-based government, not just members of the illegal regime. Wilson himself suggested supplementing a settlement on these lines by offering Rhodesia—by means of twelve Rhodesian seats at Westminster—a 'qualified Act of Union' with Britain until majority rule had been achieved and was working satisfactorily.

Outlining the overall position to the prime minister, Wright suggested Britain faced a choice of evils: 'There is little comfort in anything to do with the Rhodesian situation.' MacDonald's warning about the danger of a rift with the African countries of the Commonwealth was accepted, but in the current climate Wilson was in any case set for a 'horrible time' when the Commonwealth prime ministers next met at London in September 1966. For Wright, however, the benefits to Britain of a Rhodesian settlement far outweighed the disadvantages. There was first the 'boost to the national ego which comes from the successful resolution of a difficult problem'. Above all, a settlement would avoid a UN demand for sanctions to be tightened. In view of the oil situation, this inevitably would lead to economic warfare with South Africa, a course of action Britain could not contemplate given that South Africa was variously placed either as Britain's third or fourth largest trading partner (216, 217, 221).

When the Commonwealth conference opened, Britain was supported by the older members and Malaysia. From elsewhere, however, there was pressure for assurances first, that there would be no independence before majority rule, and secondly, that in the absence of a settlement, Britain would propose mandatory sanctions against Rhodesia at the UN. The Cabinet met during the proceedings on 10 September. Wilson was authorised to report back to the conference the proposed test of acceptability. He was also to say that if the rebellion had not ended by the end of the year, the offer would be withdrawn, no further proposals for independence before majority rule would be placed before parliament, and Britain would propose at the UN selective but mandatory sanctions against Rhodesia, including oil sanctions through Mozambique (the main source of the oil leaks), but not as yet South Africa (217). This was the first occasion upon which the newly emerging Commonwealth had significantly influenced a policy decision of the British government.

As the countdown to the *Tiger* talks began, the British public revealed their indifference to the prospect of African countries leaving the Commonwealth on account of Rhodesia. A majority opposed the use of force against Rhodesia, and there was not a little apathy about the Commonwealth (218). As an alternative to the *Tiger* route, Judith Hart suggested Britain should look again at the real, long-term value of trade with South Africa, and she also questioned whether force might be used against economic targets in Rhodesia (219). Held between 2 and 4 December, the *Tiger* talks ended in failure. The sticking points for Smith were the number of constituencies and electoral districts under the new constitution, the formation of a broad-based government, and Britain's insistence on a return to legality as a prior condition of any test of Rhodesian public opinion. The actual cause of the breakdown was Smith's insistence that he had to return to Rhodesia for personal consultation with his colleagues.<sup>52</sup> Wilson was exasperated, telling Smith the Rhodesians had no need 'to cling obstinately to their state of pseudo-independence'. The prime minister's parting shot was that he was not prepared to take further risks with the Commonwealth for the sake of a country with only a fraction of one per cent of the Commonwealth's population (220).

Several alternative approaches to the Rhodesian problem were considered in the interval between the failure of the *Tiger* talks and the next round at the same location on HMS *Fearless* in October 1968. One was that South Africa might use its influence with the Smith government but there were limits beyond which John Vorster, the South African prime minister, was not prepared to go. After the UN Security Council voted in December 1966 for selective mandatory sanctions and a ban on oil exports to Rhodesia from any country, Vorster told the British ambassador that if oil supplies through Mozambique were stopped, South Africa would make good Rhodesia's loss. 'This was not a matter of policy' but a 'stark' reflection of the fact that 'no South African Government ... could survive for a week if it was seen to be leaving Rhodesia in the lurch'. In response to the ambassador's suggestion of it being in South Africa's interests to encourage the moderates in Rhodesia who wanted a settlement, and to isolate the 'extremists' who thought they could always fall back on the expedient of incorporation in South Africa, Vorster replied of the latter group that if such people existed, they were 'mad'. 'He had enough problems on his own hands without adding another two million or so blacks' (221).<sup>53</sup>

Another suggestion was that more support might be given to the African nationalists. Jomo Kenyatta, the president of Kenya, described Rhodesia's Africans as

'subdued and hopeless'. They needed a strong independence movement trained and organised by Britain (224). The same point occurred to Richard Marsh, minister of power in the Wilson government. Echoing Kenyatta's thoughts about 'the poor level of African leadership', Marsh expressed surprise that rural Rhodesia seemed so quiet. He alluded to Kenya, Cyprus and Aden in suggesting internal disorders produced far quicker results than economic sanctions. Marsh raised the possibility of Britain inciting disorder in Rhodesia. He was told that ZANU and ZAPU were incompetent and 'deeply penetrated by Rhodesian and South African intelligence' (225).

At the Commonwealth Office, the permanent secretary revisited the arguments about objectives and methods that had been under discussion since before UDI. The government, Garner argued, had to decide whether it wanted to go 'for a win, loss or draw' (223). Beyond Whitehall the debate about Rhodesia was portrayed as 'The long haul versus an early settlement'. MacDonald advocated the long haul on the grounds that a settlement based on a *Tiger*-type constitution would lead 'to the crippling of the Commonwealth and to a marked reduction in British influence in the world'. An early settlement was advocated by Sir John Nicholls, Britain's ambassador to South Africa. Nicholls believed the long haul held out 'the prospect of increasing humiliation and ultimate defeat'. Even a moderately satisfactory settlement would be better than nothing; 'we should cut our losses and settle for that' (226). Symbolically, the government in London decided the acronym NIBMAR should carry a new meaning. Instead of 'no independence before African majority rule', it was redefined as 'no independence before majority rule' (222).

In December 1967 the prime minister set up a committee chaired by Lord Gardiner to consider the possibility of disengaging from Rhodesia by handing over to the UN. Rejecting this option, the committee recommended Britain should pursue a policy, either of 'quietism' or one of 'activism'. Quietism implied acceptance of current policy but no action to further it. Activism meant maintaining the pressure for change. Ministers decided in favour of activism. To accept quietism was effectively to admit defeat in the sense of recognising the regime might never be brought down. Wilson acknowledged 'that we faced a long haul in Rhodesia' (228).

There seemed little prospect of sanctions bringing the regime back to the negotiating table, still less cause its downfall. The evasion of sanctions was now an embarrassment to the government (227), especially when it came to light in 1968, in a manner not at the time made public, that some of the oil reaching Rhodesia through Mozambique had been supplied through contracts with British oil companies. Wilson was aware of the transactions, despite his later denials in the aftermath of the 1978 Bingham enquiry.<sup>54</sup> In 1968 ministers recognised that to stop oil reaching Rhodesia through the Mozambican port of Lourenço Marques would involve interference with supplies to other customers, notably in the Transvaal. Hence the general conclusion, 'the risks involved in seeking to tighten oil sanctions against Rhodesia heavily outweighed the advantages' (231). Also for consideration, on sanctions policy more generally, was the balance of payments costs to the British economy (235).

The situation was made still more difficult from March 1968 when the regime in Salisbury began executing African nationalists found guilty of terrorist offences (229, 230). The first executions coincided with a split within the ruling Rhodesian Front over local proposals to reform the Rhodesian constitution. Wilson seized upon this development with alacrity, believing Smith might now negotiate to protect his own



position and that South Africa would act as guarantor of any settlement. In great secrecy, the prime minister despatched Lord Goodman, a friend and legal adviser, and Max Aitken (the second Lord Beaverbrook), a former Conservative MP and press baron, to Salisbury in August 1968. They reported back Smith's determination not to be humiliated (233). In September Wilson explained to his foreign and Commonwealth secretaries why he thought a settlement worth pursuing, and the reasons why he believed a majority of the PLP would accept independence before majority rule. Three conditions were to be attached to a settlement. First, there had to be an adequate blocking mechanism (through African representation in the legislature) to prevent amendment of the constitution. For this purpose the prime minister called for an 'urgent study' of the practice in former African colonies (both British and French) regarding the part played in the constitution or legislative assembly by chiefs 'who have been elected in some way' (237). Secondly, there would have to be provision for appeal to the Privy Council against constitutional amendment (deemed important, especially after the executions). And finally, there would have to be a broad-based government. These proposals differed in one important respect from those put forward on HMS *Tiger*. There would be no prior insistence on a return to legality, and although others, including Africans, would be represented in the government, Smith would still be in effective control of security and communications when any settlement was put to the test of public acceptability. George Thomson, the Commonwealth secretary, warned of the dangers in negotiating on these terms and suggested officials should examine the likely international consequences. Wilson dismissed both the dangers and the call for the sort of inquiry involving departments other than those directly concerned. He was anxious 'to keep the present probings very tightly to the minimum number of persons who "need to know"' (234).

Smith's regime rejected the British conditions even before the *Fearless* encounter (236) but the meeting still went ahead. Wilson's government made an offer to finance a programme of African education as part of a political settlement but this did not persuade Smith who rejected the proposals on the basis that the right of appeal to the Privy Council was an infringement of sovereignty (238). At home 49 Labour MPs voted against the government and 100 abstained when the proposals were debated in parliament. Abroad, Nyerere returned to the attack. Concerned that the *Fearless* proposals, unlike like those after *Tiger*, were to be left on the table, he suggested Britain and Tanzania would no longer be 'quarrelling allies' over Rhodesia, but 'peoples fighting on opposite sides in a war of national freedom'. His views were echoed by MacDonald who reported in 'all candour' and with 'great sorrow' in December 1968 'that this British government's word is no longer trusted either in Africa or in some other parts of the world'. Thomson ordered that MacDonald's letter should not be circulated outside the FCO, and asked Healey what military action Britain might take to deter attacks by the Rhodesian security forces on nationalist bases in Zambia. The defence secretary replied that the morale of British forces would be problematic if they were asked to intervene as a result of Rhodesian retaliation 'against a barbarous attack on Rhodesian families' (239).

*Fearless* represented the end of direct negotiations between Britain and Rhodesia during the lifetime of the Labour government. In Rhodesia itself, as a prelude to the proclamation of a republic, a new constitution based on separate racial development was approved in an all-white referendum in June 1969. It ruled out majority rule and

held out the distant prospect of parity of African representation only, restricted by income qualification. A division of land gave 45 million acres to 250,000 Europeans and the same acreage to an African population that had now risen to 4.8 million. The referendum prompted the resignation of Sir Humphrey Gibbs, the governor of Rhodesia, who had remained at his post since UDI, and led to the formal withdrawal of the two diplomatic missions from Salisbury and London. Rhodesia became a republic in March 1970. The Labour government left office in June 1970. Officials reflected how Africans had suffered most under sanctions because of rising unemployment, although a further discernible trend was an increase in white emigration from Rhodesia (240–242). A further attempt by the successor Conservative government to reach a settlement in 1971–1972 on terms even further removed from the six principles ended in failure.<sup>55</sup> The deadlock was not broken until 1974 when the revolution in Portugal led to the collapse of the Portuguese colonial regimes in Angola and Mozambique. Deprived now of its outlets to the coast, harried by an increasingly effective nationalist war of liberation, and unable to summon sufficient protective support from South Africa, the Smith government was finally brought to the negotiating table on terms dictated by his opponents. An abortive Geneva conference in 1976 and an equally abortive set of Anglo–American proposals in 1977–1987 were followed by a successful conference at Lancaster House in London in September–December 1979.<sup>56</sup> Rhodesia became independent under its African name of Zimbabwe on 18 April 1980.

### *The Commonwealth*

A Commonwealth Secretariat was established at the meeting of Commonwealth prime ministers in June 1965. The secretariat reflected the changing nature of the Commonwealth as decolonisation led to a rapid expansion in its membership. It marked the beginning of the multilateral Commonwealth. A central body for the co-ordination of Commonwealth activity was an old idea, having been first mooted at the Colonial Conference of 1907. Its more recent history stemmed initially from comments made by Kwame Nkrumah, Ghana's president, at a meeting of Commonwealth prime ministers in July 1964. Criticising the routine concentration at such gatherings on Cold War issues, Nkrumah argued the main question of the day was one of relations between rich and poor countries, and he called for a 'central clearing house' in London to prepare plans for trade, development aid, and the circulation of information.

Officials from Commonwealth countries assembled in London in January 1965 to discuss this proposal. Bottomley explained the British position to his ministerial colleagues. He admitted a secretariat would lay Britain 'open to certain risks' in the sense it might act as a focus for lobbying and pressure-group activity over such issues as South Africa and Britain's colonial policies more generally. The Labour government was prepared to accept a secretariat, provided it did not become a policy-making body, its remit did not cover defence questions, and that in so far as it touched on colonial matters, prior British approval would be needed before any documents were circulated. Britain envisaged a secretariat with three main functions: an administrative role at official Commonwealth meetings, a co-ordinating role in the fields of economic and technical development, and as clearing-house for factual information. A strong and experienced secretary-general would be required, but his hands should not be tied by terms of reference that were too

detailed (244). The unmistakable impression is that while Britain accepted the need for a secretariat, the British response was more cautious than enthusiastic.

Two further institutional proposals were considered in 1965, one bearing fruit, the other being discarded. A Commonwealth Foundation was established at the same time as the secretariat. Its purpose was to promote interchange at professional level throughout the Commonwealth. At the outset it had a budget of £250,000, Britain contributing half (245). The second idea stemmed from a proposal in the Labour Party's 1964 election manifesto for a 'Commonwealth Consultative Committee leading to a full Council of the Commonwealth'. Responding to Wilson's request to draft a scheme, the senior clerk of the House of Commons suggested a Commonwealth Parliamentary Assembly consisting of 126 members meeting annually for ten days. Representation would be on a population basis, and the first meeting might take place in London to coincide with the 700th anniversary of the parliament set up in 1265 by Simon de Montfort. Thereafter there would be annual meetings on a rotating basis around the Commonwealth. In favour of the idea it was said an assembly would strengthen Commonwealth links and sustain parliamentary traditions in the more recent members. Ministers, however, were not keen. They thought the scheme went beyond what Labour had intended in its manifesto. It was not clear how an assembly would relate to the meetings of prime ministers or to the suggested secretariat. Discussion on such matters as defence, Rhodesia, South Africa, and aid would pose problems for Britain, and the introduction of voting procedures would be alien to the spirit of the Commonwealth. As an alternative to a permanent assembly, Bottomley proposed a single meeting to coincide with the anniversary, but ministers feared there would be pressure to convert it into an annual event. The proposal was dropped (246, 247). It was an early indication Labour's pre-election enthusiasm for the Commonwealth might be tested by the realities of office.

The first secretary-general of the Commonwealth was Arnold Smith, an experienced Canadian diplomat whose name was on a short-list ultimately whittled down to five at the 1965 meeting of prime ministers. Eric Williams, Trinidad's prime minister, recommended that a committee of officials, representing the regions of the Commonwealth but excluding countries who had put up candidates, should make the final decision.<sup>57</sup> Smith was by no means a unanimous choice. Especially within the older members of the Commonwealth (including Canada itself) and also India, it was felt he would be rather too active and earnest in how he interpreted his role. This view of Smith persisted, and Australian dislike of him intensified in 1967 when he claimed the title of 'Excellency' (258). He was more acceptable to the Afro-Caribbean contingent, and he was re-appointed in 1970 for another five years.

Doubts about Smith reflected a deeper concern within the old Commonwealth that as its membership expanded it was becoming less viable as a forum for inter-governmental consultation and discussion. Lester Pearson, prime minister of Canada between 1963 and 1968, espoused Commonwealth causes and chose the Commonwealth as the subject of his Smuts Memorial Lecture at Cambridge in 1970.<sup>58</sup> But as prime minister, Pearson was never comfortable at Commonwealth conferences. He thought the meetings of prime ministers had become too large for useful discussion. It was a view shared by Britain and Australia (265) but neither of the two methods suggested for dealing with the problem seemed practicable. To limit Commonwealth membership on the basis of population encountered the difficulty that the UN now accepted as full members countries with populations of little more

than 100,000. Wilson himself told Pearson that while the admission of new members was a decision for the Commonwealth as a whole, Britain had a responsibility to support what individual countries wanted, and in nearly every case they wanted independence within the Commonwealth. The other method, adopting procedural arrangements at Commonwealth conferences to enable more work to be taken in committee, was likely to offend smaller countries on the grounds they were being excluded from the inner circle (249).

The new Commonwealth was therefore an expanding organisation and no upper limit could be placed on its growth. Nor could arrangements be adopted within its deliberations to distinguish large members from small. Having observed from his position as deputy secretary at the Cabinet Office the 1965 meeting of prime ministers, Philip Rogers, formerly a senior official at the Colonial Office, argued next the time had arrived to reassess what the Commonwealth represented. The old concept of the Commonwealth as a cohesive body with common interests in defence and trade, meeting from time to time for secret and informal discussion, and recognising the Queen as its head, had, according to Rogers, disappeared. This much was evident from the 1965 meeting. Apart from 'the pageantry, and frankly the snobbery', which he admitted were still useful in impressing Commonwealth leaders, Rogers found it difficult to believe the concept of the Queen's position as head of the Commonwealth had 'any real meaning'. He also suggested neo-colonialism had been evident at the 1965 meeting, although not in the sense of a British attempt 'to use our historical position or our continuing aid and trade in order to retain influence'. Instead Rogers had in mind the attitudes of the political leaders of the recently independent Commonwealth countries. He considered them still rooted in the colonial past. They claimed the right to criticise and to speak their minds but regarded any criticism of what they said or how they behaved as neo-colonialism. Rogers believed this 'double standard' would continue for some while; to counter it he recommended a return to the principle of equality enshrined in the Balfour Declaration of 1926. Freed from any constraints about shared interests that no longer existed, Rogers suggested Britain should exploit the one remaining factor holding the Commonwealth together, namely its 'Anglocentricity'. Britain should use the Commonwealth to promote British influence through the English language, education, and the professions. He further maintained that in seeking to promote a new concept of the Commonwealth, the CRO was handicapped because much of the rest of Whitehall was antagonistic to the old concept and believed the CRO still supported the old view. If the air could be cleared, it would become readily apparent there was no conflict between a new Commonwealth concept and, for example, closer relations with Europe (248).

Just over a year later the British government embarked on a major inquiry into the value of the Commonwealth to Britain. It involved consultation overseas with British high commissioners but the findings were internal and involved two departments only, the Commonwealth Office (following the merger between the CO and CRO in August 1966) and the Foreign Office. The inquiry was launched specifically as a response to the discussions about Rhodesia at the September 1966 meeting of prime ministers in London. Submitting a report to his Cabinet colleagues in April 1967, Herbert Bowden, the secretary of state for Commonwealth affairs, reminded them of concerns they had expressed at the 1966 meeting about the value of the Commonwealth being outweighed by the extent to which it adversely affected

British policies and interests (268). Since then the government were considering a further application for EEC membership, and this too would bear on relations with the Commonwealth. Richard Crossman, lord president of the Council and leader of the House of Commons, noted in his diary during the 1966 meeting that Britain should not sacrifice its long-term interests in joining the EEC for the short-term aim of strengthening the Commonwealth, which he described as 'a dying concern'. Bowden's 1967 report was circulated to the Cabinet not for discussion but for information. No conclusions were drawn from it, nor decisions made. But the report and the inquiries preceding it remain indicators of the official British view in the mid-1960s about the importance of the Commonwealth.

In the wake of the 1966 meeting, British high commissioners were asked for assessments of how the Commonwealth was perceived by the countries to which they were accredited. General comment was invited on what advantages might disappear (both to the country concerned and to Britain) if the Commonwealth ruptured, what would remain unchanged, and what would be diminished. Specifically the high commissioners were asked for comments about defence relations with the country, the level of diplomatic representation, the role of the UN, aid and trade and technical assistance, and 'intangibles' based on political, social and cultural relations (250). By way of illustration, nine responses are reproduced in this volume, from the high commissioners in Australia, Canada, Cyprus, Singapore, Jamaica, Uganda, Nigeria, and India, as well as a UN perspective from the British delegation at New York.

The responses reflected the diversity of the Commonwealth. Australia, according to the high commissioner, valued ties represented by the old Commonwealth. He painted a picture of a country 'completely impregnated with Britishery'. The Commonwealth as a whole, however, played little part in the outlook of the Australian government. Relations with Indonesia and Japan were now more important to Australia than connections with the Asian Commonwealth (251). Canada was said to have a genuine commitment to a multi-racial Commonwealth, and a special rapport with Commonwealth Africa, performing an important role as a mediator over Rhodesia at recent prime ministers' meetings. But most Canadians would not 'shed too many tears' if the African countries walked out, and in its enthusiasm for the Commonwealth the Canadian government could not afford to ignore the Quebec or French factor in Canada's politics (252).

No discernible Cypriot interest in the Commonwealth was apparent to the high commissioner in Nicosia (255). Singapore's long-term survival was said to rest, not on the Commonwealth but in membership of a wider regional organisation (256). One of the more positive replies came from Jamaica, described by the high commissioner as 'a little Britain of its own', or, as a former high commissioner had put it, 'a sort of tropical West Indian New Zealand'. In its standards of international behaviour, Jamaica was said to represent what 'we have come to expect from the old Commonwealth and have usually failed to find from the new' (257). For Uganda the Commonwealth link was portrayed as 'a convenient cover' for the preservation of ties with Britain; without it these ties might 'stand out a little too obviously in the context of a non-aligned foreign policy' (259). A not dissimilar picture presented itself from Nigeria. Self-interest was again the deciding factor, although a feeling existed the Commonwealth prevented the emergence of a more full-blooded Nigerian commitment to African unity (260). A negative view of the Commonwealth was portrayed from India where the government was not at all 'Commonwealth-minded'.

Instead the Commonwealth was seen primarily as a means whereby India might 'gang up with others in exerting influence on British politics' (262). The view from the UN was more promising. Commonwealth countries were influenced more by the regional groupings to which they belonged but over the two years to the end of 1966, nearly one-third of Commonwealth countries had been represented on the Security Council. It was self-evident to the British delegation at New York that were it not for Rhodesia and South Africa, the potential of the Commonwealth at the UN would be that much greater (253).

Independently of the review but in a manner contributing to the debate, Malcolm MacDonald submitted a separate account recording his own impressions of the September 1966 meeting of prime ministers. Almost alone among British commentators, MacDonald chose to concentrate on what he saw as the positive signs. He accepted as regrettable the emergence of an Afro-Asian caucus within the Commonwealth and the virulent tone of some of the speeches by African leaders. But the London meeting had not split on racial lines, Britain's policy on Rhodesia had received some Afro-Asian support, and the conference had demonstrated how a 'truly multi-racial Commonwealth' could still exert influence for the collective good. While public opinion in Britain was said to be disillusioned with the Commonwealth, in part as a negative reaction to some of the statements made by African leaders, MacDonald judged otherwise. That these leaders felt free to express themselves so forcibly demonstrated equality within the Commonwealth; it was evidence Britain no longer dominated. Speeches were still made for effect but there were signs of a growing maturity, not least because some African leaders realised they had to put their own houses in order (254).

MacDonald's optimism contrasted with a more subdued exchange between Arnold Smith of the secretariat and Wilson. For Smith the danger to the Commonwealth was not of a sudden explosion over an issue like Rhodesia. Instead he worried it might 'subside into fatuity and die without a whimper, through a progressive loss of vision, content, and the will to use it'. He followed Rogers in urging that the ties of sentiment from 'a departed empire' should be replaced by 'a new specifically Commonwealth image'. Smith outlined three ideas for practical Commonwealth co-operation, but Wilson was lukewarm in his response. In its relations with the Commonwealth, the prime minister observed, 'Britain too had had some disenchanting experiences' (266, 267).

Bowden's April 1967 report to the Cabinet concentrated on the British view of the Commonwealth. It began by explaining that even under the old Commonwealth—the report included India, Pakistan, and Ceylon (Sri Lanka) under this label—a balance had to be struck between the extent to which Britain could use the Commonwealth to influence member countries and preserve its own international status, and the extent to which in turn the Commonwealth might exert pressure to change British policies. But the balance in this respect had shifted away from Britain. Out of a total membership of 26 in 1967, 11 were African, 18 were said to be 'emotionally involved' in issues of race, and only 5 were classed 'with certainty' as belonging outside the Afro-Asian world in terms of international pressure groups. The old idea of freedom to differ was threatened by pressure for acceptance of a majority view, especially now the key issues—Rhodesia, South Africa, and aid—so obviously lent themselves to pressure group methods.

Yet the Commonwealth Office remained optimistic about the future. Despite the

strains, the Commonwealth showed no signs of breaking up. It had 'a historical justification', and in its mere existence it 'corresponds with reality'. Even if it were a 'farce', which it was not, it would not be 'phoney'. The Commonwealth had played an important role in cushioning 'the shock for the people of Britain in adjusting to a new era'. It enabled Britain to exert influence over other member countries and it was as much a Commonwealth of peoples—and their elected representatives (269)—as a Commonwealth of governments. The Commonwealth gave to each individual member an international profile it would not have if the Commonwealth did not exist. Above all, a multi-racial Commonwealth was 'a factor of special, and perhaps critical, significance in relation to what may well be the most explosive problem in the world over the next half century'. From these issues of principle the report ran through the various political, military, and economic issues surrounding the Commonwealth. It concluded Britain should not be prepared to sustain the Commonwealth at any cost. Pressure had been exerted on Britain at recent Commonwealth gatherings on the assumption the British government would never allow the Commonwealth to fragment and would therefore bow to the pressure. Britain should resist such pressure by asserting the principle of 'freedom to differ'. And in order to end what was seen as over-reliance on British assistance, whether political or financial, the report also recommended that relations with individual members should be developed as between foreign governments. Finally, the government should use its influence to limit the number and type of meetings at which Britain was the obvious target for attack. Meetings intended to focus on measures of practical co-operation should be encouraged instead (268).

Responding to the report in draft in February 1967, the FO offered 'destructive arguments for a constructive purpose'. The FO believed Britain should make public its view that it would not be influenced by threatened departures from the Commonwealth. It also thought more should be made of the Commonwealth as an association of peoples. Governments, it claimed, were 'hard-headed animals', whereas public opinion was 'less logical and more swayed by habit as well as by emotion'. The FO thought the economic arguments in the report lacked rigour, especially the section dealing with the EEC, described by the FO as 'one of the great unknowns in all assessments of British overseas policy at the present time'. The idea that the Commonwealth enhanced the UK's international standing was received sceptically by the FO, and support for the Commonwealth in Britain was described by the FO as a 'minority view'. On the future value of the Commonwealth, the FO argued that it was, 'however slowly, a wasting asset'. Memories of a shared or common experience would grow weaker, and eventually would be eroded altogether. 'It is hardly conceivable that by the end of the 21st century there should still exist a club whose membership is limited to those who were governed from London for at least part of the period from 1900 to 1950.' To which the Commonwealth Office responded it was equally possible by the end of the twenty-first century that the Commonwealth might have expanded to become 'a good working model of international co-operation' (263, 264). Although no decisions were made upon the basis of the 1967 report, a not unreasonable assumption is that by sheer weight of influence the FO view, rather than the Commonwealth Office's, prevailed after the merger of the two departments into the FCO in October 1968.

Further exchanges took place in 1967–1968 with the High Commissions at Ottawa and Canberra on the subjects of relations with Britain and attitudes towards the

monarchy. Both suggested a further dilution of the old Commonwealth relationship. In November 1967 Garner described news of Pearson's intention on a forthcoming visit to London to discuss with the Queen the possibility Canada might one day become republic as 'an astonishing change of atmosphere'. The permanent secretary confessed himself 'staggered'. The Queen by contrast appeared unruffled (270). Republicanism was not such a significant issue in Australian politics (261), but Australia was forging a new sense of national identity in a manner suggesting the impetus derived more from changes in British policies than from assertions of Australian nationalism (273). John Gorton, Australia's prime minister between 1968 and 1971, was not a Commonwealth enthusiast. Reluctant to travel to London for the 1969 meeting of prime ministers, he asked the UK high commissioner, 'What is the point of the Commonwealth anyway?' (274). At the 1969 meeting and away from the formal conference, a small group of Commonwealth leaders gathered, at Malcolm MacDonald's suggestion, to discuss the value of the Commonwealth with Michael Stewart. Pierre Trudeau, Pearson's successor as prime minister of Canada, expressed the view that the Commonwealth was not unique, but 'principally a historical accident'. A French Canadian although a committed federalist, Trudeau described as idealistic Stewart's arguments about the Commonwealth serving as a beacon on such issues as race relations and democratic government. Yet Trudeau was more comfortable than his predecessor in the surroundings of the Commonwealth conference, and he accepted that the Commonwealth was 'in some inexplicable way, worthwhile'. George Borg Olivier, Malta's prime minister and another member of the discussion group, agreed, emphasising it was something 'not to feel alone in the world' (275).

In a centenary address to the Royal Commonwealth Society in February 1968, George Thomson, Bowden's successor at the Commonwealth Office, offered views on how future generations of historians might interpret what he saw as a turning point in the evolution of the Commonwealth. Thomson had in mind withdrawal from East of Suez, or what he called 'the shock effect' of a decision which demonstrated the reality of the Commonwealth no longer depended 'on the comparative military strength of its founder member' (271). In line with earlier arguments, he suggested the Commonwealth henceforth should be seen more as an association of peoples. Notwithstanding Wilson's reluctance to respond to Arnold Smith's initiatives, Britain itself now suggested new ideas for more practically based Commonwealth co-operation. Six proposals were put forward in May 1968: race relations and questions associated with immigration and citizenship, population control, legal questions, issues concerning agriculture and natural resources and, for the benefit of Commonwealth civil servants, seminars and meetings based on administrative practice (272). In preparation for the meeting of prime ministers at Singapore in January 1971, it was suggested Britain should encourage other countries to put forward co-operative proposals. Any British ideas should be 'as hard and as practicable as possible', and they should indicate 'quite clearly the British as much as the Commonwealth interest'. Threats to nationalise British commercial interests were singled out by one official (276).

A number of practical ideas were discussed at Singapore (nationalisation was not among them) but the meeting was dominated by two inter-related issues: arms for South Africa and a Commonwealth declaration. The idea that there should be a declaration of Commonwealth principles was Nyerere's, and Kaunda closely



supported the Tanzanian president. The principles to be enshrined in the declaration—upholding international peace through the UN, individual liberty, resistance to racism, and the fight against poverty—were unexceptional. But the Nyerere–Kaunda draft pledged Commonwealth countries to deny racist regimes ‘any assistance which can consolidate or strengthen them’. British ministers viewed this clause as an attempt by Nyerere to ensure that if, in the event of Britain resuming supplies of maritime weapons to South Africa, Tanzania withdrew from the Commonwealth and precipitated a wider exodus, the blame would rest not with Nyerere but Britain. The tactics of the Conservative government were to carry the fight to Nyerere, in the knowledge that other countries were likely to object to the clause in question because it blurred the principle of non-interference in matters of internal concern, and left open the possibility of action by one Commonwealth country being challenged by another (277). In the final text, and after much behind-the-scenes conference activity, a compromise was reached in a sentence reading: ‘No country will afford to régimes which practise racial discrimination assistance which in its own judgement directly contributes to the pursuit or consolidation of this evil policy.’ The words ‘in its own judgement’ preserved the right of individual countries to make decisions in their own interests (280).

Britain overcame the test of the declaration at Singapore, and emerged relatively unscathed on the sale of arms to South Africa because rather than resolve the issue the conference postponed it (278–280). Heath did not enjoy the conference experience. He travelled reluctantly to Singapore, insisted on private accommodation (he would not have his entourage ‘pigging it’), and wanted discussion of concrete schemes, not airy thoughts about where the Commonwealth might be in ten years. But the Singapore meeting was still a milestone in the evolution of the Commonwealth. It was the largest ever gathering and the first full conference outside London, the Lagos meeting of January 1966 having been concerned with Rhodesia only. It thus set a pattern whereby future conferences would be held away from the British capital. In the declaration of principles the Commonwealth had articulated, for the first time, what it stood for. On the eve of the conference the FCO predicted the Singapore meeting would be ‘a turning point of maturity’ for the Commonwealth. With the issue of South African arms looming so large in the proceedings, those attending would have to make ‘a clear unsentimental assessment of the value of the Commonwealth to them’. It was ‘crunch’ time. The verdict of the FCO afterwards was that the Commonwealth had survived, ‘but only after testing and salutary examination, which forced us all back to first principles’ (280).<sup>59</sup>

Once the conference was over, the British high commissioner at Kingston defended Hugh Shearer, Jamaica’s prime minister, against complaints he had been too critical of British economic policy in his statements at Singapore. The high commissioner explained that whereas twenty years previously the equivalent of 3 tons of bananas would have been sufficient to buy a Hillman Minx (a small and popular British car of the early 1970s), in 1971 the figure now stood at 11 tons. He contrasted this with the price paid for Jamaican bananas by the British housewife, which had remained almost unchanged since the late 1940s. The terms of trade and access to affordable loans were what mattered to Jamaica, not a Commonwealth declaration or the sale of arms to South Africa, an issue upon which at the conference Shearer had made a helpful contribution (281). Members of the Commonwealth were clearly not all as equal as some professed to think they were.

*Dependent territories*

In the summer of 1965 the Colonial Office completed a planning exercise intended to bring Britain the following year within 'sight of final liquidation of our colonial empire' (285).<sup>60</sup> The expectation was not a literal one in the sense of Britain divesting itself entirely of its remaining colonial responsibilities. Rather the purpose was to make a statement explaining what policies it was intended to pursue to bring most of these responsibilities to an end, and to place those outstanding on a footing more acceptable to international opinion.

In mid-1965 Britain had 31 remaining colonial dependencies with a population of 10 million, over half of which were in Hong Kong and the South Arabian Federation. 19 territories had a population of less than 100,000, 6 less than 10,000 and one (Pitcairn in the Pacific) a mere 86. A handful of territories were expected to become independent within a short period. They included the High Commission Territories in Southern Africa (Basutoland, Bechuanaland, and Swaziland), the Federation of South Arabia, British Guiana, and 'perhaps' Mauritius and British Honduras. Barbados was another possible candidate for independence, whether on its own or as part of an East Caribbean Federation had still to be decided. For the remaining territories independence was not an option, at least in the foreseeable future. Alternative forms of government had to be devised, securing basic democratic rights for the people 'without the stigma of colonialism'. The key test of acceptability was international approval at the UN. Three models were suggested: 'free association' with another country (the country freely associated having the right to alter its own constitution and to opt for independence at a later date), 'integration' with another country, and 'continuing association' with another country (there being no automatic right to change the constitution or to opt for independence). Greenwood provided an outline of CO plans in May 1965, explaining what was proposed for each territory (282). He made a further statement at the Commonwealth Prime Ministers' Meeting in June. The prime minister, he said, had given him 'the task of working himself out of a job as soon as possible' (283).

Independently the FO produced its own assessment of the international and strategic considerations involved in the disposal of Britain's remaining dependent territories (284). In what amounted to a critique of the methods employed by Britain since 1945 to wind down the empire, the FO suggested the remaining territories required not so much a change of policy as a change in attitude. Upon closer examination the recommendations made in this respect by the FO were broadly similar to those suggested by the CO. The FO likewise thought in terms of independence, free association, integration, or continuing association. But the FO had different perspectives and priorities, and from these it argued specifically British interests should have greater weight in the formulation of government policy. For this purpose the FO suggested the remaining dependencies might be viewed in three ways: as the last in a long line of territories where Britain felt a duty to promote self-government; as actual or potential sources of dispute with the UN or third countries; and as 'parcels of real estate', valuable to Britain and its allies for strategic reasons and for purposes of communication.

The FO further divided what was left of the empire into continental and island territories. In certain cases in both categories, independence was the most likely, although not necessarily the most desirable, solution. Granted independence in February 1965, the Gambia was the most recent example of a small state in relation

to which the FO shared the widespread belief in Whitehall that integration with neighbouring Senegal would have been a more preferable solution (292). After the Gambia, and with the exception of Fiji, deemed problematic by the CO because of the mistrust between the Fijians and the Indian population, FO and CO ideas about which continental and island territories might proceed to independence were more or less the same. For those considered incapable of sustaining independence, the FO considered integration in the case of Hong Kong (with China), but not in the immediate future. Although Hong Kong's return to China was 'inevitable', in the absence of Chinese pressure for change the case for 'leaving well alone' was 'overwhelming'. The FO also believed 'broader' British interests might one day result in Gibraltar's return to Spain. More generally the FO maintained that to continue the present policy, whereby Britain either granted independence to a territory or postponed a decision, was likely 'to involve ourselves in disputes which are far more costly than the issues at stake are worth to us'. The main example was the Falkland Islands. 'If we want to avoid a quarrel with Argentina, we should not shut our eyes to other possible ways of satisfying 3,000 Falkland Islanders'. One way was to calculate how much it would cost 'to bribe all 3,000 Falkland Islanders to emigrate to New Zealand'.

Western Samoa and the Cook Islands represented models of free association. Western Samoa was independent, but in foreign affairs it was represented by New Zealand. A proposal that the Cook Islands might become self-governing but remain dependent on New Zealand for defence and foreign affairs was currently before the UN. Further models of association and integration were provided in the erstwhile French and Dutch colonial territories in the Caribbean and Indian Ocean. Drawing on these various examples, and in its own interpretation of how free association might work in the case of British territories, the FO differed in one respect from the CO. Territories freely associated should have no automatic right to claim independence at a later date. The risk here according to the FO was that an unqualified right would lead to the emergence of too many unstable small states.

Finally, the FO accepted the view that 'white men cannot expect indefinitely to maintain military bases in non-white territory'. But Britain was still a global power, and British interests included the testing of new weapons in less populated regions of the world than the United Kingdom or the North Atlantic. If Britain decided to relinquish its world role, the FO argued it would still be useful to be able to offer defence and communications facilities to allies and deny them to enemies.<sup>61</sup> Such considerations should be uppermost in considering the future of island territories in the Atlantic, the Indian Ocean, and the Pacific. The land masses of the empire might have been acquired 'in a fit of absence of mind', but most of the small islands had been 'deliberately seized because of their actual or potential value to a sea-faring nation'. Observing how 'considerations of geography' might change like any other only more slowly, the FO concluded it was a British interest to retain control of some at least of the smaller ocean islands 'for as long as possible or perhaps indefinitely'.

In July 1965, as a further contribution to the debate, a conference of ministers, government officials, colonial administrators, academics, journalists, and representatives from commercial undertakings with holdings in the colonies, was held at Lady Margaret Hall, Oxford. Participants divided into three working parties and reported on the organisation of government in dependent territories, financial and economic problems, and the international aspects of relations with the

territories at the UN. Upon the basis of this consultation the CO informed other departments about the next step in August. The intention was to make a general statement of colonial policy in a white paper. A draft was circulated, together with a memorandum of explanation. The statement would define each of the proposed options, but not reveal in individual cases how the different territories might be treated. Hong Kong certainly and possibly also Gibraltar and the Falkland Islands would not be mentioned because of the 'international difficulties'. As a model for integration the Channel Islands were suggested, and for those territories not qualifying for independence 'some kind of status symbol' would be needed 'to satisfy their dignity and in particular to satisfy the ambitions of their leaders'. They might be represented, either in the House of Lords or on a special committee of the House of Commons to discuss arrangements for financial assistance and other matters of special interest. Finally, to save parliamentary time and as an alternative to a series of separate bills for each territory, the CO proposed a general enabling bill conferring power upon the government to make provision for independence, association or integration by means of order-in-council (285).

The departments consulted replied promptly. Summarising the reactions for Greenwood, Christopher Eastwood, assistant under-secretary of state at the CO, warned of 'considerable complications'. Only the British delegation at the UN in New York responded positively to the CO proposals. The FO welcomed them in principle, but advised against any public statement. Nothing, according to the FO, was likely to satisfy Britain's diehard UN critics, and the CO recommendations would lend encouragement to countries with territorial claims against British territories. To exclude Hong Kong, Gibraltar and the Falklands would be to invite China, Spain and Argentina respectively to ask why and to mount international campaigns designed to embarrass and to put pressure on Britain. The FO also regarded as unsatisfactory the arrangements proposed for free association. It was not clear with whom the decision would reside as to whether a territory freely associated possessed the means of sustaining separate independence. If it were the territories themselves, this would run the risk of the dangers against which the FO had already warned. There might be an explosion of unstable mini-states endangering in certain places the strategic interests of Britain and its allies. The MoD likewise feared reactions from China, Spain and Argentina, although curiously made no mention of the strategic interests that so preoccupied the FO. From the CRO came concern about the expanding number of small states within the Commonwealth, and a conviction, from a UN perspective, that nothing would improve Britain's international image until a solution to the Rhodesian problem had been found. The CO proposals included a suggestion that dependent territories might become the responsibility in Whitehall of a new Department of Overseas Territories.<sup>62</sup> This idea found no favour with the Treasury and the ODM, especially now plans were already under consideration for a merger between the CO and CRO. Finally, the Home Office objected to the suggestion that the Channel Islands might serve as a model for integration.

The view was also expressed that the precedent of the Cook Islands might be acceptable at the UN, but only because it involved New Zealand. A solution along the lines of the Cook Islands involving Britain would be greeted with suspicion. Generally, the departments consulted did not welcome the idea of small territories under free association having a 'a timeless cheque' for independence and membership of the Commonwealth and UN. And potential problems had also

occurred to CO officials. One of them pointed out 'the rather horrifying idea' that if the white paper emphasised the merits of free association, the High Commission Territories might prefer association to independence. It would be similarly awkward if British Honduras reached the same conclusion. Collectively these departmental responses raised doubts about the advisability of a statement extolling the virtues of free association. Greenwood reacted with frustration, giving vent to his feelings in a sequence of marginal comment's against Eastwood's summary (286).

Ultimately the CO was defeated in its intentions. Greenwood still wanted to press ahead with an enabling bill and a white paper, the latter outlining the broad principles of policy without explaining the merits of particular solutions (287). Suggested titles for an enabling bill included Statute of Westminster (rejected because it conveyed a 'certain portentousness') and Commonwealth Independence Bill, before agreement was reached on Overseas Territories Bill. But the matter was not speedily resolved and by the spring of 1966 the proposal for an enabling bill had been overtaken by the preparation of separate legislation for the independence of British Guiana. By then it was already apparent separate legislation would also be required later in the year to deal with Bechuanaland, Basutoland, and Barbados (288). On the grounds of it not being clear whether it would save parliamentary time, the proposal for an enabling bill was dropped. The loss of the bill meant also the loss of the white paper. In practice this meant individual territories would continue to be treated, not by reference to a general statement of policy but by the time-honoured method of dealing with each country on the merits of the particular case. General surveys were still undertaken of what remained of the dependent empire. A review in 1967<sup>63</sup> was followed by another in 1969.<sup>64</sup> These were factual exercises, designed to ensure that in deciding policy towards any one territory or region, the Commonwealth Office and (after October 1968) the FCO had all the necessary information. But one important aspect of the review conducted in 1965 remained unchanged. In cases especially where the affairs of a territory impinged on Britain's foreign relations because of a dispute with a third country over sovereignty, officials continued to debate whether purely British interests or those of the territory should take priority in the formulation of government policy (289).<sup>65</sup>

### *Southern Africa*

In the High Commission Territories account had to be taken of their economic ties with South Africa. Basutoland was said to be wholly dependent on the Republic, Bechuanaland largely dependent, and Swaziland partly dependent. All three were especially reliant on the South African labour market to provide employment (290). At the beginning of 1965 the FO wanted to encourage UN economic activity in the territories, as a prelude to progressive UN political involvement. Mindful of the delicate state of relations with South Africa, Gordon Walker warned of the territories becoming 'an intense embarrassment', for which reason Britain should dispose of them. He did not share the views of the CO and Sir Hugh Stephenson, the ambassador at Pretoria, that UN involvement might provoke South Africa retaliation against the territories (291). Gordon Walker's influence over policy ended with his by-election defeat in January 1965 and his replacement as foreign secretary by Stewart. Thereafter the territories progressed towards independence. Bechuanaland was described by Greenwood in July 1965 as 'ill-prepared' because of budgetary deficits and slow progress in the localisation of the civil service (293). It became

independent as the Republic of Botswana in September 1966. Basutoland followed soon after as the independent Kingdom of Lesotho in October 1966. Richard Wilson, a diplomat serving in South Africa, visited Basutoland shortly before independence and expressed 'slight shock' at the neglected appearance of the territory after ninety-eight years of British rule (295). Swaziland presented a more favourable picture. After a visit in December 1966 Wilson felt 'an Englishman can hold up his head'; there were no signs of neglect after sixty-three years of British rule. Economically, Swaziland was more developed than the other two territories but its progress towards independence took longer. This was partly because the Swazi sector of the economy was small, Europeans owning forty-three per cent of the land, and also because the territory ceased to be a protectorate and became a protected state (exercising internal autonomy) in April 1967 before achieving independence as a sovereign monarchy in September 1968 (294, 296).<sup>66</sup>

### *The Caribbean*

The region in which Britain experimented with free association was the Caribbean. But this was not by choice. Following the collapse of the West Indies Federation in 1962 when Jamaica seceded and became independent, swiftly followed by Trinidad, it was still the aim of British policy to achieve a federation of the eight small islands in the East Caribbean.<sup>67</sup> Many of the reasons contributing to the failure of the first federation explained also why the second never materialised. Local particularism still dominated the politics of the Caribbean, and economically the impoverished small islands of the east refused to believe they could sustain independence as a federation unless they had prior assurances of continuing and substantial financial aid, from Britain especially. After a visit to the area in February 1965 Greenwood was inclined to persevere with federation as the best solution for the East Caribbean. By September of the same year the CO had admitted defeat and turned instead to the option of free association.

Two of the eight islands proceeded in different directions. Barbados became independent in November 1966 (302) while Montserrat, with a population of under 15,000 and only thirty-two square miles, was considered too small and poor even for the experiment of free association. Like the other very small Caribbean islands under British rule—the Cayman, Turks and Caicos, and British Virgin—Montserrat remained a dependent territory. Elsewhere, Bermuda—located 1,000 miles from the Caribbean and never considered part of the Caribbean state system—continued as Britain's naval station from which two frigates operated. The US also possessed defence facilities and had no wish to see Bermuda 'pushed into independence'. It too remained a dependent territory. The Bahamas was likewise peripheral in the British Caribbean. It was never part of the movement towards federation emerging after the Second World War. Security in the Bahamas was an issue because it was an archipelago of hundreds of small islands in close proximity to Cuba. The Bahamas became independent in 1973 (310).

For the remaining six islands of the East Caribbean—Antigua, St Lucia, St Vincent, Dominica, Grenada, and St Christopher-Nevis-Anguilla—a West Indies Act of 1967 made provision for free association. Its implementation was delayed by two years in the case of St Vincent owing to a local dispute involving a legal challenge by the opposition to a government victory at elections held in 1966. Under free association, the individual islands were self-governing but Britain remained

responsible for defence and external affairs. Britain also had a constitutional right of intervention in internal affairs to the extent deemed necessary for the proper discharge of its defence and external affairs responsibilities. From the outset the British intention was to hold this right in reserve or to use it only sparingly. Frequent intervention in their internal affairs would be resented by local politicians, and seized upon by critics at the UN as evidence that free association was simply camouflage for continued colonial control. Describing the arrangements to Rusk in April 1966, Stewart explained Britain would do its utmost to ensure the associated states resisted the temptation to take up the option of complete independence. Relations with them could be 'exceedingly difficult', but to enhance their profile the British government would support their membership of international organisations other than the UN, and they would have the right to negotiate and enter agreements with third countries on matters such as aid and technical assistance. Stewart's correspondence with Rusk revealed another British motive in promoting associated status. Using the arrangements proposed for Antigua as a model, on the question of aid the foreign secretary asked if the US would treat Antigua in virtually the same way as an independent country. Rusk's reply was non-committal (300, 301). Different expectations of what role both countries might play continued to dominate Anglo-American relations over the Caribbean. Britain wanted the US to assume greater financial responsibility for the region's development needs. The US wanted Britain to remain a major influence in the Caribbean, and viewed a continuing British presence as a safeguard against 'any multiplication of mini-states in the area' (297, 305, 307).

Free association proved, in the event, to be a half-way house to complete independence in the Caribbean. An essential flaw in the arrangements was exposed by the Anguilla crisis which began in May 1967. With a population of only 6,000 and separated by seventy miles from the neighbouring islands, Anguilla broke away from the government of St Christopher and Nevis. Matters came to a head in March 1969 when William Whitlock, parliamentary under-secretary of state at the FCO, visited Anguilla with proposals intended to mollify the Anguillans, only to withdraw in the face of intimidation from the supporters of a self-styled leader whose claim for independence had been endorsed a month earlier in a local referendum. A small military and police contingent was landed to restore order, a move attracting international criticism as it contrasted with British military inactivity over Rhodesia. By 1970 the annual costs of the military operation in Anguilla were put at £1.23 million. Britain now accepted the Anguillans could not be forced against their will to return to the government of St Christopher and Nevis. A report by a judge from Trinidad recommended greater autonomy for Anguilla but still within the framework of the associated state. This was not acceptable to the premier of St Christopher and Nevis, despite an offer of increased financial assistance from Britain, nor to Anguilla. Britain legislated to separate Anguilla and restore dependent status to the island in 1971 but formal separation did not take place until the end of 1980 (303, 309, 311). For the British government the crisis revealed that under free association, Britain carried responsibility but had no executive authority, while the associated state had the authority without the responsibility. To Britain's critics, free association allowed Britain to place what a Commonwealth Mission consisting of Caribbean governments described in 1967 as a 'hot and cold' interpretation on the meaning of its responsibilities for defence and external affairs. It was never clear when a matter of internal security had crossed over to become an issue of defence or external affairs.

The experiment with free association was not repeated outside the Caribbean, and a proposal emanating from St Lucia in 1968 for an independent federation of associated states never materialised (306). British policy and commitments in the Caribbean were the subject of a major review in 1970.<sup>68</sup> Despite the difficulties, the conclusion reached was that nothing would be gained by a premature withdrawal from the region (310). The review revealed how little official British attitudes had changed since the late 1930s. It observed how 'the peoples of the Caribbean are characterised by instability of character and volatility of behaviour'. This bore comparison with the advice tendered by the Colonial Office to the Moyne Commission in 1938 after a series of disturbances in the West Indies. Riots in the Caribbean were then said by the CO to be 'no new thing'. The local populations, while 'very patient under conditions of hardship', were 'highly inflammable when they feel a sense of injustice'.<sup>69</sup> Associated statehood was unravelled slowly. Starting with Grenada in 1974 and ending with St Kitts-Nevis (the new name) in 1983, the associated states in the Caribbean proceeded separately to independence.

On the mainland of South America, British Guiana constituted a seemingly intractable colonial problem. Despite protests voiced in person to Wilson in October 1964 by Cheddi Jagan, British Guiana's premier and left-wing leader of the People's Progressive Party, elections under proportional representation were held in the country in December 1964. Jagan won a majority of seats but not of votes and a new coalition government was formed by Forbes Burnham, leader of the People's National Congress, in alliance with the United Force led by Peter d'Aguiar. The previous Conservative government in Britain had imposed proportional representation, ostensibly as a means of bridging the increasingly violent racial divide between the Indian supporters of the PPP and African supporters of the PNC, but in reality as means of removing Jagan from office.<sup>70</sup> A major determinant of British policy was insistence by the US administration that independence under a Jagan government would not be tolerated.<sup>71</sup> With Burnham in office and British ministers persuaded the rival races would never co-operate while Britain remained to hold the ring, British Guiana proceeded to independence as Guyana in May 1966. Despite a plea from Wilson, Jagan refused to attend a final constitutional conference in London. For the Labour government, the main decision was whether to retain British troops in the country for a short period after independence (298, 299). After independence Burnham let it be known he favoured an association with St Vincent and Grenada. On paper the proposal had much to recommend it from a British viewpoint but Burnham's avowed purpose was to enhance his prospects of winning the next Guyanese election by using votes from St Vincent and Guyana to keep out of office the PPP, the Indian supporters of which were increasingly more rapidly than the African supporters of the PNC. Britain could not therefore offer public support and the idea was not pursued further (304). In British Honduras, Britain's other continental dependency in Central America, progress towards independence was held in check by a continuing dispute over sovereignty with neighbouring Guatemala (308).

### *Gibraltar, the Falkland Islands and Hong Kong*

Frontier restrictions imposed by Spain in 1964 in response to the introduction of a new constitution in Gibraltar had intensified by 1969 to a complete closure of the border which inconvenienced not only the local population of 25,000 but also 4,000



Spanish workers who lost their jobs in the colony. In 1965 Greenwood emphasised why it was important for Britain to resist Spain's economic and moral pressure. Action by a foreign government against a British colony had to be seen as action against Britain itself (312). Independence for Gibraltar was out of the question (the Treaty of Utrecht of 1713 gave Spain first claim if Britain relinquished sovereignty), and both integration with the UK (313) and associated statehood were equally impractical. If Gibraltar were to become an associated state, Britain's responsibility for defence and external affairs would require the retention of sufficient control over the internal administration to ensure 'that we are not embroiled with Spain by hot-headed if well-meaning local politicians' (314). A referendum in Gibraltar in September 1967 produced an overwhelming vote (12,138 to 44) in favour of retaining links with Britain, but for the British government the result did not finally settle the colony's status. A government statement made clear the people of Gibraltar could at any time by democratic means modify their status by joining Spain. To accept the referendum as final would entail an indefinite and unwelcome defence commitment, defeat the purpose of outflanking Spain at the UN, and undermine Britain's publicly declared policy of settling international disputes by negotiation. Other ideas put forward in 1969 in pursuit of an elusive settlement included a transfer of sovereignty to Spain with Britain remaining in administrative control for thirty years, and a condominium in which Gibraltar would acquire the status of a small autonomous community like Andorra with only loose control by the two co-sovereigns (315).

Britain's stand over Gibraltar was not without influence in the negotiations held between 1967 and 1968 with Argentina over the Falkland Islands. To Argentina the inhabitants of the Falklands were either interlopers who had no right to be there or Argentinean subjects. Either way, according to the government in Buenos Aires, they lived in territory already belonging to Argentina, and the Argentineans refused to accept the islanders should have the power of veto over any agreement reached with Britain. For Argentina's ambassador to London in July 1967 the problem of the islands was not economic, territorial or strategic. Instead it was 'essentially an emotional problem', and the only one 'on which everybody in Argentina agreed' (319). The British government was prepared to countenance the transfer of sovereignty to Argentina, but only if it accorded with the islanders' wishes. The crucial questions in 1967–1968 were the means by which those wishes might be determined, and by whom. A suggestion for a transitional period of up to forty years was rejected by George Brown as unrealistic. What was needed according to the FO was a much shorter interim agreement under which both sides would agree to freeze their legal claims. A statement of the British position should be matched on the Argentinean side by an explanation of what guarantees might be offered to the islanders. To this end it was important to restore travel and communications between the islands and Argentina which had been suspended by the Argentinean government before Labour took office in 1964 (316).

Before the creation of the FCO in 1968 the Commonwealth Office remained responsible for the administration of the Falklands, while the FO conducted the negotiations with Argentina. This division of responsibility highlighted different priorities existing in Whitehall. Concerned above all to improve relations with Argentina, the FO wanted first to reach agreement on the outline of a settlement and then to consult the islanders. The FO view was that the British government should

ultimately decide whether a settlement accorded with the islanders' wishes. Officials from the Commonwealth Office contested this formula because they believed it would cause trouble over Gibraltar. Spain would ask why Gibraltar should not be treated in the same way as the Falklands, with the British government determining local interests. In negotiation with Argentina, the Commonwealth Office maintained the FO was too concerned with 'the next compromise and the next concession'. British negotiators should be 'digging our toes in', and telling the Argentineans that if they wanted agreement 'they had better steel themselves to accepting the realities of *our* situation' (320). There was, however, a school of thought within the Commonwealth Office maintaining it would be unreasonable to allow the islanders a veto on a settlement if the local population fell below 1,000 (318).

Sir Cosmo Haskard, the governor,<sup>72</sup> believed the long-term future of the Falklands lay inevitably with Argentina but he argued against a settlement along the lines proposed by the FO. Time and economic forces would, accordingly to Haskard, deliver the islands to Argentina. Wool, the staple industry, was in decline and some islanders were already leaving, although as yet emigration was still only a seepage and not a flood. The governor suggested a date for the transfer of sovereignty should be fixed for the turn of the century. This would allow ample time for an increasingly ageing population to live out the rest of their lives in comfort and security, and for the others to consider alternative long-term plans. Haskard was in a difficult position in dealing with local opinion because outside a select few on his Executive Council he was not allowed to divulge that negotiations were in progress. He reminded the Commonwealth Office of the Falklands outlook in October 1967: 'We know as much about Argentina as the inhabitants of the Shetlands know about Poland.' Earlier attempts had been made by Argentinean nationalists to land in the islands and claim them for Argentina. They amounted to little more than amateur publicity stunts with no official backing, but they had none the less an unsettling local effect. The governor wanted a ship sent out, not as a panic measure or one taken under duress, but to concentrate minds (317, 323, 324). In the climate of the British defence reviews this was out of the question. For their defence the Falklands had to rely on a small detachment of Royal Marines, and an ice-patrol ship within four days' sailing of the islands every year between March and November.

One of Haskard's ideas was Argentinean control of business on the islands (317), a proposal taken up by Argentina's foreign minister in discussion with Brown in September 1967 when he suggested Argentina might purchase the Falkland Islands Company, a British company carrying out trading operations (322). Both governor and foreign minister believed this would encourage emigration. But on the fundamental issue of consultation with the islanders, Argentina would not change its position (321). To escape the impasse the FO proposed and the DOPC agreed in October 1967 that the two countries should sign a memorandum of understanding about a transfer of sovereignty by a date still to be specified. Simultaneously Britain should issue a statement explaining how sovereignty would not be transferred unless the change was acceptable to the islanders. The proposal alarmed Haskard who believed it would destroy any prospect of a settlement. Restating his views about the economic forces at work, the governor wanted matters put on hold and he asked for a minister to visit the Falklands. Brown was not aware of Haskard's misgivings over policy until February 1968. The discovery made the secretary of state, in his own words, 'exceedingly angry' (324–326).

The Cabinet, however, decided in September 1968 to proceed. Haskard's views were acknowledged but ministers were persuaded that without a memorandum of understanding Argentina would not agree to reopen communications with the islands, an essential first step in the normalisation of relations (327, 328). Lord Chalfont visited the Falklands in November to explain government policy and to offer reassurance. A brief for the visit prepared by the FO emphasised the importance of trade with, and investment in, Argentina, and the fact that Britain could no longer defend the Falklands effectively, 'except by a force ridiculously large in relation to the population and resources' (329). Chalfont found life in the islands unappealing; Falklands society had 'a paternalistic, almost feudal character'. Believing British policy to be soundly based, the minister maintained that locally the memorandum of understanding would still come as a great shock. Argentina was feared and distrusted, and there were justifiable concerns about Britain's defence commitment (330). Chalfont's visit coincided with British press reports about the government preparing to transfer sovereignty, and these led to awkward questions in parliament. Stewart issued a denial in the House of Commons on 16 December.<sup>73</sup> Confronted by a campaign on behalf of the Falklands, the Labour government retreated from the memorandum of understanding and there was no agreement with Argentina. The affairs of the islands took a new twist in 1969 when the government had to decide its response to an application made the previous year by an American company for licences for oil exploration. Whether the continental shelves concerned lay inside the territorial waters claimed by Britain for the Falklands seemed open to question. The application placed the government in a further quandary. If it were refused the islanders would claim they were being denied possible new sources of revenue for development. If the licenses were granted Argentina would protest and the defence of the islands would again become an issue. The Chiefs of Staff concluded that the existing garrison was adequate to counter all threats except the risk, in the event of a complete break down of talks with Argentina, of an officially-backed Argentinean invasion (331).

According to the governor, Sir David Trench, Hong Kong at the beginning of 1967 felt isolated and neglected. The colony was still recovering from a number of shocks administered in recent years, among them curbs on Hong Kong's cotton exports to Britain, and more especially, as a result of negotiations in 1966 as part of the defence review, an increase in local defence costs and a slight reduction in the garrison (332). To overcome the feeling London now viewed a once 'loyal supporter' as a 'tiresome nuisance', Trench urged more visits by ministers and members of the royal family, while the Commonwealth Office considered practical schemes of assistance (333).

Starting in May 1967 and continuing throughout the year, Hong Kong witnessed a series of communist-inspired strikes and demonstrations, an overspill according to the local government from the Cultural Revolution in China. In August the British Legation at Peking was attacked by Red Guards and burnt down. Aware of Hong Kong's vulnerability, the British response in the colony was to tread carefully. Firm but limited action was taken against communist demonstrators and the communist press. Labour reforms were rushed through, and the disturbances lent greater urgency to the projects to assist Hong Kong. Attempts were made in London to assess Chinese motives in stimulating unrest in the colony. The possibilities considered were that China wanted to secure a propaganda victory, a Macao-type solution under which British administration existed only on Chinese sufferance, or

the eviction of Britain altogether. There was no prospect of a settlement with the existing Chinese government. Britain could hold out, evacuate, or risk 'being kicked out by force' (334–336, 338). Large-scale evacuation was examined but rejected as a solution. It would be impossible to maintain secrecy in planning, and the implementation of any large-scale evacuation plan would cause a breakdown in law and order. If the need arose there would be a 'crash programme' to evacuate as many as possible of the 100,000–200,000 most vulnerable Chinese out of a total population of 3.8 million (337).

In the aftermath of the disturbances a study of the long-term prospects for Hong Kong was prepared in great secrecy in London. Underlying the study was an assumption Britain might not be able to remain in Hong Kong until 1997 when the lease on the New Territories expired: a change in the colony's status might have to be considered at any time after the end of the Vietnam war. A lengthy and detailed report, reproduced here virtually in its entirety, was ready in March 1969 (339). It examined the benefits, drawbacks and costs involved in Britain's possession of Hong Kong, Chinese interests and attitudes, and Britain's ability to influence Chinese policy. One broad conclusion was that as the year 1997 drew closer, Hong Kong's economy would slow down and decline. The report accepted the colony's future lay with China, and that British policy should aim to ensure an eventual transfer on the best possible terms for the local population and outstanding British interests. Four options were examined: a voluntary withdrawal, acceptance of Chinese influence over the administration with a view to withdrawal, a formal offer to China to negotiate, and an informal approach to China to reach an understanding about the terms of withdrawal by a date to be agreed. The fourth option was recommended, and on the question of timing the early 1980s was suggested, or as soon as there emerged in China a regime with which Britain might be able to do business. In the worst but unlikely case of a Chinese attack on Hong Kong, British forces were under instruction 'to offer such resistance as may be appropriate in the circumstances prevailing, in accordance with political direction at the time'.

The findings of the 1969 study were not immediately placed before ministers and by the end of the year questions were being raised in the FCO Hong Kong Department about the basic assumption underlying the report. Here the view was expressed that the study had been commissioned too close to the events of 1967; it was perhaps too hasty in its conclusion about Britain having to leave Hong Kong, even in 1997. In order to retain foreign exchange benefits said at the time to be worth \$600 million a year, a more moderate regime in China, possibly emerging by 1975, might tolerate Britain staying until as late as 2025. Britain would have to pay a price, either by paying for an extended lease of the New Territories or by surrendering another part of Hong Kong. Before then the question would arise whether the government 'would be willing to adopt a policy which resulted in Britain remaining a colonial power into the 21st century' (340, 341). On the basis the prognosis was too speculative, Labour ministers were not invited to comment. Instead Stewart reverted to what he described as the 'somewhat Micawbersih policy' recommended in the 1969 report. In its defence the 1969 policy would 'see us through at any rate the next five to ten years—which is perhaps as far ahead as it is prudent to look in dealing with Hong Kong' (342). Further speculation in the FCO about Hong Kong's future attended the arrival in power of the Conservative government in 1970, and thought was again given to a strategy of remaining in the colony after 1997 (343, 344). No

decisions were made. It was already clear Hong Kong's future depended, not on speculation in Whitehall but on the attitude of China.

### *The Indian Ocean and the Pacific*

As a result of the Sino-Indian war of 1962, the US became aware of a gap in its defence dispositions between the Mediterranean and the Philippines and wanted to establish military facilities on some of the small islands of the Indian Ocean. This was the main reason why, in November 1965, the British Indian Ocean Territory was established as a crown colony. With a population of 1,500, the territory consisted of the islands of the Chagos Archipelago (principally Diego Garcia), formerly administered through the government of Mauritius, and the islands of Aldabra, Farquhar and Desroches in the Western Indian Ocean, formerly administered by the Seychelles.

Under the arrangement the US paid for the facilities and allowed Britain to use them, and Britain made the islands available and compensated the governments of Mauritius and the Seychelles. Compensation included payment for resettling displaced local labour, the US insisting, despite British representations, that it intended to use US personnel only. The FO and the MoD supported the proposal; the CO was rather less keen (345). The US requested permission in 1968 to develop on Diego Garcia a communications facility, an airstrip and anchorage, and a fuel depot. An announcement was made in 1970 and agreement formalised by an Anglo-American exchange of notes in 1972. The facility began operating in 1973. The local inhabitants, known as Ilois, were resettled on Mauritius in a controversial manner which was taken to litigation. The population of Diego Garcia in 1968 was tiny, only 389. Some were contract labourers from Mauritius but 128 were second generation who were born on the island. This was not made public at the time. The British government proposed to deal with any international protests by claiming the UN had no competence to concern itself with a territory where there was no indigenous population (348). Nor was it revealed that some of the Ilois had dual Mauritian-British nationality, and thus possessed, as an alternative to resettlement on Mauritius, the right to settle in Britain (350).

The Maldives Islands in the Indian Ocean became independent in July 1965. Under British protection since 1887 when a treaty conferred on Britain rights in relation to defence and external affairs, the Maldives enjoyed internal autonomy and relations were conducted through the British government of Ceylon until the independence of Sri Lanka in 1948, and thereafter through the Sultan of the Maldives. A new agreement in 1960 gave Britain free and unrestricted use (until 1986) of the island of Gan in the Addu Atoll, some 200 miles from Malé, the capital of the Maldives. Gan was an important RAF staging post, extensively used en route to Hong Kong, South-East Asia, Australia and New Zealand. The 1960 arrangements were not altogether to the liking of the prime minister of the Maldives, and independence in 1965 was preceded by two years of at times difficult negotiations, the Maldives stipulating at one point that Gan could not be used in action against an Asian or Islamic state. Britain's use of Gan for the express purpose of Commonwealth defence was included in an exchange of documents at Colombo in 1965 confirming the Maldives' independence. There were no ceremonies, no flags were hauled down, and, as the high commissioner at Colombo put it, 'no visitors came from distant lands for a few days of free hospitality'. Apart from 'the sullen introspection of the Maldivian

character', the main reason for the absence of ceremony was that nothing really had changed. The Maldives joined the UN at independence, became a republic in 1968, joined the Commonwealth as an associate member in July 1982, and as a full member in 1985. Britain retained facilities on Gan until 1976 (346).

Mauritius achieved independence in March 1968, although the Commonwealth Office believed it would be many years before Britain would be able to 'wash its hands' of the country's problems. Foremost among these were a rapidly increasing population and a steadily declining economy almost totally dependent on sugar. Over two-thirds of the population were Indian immigrants, mainly Hindu but some Muslim, and the remainder, known as Creoles, were people of mixed African and European (largely French) descent. There was also a small Chinese minority. The danger of communal disturbances lurked constantly beneath the surface, a special difficulty for Britain because strategically Mauritius was as important as Gan. As part of the arrangement under which Mauritius agreed to surrender the satellite islands to the British Indian Ocean Territory, Britain provided training for the local Mauritian security forces beyond independence. Clashes on the eve of independence between Creoles and Muslims in Port Louis, the capital, forced the cancellation of a visit by Princess Alexandra, and British forces despatched to Mauritius from Singapore to deal with the disturbances remained until June 1968 (347).

The Seychelles was one of three territories in the late 1960s (the others were St Helena and the Gilbert and Ellice Islands) in which experiments were conducted in an attempt to break away from the Westminster model of government and to devise alternative constitutional patterns thought more appropriate to local circumstances. In the case of the Seychelles a single council system performing both executive and legislative functions was introduced in 1968, and ministerial functions were performed in a series of executive committees. The system resembled that in use at the time in the Greater London Council, London's local authority, and a similar system had operated in pre-independence Ceylon. In the Seychelles it did not last long and elections in November 1970 marked a return to the Westminster model of government by an executive chosen from the majority party in the legislature. They were won by the Seychelles Democratic Party campaigning for integration with Britain and using the symbolism of the Union Jack both as a slogan and emblem. The opposition Seychelles People's United Party wanted independence and closer links with Africa and the OAU. Sir Bruce Greatbatch, the governor, suggested after the election still further thought should be given to new forms of integration for small territories such as the Seychelles which viewed 'with concern and fear the severing or indeed the failure to strengthen the historical links with Britain'. The Seychelles became an independent republic in 1976 when the Western Indian Ocean islands of Aldabra, Farquhar and Desroches were returned to the country (349).

In the Pacific Tonga became an independent kingdom in June 1970. A protected state since 1900, Tonga before independence was in a position not dissimilar to the Maldivian Islands. Britain exercised responsibilities for defence and external affairs purely in diplomatic role through a chief commissioner responsible, until 1965, to the governor of Fiji. Tongans always considered themselves an independent nation in a special relationship with Britain, so much so they travelled abroad on their own passports. In 1970 the King of Tonga decreed the occasion should be celebrated, not as one of independence but of Tonga's re-entry 'into the comity of nations and her entrance into the Commonwealth of Nations'. Outwardly Tonga appeared a stable

country in which there was no racial problem, the monarchy was revered, and society was hierarchical. But there was also a rapidly expanding population, growing pressure on land ownership, a movement of people from rural areas to the towns, and an emerging problem of unemployment among the educated young. The King presided over 'an 18th century constitution, adapted to an age-old Polynesian social system'. His brother was prime minister, and there was no provision for a change of government other than by royal fiat. Reporting on Tonga's independence from his post as high commissioner to New Zealand, Sir Arthur Galsworthy commented on the 'inevitable risk' that if Tonga's problems became more intractable, 'the resulting public odium will rub off on the Royal Family' (352).

In October 1970 Fiji became independent.<sup>74</sup> For many years mistrust between the Fijian and Indian communities was thought likely to block progress towards self-government. In 1965 the total population was nearly 470,000. Fijians constituted just over 42 per cent, Indians 50 per cent, with European, other Pacific, and Chinese groups making up the rest. Local politics were dominated by the Fijian Alliance Party, which saw in the maintenance of the colonial status quo a defence against Indian political advancement. The conservatism of the Alliance Party was frustrating to a British government wanting to move Fiji closer to independence.

A turning-point arrived in the autumn of 1968 when the opposition National Federation Party representing the Indian community secured a series of resounding by-election victories. The elections persuaded the Alliance Party and especially its leader, Ratu Sir Kamisese Mara, to shift to a platform of early independence while the country was still under Fijian leadership. A violent anti-Indian backlash followed the elections. It alarmed the Indian leaders and persuaded them to sink their differences with the Fijians. Specifically, they agreed to independence before a further electoral test. Instead, a Royal Commission would examine and report on the system of election and representation after the first post-independence election. In the words of Sir Robert Foster, the last British governor, the key electoral issue had been 'fluffed', and 'a time bomb' lay buried under the independence constitution. The issue of race permeated society and seemed certain to dominate Fiji's politics. 'The Fijian people have a growing awareness of the present differences between their wealth and opportunity and that of other races. They may as a result become embittered, and embitterment may lead them to lash out wildly.' But there were still grounds for optimism. The economy was healthy, the civil service efficient, industrial relations stable despite a recent dispute in the sugar industry, and Fiji's physical isolation provided a shield against 'external ideologies and events'. Foster concluded: 'Those of us who have seen other countries at the same stage are at one in believing that things should go well' (353).

Elsewhere in the Pacific political development lagged significantly behind, and both Australia and New Zealand showed little inclination to assume the mantle of Britain's responsibilities (351). British territories were under the jurisdiction of the Western Pacific High Commission, established in 1877 with headquarters at Honiara in the British Solomon Islands. Fiji was separated from the Commission in 1952 (up to that point the posts of high commissioner and governor of Fiji had been held concurrently), and thereafter the Commission was responsible for the British Solomon Islands, the New Hebrides (a condominium with France), the Gilbert and Ellice Islands, and the Central and Southern Line Islands, five small islands now part of Kirabati.

Geographical isolation and low development potential were the main drawbacks in the Pacific. The Gilbert and Ellice Islands had a land area of only 283 square miles but were scattered across 2,000 miles of ocean. They had no natural resources beyond deposits of phosphate forecast to be exhausted by 1977. In 1970 the Pacific and Indian Ocean Department of the FCO found it impossible to envisage a time when the colony would be prepared to sever its ties with the Britain. By then, however, a movement for separation from the Gilbert Islands was gathering momentum in the Ellice Islands. Aware that separation would involve Britain in greater expense, and reluctant to consider further fragmentation in the Pacific, the FCO tried but failed to persuade the Ellice islanders to change their minds. The movement for separation left the FCO wondering if 'the problems of the Caribbean in the '60s will spread to the Pacific in the '70s'. The priority was to avoid a repeat of the Anguillan situation, and this in turn dictated that the Ellice Islands could not be forced to maintain the link with the Gilbert Islands (354, 355). The outlook was slightly better but not without problems in the British Solomon Islands and the New Hebrides. Progress in the New Hebrides Condominium depended on agreement with Paris but France appeared reluctant to contemplate reform, not least because this might impact on other French territories in the Pacific, especially French Polynesia, a nuclear test site (356). In the British Solomon Islands, a territory with a population in 1965 of 140,000, there was by 1970 only one local graduate. The Ellice Islands eventually separated from the Western Pacific High Commission in 1974. They were renamed Tuvalu when they separated from the Gilbert Islands in 1975 and became independent in 1978. The Solomon Islands also achieved independence in 1978, followed by the Gilbert Islands (under the new name of Kirabati) in 1979, and the New Hebrides as Vanuatu in 1980.

### *Africa*

Britain's involvement with Africa during the years covered by this volume spanned a number of different issues. The problem of Rhodesia, the completion of the transition to independence in West and Southern Africa, and the Kenyan Asian crisis of 1968, are treated separately. The discussion following focuses on four other African issues: concern over communist penetration of the continent and how to counter it, British policy towards post-colonial Africa, the civil war in Nigeria, and relations with South Africa in the context of arms sales.

Cold war considerations as well as pressure from local nationalists had been instrumental in influencing the timing of the accelerated rate of decolonisation in Africa between 1959 and 1964. Faced with the dilemma that both reluctance to concede independence and undue haste in moving towards it might leave large areas of Africa dangerously exposed to communist exploitation, the British government decided to take the second of the two risks. It calculated that Africa might prove to be resistant to communist ideology, and that African nationalist leaders, who had no wish to swap one set of colonial masters for another, would more inclined towards their own brand of socialism. Nevertheless, holding communist influence at bay was as much a preoccupation of policy after independence as it was before. And the concern was not confined to former British territories. In 1968 Le Quesne recalled the circumstances under which he was appointed in October 1960 as chargé d'affaires to the Republic of Mali, formerly part of French West Africa. He was told 'in seriousness' by a senior member of the FO that his task was 'to prevent a Soviet



takeover of the country'. Le Quesne's 1968 analysis of the years since 1960 argued that Britain and the west generally had displayed in the early years an almost obsessive fear of communist inroads into Africa. It was understandable because of events in the Congo but it was also unwarranted. He accepted communism had been at the time, and still remained in 1968, a problem, but he suggested it was not 'in itself the fundamental problem so much as a secondary product' of Africa's instability and poverty. Much of former colonial Africa was now independent in a sovereign sense, but with barely adequate means to sustain independence in practical ways. Pondering Africa's problems Le Quesne argued: 'Eight years ago we did not realise how shallow were the roots which parliamentary democracy had put down' (381). His retrospective analysis in this respect contrasted with the contemporary views of the Colonial Office and the Commonwealth Relations Office. Those either involved in, or observing, constitution-making on the eve of independence in the early 1960s had little illusion it would be anything but easy to transplant parliamentary institutions onto African soil.

Communist involvement in Africa led to a survey in November 1964 by the FO of its implications (357). Here it was argued that while the Soviet Union posed the greater long-term threat, Chinese activity was more immediately troublesome because it was unpredictable and opportunistic. It seemed unlikely China was aiming to achieve communist overlordship in Africa. Instead it was assumed China wanted to loosen Africa's political and economic ties with the west, increase international support for its claim to be represented at the UN, and rally support for its own ideological conflict with the USSR. Neither communist power was able to compete with the west in the amount of aid it could provide in Africa. On the basis that anything helping to increase prosperity was to be welcomed, the FO report argued not all communist aid should give cause for concern. The west should not be too anxious to make counter-offers because this would encourage African governments to exploit the cold war divide. This line of argument explains why, in the case of Tanzania, Britain did not appear too concerned that President Nyerere wanted Chinese assistance in building a railway link with Zambia, and also accepted Chinese weapons and military instructors (395). The British government did not expect Nyerere to become a fellow traveller. On the subject of military aid more generally, the FO warned against weapons falling into the wrong hands, but assumed nevertheless that influence should be cultivated with African military leaders, especially the small circles of officers with whom very often real political power rested. The importance of technical assistance and propaganda was emphasised, as well as co-ordination between western governments, including France, a traditional rival for influence in Africa (377), and others with no recent colonial history, such as West Germany.

These were described as the 'tactical' considerations in countering communist influence. Overall strategy dictated that no part of Africa should be allowed to come within the communist orbit. To this end the west should be ready where necessary to resort to military intervention. Such action could be direct in some cases (British intervention against military mutinies in East Africa at the beginning of 1964), and indirect in others (US and Belgian support for pro-western factions in the Congo). However, the FO advised that if an African government appealed for assistance against internal or external opposition, it had to be of a kind 'we can afford to be seen supporting'. Parliamentary governments were thin on the ground, and in dealing

with what were described as 'African autocracies', the west had to distinguish 'the relatively progressive from the basically reactionary'. The 'wind of change' was still blowing in Africa, and western governments would damage their own interests if they became too closely associated with an African regime resistant to change. Western interests were therefore just as likely to be served by African leaders identified as radicals—Oscar Kambona, Tanzania's foreign minister, and Ahmed Sekou Touré, president of Guinea—as they were by those deemed more moderate—Hastings Banda, prime minister (president from 1966) of Malawi, and Leopold Sedar Senghor, president of Senegal.

The FO paper on communist influence in Africa was one of a number of documents exchanged with the US in preparation for Anglo-American talks about Africa held at London in March 1965. Averall Harriman, ambassador at large, led the US delegation in discussions aimed at co-ordinating thinking about current policies and future developments. Suggesting Africa occupied a key position in the world, Harriman viewed subversion as the main problem. He disagreed with the British analysis about the Soviet Union posing the greater threat. Chinese subversion was more dangerous, despite 'the crudity of their methods'. Britain and America had different views about how to respond to communist activity in Africa, Britain being the more willing of the two to see the communists risk burning their fingers. Away from the London talks this was a point put separately by Lord Walston to Harriman at a NATO Council meeting in Paris in January 1965. In that the Congo was the main US consideration, Harriman suggested Soviet and Chinese activity was a far greater destabilising influence than any internal Congolese factors. At a still earlier meeting with Walston in December 1964, Harriman dismissed British fears about too much western political effort in a single country like the Congo antagonising Africa as a whole and alienating the Organisation for African Unity. To the US, the OAU was dominated by 'a small group of irresponsible radicals', and it was disappointing that a number of neighbouring African countries had allowed arms for the communist rebels in the Congo to be transported through their territories.<sup>75</sup> Concern that at times the US was too demonstrative in its support for pro-western African governments and politicians was a continuing refrain in British thinking. It resurfaced again in relation to Kenya in 1966 (367).

At the London talks in March 1965, Harriman questioned the terminology used to describe African countries and their leaders. He suggested 'extremist' was better than 'radical', and wanted to find 'a more attractive name for our friends' than 'moderate'. But overall, and despite its views about the Congo, the US was not keen to become more closely involved in Africa. The US was content to play a secondary role, on the basis of the Europeans being primarily responsible for relations and most African countries still valuing their contacts with the former colonial powers. To this extent the British government was unsuccessful in its efforts to persuade the US to give greater aid to Africa. The Americans wanted to be 'much more political in our aid giving and less developmental'. Harriman especially argued for a greater effort in the information field; 'money spent in this area was much more worth while than large amounts of money for building dams' (363).

Concerned that with four separate governments departments involved there was inadequate co-ordination of policy towards Africa as a whole, the CRO suggested in January 1965 the revival of an Official Committee on Africa, which had last met in July 1962. Africa was increasingly in the news, and the prospects seemed to be 'of

more rather than less turmoil throughout its length and breadth'. Because of Britain's 'enormous stake' in Africa 'we become immediately involved in almost every untoward development from the Cape to Cairo' (358). An Africa Sub-Committee of the Defence and Overseas Policy Committee was set up in March 1965.

Simultaneously, Sir David Hunt, high commissioner to Uganda, sent a despatch to the CRO on the subject of why Africa was important. To Hunt this was self-evident. He drew attention to the disproportionate scale of diplomatic representation in Africa, to Africa's thirty-five votes at the UN (described by Hunt as 'the most significant single statistic' in his despatch), and to the fact that the communists would be the beneficiaries of any rift between the west and Africa. In this latter context Hunt did not expect the establishment of communist governments in Africa. He had quiet fun recording what 'a pretty mess' a Marxist-Leninist Uganda would be. Instead he feared, as a consequence of communist meddling, that African countries might slide back into 'anarchy', become 'outrageous' in their treatment of western interests, and make life intolerable at the UN. In the contest for influence in Africa Hunt believed Britain possessed several advantages in the form of the English language, trade, and a host of professional associations. But the main tool of policy was aid and Hunt had his own criteria for the principles according to which aid should be provided. First, what the Africans wanted; secondly, what would benefit Britain; and only finally, what would be to the Africans' advantage. On the assumption Africans liked nothing more than 'to see wheels going round and smoke coming out of chimneys', Hunt argued they should have their prestige projects, even in cases where Britain judged them of dubious or lesser value. To tell Africans what was good for them would be 'neo-colonialism' (359). Hunt's despatch was sent to all British high commissioners in Africa. His arguments were supported by his counterpart in Sierra Leone (360), but in London his criteria for aid policy were greeted with some scepticism in the Ministry of Overseas Development (362), and by outright opposition in the FO (364).

A major paper on policy towards Africa, prepared by the Africa Sub-Committee of the Defence and Overseas Policy Committee, appeared in October 1967. Like its 1959 predecessor produced under the Conservative government,<sup>76</sup> this was a survey of Africa over the next ten years. Originating in a study in 1966 by the FO Planning Staff of policy towards Southern Africa (368), the 1967 paper examined Africa south of the Sahara, for which purpose the continent was divided into Southern Africa and Middle Africa. The main conclusion was that British interests in Africa were 'secondary'. Despite what the paper described as the 'race conflict' in Southern Africa and the continuing importance of Rhodesia, Africa was unlikely over the next ten years to become a major issue in world affairs.

However, as a permanent member of the UN Security Council and the principal former colonial power, Britain could not disassociate itself from Africa. In certain cases, for example Malawi, the British presence in commerce and administration was still considerable (390). Africa provided 20 per cent of British imports and took 12 per cent of British exports. 15 per cent of long-term British investments were in Africa, 60 per cent of these in South Africa. The GNP of Southern Africa (£3,800 million) was less than that of Middle Africa as a whole (£6,600 million), though larger than the figure for Commonwealth Middle Africa (£3,600 million). Militarily Britain had few remaining commitments beyond a defence responsibility for Swaziland (scheduled for independence in 1968), and 'a rather shadowy

commitment' to assist Kenya in the event of a direct attack by Somalia. In a strategic sense sub-Saharan Africa had limited value. The naval facilities in South Africa under the 1955 Simons Town Agreement were described as 'highly desirable but not essential', and the value of the Cape sea route to South-East Asia and the Far East varied with the circumstances of the Suez Canal.<sup>77</sup> Aid policy was the government's major African concern. In 1966 Britain provided £63 million to African countries, £60 million to Commonwealth African countries. Commonwealth countries in Middle Africa received £48 million, the equivalent of 31 per cent of total bilateral British aid. Politically, it was accepted that Africa should be non-aligned.

Of the two areas under review, the paper admitted that in relation to South Africa, Britain faced a dilemma.<sup>78</sup> Abhorrence of apartheid had to be balanced against substantial British material interests in South Africa. The findings of an earlier study, that a policy of sanctions against South Africa would be disastrous for the British economy (361), were endorsed. In 1965 Lord Caradon wanted to warn South Africa about the inevitability of a violent reaction against apartheid, 'which may well necessitate international intervention'. His argument was dismissed at the time by the FO (365), and discounted again in the 1967 paper. Britain had no option but to accept South Africa would be 'virtually impregnable' for a number of years to come. At most Britain might exercise indirect influence. A hopeful but still remote sign for the future identified in the paper was the distinction drawn between the urban and sophisticated Afrikaners who put their living standards first, and the traditional rural Afrikaners who clung to racial dogma. Another assumption was that an expanding South African economy would lead to increased black employment opportunities. On relations with South Africa more generally in 1967, Sir John Nicholls, the ambassador, wanted to 'temper disapproval with understanding', along lines deemed premature and unwarranted by the foreign secretary (371).

Over South-West Africa (Namibia since independence in 1988), the FO paper acknowledged Britain would face a further dilemma if it refused to support and join any legal action taken by the UN to compel South Africa to comply with its obligations to establish a trusteeship for the territory—'we can only meet this problem as and when it arises'. Britain's ability and indeed willingness to influence Portuguese policy in its colonies of Angola and Mozambique were similarly limited. Although there were 'imponderable factors' making it difficult to see more than a few years ahead, the paper forecast Portuguese control was 'doomed' but capable of surviving for the next ten years.

The prospects for the countries of Middle Africa were, with few exceptions, described as 'poor'. They suffered serious weaknesses: 'lack of national identity, ill-adapted and insecurely based political institutions, inadequate resources of trained manpower'. There were no outlets for political dissent and so in certain cases the pattern for opposition was a military take-over. Ghana (366) and Nigeria (see below) were the examples in former British colonies, and Uganda was next in line (383, 388, 389). Reference was also made to the substantial numbers of British citizens in East and Central Africa, the overwhelming majority of Asian origin. They gave cause for concern. Even before the Kenyan Asian crisis of 1968, a separate decision had already been made that Britain could provide emergency protection (a euphemism for evacuation) for British expatriates only (370).

Referring to the political divide between Middle Africa and Southern Africa, the paper concluded the British government should try to live with both sides. Britain

should avoid a leading role, making it clear there were limits beyond which it was not prepared to go in alienating one side or the other. The paper acknowledged: 'It is not a heroic position to take, nor even a comfortable one.' Both sides would accuse Britain of inconsistency and insincerity, and the communist powers would not hesitate to bend the ears of Middle African governments with strictures about British behaviour. But so long as involvement in Rhodesia continued, 'this is really the only course open to us'. Until the outcome on Rhodesia could be seen, and the views of Middle African countries on the resulting position established, 'it is difficult to lay down future lines of policy with precision' (376). Independently Wilson suggested, should a settlement over Rhodesia prove possible, that it might be made more acceptable to African Commonwealth countries if it coincided with the launch of a Southern Africa Development Plan. The World Bank and a number of countries (the US, West Germany, South Africa, and Japan) as well as Britain might contribute. British officials were not impressed. The permanent secretary at the Ministry of Overseas Development described the prime minister's proposal as 'thoroughly unsound in terms of aid' (382).

Described in 1957 by Alan Lennox-Boyd, a Conservative secretary of state for the colonies, as 'the biggest colonial exercise ever',<sup>79</sup> Nigeria became ten years later the first major casualty of the independence era. On 30 May 1967, the governor of Eastern Nigeria, Lieutenant-Colonel Chukwuewemka Odumegwu Ojukwu, declared the region to be the independent Republic of Biafra (373). Nigeria was plunged into a three-year civil war which claimed the lives of over one million Igbos from the east.

At independence in 1960 the British government was only too aware of the fragility of Nigeria's federal unity. At the time officials thought independence had come too soon to Nigeria, and ideally they wanted Britain to stay on for a few more years. But more time was denied the British, in their view because the pace of political change throughout British West Africa had been forced too far and too fast by events in neighbouring Ghana. Recommending independence be granted to Nigeria in the autumn of 1960, the secretary of state told his Cabinet colleagues in October 1958 he would 'certainly not like to assert that self-government will in Nigeria be good government'.<sup>80</sup> Britain went ahead primarily to retain Nigerian goodwill and its place within the Commonwealth, and to protect British trade and investment in the country. High hopes were pinned on the moderate and pro-western Sir Abubakar Tafawa Balewa, Nigeria's first federal prime minister. He was killed during a revolt by junior army officers in January 1966, just forty-eight hours after he had hosted in Lagos the conference of Commonwealth prime ministers to discuss Rhodesia.

Four African countries recognised Biafra's independence in 1967—Tanzania, Zambia, Gabon and the Ivory Coast—and the Ojukwu regime also had the dubious privilege of being supported by South Africa, Rhodesia and Portugal. As the war progressed, and despite a French government ban on the sale of weapons to either side, unsubstantiated rumours abounded that French weapons were reaching Biafra through the Ivory Coast and Gabon. The British high commissioner in Nigeria alleged that French mercenaries were fighting on the Biafran side, and that French oil interests were active in support of the Biafran regime. The FO deleted these references before circulating the high commissioner's despatch to other posts (380).

From the outset Britain was in an awkward position. As the former colonial power

and for the sake of stability, Britain wanted to maintain a united Nigeria. But most British interests in Nigeria were in the east. These included 3,500 British nationals (the total throughout Nigeria was 19,000), and oil investments worth £130 million (out of a total investment of £220 million). On the eve of Ojukwu's May 1967 declaration, the Labour government decided that while it could not extend recognition to a secessionist regime, it should still maintain 'informal contact' with an eastern government (372). Similar considerations were at work when the government considered a proposal emanating from the Commonwealth Secretariat for the creation of an international peace-keeping force (380). This, and all other mediation attempts, including a conference in Uganda (after preliminary talks in London) in May 1968, and a visit by Wilson to Lagos for talks with General Yakuba Gowon, Nigeria's federal prime minister, in March 1969, proved fruitless. Despite mounting domestic and international concern about conditions in Biafra caused by bombing and food shortages, Britain refused to ban the supply of arms to Nigeria on the grounds this would be seen as taking sides with the secessionists. An offer by Wilson to meet Ojukwu in 1969 was rebuffed.

Apart from Rhodesia, the most contentious African issue facing the British government between 1964 and 1971 was the question of arms sales to South Africa. In November 1964 Wilson announced Britain's decision to enforce a South African arms embargo in line with UN resolutions. By March 1967 some ministers were questioning the decision. One argument suggested in favour of a relaxation of the embargo was that if Britain wanted over the long-term to 'erode apartheid', it needed 'a carefully thought-out political strategy of seeking to influence people in South Africa' (369). A distinction was made between arms requested by South Africa for maritime defence, and those to be used domestically in the reinforcement of apartheid. Upon this basis Wilson agreed in June 1967 that Brown might 'tip the wink' to the South African foreign minister to the effect Britain 'might well be able', or 'possibly could', supply maritime arms. The matter was not, however, to be raised in Cabinet or in the DOPC for about two months. Asked to comment on the draft of a statement Britain might eventually make at the UN, Lord Caradon stated bluntly he personally would not make such a statement (374).

Among Labour ministers the issue of South African arms became deeply divisive. The main supporters of arms sales were Brown and Healey, who made a joint submission to the DOPC in September 1967. They emphasised especially that a refusal to supply the weapons would entail 'severe, continuing and probably irretrievable' commercial and economic losses to Britain. Others were not convinced, including now Wilson, who feared resignations by junior ministers and PLP hostility. As the argument became heated it also became personal. Brown reminded the prime minister of the agreement made in June (375).

The Cabinet debated the question in December 1967. Brown and Healey again emphasised the economic implications for Britain, especially in the wake of devaluation. They argued the wrong signals would be sent out if, for political reasons, such a large export order were to be turned down. The confidence in the government of British exporters would be undermined, and the wider loss of revenue might necessitate still deeper cuts in public expenditure. But the foreign and defence secretaries encountered stiff opposition from those who suggested that to allow policy to be dictated by purely commercial considerations would be to risk laying Britain open to future pressure from South Africa, or even British exporters.

Opponents of the arms sales also rejected the Brown-Healey argument about no moral issues being involved because the weapons could not be used for repressive purposes. The point was made that many in Britain, especially young people, felt strongly about matters of race. Wilson repeated his concerns about possible resignations and the impact on the PLP. With the Cabinet split—Healey described the meeting as the most unpleasant he had ever attended—the prime minister decided at first to defer a decision until a clearer picture had emerged of the consequences of devaluation, both for domestic and foreign policy. The intention was that Wilson would make a statement in the House of Commons, explaining how the issue of South African arms would be covered as part of a review of arms sales more generally. But the statement was never made. The matter became the subject of much press speculation for which Wilson held Brown responsible. The prime minister retaliated during another meeting of the Cabinet. Given the level of public and media interest, he now decided policy had to remain unchanged; the sales would not proceed. Wilson won the argument in Cabinet in what Richard Crossman, the leader of the House of Commons, described as a bravura performance. Others were less enthusiastic. For Healey the episode was damaging to the Labour government; it said much that was unfavourable about the prime minister's style of leadership. Relations between Wilson and Brown never recovered. The foreign secretary resigned in March 1968 (378, 379).

Arms for South Africa re-emerged following the election of the Conservative government in Britain in June 1970. The Conservative view of South Africa was less hostile than that of Labour, and away from the arms controversy Sir Arthur Snelling, successor to Nicholls as ambassador at Pretoria, suggested further ways of improving relations (384).<sup>81</sup> Arms for South Africa had not been a specific Conservative election commitment but some unguarded comments by Home, the foreign secretary, to the effect sales of defence equipment would be resumed, sparked fresh controversy. Kaunda and Nyerere hastened to London in September and October 1970. Kaunda announced on his arrival that he had come to appeal to the British people over the heads of the government. Nyerere told Heath during an exchange at Chequers that just as the west had armed communism to fight Hitler during the Second World War, so Africa might have to take arms from the communists to fight South Africa (385).

To the economic interests of Britain, the Conservative government added a defence argument in favour of resuming arms sales. This was the emergence of a Soviet naval presence in the Indian Ocean, a threat perceived by the government to be real and growing. The problem was how to convince a sceptical Commonwealth in Africa and Asia. For this purpose it was suggested a decision to resume the sales might coincide with two further initiatives. First, an offer to explore with Commonwealth countries ways of arriving at more satisfactory policies towards South Africa than 'freedom-fighting and war'. Secondly, an offer to place the defence of the South Atlantic and Indian Ocean in a wider context by inviting Commonwealth participation. In pursuit of both ideas the FCO examined the feasibility of holding two conferences, one on defence co-operation, the other on relations between South Africa and the rest of Africa. The difficulties involved in convening a conference which would effectively discuss apartheid were deemed insurmountable. South Africa would stay away and denounce the conference as interference in its domestic affairs. A defence conference was similarly problematic, especially when the Chiefs of Staff declared that to counter communism, the 'littoral

countries' in east and central Africa were more important than South Africa. It would be less harmful to put at risk South African defence co-operation than the assistance of the strategically placed East African countries and those of the Indian Ocean. Britain could not claim that the Simons Town base and the South African navy were a vital (as distinct from important) defence interest (386).

A decision was deferred until the meeting of Commonwealth prime ministers at Singapore in January 1971. Asked to gauge how Commonwealth Africa might react if arms sales resumed, Malcolm MacDonald submitted an entirely negative report. Much damage would be caused, the Commonwealth would break up, and only the communists would benefit (387). A number of African countries led by Zambia threatened before the conference to withdraw from the sterling area if arms sales were resumed.<sup>82</sup> At Singapore the issue was debated in restricted session by the prime ministers without their advisers and officials (278). Britain encountered not unexpected opposition but for Heath especially, it was unpalatable. Agreement was reached to set up an eight-nation study group 'to consider the problems of maritime trade routes of the South Atlantic and Indian Oceans'. On arms Heath reserved Britain's position, claiming his government was under a legal obligation to supply maritime defence equipment under the Simons Town Agreement (280). The prime minister's stand was supported in a White Paper by the attorney-general and solicitor-general in February 1971. The obligation extended to the provision of a sufficient number of Westland Wasp helicopters to equip three anti-submarine frigates purchased under the 1955 agreement. But the agreement did not place 'any general or legal obligation' on Britain to supply arms. And there the matter ended. The helicopters were supplied but little else. As Douglas Hurd, now Heath's political secretary, later recalled, 'The Government neither renounced its policy nor sold any significant arms.'<sup>83</sup>

### *Aid and Trade*

According to one of his biographers, when he first became prime minister in 1964, Harold Wilson held a personal attachment to the Commonwealth attributable to the influence of nonconformist ideas while he was at Oxford during the inter-war years, and then to his interest in world poverty and his involvement in War on Want in the 1950s. He saw in an expansion of Commonwealth trade, not simply a panacea for some of Britain's economic problems in the early 1960s but also an opportunity for Britain to pursue abroad policies in relation to developing countries which were socialist on the one hand and internationalist on the other.<sup>84</sup>

As leader of the Opposition some eighteen months before the 1964 election, Wilson put forward a ten-point programme for the Commonwealth. The first five points covered the development of the Commonwealth in an economic context. Collectively, according to one CO official, they amounted to a reversion to the economic policies of the Attlee Labour government at the end of the Second World War. 'The UK & the Commonwealth should as far as possible form an inward looking preferential economic system with the UK agreeing to purchase Commonwealth products at enhanced prices and the Commonwealth in return agreeing to give a preference to the UK in awarding contracts for their capital development projects.'<sup>85</sup> The same official could think of 'few more effective ways of bringing about the economic debilitation of the country', while another commented Wilson's ideas were regarded as 'heresies in the economic departments of HMG'. Officials on the



Cabinet's External Economic Relations Committee picked over the Opposition leader's ten point-programme in detail, and in a manner almost entirely negative.<sup>86</sup>

Wilson returned to the question of Commonwealth trade as prime minister in 1965. In the context of preparations for the June conference of Commonwealth prime ministers, he called for a study of what initiatives Britain might suggest at the conference to expand Commonwealth trade. The Board of Trade put up a report endorsed by officials on the Commercial Policy and Economic Development Committees. Two arguments dominated official thinking. First, it would be a mistake at the conference for Britain to raise trade relations collectively with other Commonwealth governments. This would encourage them 'to gang up against us'. Instead these matters should be handled bilaterally with individual Commonwealth governments. Secondly, the Commonwealth did not form 'a natural economic unit, and no effective trading system could be developed for the Commonwealth as a whole' (396).

Officials examined the pattern of post-war trade with the Commonwealth, explaining how it had peaked in the early 1950s because of sterling inconvertibility and the dollar shortage on the one hand, and because Germany, Japan and several other West European countries were 'effectively out of the market during the early post-war years' on the other. These conditions no longer applied, and the proportion of trade between Britain and the Commonwealth was declining. Officials could see no advantage in Britain's offering bulk purchasing agreements. Britain would have to pay more for its imports, without offsetting benefits to the balance of payments through increased British exports. The value of the existing Commonwealth preference system to Britain was recognised but little scope was seen for its further expansion. One suggestion was that some form of joint Commonwealth investment co-ordination and planning, linked with aid, might benefit Commonwealth countries old and new by offering security of markets and the advantage of mass production through the increased scope provided by protected markets. Officials were sceptical. Such ideas were unlikely to appeal to the developed countries of the Commonwealth. Their prime concern was with their own development for which they needed capital from international lending institutions and other donor countries besides Britain. They would not wish to endanger their trade with countries outside the Commonwealth. All Commonwealth countries, rich and poor alike, wanted to protect their own industries and would look with disfavour on the idea of a Commonwealth Customs Union or Free Trade Area. Poorer Commonwealth countries wanted aid (constrained in practice in Britain by balance of payments considerations) as well as trade, and trade with advantages loaded in their favour. They clung tenaciously to an UNCTAD (United Nations Commission on Trade and Development) formula that developing countries generally should not be asked to reciprocate trade concessions by developed countries, and that all developed countries should give preferences to developing countries, whether in the Commonwealth or not.

Nor was it clear the UK would gain from these proposals. Nearly two-thirds of total British trade was with countries outside the Commonwealth, and these included 'the richest and most sophisticated markets for the kinds of goods which we produce best'. The value of technical assistance was acknowledged but officials did not want a larger role for the Commonwealth Secretariat in economic planning, because the latter would operate as a pressure group on behalf of the developing countries. Also,

any suggestion of Britain providing an increased supply of trained economic planners in Commonwealth countries would be seen as interference in their affairs. Overall the officials arrived at 'the disappointing conclusion that it is not easy to see what arrangements could be devised that would significantly increase Commonwealth trade without impairing other trade interests of this country which are of equal or greater importance to us'.<sup>87</sup> Nor did they feel aid could be used to promote exports. In 1965 the Ministry of Overseas Development did not see the promotion of trade as the primary purpose of aid, and without a steady increase in the aid programme, a subject in relation to which the Treasury held strong views, little could be done to increase the scope of aid which was tied to British exports (400).<sup>88</sup>

Amidst this welter of pessimism there seemed to be only one dissenting voice. It belonged to Dr Thomas Balogh, an Oxford don of Hungarian origins brought in as economic adviser to the Cabinet in 1964 and later as consultant to the prime minister. Balogh was scathing in his criticism of the officials' findings, and wanted further preparation for the prime ministers' conference taken out of their hands. According to Balogh, officials had twisted the prime minister's directive to them for their own purposes. They had ignored evidence suggesting, on the one hand, that Britain derived significant gains from Commonwealth preferences, and on the other that sterling area investments (apart from India) brought greater returns than those elsewhere. Balogh also took exception to the manner in which Europe had been introduced into the debate, a subject upon which Wilson sketched some hurried but none the less revealing comments of his own (397).

Just before the conference opened, Douglas Jay, president of the Board of Trade,<sup>89</sup> suggested to the prime minister a number of initiatives Britain might pursue. His ideas covered tariffs and preferences, commodity schemes, government purchase and joint planning, but his main proposal was that Britain should offer to discuss bilaterally with any Commonwealth country the possibility of establishing free trade arrangements. This was not contradictory advice. Jay himself recognised it was almost certain to be rejected, in which case he thought it would be 'a positive advantage to show clearly who is the obstacle to expanding trade'. He believed a number of developing countries might accept free trade arrangements but on condition they covered textiles, in which case Britain would have to make a reservation (401). Jay's ideas were circulated among other ministers, and to Balogh. Without exception, his free trade proposal met with resistance. For Balogh it would mean scoring points off Australia and Canada by putting them in the dock over the protectionist nature of their policies (402). From the DEA, Brown was concerned about the reaction abroad (403), as was Stewart at the FO who thought it would anger the EFTA countries and make relations with the EEC more difficult (404). Bottomley at the CRO shared Balogh's concern it would cause resentment in Commonwealth countries (405), while Greenwood at the CO thought it would have to be applied to Hong Kong and Gibraltar and would make EEC entry 'highly unlikely' (406). As chancellor, Callaghan feared Britain would have to make concessions and that these would add to the difficulties with the balance of payments (407). Finally, Barbara Castle at the Ministry of Overseas Development argued that 'the most positive contribution' Britain could make in the climate then prevailing would be in the supply of technical assistance (408). This effectively was an accurate assessment. The high hopes Wilson held when he entered office in 1964 about an

expansion of Commonwealth trade were never realised.<sup>90</sup> In 1967, in conversation with Arnold Smith about an Indian proposal to set up a Commonwealth Trade Promotion Fund, the prime minister noted his own rather similar ideas at previous Commonwealth meetings had found 'the soil somewhat stony' (267).

The extent to which fiscal measures adopted by the Labour government acted as further disincentives to the development of colonial and Commonwealth trade was at the time a matter of dispute. Greenwood warned it would come 'as something of a shock' to the colonies to find themselves included in the import surcharge scheme imposed by the government in October 1964. It was 'the first time in history' a British government had applied 'sweeping measures of this kind to dependent territories' (391). Designed to tackle Britain's widening trade deficit, the surcharges were a temporary measure and they were lifted in 1966. Two further measures were more contentious. The first was corporation tax announced in the budget of April 1965 and introduced a year later, and the second was the voluntary programme which came into effect at the same time as corporation tax. Both were intended to stem the outward flow of sterling—estimated at some £371 million in 1964—for investment overseas. Previously, companies had claimed in Britain double taxation relief from income tax and profits tax on the amount of foreign tax they paid. Now they were to gain relief only against corporation tax. Companies paying at the rate of over 40 per cent overseas would be worse off and for large companies, especially in the oil industry, the difference could mean as much as £20 million to £30 million a year. Critics claimed corporation tax placed foreign orders for British exports and services at risk. Warnings about the threat to investment in the less developed countries were sounded by the Board of Trade and the CO (393, 398, 399).

Under the voluntary programme of May 1966 restraints were placed on British investment in the four developed countries of the sterling area—Australia, New Zealand, South Africa and the Irish Republic. Two of these countries (South Africa and Ireland) were by now not members of the Commonwealth but this was the first time restraint had been imposed on investment in sterling area Commonwealth countries. Again the critics claimed Commonwealth trading links would be weakened. More far-reaching measures were contemplated after the 1967 devaluation. The Treasury and the Bank of England began examining the implications of extending exchange control to the sterling area (416). The view from the Commonwealth Office was that this would mean, not simply the end of the sterling area but of the Commonwealth itself (417). A Treasury evaluation of sterling area reactions to devaluation observed how, on the whole, they had been 'moderate and restrained'.<sup>91</sup> But there were 'few grounds for optimism' that diversification or a movement out of sterling could be contained. The process had begun in Singapore before devaluation, and there was now a risk Malaysia would follow suit. Malta and Hong Kong were two other countries wanting to diversify large official balances (415).

The impact of corporation tax and the voluntary programme was not easy to assess. Certainly, in relation to corporation tax, there was a drop in the 1967 figures for British portfolio and private investment in developing countries compared to the two previous years—£82 million as against £158 million in 1965 and £103 million in 1966. While admitting it was impossible to prove one way or the other if corporation tax was responsible for the fall, the Ministry of Overseas Development none the less claimed there was an essential inconsistency in government policy over overseas

investment. The Treasury saw matters differently, insisting on the question of corporation tax that in a purely fiscal sense the measure had simply acted in a neutral way by correcting the former imbalance in favour of overseas investment. More generally, the Treasury felt some vindication for its own position when the two Reddaway Reports on overseas investment were published in 1967 and 1968 (421). The Treasury also argued Britain was still investing large sums in developing countries and that if investment had fallen, other factors were equally responsible. Political and economic conditions in host countries were singled out for particular comment (418). In this latter respect British companies with large holdings were becoming increasingly concerned about creeping nationalisation in developing countries, especially in Africa. The FCO held out little comfort to those most affected, and described the process in Africa as a demonstration of a 'second wave of independence' (424–426, 429). Outside Africa, and in more favourable areas for investment, notably Singapore, the question of investment guarantees was a stumbling block while the Labour government was in office (419).

Eighteen colonial territories had achieved independence between 1957 and 1964 during the preceding Conservative government. All but eight of them were African, and Zambia was only days away from independence when Wilson entered Downing Street in October 1964. British expenditure on colonial development and welfare in the remaining dependent territories was therefore much reduced. The 1959 Colonial Development and Welfare Act was extended, first by two years under the Commonwealth Development Act of 1963, and then for a further five years in 1965. At the time of the second extension in 1965 it was felt there were still enough territories of dependent status to justify further CD&W legislation, but as their numbers were declining the CD&W Bill was amalgamated with the Bill for Overseas Aid into a single Overseas Development and Service Act. In grants for dependent territories it provided £50 million, together with £45 million carried forward from previous awards. In the early 1960s annual expenditure was in the region of £25 million, the ceiling permitted under the 1959 Act. In succeeding years, as more territories became independent, it fell to between £9 million and £10 million. In the final year, 1969–1970, it stood at just under £8.5 million. By far the largest territorial allocation under the 1965 Act—£7 million—was to the Federation of South Arabia.<sup>92</sup> The 1959, 1963, and 1965 Acts also made provision for Exchequer loans towards the cost of approved development programmes in dependent territories. The three Acts together provided a total of £125 million in loans for the period 1959–1970, the 1965 Act providing £40 million (£20 million new money and £20 million carried forward). Of the total provided under the three Acts, £90.3 million had been lent up to March 1970.<sup>93</sup> As a percentage of GDP in Britain, CD&W aid stood at 0.994 per cent in 1960. By 1970 it was 0.031. Only in 1950 had CD&W aid been in excess (1.026 per cent) of 1 per cent of GDP.<sup>94</sup>

The first step of relevance undertaken by the Labour government in the colonial field was the upgrading in October 1964 of the Department of Technical Co-operation to a Ministry of Overseas Development under a minister, Barbara Castle, with a seat in the Cabinet. Established in 1961, the DTC had been charged with co-ordinating and developing arrangements for providing technical assistance both to independent Commonwealth countries and dependent territories, and to foreign countries. But it was junior to the three main external departments (CO, CRO, FO), being required to 'operate within the general policies of the three Secretaries of

State'.<sup>95</sup> Its elevation to a ministry with its own Cabinet minister raised crucial questions about the functional scope of the new ODM in relation to the other departments, especially the CO.

In the debate within Whitehall, the CO found itself on the defensive. Fearing in the context of colonial development funds there might be a wholesale capitulation of its functions to the ODM, Sir Hilton Poynton commented in October 1964:

I have long realised that the Colonial Office is nearing its end and had always hoped that it would have an honourable and dignified funeral. I must say I dislike the present trend of thinking which seems to me very like chucking a rotten carcase on the rubbish heap so that the vultures can peck its decaying flesh. After all, we have a history that can be traced back 300 years; perhaps more closely associated with the history of Great Britain than any other single department.<sup>96</sup>

Yet in the final division of functions, the CO was able to safeguard more of the responsibilities of its own secretary of state than at one time seemed likely. The ODM was given responsibility for the administration of development aid and Exchequer loans to colonial territories, including, with Treasury concurrence, the allocation of CD&W schemes and loans between territories. But the secretary of state for the colonies remained responsible for their financial and economic policies, and hence for the content of the development programmes towards which aid would be given. He also retained responsibility for budgetary assistance, military and security assistance, emergency assistance following natural disasters, and internal and external borrowing other than Exchequer loans. It was open to either department to initiate aid schemes. The CO was called upon to avail itself of the ODM's Economic Planning Staff in considering development plans, and to ensure that in their preparation account would be taken of the needs of a territory in relation to its economic and budgetary position (162).<sup>97</sup>

Thereafter, and up until the amalgamation of the CO with the Commonwealth Office in 1966, that the two departments might have different views about how money should be spent was only to be expected. Of greater concern, however, was a dispute concerning the CD&W allocation previously agreed within the overall aid budget. In mid-1965, and for the first time in the history of colonial development and welfare, the CO found its allocation under threat.

A sterling crisis in the summer of 1965 led in July to another budget, Callaghan's third since Labour came into office. Further deflationary measures to restrain public and private expenditure were introduced. The aid budget did not escape the axe, and in August 1965 Castle wrote to Greenwood to explain that while she was 'very much in sympathy' with his views about the claims of colonies, no part of the aid programme could be excluded from a cost-cutting review.<sup>98</sup> Sir Andrew Cohen, permanent secretary at the ODM and a former head in the late 1940s of the CO's Africa Division, wrote to Poynton shortly after with the bad news that the allocation for colonial development would have to be reduced by £2 million a year for 1966–1967 and subsequent years (409). The CO mounted strong resistance, arguing within the context of an overall aid budget reduced from £250 million to £225 million, that ministers had accepted there could be no cutback in formal commitments totalling £198, and that these included £30.5 million allocated to the colonies for the year 1966–1967 (410). The finance departments of the CO and ODM agreed a compromise figure for the year in question of £28.5 million, but almost

immediately the CO asked for another £1 million to meet the cost of upgrading airfields in South Arabia. It also put in a bid for £31.5 million for colonial development in 1967–1968, and £32 million in each of the two subsequent years (411). The ODM insisted on £28.5 million for 1966–1967, shelved for the time being the South Arabian proposal (Castle questioned whether expenditure here represented value for money), and refused to commit itself in advance to allocations for the years to follow (412).

In the context of the aid programme as a whole (to dependencies, the independent Commonwealth, and foreign countries), the next financial threat occurred during the more serious sterling crisis in the summer of 1966. Ministers decided to reduce overseas expenditure in 1967–1968 by at least £100 million from its level in 1966–1967. Savings of £20 million were required from the aid programme (£10 million outright and the same amount by deferment of expenditure). The ODM found itself in dispute with the Treasury on three aspects of the cuts. First, the Treasury wanted the new aid budget to include a higher margin to cover contingencies. Secondly, the Treasury wanted emergency expenditure in Zambia arising from the Rhodesian crisis included in the aid programme. The ODM objected to this on a number of grounds, fearing especially it would set a precedent whereby forms of overseas expenditure not falling under a recognised budget heading would be charged against the aid programme. Finally, the Treasury assumed that if the Ministry of Defence failed to achieve the savings required in the defence programme, the shortfall would be found from the aid programme. This, the ODM argued, would place the aid programme ‘in a most dangerous position’, and would effectively involve Britain ‘contracting out as a major aid donor’ (414).

When the Cabinet next considered the cost of the aid programme in 1969, international considerations in the giving of aid had become more important. At its second conference in February 1968, UNCTAD set for developed countries an overall target of one per cent of GNP for total aid flows (state aid, private investment and export credits) by 1975. The target was endorsed in the Pearson Report (*Partners in Development*) in 1969,<sup>99</sup> and the UN designated the 1970s the ‘Second Development Decade’. Judith Hart, newly appointed as minister for overseas development, alluded to these recommendations in her October 1969 submission to the Cabinet for an increase in the aid programme. She argued official aid had been falling as a percentage of GNP during the Labour government, but her colleagues were not prepared to accept her demands in full. Provisionally, as it was subject to review, they agreed the aid programme for 1970–1971 should be £245 million, a figure inherited by the incoming Conservative government in June 1970. ODM appeals to Conservative Treasury ministers to increase aid over and above the Labour figures feel on deaf ears, as Labour’s target for 1971–1972 was upheld and used to set targets for the next three years. Heath’s government made clear its view Britain would be unable to reach the one per cent UNCTAD target by 1975 without a greater contribution from the private sector. The government introduced a cut in the rate of corporation tax,<sup>100</sup> and reversed previous Labour policy on investment guarantee schemes.<sup>101</sup> But it insisted that to stimulate private investment much would depend on the attitude of receiving countries (427, 428, 434).<sup>102</sup>

The CD&W Acts came to an end on 31 March 1970, one of a number of symbolic dates in the end of empire as it brought the curtain down on legislation and expenditure under it dating back to 1929. Excluding research, total issues for the

period 1946–1970 amounted to £341,479,579. The main beneficiaries of grants by country for these years were Nigeria (£40 million), Kenya (£23 million), Malta (£20 million), Tanganyika (before it became Tanzania, £14 million), British Honduras (£13 million), and British Guiana (£12 million). By region 45 per cent of CD&W money went to Africa, 22 per cent to the Caribbean, 8 per cent to the Mediterranean (Malta mainly), 7 per cent to the West Pacific, 6 per cent to South-East Asia, and the same percentage for services in Britain (survey work and student training). The remaining 6 per cent was spread over the smaller, mainly island territories, from the Falkland Islands to Hong Kong.<sup>103</sup> New procedures were put in place to cover development aid to dependent territories after March 1970. Territories were now required to submit project applications, upon the basis ‘the more a project is likely to cost, the more information about it will be needed’ (423).

In addition to the amount of money to be allocated, the other major issue arising in the context of the overall aid programme concerned the purpose of aid policy. Here the ODM found itself increasingly isolated as other departments, notably the FCO after 1968 and the Board of Trade, argued that the purpose of aid should not simply be, as the ODM would have it, development for its own sake but the promotion of British interests.

An early indication of the different outlooks was provided in March 1965 when the Treasury took exception to an ODM proposal that rather than wait for countries to submit aid applications for development schemes, the ODM should assume the initiative and propose aid schemes to developing countries. By such means the ODM believed Britain would be able to provide aid at affordable cost. The Treasury, however, thought this would involve, not only more money but money that might not actually be wanted by receiving countries. It insisted that whatever arrangements were arrived at with the ODM, beneficiaries of aid would always have to submit written applications. It also believed independent governments might ‘think it inconsistent with their dignity and responsibility to be told what is good for them’ (394).

In August 1965 the ODM published a White Paper elevating British aid policy to a noble cause. The objective was to help developing countries raise their living standards, and to promote social and economic development. But development meant more than reducing poverty and unemployment:

It means fulfilling aspirations towards steady and continued social and economic progress. It means the transformation of traditional societies into modern ones. Our aim is to do what lies in our power to help the developing countries to provide their people with the material opportunities of using their talents, of living a full and happy life and of steadily improving their lot. The basis of the aid programme is therefore a moral one.<sup>104</sup>

This was not a line that the ODM was able to hold within Whitehall. Although ultimately Britain did not participate, the proposal to construct a railway line between Tanzania and Zambia had already demonstrated that moral imperatives were not the only considerations determining aid policy (395). Similar considerations came into play when ministers considered what action to take against Tanzania and Ghana when both countries broke off diplomatic relations with Britain over Rhodesia (413). Action against Ghana had to take account of the country’s already precarious financial position (392). More practical aid considerations were

also evident in 1965 when the rulers of the Trucial States in the Persian Gulf were offered up to £1 million towards the capital costs of new projects as a means of countering a similar offer by the Arab League.<sup>105</sup>

Although Britain contributed to large international aid consortia, ninety per cent of bilateral aid went to the Commonwealth. In July 1968 the Commonwealth Office circulated to posts a survey in which individual Commonwealth recipients of British aid were assessed upon the basis of actions they had taken which were beneficial to British interests on the one hand, and harmful on the other. The ODM complained, not only at the thought aid allocations might be determined by reference to British political and general economic interests but also because they had not been consulted (420). However, the ODM in turn was reprimanded by the Board of Trade in October 1969 when it produced a memorandum on aid policy, the first draft of which barely mentioned the trade aspects of aid.<sup>106</sup>

Ultimately the ODM had to bend to the prevailing Whitehall wind. Returning from a visit to West Africa in 1969 the head of the FCO West Africa Department suggested, 'all our policies and all our expenditure in West Africa should be controlled by an integrated staff under the direction of a single Secretary of State so that our aid can be fully coordinated with our political and commercial objectives'. This, he argued, 'would enable us to work out our aid policies on a better basis, the starting point of which should, in my opinion, be British interests conceived always in the opportunity and not in the narrow sense' (422). In January 1971, by which time the ODM had been transformed into the ODA under the umbrella of the FCO, one FCO official commented ODA staff 'have the reputation for being starry-eyed idealists, concerned more with raising living standards in developing countries than with promoting specifically British interests'. But they were now 'much more realistic and down-to-earth' than they had been in the 'heady' days of the 1965 White Paper (430). In the FCO's priorities for the aid programme drawn up in June 1971 there was no mention at all of the moral imperative (431). Nor was this considered when a proposal was considered to give missions greater latitude in making small aid donations (432, 433). The new climate for aid policy was set out in a circular to heads of mission in September 1971.<sup>107</sup> Noteworthy here were the comments about the indebtedness of developing countries (it was 'not in itself a reason for concern'), and the growing importance of Latin America in the capital aid programme. In Africa Britain wanted to stimulate regional development but little progress was made because of the priorities attached by African governments to their own national programmes. Asia was now the largest area for British aid expenditure, although the 'cataclysmic happenings' in East Pakistan in March 1971 had introduced new uncertainties. There was no mention of the Caribbean in the circular to heads of mission (434). In this new hard-headed climate in which economists were said to operate from a 'very strong powerbase' in the ODA, one long-serving official expressed disquiet about the emphasis on economic planning at the expense of 'the social aspects of aid for our dependent territories' (435). This was an echo of a concern much in evidence in the CO over thirty years earlier when plans were being drawn up for the 1940 Colonial Development and Welfare Act.<sup>108</sup>

### *Race and Immigration*

On one of the main legacies of end of empire—the emergence of a multilateral Commonwealth—the evidence reproduced in this volume has suggested public



opinion in Britain was indifferent (218). On another legacy—immigration to Britain from the non-white Commonwealth—the picture could hardly be more different. Long before Enoch Powell, the maverick Conservative MP, made the speech at Birmingham in April 1968 which gained such notoriety (448), the Labour government had been made all too aware that race and immigration were two of the most divisive issues in British politics. At the general election in October 1964, Gordon Walker lost his Smethwick seat in the West Midlands to a Conservative candidate who placed fears about the impact of immigration on the local economy at the heart of a flagrantly racist campaign. Appointed foreign secretary, Gordon Walker then had to resign in January 1965 when he lost the Leyton by-election in east London. His experiences were evidence of the effect race might have in politics. They were also a warning to a government whose parliamentary majority as a result of the Leyton defeat had been reduced to just three. Richard Crossman's verdict after Smethwick was that 'immigration can be the greatest potential vote-loser for the Labour party if we are to be seen permitting a flood of immigrants to come in and blight the central areas in all our cities'.<sup>109</sup>

Wilson's first home secretary was Frank Soskice, a lawyer by profession. Even within his own party he was regarded as ponderous and indecisive, and he was replaced by Roy Jenkins after only fourteen months. Soskice made his mark as the home secretary who presided over the abolition of the death penalty, and who favoured much stricter control over immigration.

The Labour government inherited from the Conservatives a Commonwealth Immigrants Act passed in 1962. Under the Act three categories of voucher-holder were admitted to Britain: those who came to take up specific jobs (category A), those with skills (category B), and those who were unskilled and without a job (category C). The annual intake under all three categories when the first quotas were introduced was just over 30,000 (20,800 for A and B together, 10,000 for C). Soskice was concerned the numbers arriving from what he described as the 'new' Commonwealth far exceeded those departing from the 'old' (Australia, Canada and New Zealand). In 1964 he estimated there were 800,000 'coloured' immigrants in Britain, with not less than half a million dependants (wives, children under sixteen, and grandparents) waiting to join them. Soskice wanted to reduce the total number of voucher-holders, and to restrict the rights of dependants. He was equally exercised about students and visitors who evaded immigration regulations. In January 1965 he informed Wilson the 'personal position' of the home secretary would become 'exceedingly difficult' if the immigration figures showed a further increase. Public resentment over numbers was largely but not entirely confined to areas where there were concentrations of 'coloured immigrants'. If they could be persuaded to disperse resentment might to some extent be allayed, but Soskice could see no way 'within any reasonable' future period in which they could be induced to spread throughout the community. Finding himself in 'an extremely invidious position', the home secretary's solution was what he described as a 'package deal', combining more effective immigration controls with measures to improve race relations and to integrate the immigrant communities (436).

The second part of the home secretary's package was reflected in a Race Relations Bill, aired by Soskice in Cabinet in February 1965 (438) and placed before Parliament in May. It was designed to prohibit racial discrimination in 'places of public resort', and to introduce a new offence of incitement to racial hatred, punishable by a fine of

£1,000 or two years in prison for the worst offenders. Places of public resort included hotels, restaurants, public houses, entertainment venues, and public transport. They did not include shops, boarding houses, or workingmen's clubs. Soskice was concerned the legislation should not infringe the rights of the individual, and gave as one instance 'the refusal of landladies to take coloured lodgers'. The proposal to make discrimination a criminal offence encountered considerable opposition on the Conservative benches in the House of Commons. Soskice retreated and set up instead conciliation machinery in the shape of a Race Relations Board. Earlier a junior minister, Maurice Foley at the Department of Economic Affairs, had been assigned by Wilson the task of co-ordinating departmental activities in the areas of housing, health and education which were relevant to the integration of Commonwealth immigrants. Soskice was less than enthusiastic about recruiting policemen from the immigrant communities (439).

The home secretary proposed and Wilson was keen to pursue the suggestion that a mission should visit a number of Commonwealth countries to enlist the co-operation of their governments in restricting immigration. R A Butler, Conservative home secretary at the time of the 1962 Commonwealth Immigrants Act, was the prime minister's choice to head the mission but he declined and the task was given to Lord Mountbatten. Wilson amended and approved the terms of reference for the mission. According to the Home Office, Mountbatten was free to interpret these 'liberally' (437). He reported in June 1965, after visits to the capitals of Malta, India, Nigeria, Canada, Jamaica, Trinidad, and Cyprus. Pakistan was on the original itinerary but the government of President Ayub Khan refused to receive Mountbatten on account of the role he had played as the last viceroy when India was partitioned in 1947.

Mountbatten proposed a reduction in the number of voucher-holders to 10,000. The Cabinet's Immigration Committee wanted 7,500. The Cabinet chose 8,500, 1,000 being set aside to cover the special case of Malta. Category C vouchers were abolished, but ministers rejected a suggestion A and B voucher-holders should be restricted to professional workers. For poorer Commonwealth countries and smaller dependent territories to lose such people to Britain would constitute 'technical assistance in reverse'. Ministers accepted Mountbatten's recommendation to withdraw the concessionary right of dependants aged between sixteen and eighteen to enter Britain. Believing public opinion expected 'really drastic proposals' to emerge from the Mountbatten Report, Soskice wanted to go further. He suggested 'future dependants' should not be allowed entry unless an immigrant could provide 'proper housing accommodation'. Ministers rejected this, but further restrictions were placed on students and visitors, the home secretary was given the power of repatriation, and health checks were to be required in the country of origin (441).

These measures were announced in a White Paper in August 1965.<sup>110</sup> It included details of the government's plans to integrate immigrant communities, as well as the new measures to restrict and control new immigrants. Opinion polls recorded overwhelming approval. The intellectual left of the Labour Party was sullen and resentful. While Balogh had argued the economic case for immigration (440), Richard Crossman confided in his diary: 'This will confirm the feeling that ours is not a socialist Government, that it is surrendering to pressure, and that it is not in control of its own destiny.'<sup>111</sup>

The Labour government's 'package' approach on questions of race relations and immigration was evident again in 1968. A second Race Relations Act made racial

discrimination unlawful in housing, employment, and the provision of goods and services (443). The bill had its second reading in the House of Commons on 23 April, three days after Powell's Birmingham speech. Awkward questions for decision were whether the scope of the legislation should extend to the Crown, the armed forces, and especially the police. Ministers accepted the operational activities of the police should not be included, but more difficult was the issue of amending the police disciplinary code to make discrimination a specific offence. This touched on the sensitive question of public complaints against the police, and the opposition of the Police Federation to the amendment of the code was 'intense and deep-seated'. The Cabinet decided to leave the code unchanged, much to the disappointment of Roy Jenkins, the architect of the 1968 Act, who was now chancellor of the Exchequer. Jenkins had 'no doubt' immigrants believed the police discriminated against them. He also suggested many police officers shared Powell's views on race. At a time when negotiations were being reopened with Ian Smith over Rhodesia, and legislation introduced to restrict the numbers of Asians from Kenya entering Britain, Jenkins argued even the government's own supporters would be 'offended' by the failure to amend the police disciplinary code (451).

A second Commonwealth Immigrants Act was passed in 1968. It was designed in part to deal with clandestine entry and to further restrict the entry of children under sixteen. But the overriding purpose of the legislation was to deal with the Kenyan Asian crisis. Callaghan, Jenkins's successor at the Home Office, described this aspect of the proposed legislation in February 1968 as 'both urgent and controversial' (444).

The crisis, like the one that followed in 1972 when the government of Uganda expelled its Asian population, had its origins in the citizenship arrangements in force at the time of Kenya's independence. As in the cases of Tanganyika in 1961 and Uganda in 1962, when Kenya became independent in 1963, people born in Kenya or with a parent born in the country become Kenya citizens. Anyone not taking up the right to be registered as a Kenya citizen within two years of independence automatically remained a citizen of the United Kingdom and Colonies, and was thus exempt from the 1962 Commonwealth Immigrants Act. This applied to between 100,000 and 150,000 Asians in Kenya. In 1963 there was no indication of the Kenyan Asians wishing to take up local citizenship but equally no sign that they wanted to come to Britain. There was no tradition of Asian immigration from East Africa. Towards the end of 1963 the Home Office reported what it described as 'a steady trickle' of East African Asians arriving at British ports. The numbers were not then sufficient to give cause for concern, although they 'may possibly indicate the trend of future events'. If the government denied the Asians British passports they would become stateless people and this would embarrass Britain, a signatory of the UN Convention on the Reduction of Statelessness. The Cabinet's Immigration Committee was asked to take note of the situation in November 1963, a month before Kenya's independence. Duncan Sandys, secretary of state for both the colonies and Commonwealth relations, was present at the meeting. He was reminded of this by a Labour Commonwealth secretary in 1968 (445, 446).

The home secretary informed the Cabinet in July 1965 that East African Asians were arriving in Britain at an annual rate of 5,000. While conceding it would be difficult to justify allowing them entry when more stringent restrictions were being applied to other Commonwealth immigrants, Soskice argued it would be equally difficult to deprive them of their British citizenship rights (442). Matters came to a head in 1967

as a result of action by the government of Kenya. Annoyed that so few Kenyan Asians had opted for Kenya citizenship, and taking the view they preferred to lead what the British High Commission at Nairobi described as 'introverted and insulated lives', with British citizenship as an insurance policy, the Kenyan authorities first abolished 'permanent resident certificates' and introduced 'entry permits'. They then pressed ahead with a programme of 'Kenyanisation', in commerce and retail especially, in a manner that threatened the livelihoods of the Asian community (447).

Faced with a potential flood of Asian immigrants from Kenya—they were now arriving at a rate of between 200 and 300 a day—Callaghan told the Cabinet in February 1968 the government had to legislate immediately to restrict their entry and to deprive them of their citizenship rights. His argument was that immigration on this scale would place an impossible strain on the provision of social services and housing in Britain. If no action were taken there was, he suggested, 'a very real risk that our efforts to create a multi-racial society in this country would fail'. Other ministers, especially Thomson at the Commonwealth Office, argued that to pass legislation depriving the Kenyan Asians of their British citizenship would be 'wrong in principle, clearly discriminatory on grounds of colour, and contrary to everything we stood for'. The attorney-general reminded ministers of Britain's international obligations. Pending further consultation through Malcolm MacDonald with President Kenyatta, and an appeal to the governments of India and Pakistan, a decision about legislation was deferred. When it became apparent the other governments were unwilling to help, the Cabinet accepted, despite Thomson's continuing protests, that legislation was the only British option. Entry vouchers were to be reserved for Kenyan Asians. With dependants, about 7,000 a year were allowed entry to Britain (444).

Under the 1962 legislation holders of British passports were exempt from immigration control. This no longer applied under the 1968 Act. Exemption from control now depended on a 'qualifying connection' with Britain. Citizens of the United Kingdom and Colonies needed, in addition to a British passport, evidence that they or at least one of their parents or grandparents had been born, adopted, registered or naturalised in Britain. The Kenyan Asians, despite their British passports, had no such link, and they were now required to go through immigration control before entering a country that hitherto had bestowed on them citizenship rights under the British Nationality Act of 1948.

The 1968 legislation was not a solution to the problem of the East African Asians. By the end of the year the position of the Ugandan Asians was exercising FCO minds. President Obote, the Ugandan president, had demanded a 'blanket assurance' that all British citizens resident in Uganda would be allowed to enter Britain when they wished to, 'or when Uganda chooses to require them to leave'. Such an assurance, if given, could not be confined to Ugandan Asians and would therefore amount to what the FCO described as 'a complete vitiation' of the 1968 Act (452).

When the Conservatives returned to office in June 1970 they were pledged by their manifesto to establish 'a new single system of control over all immigration from overseas'. The aim of the Conservative government was to introduce one statutory form of control for aliens and Commonwealth citizens alike, and to end 'further large scale permanent immigration'. An Immigration Bill introduced the concept of 'patriality', equating it with people possessing the right of abode in Britain. As a concession to countries of the 'old' Commonwealth (especially Australia and New Zealand), the ancestral link was extended to two generations, and citizens of

Commonwealth countries with grandparents born in Britain were to be exempt from control. This provision of the bill was defeated on second reading, and the right of abode was limited to persons with parents born (as opposed to naturalised, registered, or adopted) in Britain when the bill received the Royal Assent in October 1971.<sup>112</sup> The two-generation patriality clause encountered opposition from both ends of the political spectrum. It was condemned as racist by the left because it was designed to secure access for the white Commonwealth, but it was also attacked by those on the right who feared an influx of persons of mixed descent. The critics further claimed the bill was not about controlling numbers because under the patriality clause (its application to people with grandparents born Britain was in fact reinstated when the immigration rules of 1973 were published), several million Commonwealth citizens were now free from immigration control. Opponents of the bill argued Britain needed a new citizenship law, not another immigration law, but a new British Nationality Act had to wait another ten years until 1981 (454).

While ministers in both Labour and Conservative governments considered the issue of race primarily in terms of the impact of immigration on domestic politics, officials had another perspective. This was of race as a factor in international relations. The issue came to prominence in April 1968 when the FO circulated to posts a review of foreign policy, and the ambassador in South Africa described as 'a notable omission' any discussion of colour and race. Against a backdrop of apartheid in South Africa, the continuing problem of Rhodesia, and the civil rights movement in America, Sir John Nicholls argued Britain could no more afford to ignore the issue of race 'than could the governments of the sixteenth century afford to overlook religious problems'. He was equally concerned at the 'cursory' treatment of the UN in the FO paper. Racial questions, he suggested, now dominated at the UN. The Afro-Asian group were motivated by a conviction the time had come 'for the black man, the yellow man and the brown man to come into their own and for the white man to be reduced to the position in the world to which his actual numbers entitle him' (449). To avoid harming the UN, Nicholls believed Britain was appeasing the Afro-Asian bloc and damaging its own interests.<sup>113</sup> He called for a separate planning paper on race, and attended a meeting at the FO when a draft was ready (450). This was then revised and sent to the ambassador for further comment. Nicholls was still not entirely satisfied. A theme given insufficient weight in the new draft was what he described as 'the ability of a dominant government to submerge racial issues within its own territory'. In a South African context he suggested this was essentially a question of self-confidence. Nicholls drew a contrast with the loss of empire and commented: 'The retreat from colonialism has been a matter as much of a loss of self-confidence by the colonial power as of a realisation of the rights of colonised peoples' (453). The whole of his analysis was predicated on his conviction white South Africa would never relinquish political control. In this he differed from Sir John Maud, one of his predecessors, who observed of apartheid in a valedictory despatch in 1963, 'in its present form [it] must eventually collapse for the simple reason that it is not only evil but cannot be made to fit the facts'.<sup>114</sup> Nicholls's arguments were rooted in an imperial past. However remote the prospects might have seemed at the time, Maud's views were more in keeping with the eventual way forward.<sup>115</sup>

## Notes to Introduction

- 1 One document—116—predates the Labour government by two weeks. Another—88—was written on the day of the UK general election.
- 2 In their research for this volume the editors have not been unduly handicapped by the absence of records retained in the department under section 3(4) of the 1958 Public Records Act, or subject to extended closure. But there are two areas where this does apply. The first concerns Gibraltar records at the time of the 1967 referendum in FCO 42. The second relates to the records in FCO 32 and 83 on the resettlement in Mauritius of the inhabitants of the island of Diego Garcia, part of a British Indian Ocean Territory created in 1965, upon which a US defence facility requested in 1968 began operating in 1973.
- 3 FCO 49/271, no 98, J A N Graham (FCO) to D H Andrews (private secretary to PM), 18 Dec 1969.
- 4 The seven included South Yemen (Aden and South Arabia) which was hardly granted independence in Nov 1967 (not Nov 1966 as the FCO letter inaccurately dated it). The other six were Guyana (May 1966), Botswana (Sept 1966), Lesotho (Oct 1966), Barbados (Nov 1966), Mauritius (Mar 1968), and Swaziland (Sept 1968). Strictly speaking two more should have been added to the list—Zambia (Oct 1964) and The Gambia (Feb 1965)—but in both cases the arrangements had been made before Labour came to power. The list did not include two former protectorates—the Maldive Islands (July 1965) and Tonga (June 1970).
- 5 For a similar view, see R Hyam & W R Louis, eds, *The Conservative government and the end of empire 1957–1964* (BDEEP, London, 2000), part I, p xxv.
- 6 Wilson suspected the pressure on sterling was deliberate and intended to sabotage government policy. He believed he might have to call another election if the government could not implement its programme. His expectation was that he would win on such a ‘xenophobic issue’; he would then be able to do anything he liked, including devaluation (PREM 13/261, recording of meeting with governor of Bank of England, 24 Nov 1964).
- 7 Hyam & Louis, *The Conservative government*, part I, document 81. In Jan 1962, Harold Macmillan, the former Conservative prime minister, told Lord Selkirk, commissioner-general in South-East Asia, Britain’s ‘limited resources and our growing commitments elsewhere make it essential that we should gradually reduce our military and colonial responsibilities in South East Asia’. A J Stockwell, ed, *Malaysia* (BDEEP, London, 2004), 90, note.
- 8 Almost without exception the authors of the documents reproduced in this volume use the expressions ‘Far East’ or ‘Indo-Pacific region’ when referring to regions that today would be known either as East Asia or South-East Asia. In their own commentary, the editors make a distinction between the Far East (UK interests in Hong Kong) and South-East Asia (UK interests primarily in Malaysia and Singapore).
- 9 Wilson was a consummate politician and in this context his comments should not always be taken at face value. What he said was always tailored to a particular audience.
- 10 Wilson held discussions at Washington with Johnson and senior US officials in Dec 1965. He reported afterwards to the prime ministers of Australia and New Zealand: ‘As regards priorities, McNamara said that, on present thinking, they would give higher priority to the maintenance of British strength in Asia and the Far East than in Europe’ (PREM 13/799, telegram, 24 Dec 1965).
- 11 See p cxx.
- 12 Central Treaty Organisation, created in Aug 1959 from the Baghdad Pact, a defence agreement concluded in Feb 1955 between Iraq and Turkey. Britain acceded to the Pact in Apr 1955, followed by Pakistan in Sept and Iran in Oct. Iraq parted company in 1958 after the coup that destroyed the pro-western monarchy.
- 13 A British protectorate from 1899, Kuwait became independent in June 1961 when it concluded a ten-year defence pact with the UK. Iraq had long claimed Kuwait as one of its southern provinces and in order to forestall what was perceived as an invasion threat by General Qasim, the revolutionary leader who came to power after the 1958 coup, Britain sent emergency forces to Kuwait in July 1961. Hyam & Louis, eds, *The Conservative government*, part I, p xliii.

14 Simon Smith, ed, *Malta* (BDEEP, forthcoming) provides coverage of the post-independence financial negotiations between Malta and the UK.

15 In 1963, 15 per cent of the British army and 10 per cent of the RAF were deployed in the Far East and South-East Asia. Half of the Royal Navy was deployed in the same areas, and the Middle East. The naval figure for the Far East and South-East Asia was high, given that Communist China was primarily a land power and secondly an air power. A quarter of all defence expenditure was incurred in the Far East and South-East Asia. CAB 134/2277, OC(O)(63)7, 19 Mar 1963, 'Defence in the Far East about 1970', memo by Sir A Snelling for Official Oversea Co-ordinating Committee, reproduced in Stockwell, ed, *Malaysia*, 166.

16 *Statement on the defence estimates, 1966*: Part 1 *The Defence Review* Cmnd 2901 (1966); Part 2 *Defence Estimates 1966–67* Cmnd 2902 (1966).

17 South-East Asia Treaty Organisation, see document 89, note 1.

18 *H of C Debs*, vol 725, 22 Feb 1966, cols 254–265.

19 On which see note 9 above.

20 B Pimlott, *Harold Wilson* (London, 1992) pp 435–436; P Ziegler, *Wilson: the authorised life of Lord Wilson of Rievaulx* (London, 1993) pp 258–259.

21 Pimlott, *Wilson*, p 433.

22 Australia, New Zealand, United States. The ANZUS Pact was a security treaty signed by the three countries in 1951.

23 PREM 13/1447/1 deals with the presentation of devaluation.

24 On which see Nicholas J White, 'The survival, revival and decline of British economic influence in Malaysia, 1957–70', *Twentieth Century British History* vol 14 (2003) pp 222–242. In Aug 1967 the permanent secretary at Malaysia's External Affairs Ministry told the UK high commissioner Britain seemed interested only in 'safety, security and mini-skirts'. Once Britain had departed it would never regain its position of influence (*ibid*, p 231).

25 P Darby, *British defence policy east of Suez 1947–1968* (London, 1973) p 210; K Pieragostini, *Britain, Aden and South Arabia: abandoning empire* (London, 1991) pp 29, 131–132; also, S Mawby, *Britain's last Arab outpost: imperialism and decolonisation in Aden* (London, 2005).

26 The high commissioner was at the same time both head of the administration of Aden State, and the representative of the UK government in relations with the Federation of South Arabia and the states in the protectorate that remained outside the Federation.

27 Hyam & Louis, eds, *The Conservative government*, part I, p lviii.

28 Julian Amery, parliamentary under-secretary of state at the CO (1958–1960) in the previous Conservative administration, had likewise argued for a city state solution in the case of Aden, although for different reasons. Aden, he argued, was a valuable fortress colony over which sovereignty should not be surrendered. Amery opposed any merger of Aden with the protectorate. Hyam & Louis, eds, *The Conservative government*, part I, 193, 194.

29 The Labour government's decision to abandon a federal policy based on the rulers of South Arabia has been much criticised by a number of commentators, including former British officials who served in the region. Greenwood especially emerges in these accounts as well-meaning but naïve. To Sir Kennedy Tevaskis, who was replaced as high commissioner by Sir Richard Turnbull in Jan 1965, Greenwood gave 'the impression of being a kindly, gentle person, anxious to believe the best and likely to be pained at hearing the worst of his fellow men' (K Trevaskis, *Shades of amber: a South Arabian episode*, London 1968, p 224). David Ledger, who joined the Joint Intelligence Corps in South Arabia in 1960 and then became a political officer at the High Commission until 1967, suggested Greenwood's 'disarming simplicity' was born of Labour's long years out of his office. The secretary of state failed to realise that what was at stake in South Arabia was not a choice between moderate politicians in Aden ('blue collar socialists' according to Ledger) and reactionary federal rulers, but a struggle for power between Britain and Egypt (D Ledger, *Shifting sands: the British in South Arabia*, London, 1983, p 59). The problems created by the government's superficial understanding of the problem were compounded in Ledger's view by the attitude of the FO. Anxious above all to 'shed the image of Imperialism' and to appease third world

opinion, the FO was embarrassed by South Arabia. Too many officials were 'croakers', with the result that the hands of UK forces and those of their federal allies were tied. Once Labour was in office no firm action was taken against insurgent forces from across the border in Yemen. The federal government was not allowed to take matters into its own hands, and was sometimes prevented from doing so (*ibid*, p 223). Trevaskis reached the same conclusions. Arguing that the federal government suffered from the 'cancer' of too much UK control, Trevaskis had a five-point programme to reinvigorate it: (1) the removal of all British controls except those essential for defence and foreign policy; (2) the immediate cession to the federal government of sovereignty over Aden; (3) an early promise of independence; (4) a crash programme of development, with the UK providing the funds on a generous scale; (5) a defence guarantee against Egyptian or other aggression. By such means it would be possible to treat the federal government as the future government of an independent South Arabia (Trevaskis, p 231). The former high commissioner found it ironic 'that after years of Conservative hesitation to take what I believed to be the right road a Labour Colonial Secretary should decide to change course and take what I thought to be the wrong one after barely two months in office' (*ibid*, p 225).

30 The key correspondence and other documentation is reproduced in Hyam & Louis, eds, *The Conservative government*, part I, 188–215.

31 A brigade is a collection of different regiments and supporting units grouped together for a specific purpose. A fighting brigade contains infantry regiments, together with supporting units like artillery. The composition of each brigade differs depending on its responsibility, but often it contains 5,000 soldiers. A division is traditionally made up of three or four brigades, depending on the specific role to be undertaken.

32 On which see document 60, note 3.

33 Stockwell, ed, *Malaysia*, provides detailed coverage on the creation of Malaysia between 1957 and 1963. *Malaya* (BDEEP, London, 1995) by the same editor covers the period from 1942 to the independence of Malaya in 1957.

34 Reacting in 1962 to a view expressed by the governor of North Borneo (Sir William Goode) to the effect it was too soon to include the Borneo territories in a Malaysian federation, Macmillan confessed himself 'shocked' (both by the view and the attitude it revealed), and continued: 'Does he realise (a) our weakness in Singapore, and (b) our urgent need to hand over the security problem there? The whole mood is based on a false assessment of our power. If this is the Colonial Office point of view we shall fail' (Macmillan minute to Brook, 21 June 1962, reproduced in Stockwell, ed, *Malaysia*, 117; see also Hyam & Louis, *The Conservative government*, part I, p lix).

35 The 1957 defence agreement with Malaya was extended to the whole of Malaysia when the Federation was established in 1963.

36 Brunei's decision to remain outside the 1963 Federation of Malaysia is fully documented in Stockwell, ed, *Malaysia*.

37 De la Mare's views echoed those of James Cable, head of the FO South-East Asian Dept, 1963–1966, who argued in 1964 that what was at stake was not South Vietnam but US prestige in South-East Asia, and that Saigon was not worth a world war. Cable had participated in the 1954 Geneva Conference on Indo-China. His view had not changed that South Vietnam would never survive the test of free elections. Nor did he believe its collapse would have a regional domino effect. In 1965 he maintained the war could not be won, a view then at odds with that of Sir Robert Thompson, head of a British Military Advisory Mission to Vietnam between 1961 and 1965. Thompson had been in charge of civilian defence during the Malayan emergency of the 1950s. For counter-insurgency to be successful, Thompson argued the preservation and exercise of civilian authority—effectively the police—were just as important as the military effort. Drawing on his Malayan experience he also emphasised the importance of a single, unified command for the direction of emergency operations. On both counts he gradually became disillusioned with the US conduct of the war, to say nothing of the government in Saigon. By 1966 he had come round to the view, not simply that the war could not be won but that it was already lost. For a full discussion, see W R Louis, 'The dissolution of the British Empire in the era of Vietnam', presidential address in *The American Historical Review* vol 107 (1968) pp 1–25.

38 Nicholas J White, *op cit*, 'The survival, revival and decline of British economic influence in Malaysia, 1957–1970', provides the context.



39 The political Resident was the senior British posting based at Bahrain.

40 W R Louis, 'The British withdrawal from the Persian Gulf, 1967–71' *Journal of Imperial and Commonwealth History* vol 31 (January 2003) pp 83–108.

41 Saudi Arabia claimed the Buraimi oasis, situated on the boundary of Abu Dhabi and Muscat, as Saudi territory. Disputed ownership arose from Saudi Arabia's rejection of an Anglo–Turkish boundary line drawn in 1934. Arbitration was attempted in the early 1950s but it collapsed in 1955 when the UK accused the Saudis of violations and the Trucial Oman Scouts were used to evict a small Saudi occupation force from Buraimi. As a result diplomatic relations between London and Riyadh were suspended for eight years.

42 The Sudan became independent in 1956, for coverage of which see D Johnson, *Sudan* (BDEEP, London, 1998). The first parliamentary elections were held in Feb 1958 but in Nov a military coup ousted the civilian government. In a valedictory despatch written in Mar 1965, Sir Ian Scott, the British ambassador, described as 'benign' the military regime of General Ibrahim Abboud (FO 371/184145, no 49, Scott to Stewart, 16 Mar 1965). Britain continued to enjoy overflying and staging rights in the Sudan. These rights were withdrawn when Abboud was overthrown in Nov 1964. The Sudan switched its allegiance to the UAR and OAU. See also FO 371/178810–178812, 178819–178820, 184146.

43 And they have been documented in the BDEEP general volumes. See D Goldsworthy, ed, *The Conservative government and the end of empire 1951–1957* (London, 1994) part I, 21, 27, 53, 66; and Hyam & Louis, eds, *op cit*, part I, 17.

44 FCO 49/418 & 432.

45 See R Hyam, *The Labour government and the end of empire 1945–1951* (BDEEP, London, 1992), part III, 273, 281.

46 Rhodesia, the war in 1965 between India and Pakistan over Kashmir, and a gathering crisis in Nigeria to name just three.

47 DO 158/41, minute by D J Kirkness, 3 Jan 1961. The editors are grateful to Philip Murphy for this reference, and for the one below in endnote 48.

48 FO 1109/536, minute by Butler, 14 May 1963.

49 Hyam & Louis, eds, *The Conservative government*, part II, 594.

50 *ibid*, 524.

51 On Mountbatten, see document 205, note 1. The intention was that Mountbatten would invest the governor, Sir Humphrey Gibbs, with a KCVO, a decoration awarded personally by the Queen for services to the Sovereign. This would constitute recognition of the governor as the sole lawful authority in Rhodesia, and sustain his morale. In consideration of a visit before the idea was abandoned, the palace had three questions to ask. In each case Wilson provided the answer. (1) What posture does Mountbatten adopt if met by Smith on arrival? Answer: bow stiffly and condescendingly and treat him as a private person. (2) What if there is a demonstration outside Government House? Answer: rely on a tall guardsman. (3) What if clearance for landing is denied? Answer: this will show Smith's loyalty to the monarch is completely bogus; it will not constitute a snub for the Queen herself. Gibbs questioned if Mountbatten was of sufficient status for the visit. He asked if someone 'higher up' could be sent (PREM 13/553).

52 Smith was not in fact in a position to commit his Rhodesia Front government at the *Tiger* talks. He was the mouthpiece of his government, not its independent leader. For more on Smith's position as prime minister when he replaced Winston Field in Apr 1964, see the forthcoming BDEEP volume edited by Philip Murphy on *Central Africa*.

53 Vorster told Wilson in Dec 1966 in the aftermath of the *Tiger* talks, 'it will be a mistake to accept that because we have behaved in a correct manner and tried to find an honourable solution to a delicate problem we regard either ourselves or the White man in South Africa as expendable' (CAB 64/60, letter transmitted through South African ambassador in London, 12 Dec 1966).

54 An inquiry conducted by Thomas Bingham QC was set up in 1978 to examine the evasion of sanctions against Rhodesia. It concluded oil companies had knowingly violated sanctions, with the complicity of British civil servants. Wilson persistently denied allegations he had been aware of the arrangements, but his critics were not convinced. Pimlott, *Wilson*, pp 725–726.

55 In Nov 1971, on the eve of his agreement with Smith, Home informed Heath, 'the only choice for [Rhodesia] for as far as one can see is Mr. Smith with no agreement or Mr. Smith with an agreement. ... The Africans say to me that Britain is their protector. I have to say to them, sadly but firmly, that the role that they cast for us is not real, that we will use all the influence we can but it is running out fast. In the end, equally sadly, they accept this' (PREM 15/625, Home to Heath, 21 Nov 1971). The Smith–Home settlement was based on the 1969 republican constitution, amended in a way to allow for the remote possibility of majority rule through a combination of elected and chiefly representatives. A Royal Commission, chaired by Lord Pearce, was set up to test Rhodesian opinion, the British government having insisted the agreement had to be acceptable to the Rhodesian people as a whole. Africans rejected the settlement by an overwhelming majority, and the Pearce Commission confirmed the proposals were not an acceptable basis for independence. E Windrich, *Britain and the politics of Rhodesian independence* (London, 1978) pp 186–200.

56 In June 1979 Bishop Abel Muzorewa was appointed prime minister of what was to be called Zimbabwe-Rhodesia. Smith had persuaded Muzorewa to accept a constitution for majority rule with inbuilt protection for the white minority. The nationalist leaders operating outside Rhodesia—Robert Mugabe of ZANUPF and Joshua Nkomo of ZAPU—refused to accept the new constitution. Lord Carrington, foreign secretary in a recently elected Conservative government, was one influence persuading Prime Minister Margaret Thatcher that an internal settlement based on agreement with Muzorewa would not survive. Another was a meeting of Commonwealth heads of government at Lusaka in Zambia in Aug 1979 which reiterated the Commonwealth's commitment to Zimbabwe's independence upon the basis of majority rule.

57 Smith's appointment is discussed in W David McIntyre, 'Britain and the creation of the Commonwealth Secretariat' *Journal of Imperial and Commonwealth History* vol 28 (Jan 2000) pp 135–158.

58 Lester B Pearson, *The Commonwealth, 1970* (Cambridge, 1971).

59 Another assessment of Commonwealth policy was made in Oct 1972 in anticipation of Britain's eventual accession to the EEC. It suggested Britain's primary objectives were to maintain (1) intimate bilateral relations with Australia, Canada, and New Zealand, and (2) bilateral relations with other Commonwealth countries in accordance with their respective importance to Britain. The most important in the second category were India, Nigeria, Malaysia and Singapore, Zambia and Kenya. The multilateral aspect of the Commonwealth was described as a 'supplementary factor', sometimes working to Britain's advantage, and at other times to Britain's cost. 'The British people have, in the past, paid a high, and perhaps an excessive price for their support of the multilateral Commonwealth and it will be important to avoid doing so in the future. Subject to this however, it would seem in our interests to keep the multilateral concept of the Commonwealth in reasonable repair' (FCO 49/398; 397 for earlier drafts). Commenting on one of the previous drafts, Le Quesne could not recall, apart from Rhodesia, any examples of the UK having paid a high price (FCO 49/453, minute, 8 Jan 1972).

60 For the background, see Hyam & Louis, eds, *The Conservative government*, part 1, 46 & 49.

61 A CO paper of May 1966 alluded to the 'ubiquity' of US influence and interests. Continued UK colonial rule provided the US free of cost with stable conditions for various kinds of installations in five territories, and security against hostile use in eight others located in strategically sensitive areas (CO 1058/17, no 6, 19 May 1966).

62 See p lxviii.

63 CAB 148/31, OPD(67)11, memo by Hart, 'The outlook for the dependent territories', 2 Mar 1967, and CO 1058/17, no 14, Poynton paper on future policy, 15 July 1967.

64 FCO 44/127, nos 14 & 15.

65 The dependent territories were the subject of a Programme Analysis and Review, requested by the Cabinet and prepared by the FCO, MoD, and ODA in 1973. The purpose was to assess policy in the light of costs (FCO 86/60). A draft paper in June 1973 explained that since 1968 UK policy had been dictated more by the wishes (as opposed to the interests) of the inhabitants of the territories. At a Bahamas constitutional conference in Sept 1968, George Thomson commented that the British government had no intention of delaying independence for those who wanted it, or forcing it on those who did not. The

government's objectives were to promote security and stability, good government, economic development and social welfare, and increased responsibility through local elections. '... while territories *are* still dependent on the British Crown, it is our long-term objective to try to ensure that what money *is* spent brings them as quickly as possible to a state of which we need not feel ashamed if and when the time comes to part company. In some areas, particularly South Pacific and Caribbean, it is difficult for us wholeheartedly to reject the description "rural slum" as applied to some British (as distinct from French or US) territories'. The draft calculated the annual cost of dependent territories (defence, administration, and economic aid) at £36.9 million; for the associated states the annual total was £10.8 million. Britain's options were (1) to maintain dependent status, (2) to relinquish control by means of independence, association, regional grouping, integration, or UN trusteeship, (3) to develop a lasting relationship with the UK (FCO 86/61). The recommendation in Oct 1973 was for the FCO to set in train studies of how best to relinquish direct administrative responsibilities in all territories other than Hong Kong and those where the UK had special defence communication and scientific interests. In terms of cost, there was not much to choose between this, and a policy of continued dependence. Hence policy should be determined by political rather than economic considerations (FCO 86/75). For the full report, *Programme Analysis and Review: The Future of the Dependent Territories: Report by the FCO, ODA and MoD*, Nov 1973, see FCO 86/76.

66 Peter Henshaw, ed, *Southern Africa* (BDEEP, forthcoming) provides coverage of the High Commission Territories.

67 British policy in the Caribbean, including British Guiana and British Honduras, from 1948 to 1966 is documented in S R Ashton & D Killingray, eds, *The West Indies* (BDEEP, London, 1999).

68 In 1969 Lord Shepherd, minister of state at the FCO with special responsibility for the Caribbean, toured the West Indies. His subsequent report presented in Nov 1969 was described by one official as 'rather gloomy' (FCO 44/150, no 56).

69 S R Ashton & S E Stockwell, eds, *Imperial policy and colonial practice 1925–1945* (BDEEP: London, 1996) part II, 142, section IV.

70 Ashton & Killingray, eds, *The West Indies*, 217.

71 *ibid*, 214, 215.

72 J S Bennett of the Commonwealth Office minuted (25 May 1967): 'The job of Governor of the Falkland Islands is rather like a mixture of old-fashioned Squire and chairman of a rural district council' (FCO 42/44, no 94).

73 *H of C Debs*, vol 775, 16 Dec 1968, cols 424–426, 850–852.

74 Brij V Lal, ed, *Fiji* (BDEEP, forthcoming) provides coverage.

75 FO 371/176537, no 56, record of conversation about Africa between Lord Walston and Averell Harriman, 5 Dec 1964, and FO 371/181609, no 3, Le Quesne minute, 7 Jan 1965, on further meeting between Walston and Harriman.

76 FO 371/137972, no 24, 'Africa in the next ten years,' report (FO print) of a committee of officials, June 1959, reproduced in Hyam & Louis, eds, *The Conservative government*, part I, 20.

77 This observation was made when the Suez Canal was closed following the June 1967 Six-Day War but before Britain became seriously concerned about a Soviet naval build-up in the Indian Ocean.

78 On which see the observation of Sir J Maud, Britain's ambassador to South Africa, in a valedictory despatch in May 1963 to the effect Britain's problem was how to treat South Africa 'as half-ally and half-untouchable at the same time'. Hyam & Louis, eds, *The Conservative government*, part II, document 462, p 461; also document 463.

79 M Lynn, ed, *Nigeria* (BDEEP: London, 2001), part II, 392.

80 *ibid*, 458.

81 A paper, 'British policy in the light of longer-terms trends in Southern Africa' was prepared by the FCO Planning Staff in Sept 1971. It argued Britain's difficulties over relations with South Africa would not diminish over the next two decades, and might well increase. Eleven African posts responded when the

paper was circulated, many suggesting a distinction should be drawn between French- and English-speaking African states as the former seemed to have fewer problems in dealing with South Africa. The point was made in a redraft of the paper in July 1972 but the overall conclusion remained the same. Among British officials in Africa, Snelling continued to argue the UK should help South Africa wherever possible. J S R Duncan (high commissioner, Zambia) and S J L Olver (high commissioner, Sierra Leone) held a contrary view. Both argued Britain should start to distance itself from South Africa (FCO 49/392, 393). Policy towards South Africa was kept under annual review (FCO 49/473).

82 The threat is examined in T 312/2647.

83 Douglas Hurd, *An end to promises: sketch of a government, 1970–1974* (London, 1979) p 53. South Africa purchased and received all but one of the British helicopters for which the Heath government granted export licenses. The sale of the last helicopter was revoked when a Labour government returned to power in 1974. The editors are grateful to Peter Henshaw for this information.

84 Pimlott, *Wilson* p 434.

85 CO 852/2263, minute by D J C Jones, 12 Jones 1963.

86 CAB 134/1777, EER(63)75, 7 June 1963.

87 CAB 148/21, OPD(65)72, 7 Apr 1965, 'Commonwealth prime ministers' meeting: economic relationships', report circulated to Cabinet Defence and Oversea Policy Committee by Sir B Trend.

88 In 1964 about 42 per cent of British official bilateral aid was wholly tied to the purchase of British goods and services, and another 16 per cent—development aid to colonies—was partly tied (OD 36/1, no 13, ODM memo, 3 Feb 1966).

89 Jay was one of the Cabinet's staunchest and intellectually powerful anti-Europeans. He wrote in his memoirs: 'The Common Market ... was based on entirely different principles from EFTA and the Commonwealth, and on economic policies which were bound to be exceptionally damaging to Britain. It forced us to *buy food at artificially high prices and admit unrestricted manufactured imports*: precisely the reverse in each case of our prime national interest' (emphasis in original). Douglas Jay, *Change and fortune: a political record* (London, 1980) p 350.

90 Wilson put forward three proposals for the development of closer Commonwealth economic co-operation at the meeting of prime ministers in London in June 1965. First, a conference of Commonwealth trade ministers. Secondly, greater co-ordination of Commonwealth planning arrangements through the secretariat. He had in mind that plans might be compared, and that countries might develop their industrial or agricultural capacity to meet the requirements foreshadowed in the plans of other countries. He gave as an example how Uganda's plans for developing phosphates would be affected by information on the future requirements of other countries for fertilisers. Finally, the reactivation of the Commonwealth Air Transport Council which had fallen into disuse. By reviving it aircraft manufacturers would be able to take into account the requirements of Commonwealth countries before proceeding with the development of new aircraft. The conference welcomed these ideas but other countries had priorities of their own. Australia and Canada displayed little enthusiasm for the idea of Commonwealth planning. In Australia, as Sir R Menzies pointed out, the six state premiers 'thought that the Commonwealth should provide money but otherwise keep out of their affairs'. Pearson made the same point about the ten provincial governments in Canada. Developing countries were anxious about the threat to investment posed by corporation tax. Some (Jamaica especially) also voiced concern about the local economic impact of UK immigration policy. Commodity pricing was a major area of concern, particularly for Jamaica (sugar and citrus fruits), Ghana (cocoa), and Kenya (coffee). Pearson highlighted some difficulties over commodity agreements. He suggested pricing was a world problem the Commonwealth could not solve on its own. Jamaica argued that if it knew in advance the volume and price of its sugar exports, it could plan ahead. The same applied to Canada as an importer. But if the volume and price of sugar were fixed, world production would also have to be controlled, otherwise the lowest-cost producer would gain the whole market and the others would go out of business. To Pearson this would hardly be to the advantage of the sugar producers within the Commonwealth Sugar Agreement (CAB 133/257). These reservations about commodity agreements were echoed after the conference by Board of Trade officials: 'Because of our heavy dependence on imports of primary products our policy must be extremely cautious' (BT 241/1438, no 16, brief for Jay, 23 July 1965).

91 Australia, the largest official holder of sterling, stood to suffer more than most by devaluation, especially in view of its own decision not to devalue. But Australia also had a London Market debt in excess of £300 million over the next ten years, and its foreign exchange liability in the UK was correspondingly reduced. To the extent Australia used its balances to trade with the UK, it faced no loss (FCO 22/31, no 14, Commonwealth Office brief for visit of J McEwan, Australian trade and commerce minister, on the effect on Australia of sterling devaluation, 24 Nov 1967). Before devaluation, in preparation for McEwan's visit, the Commonwealth Office also wanted 'to have up our sleeve all possible arguments that we can deploy against any disposition he may show to become rough with us over Anglo-Australian trade'. One such argument was Britain's 'social investment' in Australia—'the cost to us for Australia's benefit of the brain and brawn drain to her represented by 80,000 migrants a year'. Another was a belief Australia did not reciprocate preferential treatment received from many Commonwealth countries, both independent and dependent (*ibid*, no 15, minute by Snelling, 'Australia and preferences', 26 Oct 1967).

92 See, for total allocations, D J Morgan, *The official history of colonial development* vol 3, *A reassessment of British aid policy 1951–1965* (London, 1980) p 317.

93 *Colonial Development and Welfare Acts 1929–1970: A Brief Review* (Cmnd 4677, 1971) pp 8–9.

94 Morgan, vol 4, *Changes in British aid policy 1951–1970* pp 10–11.

95 Hyam & Louis, eds, *The Conservative government*, part I, 93.

96 CO 866/156, no 78, Poynton to Sir L Helsby, head of Civil Service, 28 Oct 1964; also Morgan, vol 4, pp 24–25.

97 See also Greenwood circular despatch to colonial governments, 10 May 1965, reproduced in Morgan, vol 4, pp 25–28.

98 OD 20/416, no 148, letter, 4 Aug 1965.

99 See document 427, note 2 for full reference.

100 Corporation tax had been raised to 42.5 per cent in 1967–1968 and 45 per cent in 1969. The Conservatives brought it down to 42.5 per cent in the October 1970 budget.

101 *British Private Investment in Developing Countries* (Cmnd 4656), Apr 1971. As well as an investment guarantee scheme, the white paper also announced measures to encourage investment through bilateral investment protection agreements, tax relief, and the use of official aid in association with the Commonwealth Development Corporation.

102 For the position in India, see FCO 59/626, no 44, 'The prospects for foreign investment and collaboration in India', despatch from Sir M James (UK high commissioner, New Delhi) to Home, 25 Jan 1971.

103 *Colonial Development and Welfare Acts 1929–1970: A Brief Review* (Cmnd 4677, 1971) pp 16 and 47.

104 Ministry of Overseas Development: *Overseas Development: The Work of the New Ministry* (Cmnd 2736, 1965) p 6.

105 CAB 148/18, OPD 27(65), 26 May 1965, and OPD 29(65)4, 16 June 1965.

106 OD 36/160, no 16, ODM memo, 'British aid policy', Oct 1969, and Board of Trade comments in letter from R L Davies to K G Ashton, 13 Oct 1969, *ibid*, no 19.

107 An FCO memo on aid in 1972 posed the question, 'Do we give a strong commercial slant to our aid, which means selecting and backing winners; or do we do more to help lame dogs over stiles?' (PREM 15/1807, quoted in a minute by Sir B Trend to Heath, 12 June 1972).

108 Ashton & Stockwell, *Imperial policy and colonial practice*, part II, 101.

109 R Crossman, *Diaries of a Cabinet minister* vol 1 *minister of housing 1964–1966* (London, 1975) pp 149–150; R Hansen, *Citizenship and immigration in post-war Britain: the institutional origins of a multi-cultural nation* (London, 2000) p 133.

110 *Immigration from the Commonwealth*, Cmnd 2739.

111 Crossman, vol 1, p 299.

112 For the 1971 debate in Parliament, see *H of C Debs*, vol 813, 8 Mar 1971, cols 42–164. And for wider background, R Hansen, *Citizenship and immigration in post-war Britain*, and R Karatani, *Defining British citizenship: empire, Commonwealth, and modern Britain* (London, 2003).

113 Caradon at the UN held exactly the opposite view: ‘... we shall not induce those who maintain white supremacy in southern Africa to change their policies by being nice to them and protecting them at the United Nations’ (FCO 49/258, no 44, letter to Sir E Peck, 6 Mar 1969).

114 Hyam & Louis, eds, *The Conservative government*, part II, 462, para 123.

115 R Hyam & P Henshaw, *The lion and the springbok: Britain and South Africa since the Boer war* (Cambridge, 2003) pp 263–264.



# Summary of Documents: Part I

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## Chapter 2

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39	MoD for Mr Healey	Feb 1965	Brief on 38	168
40	Mr Healey to Mr Greenwood	31 Mar 1965	Minute expressing concern over establishment of constitutional commission for Aden	169
41	Lt Gen Sir B Baker (VCGS)	31 Mar 1965	Report on visit to Aden; situation will not improve until policy for Federation and military strategy are made clear	170
42	Mr Greenwood to Mr Wilson	14 June 1965	Minute on decreasing value of Aden base	174
43	FM Sir R Hull (CDS) to Mr Healey	6 Aug 1965	Minute, 'Situation in the Middle East', expressing concern about situation in Aden	175
44	Cabinet Defence & Oversea Policy Committee meeting	23 Sept 1965	Minutes on suspension of Aden constitution	176
45	Sir B Burrows & Sir R Allen (FO)	7 Jan 1966	Minutes on problems of disengagement from Aden	179
46	Sir R Allen (FO)	17 Jan 1966	Minute opposing proposal to send special UN Mission to Aden	182
47	Mr Lee (CO) to Wilson	29 June 1966	Minute opposing proposal to send special UN Mission to Aden	183
48	Mr Brown for Cabinet Defence & Oversea Policy Committee	1 Dec 1966	Memo on Bowen Report on handling of detainees in Aden	185
49	Mr Brown to Sir Turnbull	8 Dec 1966	Letter, 'Constitutional advance to independence in South Arabia', + <i>Annex A</i>	189
50	F Cooper (MoD) to P D Nairne (MoD)	10 Jan 1967	Minute on withdrawal from Aden, explaining why planned date for independence should not be postponed	193
51	Sir R Turnbull	25 Jan 1967	Note on security, justifying decision not to appoint judicial enquiry into allegations of ill-treatment of detainees	195
52	Mr Wilson to Mr Brown	26 Jan 1967	Minute expressing concern about Southern Arabia and calling for appreciation by officials	198

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55	T F Brenchley (FO) to Sir D Allen (FO)	17 Feb 1967	Minute, 'Factors involved in a crash withdrawal from South Arabia'	203
56	COS Committee meeting	21 Feb 1967	Minutes of meeting with Sir R Turnbull reviewing situation in Aden	205
57	F Cooper (MoD) to H L Lawrence-Wilson (Cabinet Office)	27 Feb 1967	Minute on COS concerns about preparations for South Arabia's independence	207
58	Mr Thomson (FO) to Mr Brown	3 Mar 1967	Minute on question of replacing Sir R Turnbull as high commissioner	208
59	Mr Brown for Cabinet Defence & Oversea Policy Committee	8 Mar 1967	Memo, 'South Arabia', recommending bringing date of independence forward to 1 Nov 1967 and outlining new security proposals	209
60	Cabinet Defence & Oversea Policy Committee	8 Mar 1967	Report by officials, 'South Arabia: problems of preparing for independence'	211
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63	M C G Mann (Jedda) to Mr Brown	3 Apr 1967	Tel on King Faisal's response to proposals for South Arabia	231
64	Mr Gordon Walker to Mr Wilson	10 Apr 1967	Minute on 'crisis' in Aden and position of Sir R Turnbull	233
65	Sir C Johnston (Canberra) to Sir P Gore-Booth (FO)	11 Apr 1967	Letter from former governor, expressing concern over recent developments in Aden	234
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71	Sir H Trevelyan to Mr Brown	9 June 1967	Despatch on departure from South Arabia and defence agreement	248
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73	Sir H Trevelyan to Mr Brown	27 June 1967	Tel on urgent need to reconstitute South Arabian govt	252
74	Sir H Trevelyan to Mr Brown	28 June 1967	Tel on new security situation after mutiny in federal army on 20 June	253
75	Sir H Trevelyan to Mr Brown	6 Aug 1967	Tel on proposals to hand over security in Aden to South Arabian army, and to bring forward date of independence to early Dec	255
76	Sir H Trevelyan to Sir P Gore-Booth (FO)	10 Aug 1967	Tel justifying recommendation to bring forward date of independence	258
77	Sir H Trevelyan to Mr Brown	21 Aug 1967	Tel assessing rapidly changing political situation	261
78	Sir H Trevelyan to Mr Brown	22 Aug 1967	Tel suggesting that independence date should be determined in light of withdrawal plans and other developments but should be no later than 9 Jan	263
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98	Mr Healey to Mr Wilson	13 Aug 1965	Minute, 'Malaysian situation', on the defence implications for the UK of the secession of Singapore	337
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113	A R Adair (Brunei) to Mr Stewart	24 Jan 1970	Despatch, 'Brunei: annual review for 1969' [Extract]	383
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130	FCO for Mr Wilson	[Nov 1969]	Note on deterioration in Anglo–Libyan relations	441
131	Mr Churchill (Conservative MP) to Mr Heath	3 Feb 1971	Letter expressing concern over with- drawal from Gulf	442
132	Sir G Arthur (Bahrain) to Sir A Douglas- Home	19 Apr 1971	Despatch reflecting on the Gulf [Extract]	443
133	Sir A Douglas-Home for Cabinet Defence & Oversea Policy Committee	30 June 1971	Memo, 'Policy in the Gulf: the Union of Arab Emirates (UAE)', + <i>Annex</i>	447
134	Sir A Douglas-Home for Cabinet Defence & Oversea Policy Committee	30 June 1971	Memo, 'Policy in the Gulf: islands claimed by Iran'	450
135	P R H Wright (Bahrain) to Sir A Douglas- Home	26 July 1971	Despatch reviewing efforts to establish a union of Gulf states, Nov 1969 to July 1971	451
136	Lord Carrington to Mr Heath	30 July 1971	Minute, 'Residual military presence in the Gulf after 1971'	458
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## CHAPTER 1

**The defence withdrawal from East of Suez**

Document numbers 1–35

**1 PREM 13/32, ff 150–153****16 Oct 1964**

**[UK economic situation]: minute by Sir W Armstrong (Treasury)<sup>1</sup> in preparation for a meeting between Mr Wilson, Mr Brown and Mr Callaghan**

We greet the Chancellor with a set of briefs (numbered G. B. (64) 1–62) about the main issues of financial and economic policy divided into four sections:—

- 1–17 Public Expenditure and Receipts
- 22–38 Home and Overseas Finance
- 46–51 General Economic Policy
- 52–62 Other particular topics

2. In a much over-simplified nutshell, the situation as we see it is as follows.

3. The immediate economic prospect is that there is a slowing down in the rate of demand, especially in exports and private consumption; next year demand and output might grow at between 3% and 3½% which would mean that the pressure of demand would remain about constant at its present high level. This situation is, however, accompanied by very large deficits in the balance of payments. We have been revising our estimates in the last few days; and we now think mainly because of poor export performance that the deficit in 1964 may be as much as £800 million on combined and long-term capital account and in 1965 of the order of £450 million.

4. This means:—

- (a) we have a serious problem on our hands of financing the deficit on our balance of payments;
- (b) action will have to be taken in the next few weeks to make a start on reducing the balance of payments deficit of 1965: unless we do so, we shall not be able to borrow the amounts we need; and
- (c) it is likely that action on the balance of payments will call for some increase in taxes: any increase in public expenditure in 1965/66 over the levels implied by current policies, will have to be matched by additional taxation.

5. These short-term questions must be looked at in the light of the longer term prospect. Here our analysis suggests that even if output were to grow at 4 per cent per annum from now on:—

<sup>1</sup> Armstrong of Sanderstead (life peer cr 1975); Treasury from 1949; joint permanent secretary, 1962–1968; permanent secretary, Civil Service Dept and head of Home Civil Service, 1968–1974.

- (a) there would probably have to be some increases in taxation to meet the present long-term expenditure programmes;
- (b) there would be a persistent balance of payments deficit fluctuating around a figure between £200 and £300 million per annum.

6. As a long-term strategy, we reject deflation by itself and devaluation, but propose:—

- (a) a drive to increase industrial efficiency and competitiveness so that we produce goods which are preferred both by overseas and home customers;
- (b) measures to release for more productive employment manpower where it is not fully or efficiently employed (e.g. coal mines, railways, etc.);
- (c) an attack on the roots of cost inflation, including a policy for incomes and prices;
- (d) to work to a long-term public expenditure/taxation plan, with the appropriate machinery for carrying it out, which is realistic in relation to the likely growth of resources and has economically directed priorities;
- (e) that, in particular, a start should be made to reduce the amount of resources now devoted to non-economic purposes, especially defence and 'prestige' projects (e.g. Concord); and
- (f) fiscal and monetary policies aimed at securing and maintaining a lower pressure of demand at home.

7. We believe that if policies of this kind were applied with sufficient vigour and conviction, we should be able to borrow enough to see us through to the time (perhaps three or four years hence) when the longer term policies would begin to show their effects, though it is clear that this would only be possible provided there is a substantial reduction in the balance of payments deficit next year. Nothing very much can be done by way of further tightening exchange control; and we regard import controls and export subsidies as damaging both to our international trade relations and our economic efficiency in the longer term, so that they should be resorted to only if other policies fail. (This does not preclude action in the fiscal or credit fields designed to assist exports.)

8. This is the background to decisions on the immediate problems. Announcements in the clearest and strongest possible terms about (a) to (e) above will help, but action will also be required on (f).

9. The Chancellor will have an opportunity to make the Government's general policy clear at the Mansion House on 3rd November; and, by mid-December, it will be necessary to decide on short-term measures aimed at maintaining international confidence and making a start on reducing the pressure of home demand.

10. These broad issues are discussed in detail in seven interlocking papers immediately below:—

- |   |            |
|---|------------|
| (i) Longer-term prospects for the economy                             | G.B.(64)47 |
| (ii) Current economic situation                                       | G.B.(64)46 |
| (iii) Analysis of the balance of payments                             | G.B.(64)25 |
| (iv) Economic policy and the balance of payments                      | G.B.(64)24 |
| (v) Immediate problems of reserve movements and financing the deficit | G.B.(64)28 |

- |  |           |
|--|-----------|
| (vi) Public Expenditure and taxation                             | G.B.(64)1 |
| (vii) Prospects of public expenditure and receipts up to 1968–69 | G.B.(64)2 |

11. No doubt the Chancellor will wish to have an immediate discussion with his colleagues, in particular the Prime Minister and the Secretary of State for Economic Affairs. If he thinks that the above papers would make a useful basis for discussion, copies can be made available at once.

## 2 PREM 13/32, ff 89–90

23 Oct 1964

[UK economic situation]: outward telegram no 12331 from FO to Washington transmitting a message from Mr Wilson to President Johnson

Personal for Ambassador and Sir Eric Roll.<sup>1</sup>

Following is the text of a message from the Prime Minister to the President which will be teleprinted to the White House at 5.00 p.m. British Summer Time on Saturday, October 24.

*Begins:*— My first task on forming my Administration has been to undertake with my senior colleagues a thorough review of our present financial and economic situation.

We knew, while in opposition, that the position was deteriorating; but we deliberately refrained from turning it into a major election issue in order not to undermine confidence.

Now that we have examined all the facts I find the situation is even worse than we had supposed. In brief, we are faced with a probable deficit on external account for this year which may be as high as £800 million; and a suspected deficit, for next year, if we do nothing about it, which, while much less, would still be quite unacceptable.

My colleagues and I have therefore determined to take firm remedial measures. In deciding on our programme of action we have been guided by two main purposes. First, to avoid a repetition of the stop and go policies which have plagued the steady growth of the British economy since the end of the war. Secondly, to ensure that the short term measures which are necessary to meet the immediate situation should not hamper our action to get the balance of the economy right for the longer term.

We have considered and rejected two alternative courses of action: the first,<sup>2</sup> with all its repercussions on the international exchanges, will be obvious to you, and this we have rejected now, and for all time; the second, an increase in interest rates, I am against in principle both because of its restrictive effect on the economy and because of its impact on your own problems, especially at this time. Our immediate situation has to be dealt with by means which we would, of course, have preferred to avoid both for the sake of the British public at home and our friends overseas.

<sup>1</sup> Roll of Ipsden (life peer cr 1977); economic minister and head of UK Treasury delegation, Washington, 1963–1964; permanent under-secretary of state, Dept for Economic Affairs, 1964–1966.

<sup>2</sup> ie, devaluation.

On Monday, the Government will be telling the nation what the situation is and announcing an eight point programme to set the economy moving on the right lines.<sup>3</sup>

Text as in my immediately following telegram.

I have thought it right to let you know what we propose in advance of any public statement, first because I set great store by close and continuing co-operation with the American Administration over the whole international field, economic and commercial as well as political and military, and also because my colleagues and I are most grateful for the co-operation we are receiving in these difficult times from the United States authorities. Some of the measures we shall have to take will hurt, but I can give you my assurance that not only are they temporary and not intended to be protectionist, but we consider them essential if we are to have a strong economy as a basis for playing our proper part in international affairs.

We have sent Sir Eric Roll to explain these measures in more detail to members of your Administration.

The Foreign Secretary will be in Washington this coming weekend and will be able to put our action in the economic field into the perspective of our general approach to international problems.

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<sup>3</sup> The 8 points were: (1) steps to reduce imports by imposing temporary surcharges on all imports with the exception of foodstuffs, raw tobacco, and basic raw materials; (2) plans to increase exports (including relief of some part of the burden of indirect taxation for exporters), improved export credit facilities, the setting up of a Commonwealth Exports Council, and co-operative selling arrangements for small firms; (3) consultation with all sides of industry to increase productivity and to establish an incomes policy related to productivity; (4) a policy to make it easier for workers to change their jobs in accordance with the needs of technological progress; (5) a policy to speed up development in the under-employed areas of the UK; (6) a strict review of all government expenditure, releasing the strain on the balance of payments and releasing resources for more productive purposes by eliminating expenditure of low economic priority, such as 'prestige' projects (eg Concorde); (7) implementation of the government's social programmes; (8) consultation with the IMF on the use by the UK of its drawing rights.

### **3 CAB 130/213, MISC 17/1**

**21 Nov 1964**

#### **'Defence policy': minutes of a meeting of ministers, service chiefs and senior officials at Chequers on Britain's three defence roles<sup>1</sup>**

*The Prime Minister* thanked the Chiefs of Staff for their presentation of our strategic position and military commitments. This had clearly brought out the need to relate our commitments to our resources. He suggested that the meeting should first consider our regional commitments, then the possibilities of functional economies in defence expenditure and finally the proposed Atlantic Nuclear Force (A.N.F.) and the briefs which would be necessary for discussion in Washington.

The meeting first discussed the burden of defence upon the United Kingdom economy in relation to the three major United Kingdom defence roles of:—

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<sup>1</sup> Present: Wilson, Brown, Gordon Walker, Callaghan, Healey, Bottomley, Jenkins (minister of aviation, 1964–1965), Fred Mulley (deputy secretary of state for defence and minister of defence for the army), George Wigg (paymaster general), Admiral of the Fleet the Earl Mountbatten of Burma, Admiral Sir D Luce, Field Marshal Sir R Hull, Air Marshal Sir C Elworthy, Sir Burke Trend, and senior officials from the FO, MoD, Treasury, CRO and Ministry of Aviation.

- (a) the maintenance of a nuclear deterrent;
- (b) a contribution to the North Atlantic Treaty Organisation (NATO) and
- (c) the maintenance of overseas commitments.

The United Kingdom was the only country of its size which sustained a role in each of these three fields. Germany and France, whose percentage of gross national product devoted to defence was smaller than our own and whose absolute level of expenditure on defence was also smaller, restricted themselves, in the case of Germany to one and in the case of France to two of the three roles in question. The cost of maintaining United Kingdom forces at the present level would probably increase at a faster rate than the gross national product (G.N.P.) Half the cost of the forces derived from the cost of personnel and their pay must keep in step with increases in industrial wages if the system of voluntary recruitment were to be maintained. The cost of weapons was increasing even faster. For example, it was estimated that over the next five years the cost of a tank regiment would double and that of an infantry battalion would increase six-fold.

There were possibilities of effecting major economies in the cost of defence if we were to buy our weapons in the cheapest market irrespective of United Kingdom production but this would have other serious implications, notably for our aircraft industry. Furthermore, in the short term it might be more important to us to effect savings on the balance of payments than on the budgetary costs. Regard must, nevertheless, be had to the effect on our economy as a whole of our seeking savings in overseas expenditure e.g., on the level of our forces in Europe if an additional load were imposed upon the construction industries in order to provide accommodation for them in the United Kingdom. Another possibility of economy was to confine our equipment to less sophisticated and therefore less costly defence weapons which might be suitable for the immediate tasks which we had to perform overseas. This would, however, involve renouncing certain military options, which would have political consequences. Moreover, it was of the first importance to the morale of such troops as we might retain in Europe that they should be equipped with weapons at least as effective as those of our European allies. It might well be that we should not be able to effect worthwhile reductions in the burden of defence costs without a substantial reduction in the total size of our forces.

Since our economic strength was as important to our international influence as our military strength, there was general agreement that we should not seek to maintain in the future our three roles on their present scale. Either one or more of these roles would have to be abandoned or a substantial reduction would have to be effected in the scale on which we maintained them.

There was considerable support for the view that our first priority should be the maintenance of our overseas commitments. Developments in the field of nuclear weapons might well mean that over the next ten years it would be impossible for us to contemplate the additional expenditure that would be required for the maintenance of a nuclear deterrent in the post-Polaris generation on anything approaching the present scale. Our forces in Europe were no longer required at the present level for military reasons, since it was the general view that there was now no longer a risk of war with the Soviet Union as long as NATO solidarity lasted. Subject to this overriding provision (to which our own position and commitments in Europe were highly relevant) this position might be expected to be maintained as long as sufficient forces were retained in Europe to hold for a limited time any attack based

on a local misunderstanding or to demonstrate that a deliberate and planned attack would inevitably escalate into a nuclear conflict. Present NATO strategy was unrealistic: for example NATO planners estimated that present strategy called for an increase of 600,000 men in the European theatre and additional expenditure on equipment of £200,000 million.

By contrast the greater danger lay in overseas theatres. The role of helping to keep the peace there was one which the United Kingdom was particularly fitted to maintain. We were the one power with major defence bases in the main areas in question and it would be politically impracticable for these bases to be taken over by other Western powers, nor would they be willing to do so. We had inherited political alliances and commitments which gave us a standing which no other Western power could hope to obtain. It was in the general interests of world peace, of the Western powers and of the maintenance of stability that we should retain our bases as long as politically practicable and that at such time as it became politically necessary for them to be relinquished, we should consider whether and if so in what form an alternative military presence in these areas could be maintained. The United States attached particular value to our role in this respect. It was reasonable to expect that the present emotional opposition on the part of Afro-Asian countries to the former Colonial powers and their suspicion of neo-colonialism might abate after the next five years or so and thereafter our military presence in these areas might prove to be welcome to them. For these reasons it was suggested that we should use the present crisis to press upon our allies, and particularly upon the United States, the importance to the West of our maintaining our overseas commitments. In particular we should press upon the Government of Australia the importance of a higher level of Australian participation in that task in the Far East.

On the other hand, it was argued that our first concern must be with Europe if only for geographical reasons. Experience suggested that it was most unlikely that we should in practice be able to effect any large reduction of our forces there and the cost of maintaining their equipment at an adequate level would increase substantially. Moreover if our presence in Europe were to be diminished we should thereby diminish our influence on United States policy in Europe. A reduction would not only lessen our own political influence in Europe, but would in present circumstances lead to a predominating German influence on European defence. This would not serve our best interests; regard must be had in this connection to the pressure on NATO defence policy of Germany's concern for re-unification.

The small size of our forces east of Suez cast some doubt on the extent of the influence which they could exercise. It appeared unlikely in any case that we should be able for political reasons to maintain our overseas bases for the whole of the next decade and, indeed, a sudden change in the local political situation, might at any time make them vulnerable through the hostility of the local population. Alternative bases would be slow and costly to develop and any suspicion that we were even contemplating them would itself weaken our position. Indeed, changes in the political climate might well make the maintenance of a United Kingdom military presence in these areas irrelevant or even obnoxious to our interests. It would on this view therefore more accord with our long-term interest to abandon our overseas role or substantially reduce it.

In further discussion there was general agreement that we should not seek to take a decision on the priorities between these three roles until there had been further discussions with our Allies, and particularly with the United States, to ascertain their views on the importance which they attach to them. On their attitude depended our

ability to negotiate modifications in our commitments, which could not be cancelled unilaterally. It would, however, be necessary to present clearly and bluntly to our Allies the need for us to make a choice between these roles.<sup>2</sup> We should seek to present them with a series of alternative courses of action and to ascertain the extent to which, in these circumstances, they were prepared to assume a share of our present burden in the spheres involved. In these discussions it would be necessary to examine with particular care the need for us to maintain a nuclear role in the Central Treaty Organisation (CENTO) and in the South-East Asia Treaty Organisation (SEATO), though it should be borne in mind that so long as we maintained a nuclear capacity, our nuclear role in these theatres involved little additional expenditure. It would also be necessary, despite the discouraging experience of the last five years, to explore further the possibilities of co-operative defence production with the United States. This could only be achieved if the United Kingdom firms concerned were also to play an effective part in negotiations with United States firms.

A major interest in our governmental negotiations would be to achieve agreement on the prevention of dissemination, which could only be effected by a major concerted effort on the part of the principal powers.

In the first instance, it would be necessary for us to examine in greater detail our political policies in the areas in question in relation to our current interests, to weigh the cost of our military presence in relation to the benefits which it achieved and to consider in the up-shot how far a continuing military presence was on balance beneficial to our interests and to what extent our commitments called for re-negotiation. A working group of Ministers, with assistance from a body of officials, should be set up for this purpose.

The Meeting:—

Took note that the Prime Minister would consider in the light of the discussion how these issues should be further examined.<sup>3</sup>

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<sup>2</sup> Wilson first visited Washington as prime minister in Dec 1964. He was accompanied by Healey and Gordon Walker who were told by Dean Rusk (US secretary of state, 1961–1969) and Robert McNamara (US defence secretary, 1961–1968) that the US would view with the greatest concern any deliberate plan on the part of the UK to withdraw from any part of the world, be it British Guiana, East Africa, Cyprus or Malaysia. For McNamara it was crucial that the UK should continue to play ‘a world power role’ (CAB 133/266, PMV(W)(64)2, 7 Dec 1964).

<sup>3</sup> Trend, the Cabinet secretary, advised Wilson a few days before this meeting at Chequers that if an area had to be chosen in which to reduce politico-military commitments, it should be Singapore (PREM 13/18, minute, 17 Nov 1964). On 27 Nov, shortly before his Washington visit, Wilson told David Bruce, the US ambassador in London, ‘the most important role for Britain in the future would be in the defence of Western interests east of Suez’. The prime minister thought the president and Defence Dept in Washington would have similar views (PREM 13/103, record by a conversation by J O Wright).

## **4 PREM 13/1890**

**14 May 1965**

**‘Defence’: record by J O Wright of a conversation at 10 Downing Street between Mr Wilson and Mr Rusk on Vietnam and the defence review**

**[Extract]<sup>1</sup>**

[Stewart also discussed defence policy with Rusk on 16 May 1965. Expressing concern about Britain withdrawing suddenly and without warning and handing over defence

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<sup>1</sup> Other subjects discussed at this meeting were Southern Rhodesia and the Indian subcontinent.



commitments to the US as had happened over Greece and Turkey in 1947, the US secretary of state urged the UK not to pull out 'because we can't do the job of world policeman alone'. Stewart replied that the UK 'might well have to stop spreading the butter so thin' and pointed out, 'an over-extended military position based on a shaky pound was not a source of strength or confidence'. But he assured Rusk there was 'no fear that we might chuck everything without proper consideration' (PREM 13/214, minute to Wilson, 16 May). Jenkins had a similar encounter with McNamara during talks at Washington in June 1965. McNamara made plain his view the UK had an 'inescapable commitment in the Indian Ocean and the Far East for at least the next ten years'. Although the US had the military strength to take on these parts of the world, it did not possess the political strength either at home or abroad to act alone without allies. If the UK withdrew there would be a vacuum 'which somebody else would no doubt fill'. McNamara believed the UK defence budget could be managed more efficiently, and savings could be made by purchasing less expensive equipment (PREM 13/215, Sir P Dean to Gore-Booth, 10 June 1965).]

### *Vietnam*

*Mr. Rusk* mentioned that the North Vietnamese authorities had returned the message which the United States authorities had got through to them. They had merely indicated that as there were no diplomatic relations between the United States and North Vietnam they were not interested in receiving communications from the American Government. The United States note had therefore been handed back; it had however been kept for three hours, so that the North Vietnamese knew what was inside.

*Mr. Rusk* went on to say that at the moment it was very clear that Peking was not interested in having any discussions with the United States; moreover the Soviet Union did not wish to accept any responsibility as a go-between. Hanoi seemed now to be coming gradually more under Chinese influence. There were indications that the Russians were putting guided missile sites round Hanoi and Haiphong; the sites round Hanoi were nearly completed although no hardware had yet appeared. The United States had no objection to Russia's putting missiles into North Vietnam; in a sense, they welcomed this development in so far as it would give them something to talk to the Russians about.

Turning to Cambodia, *Mr. Rusk* said that he intended to have a word with *Mr. Gromyko*<sup>2</sup> in Vienna. It would be difficult for Prince Sihanouk<sup>3</sup> to refuse to have a conference if it were supported by Britain, America, France and the Soviet Union.

*The Prime Minister* mentioned that Prince Sihanouk had sent him a message after his speech at the opening meeting of the SEATO Council on May 3. *Mr. Rusk* expressed interest and wondered whether Prince Sihanouk might be susceptible to western flattery at the moment. It might be possible to persuade him to come to Europe and to visit France and Britain. *Mr. Rusk* said that when he had mentioned this possibility to the French Foreign Minister, *Mr. Couve de Murville* had thrown up his hands.

Reverting to Vietnam later in the conversation, *Mr. Rusk* said that the President had asked him to say how much he appreciated the British Government's support for the United States line on Vietnam. To domestic critics of American policy, such as

<sup>2</sup> Andrei Gromyko, Soviet foreign minister.

<sup>3</sup> Prince Norodom Sihanouk, ruler of Cambodia from 1941; overthrown in coup in 1970 and went into exile; returned at beginning of Khmer Rouge interlude in 1975 but then in exile again to oppose Cambodian government imposed by Vietnam in 1978; returned as head of state in 1991 and became king under a new constitution in 1993.

Mr. Walter Lippmann and Mr. Wayne Morse,<sup>4</sup> the President had said: 'Go out and find someone for me to talk to'.

*The Prime Minister* explained his political difficulties, not so much with the Parliamentary Labour Party but with the constituencies in the country and indicated trouble ahead at the Party and Trade Union Conferences. The Prime Minister thought that the President's speech of the previous day had been helpful and had taken matters even further than his Baltimore speech. The job now was to get a response from Hanoi and Peking. The Prime Minister also referred to Mr. Gordon Walker's visit to South East Asia and said that it had been very helpful over the Cambodian Conference.

*The Prime Minister* said that when he had last spoken to Mr. Rusk, Mr. Rusk had given him to understand that the Americans had taken no decision to bomb Hanoi. Of course, he could quite understand that the Americans could not say 'Never' in this context; but he would like to warn Mr. Rusk that any decision to bomb Hanoi would cause very real trouble in this country.

*Mr. Rusk* said that no decision had been taken to bomb Hanoi and he did not imagine that any such decision would be taken unless there were a really major change in the whole situation. America had no interest in stepping-up hostilities in North Vietnam. Moreover, Hanoi and Haiphong were in a sense hostages; they would cease to be hostages the moment they were taken out. Mr. Rusk added that there was no discussion in Washington about the use of nuclear weapons. He would not rule out such a possibility if there were, for example, a new Korean war; but there was absolutely no discussion of it in connection with the Vietnam problem.

There was some discussion of possible solutions for the problem of Vietnam. *Mr. Rusk* said that the United States were not interested in South Vietnam as an ally. If, after all the troubles were over, they wished to be non-aligned, that was all right from the United States' point of view. It was the North Vietnamese intrusion across the border that had brought in the American presence. Once this were to stop, the problem in South Vietnam would be reduced to manageable proportions and South Vietnam ought to be able to deal with it itself.

*The Prime Minister* mentioned that Mr. Gordon Walker had found in Asia that whereas Japan gave public support to the American position, there was a great deal of private grumbling. In India the position was reversed: there was public grumbling but private support. *Mr. Rusk* said that this was easily explained by the fact that the Japanese had an American umbrella over them whereas the Indians had not.

### *Defence review*

*Mr. Rusk* enquired whether there was any substance in the reports that Britain intended to reduce her overseas military commitments.<sup>5</sup>

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<sup>4</sup> Walter Lippmann, influential US liberal journalist; Morse was a US senator from 1944 representing the Republican left until switching to the Democrats in 1956.

<sup>5</sup> US concern in this respect led some in the Administration to link the question of what support the US might give to sterling with the UK maintaining its overseas commitments. This was especially the view of under-secretary of state George Ball who made precisely the point, albeit in a rather opaque way, during talks with Wilson at London in Sept 1965. Wilson took the hint, recognising that 'finance, foreign policy and defence must hang together particularly East of Suez' (PREM 13/2450, records of meetings, 8 & 9 Sept 1965). A short-term stabilisation loan from the US of \$1 billion was announced on 10 Sept. On 23 Sept the DOPC ruled out negotiations with Indonesia over confrontation because of the strength of allied opposition (CAB 148/18, OPD 41(65), 23 Sept 1965).

*The Prime Minister* explained that we were at present undertaking a comprehensive defence review: we were doing a cost-effectiveness survey on every base and every weapon and there were no sacred cows. But this was not a matter for rapid decision; the review would probably not be complete before the end of the year. Speaking personally—though this would probably be the view of the majority of his colleagues—the Prime Minister said that he had a prejudice for the maintenance of the British role East of Suez. There would doubtless be difficulties in Aden, but when the moment came, the local people would probably be influenced by the consequences of unemployment if the base was withdrawn. It might be possible to keep Aden at least as a staging post, on more or less the same terms as Singapore. One point on which we were determined to obtain satisfaction was the cost across the exchanges of our forces in Germany. This burden was at present running at the rate of about £90 million a year and the Germans had so far performed very badly indeed. The Prime Minister gave Mr. Rusk a brief review of past experiences and said that we had not wished to bring matters to the boil before The Queen's State Visit to Germany, but would be taking up the matter of support costs with the Federal German Government shortly afterwards. We had made it perfectly clear that unless we obtained satisfaction on this matter, we should have to take the matter straight to NATO. We should be taking no unilateral decision on our own but would act only after full consultation with our Allies.

*Mr. Rusk* recalled that 18 months previously the United States had pulled out a considerable number of lines of communication troops from Germany. Shortly afterwards Mr. Gromyko had told him that the Soviet Union had reduced her forces in the Soviet zone by 15,000. Mr. Rusk had then asked Mr. Gromyko 'what about some more'. He thought there was possibility of a gradual reduction of forces on the other side of the Iron Curtain by mutual example. The United States Chiefs of Staff for their part would be delighted, although this was a sensitive matter for the Germans.

Mr. Rusk went on to say that there were just three points which the Prime Minister might wish to have in mind while the defence review was under way. The first was that the United States wished to work to encourage such regional organisations as the Organisation of African Unity (OAU) so that these regional organisations reached the point where they could effectively deal with the problems of their own area. He thought that the Commonwealth and francophone countries in Africa had a great role to play here. If such organisations were made effective, they could materially reduce both American and British commitments. The second point was that it would be a great pity if the United States came to be the only member of the free world able and willing to act on behalf of freedom in other parts of the world. The third point was that it seemed to him that it was very necessary that NATO and other friendly countries like Australia and Japan should give serious thought to the new communist wars-of-liberation techniques. The nuclear was now under control. Nobody really imagined that there was very much danger from massed divisions crossing borders. The real danger lay in these so-called wars of liberation and we really ought to start examining their prevention and cure, prevention being very much easier.

*The Prime Minister* said that he agreed. In some parts of the world, such as East Africa, there were jobs which only Britain could do. Speaking personally, he said that if the choice had to be made he would rather pull half our troops out of Germany than move any from the Far East, and this was quite apart from any question of the Malaysia problem. He thought, however, that we could do very much more in South-East Asia

on a quadripartite basis with Australia and New Zealand.<sup>6</sup> It might be possible by rationalising logistic supplies to improve cost effectiveness. There was also the question of a possible base in Darwin. It might be that Britain, America, Australia and New Zealand should get together, informally, so as not to conflict with SEATO, to discuss these problems. Britain certainly did not intend to pull out of South-East Asia, but we might wish to discuss with the United States more collective arrangements in that area.

*Mr. Rusk* asked whether there was any possibility of Malaysia joining SEATO. *The Prime Minister* replied that he did not think so. This would be a difficult move in many ways. Moreover, the Tunku was in difficulties with Lee Kwan Yew.<sup>7</sup> . . .

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<sup>6</sup> During quadripartite (UK, US, Australia and New Zealand) talks at official level at London in Sept 1965, the UK floated the idea of using Japanese intermediaries to approach Indonesia over confrontation. It was suggested the UK might offer a plebiscite and troop reductions in Borneo. The reaction of the other delegations was so hostile (the US and Australia were putting troops into Vietnam) that Wilson ruled out any immediate measures to scale down confrontation (FO 371/181529 and CAB 130/239). Healey especially regretted this. So long as confrontation continued, he argued 'we could forget plans to reduce strength in Singapore or anywhere else' (FO 371/184513, no 2, minute to Stewart, 15 Sept 1965). And a few weeks later, in the context of official studies then under way about strategy in the Far East and South-East Asia, Healey commented: 'We should think more carefully about the dangers that continued intervention in the affairs of Southern Asia by "blond Caucasians with guns" may be politically counter-productive' (DEFE 13/115, minute, 5 Oct 1965).

<sup>7</sup> Tunku Abdul Rahman, prime minister of Malaya, 1957–1963, of Malaysia, 1963–1970; Lee Kuan Yew, prime minister of Singapore, 1959–1990.

## 5 DEFE 13/114, no 24/1

6 Aug 1965

### 'Defence': minute by Mr Mayhew<sup>1</sup> to Mr Healey criticising the defence review for its failure so far to recommend cuts in commitments

Reports of yesterday's D.O.P.C. meeting have prompted me to restate the misgivings about the defence review which I have been expressing to you in recent months.

2. The major weakness, in my view, has been the Government's failure to face up to the need for political decisions. It was clear from the beginning—we acknowledged it in the Defence White Paper—that the defence cuts required by our economic situation could not all come from within the Forces, and could only be achieved by decisive cuts in commitments. Yet the first Chequers meeting, while putting forward a £2,000 M. target for 1969/70, specifically relieved the political departments of their obvious and urgent duty to study and make recommendations on cuts in commitments. Instead, the heat was turned exclusively on ourselves to cut back our programme—in a political vacuum, and with resources acknowledged to be already over-stretched by current tasks.

3. In the circumstances, M.O.D. performed miracles; and as you have just announced, we are already half way towards the stated target. But this has been at the cost of a prolonged period of strain and uncertainty in the Services, reflected in an increasing manpower shortage and accelerating falls in re-engagement. Moreover, the £2,000 M. 'ceiling' has been seized on by the Treasury to resist, in advance of any cuts

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<sup>1</sup> Minister of defence for the Royal Navy, 1964–1966 (resigned).

in commitments, the demands of ordinary good management like the LEANDER building programme, and the Khatib housing scheme and the interim pay award.

4. On current prospects, the Government will have taken well over a year before making even provisional decisions about commitments, and the political departments are apparently looking forward to many leisurely months of diplomacy thereafter before reaching final conclusions. During this period, the Services will continue in a state of strain and uncertainty, committed to fulfilling a 'world role' on £2,000 M. and badgered to make still further economies without any reciprocity from the economic or political departments.

5. I feel that the time has come when we must call a halt. While pressing ahead with economy measures already agreed, we should accept no further cuts in our defence programme without equivalent irrevocable cuts in commitments.

6. In particular, we should resolutely decline to decide the land-based/seaborne aircraft question in a political vacuum. I fully agree with you that this is now the central question on the capabilities side of the defence review. We should therefore make it clear to our colleagues that we cannot decide to dispense with either option, and thus to put all our eggs in one basket, without an irrevocable decision to reduce our commitments. ('Irrevocable' means cleared with McNamara!) Irrespective of the relative cost-effectiveness of land-based or seaborne aircraft, a decision to depend exclusively on either is a decision to reduce safety margins, to lessen deterrence, to discourage our allies and to disorganise and depress the Service affected. It is therefore a decision which we cannot take until we are quite clear and certain about the duties we are left with afterwards. Whether these duties are 'commitments' or 'intervention' (and in my opinion these cannot in practice be separated) is irrelevant from this point of view—we must have clear directives about both.

7. I also feel that we cannot allow the economic and political departments to continue squeezing us as they are doing now for an indefinite period of time. I can only speak for the Navy, but frankly we cannot long remain viable in our present state with our present commitments. Officers and men are showing great patience and spirit; but they are separated too much from their families, are working too hard, and are faced with too much uncertainty. Their pay and allowances are lagging too far behind their civilian counterparts. Too many of their ships are too old, and Treasury policy ensures that our escort fleet is ageing irremediably with every month that passes. Reengagement rates are far too low and are still dropping.

I therefore feel that if our colleagues still decline to play their fair part in the review by bestirring themselves on the political front, we should have a first-class showdown.

8. I hope we shall be able to discuss these questions before we leave on holiday.

## **6 CAB 130/213, MISC 17/4**

**8 Nov 1965**

**'Defence review': report to ministers by an Official Committee (chairman, Sir B Trend) of the Cabinet Defence and Oversea Policy Committee**

### *Introduction*

As declared in the National Plan (Cmnd. 2746, Chapter 18, paragraph 8), the Government's review of defence expenditure is intended to limit the defence budget

at constant prices in 1969–70 to a level equivalent to the £2,000 million provided for in the 1964–65 estimates, compared with the original 1964 forecast estimate that defence expenditure in 1969–70 would amount to £2,400 million at 1964 prices. Economies already agreed on have brought the 1969–70 estimate down to approximately £2,200 million. These economies are principally in the *aircraft programme* (notably the cancellation of the TSR2), *Polaris fleet* (the cancellation of the fifth vessel), *Research and Development Programme*, through the reorganisation and reduction of the *Territorial Army* and measures so far agreed towards *inter-service rationalisation*. Thus a gap of about £200 million remains to be closed if the target figure for the 1969–70 budget is to be reached.

2. The first review of defence expenditure (MISC. 17/8) was discussed at the Chequers meeting on 13th June, when Ministers agreed (MISC. 17/7th Meeting, Item 1, Conclusion (1)) that further studies of defence policy and expenditure should be carried out on the lines proposed by the Secretary of State for Defence (MISC. 17/10). In August, Ministers considered an interim report on the post-Chequers costings and capability studies (O.P.D. (65) 122), which set out hypothetical assumptions about our commitments which would permit our defence expenditure to be reduced to £1,900 million in 1969–70. Ministers agreed (O.P.D. (65) 36th Meeting, Item 1) that additional studies should be undertaken in order that the capability of the revised forces available within the reduced defence budget could be judged against the requirements of our foreign policy. These have now been completed and are attached at Annexes A to F as follows:—<sup>1</sup>

A = Europe

B = Middle East: Policy

C = Middle East: Oil

D = Middle East: Persian Gulf and South Arabia

E = Mediterranean

F = Indo-Pacific Strategy

3. Additionally, a number of capability studies, including studies of economies that might result from changes of policy in this field, have been carried out by the Ministry of Defence and will be the subject of a separate memorandum to Ministers by the Secretary of State for Defence. Economies yielded by these separate series of studies cannot simply be added together. It will be necessary first to determine, at least provisionally, a revised pattern of commitments and then to review and to cost, in the light of the capability studies, the most economical pattern of weapons systems and forces which are capable of maintaining these revised commitments, before we can ascertain what, if any, further economies may be forthcoming.

4. If major economies are to be obtained by reducing overseas commitments, it is clear that, in addition to small savings in minor theatres (South Atlantic, Caribbean), substantial force reductions must be made in one or more of the major theatres of our military involvement: *Europe, Middle East and Mediterranean, and Far East*. The units and men withdrawn must also be completely disbanded. Our examination of the post-Chequers costings study has shown that it should be possible to make substantial reductions in our existing forces and commitments without detriment to the requirements of our foreign policy. In certain areas, however, we find that the

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<sup>1</sup> Annexes and appendix (para 5) not printed.

hypothetical reductions assumed in the post-Chequers study could not be made without incurring grave risks to our interests and we therefore propose a somewhat different pattern of commitment.

5. A table of costings on this basis, by areas and theatres, is in the Appendix to this Report. It must be emphasised that these are not precise figures and can only indicate general orders of magnitude. Detailed costings can be prepared only when decisions have been taken about the future size and structure of the armed forces as a whole, based upon our prospective world-wide commitments as determined by Ministers in the light of the Defence Review, and after the necessary consultations with our Allies.

### *Europe*

6. The post-Chequers costings study assumed a reduction of forces in North-West Europe of approximately one-third: BAOR to be cut from 55,000 to 41,000 men and RAF Germany by 30 per cent. Such reductions would produce budgetary savings of £48 million of which £17 million would be savings in foreign exchange. This assumed reduction was purely arbitrary but any lesser reduction which would still achieve worthwhile savings would be likely to have comparable political and military implications. Annex A examines what those implications would be, whether and if so how such changes could be made acceptable, and whether there are possible alternative economies.

7. We attach high priority to our position in Europe both because its defence is vital to our security and because a reduction of forces there could do disproportionate damage to the political and military fabric of the Western Alliance. The reductions assumed in the post-Chequers costings study would not be compatible with our revised Brussels Treaty and NATO commitments. Ministers have stated publicly that we will not reduce BAOR or RAF Germany without consultation with our Allies. For the reasons which follow we conclude that we could not obtain the agreement of our Allies to withdrawals on the scale contemplated and that they would have the gravest military and political consequences.

### *Military implications*

8. The reductions would require either:—

- (a) agreement in NATO to a re-assessment of the Soviet threat and the strategy to meet it; or
- (b) more effort by our Allies to provide additional forces to fill the gap.

9. On the first aspect, we regard a Soviet assault in Europe as unlikely but this assumption is only valid as long as NATO forces form part of a credible deterrent, and some of our Allies take a less sanguine view of the Soviet threat than we do. Current British and NATO assessments of Soviet capabilities do not provide a basis for any reduction of present force levels in Germany. In the longer term a re-assessment of NATO strategy, or a measure of East-West disarmament, might make possible some reduction (see paragraph 17 below), though this again would be most unlikely to be on the scale assumed in the post-Chequers costings study.

10. On the second aspect, so far from our Allies being likely to provide additional

forces, a reduction of British forces would be likely to produce a chain reaction and in particular a parallel reduction of United States forces. If the German Government chose to take this opportunity, they might be able (even after some reduction of their present defence expenditure) to establish a predominant military influence on the Continent.

11. An additional military difficulty in reducing our forces is that we have, particularly of late, been using BAOR as a reserve to meet emergencies in other parts of the world and a reduction would therefore, quite apart from the reactions in Europe, depend on the extent of our commitments outside that continent.

### *Political implications*

12. Our Allies regard the Brussels Treaty commitment as an essential part of the 1954 agreements whereby Germany was re-armed and admitted to NATO under certain safeguards, including her undertakings never to have recourse to force to achieve re-unification or to manufacture atomic weapons. Our WEU Allies have maintained that any radical change in any element of these arrangements might upset the whole. A parallel reduction of forces by our Allies and especially by the United States would be likely to leave German forces, whether maintained at their existing level or reduced, as the strongest force in Europe. Germany's allies would then have little power left to influence her policies.

13. All our Allies attach the highest importance to our maintenance of our role in Europe though for rather different reasons. The United States regard it as vital to the Atlantic Alliance. The other members of NATO, except Germany and perhaps France, also look upon our commitments as a balancing factor against the predominance of German military forces in Western Europe, and as a bond with the Continent. The Germans regard British troops in Europe as a contribution to NATO solidarity and thus indirectly to the attainment of German unity. Substantial withdrawals would seriously weaken our influence in Europe and in NATO and would have wider repercussions.

14. In addition to these more lasting considerations there is the further point that at the present time NATO is already under strain, and that therefore any action on our part which led to yet further strain would be particularly unfortunate. One unsettling factor is the effect on Germany of the present reconsideration, in the context both of the proposed non-dissemination treaty and of possible arrangements for nuclear sharing, of the control of the nuclear deterrent on which NATO strategy ultimately depends. A second factor is the doubt cast by the attitude of General de Gaulle<sup>2</sup> on the future of French participation in NATO and on the future of other NATO forces (including the headquarters) at present stationed on French soil. A further factor with an unsettling effect on the alliance is the current crisis in the EEC. One effect of these strains on the Alliance, however, is that there will have to be some rethinking of accepted NATO doctrines: nevertheless we cannot rely on movement of this kind to lead, within the period under review, to the acceptance of reduced NATO force levels.

### *Other possible means of economy*

15. We have considered whether there are any ways in which the consequences of a move to reduce our forces in Europe might be minimised; but we have not been

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<sup>2</sup> Charles de Gaulle, French president, 1958–1969. On France and NATO, see 143, note 2.



able to produce more than procedural and presentational suggestions, and we cannot think that they could substantially mitigate the ill-effects summarised above.

16. We have also considered the possibility of economies through greater integration and standardisation of forces and equipment, but the promise of economies in this field is uncertain, and at best the scale is small. Indeed, the standardisation of equipment could increase expenditure, as the standards adopted tend to be the highest, and greater integration would make it more difficult to use our forces in Europe as a reserve for other theatres.

17. In the longer term we might hope to secure some reduction of our forces in Europe through a wider East-West reciprocal agreement. This should not be ruled out in the climate of improving relations between the Soviet Union and the West. Alternatively, there is some reason to think that the United States will now press for a re-assessment of the Russian threat and its implications for NATO strategy: this could lead to somewhat lower NATO force levels.

18. The possible developments discussed above may thus in the long term bring economies, though not of the scale taken as the basis of this study. We are, however, satisfied that none of them offers any firm prospect of economies within the period under review.

### *Conclusion*

19. We therefore conclude that we could not take immediate steps designed to achieve substantial savings in defence expenditure in Europe except by disregarding the views of our Allies, with the gravest military and political consequences both for ourselves and for the Alliance as a whole. While it should be our policy to work towards agreed multilateral reductions in forces and towards any economies that may be obtainable through integration and standardisation, it is unlikely that we should achieve by any of these means economies either of the order hoped for or within the time limit posited.

## *Middle East and Mediterranean*

### *Introduction*

20. A study by officials of our long-term political strategy in the Middle East is at Annex B. In the paragraphs below we summarise our conclusions in relation to the *Persian Gulf* and *South Arabia*, the two principal areas where we are involved through the actual presence of substantial British forces, *Iran*, where we have no forces stationed but are involved through the CENTO Alliance, and *Libya*, where we have small forces and a treaty commitment. We then consider our position and commitments elsewhere in the Mediterranean: *Cyprus*, *Malta* and *Gibraltar*.

### *Persian Gulf and South Arabia*

21. In seeking to formulate our policy towards the Persian Gulf we start from the facts:

- (a) that the Middle East is an inherently unstable part of the world;
- (b) that the Persian Gulf with its numerous small States and great wealth, actual and potential, deriving from oil, is potentially the most unstable part of it;

- (c) that for historical reasons we are at present the predominant political and military power in the area; and
- (d) that our continued political and military presence in the area is an important factor in maintaining the pro-Western alignment of Iran.

22. Our principal specific interests in the Persian Gulf (and indeed in the Middle East as a whole) arise from the area's importance as one of the Free World's major sources of oil production and oil reserves, and, perhaps above all, from the need to maintain the pro-Western alignment of Iran.

23. A study of the value of Middle East oil to the United Kingdom is at Annex C. Ministers will be familiar with the long-standing difference of view on the relevance to our oil interests of our continued military presence in the Gulf. One view is that our military presence, by helping to maintain reasonable political stability and the independence of separate States in the area, minimises risks of interruption of oil supplies, expropriation, at least in certain States, and political combination to force up prices. The other view is that commercial interests will ensure the continued flow of oil and that our military presence, so far from being necessary to safeguard oil, may actually be counter-productive in that it acts as a focus for nationalist agitation. Furthermore, on this view, the cost of maintaining a military presence is out of proportion to the economic benefit.

24. Whichever in the longer term is the better view about the value of our continued military presence for the maintenance of the smooth flow of oil, it is common ground that our presence in the Persian Gulf has up to now been a factor contributing to its stability and to the maintenance of the independence of the States whose protection we have undertaken, and that the *sudden* withdrawal from the area of our military presence, and therefore of our political authority also, would leave a power vacuum open to exploitation by Powers unfriendly to us. The consequent damage to the stability of the area would be likely to do great harm to Western interests in the Gulf and our relations with Iran.

25. The pro-Western alignment of *Iran* is of very great value to us. A break in it would almost certainly open the way to a hostile and probably Communist Iran, with consequent major damage to the stability of the Persian Gulf and to the Western position in the Middle East, in Turkey and probably more widely. Furthermore the one eastabout air route to the Persian Gulf and Far East freely open to us, and the only non-Arab source of oil in the Middle East, would be imperilled.

26. Iran's pro-Western alignment is fragile. It depends on the Shah, who is exposed to nationalist criticism and Russian blandishments, and needs constant reassurance about Western support, particularly through the continuance of a British presence in the Persian Gulf.

27. Iran is formally linked with the West through the CENTO Alliance: as it has turned out, this is the principal purpose of the alliance. CENTO is not militarily a viable alliance; but this is not a reason for abandoning it, because of the political advantage conferred by it in maintaining the Iran connection. If it collapsed, we should need, for the reasons given above, to find alternative means of giving support and reassurance to the Shah, which would probably be politically and militarily more expensive than the contribution which we now make to CENTO through the Canberra squadrons stationed in Cyprus.

28. Nevertheless political and nationalist pressure in the Persian Gulf is

mounting and we could not expect to maintain our position there indefinitely, or even into the 1980s. Nor indeed, so far as can be foreseen, will it be in our interest to seek to do so. Our policy should therefore be to work towards withdrawal, by preparing the Gulf States to meet the situation after we have gone (either through some form of federation, or through association with Saudi Arabia, or both) and by seeking to carry the Shah of Iran with us so as to minimise the repercussions of our eventual withdrawal on our relations with Iran. In considering the manner and timing of our withdrawal account has to be taken of our position in *Aden* and our commitment to *Kuwait*: these are discussed in the following paragraphs.

29. So long as the use of the *Aden* base has been freely available to us it has served a strategic purpose in supporting operations in the Persian Gulf. But it is doubtful whether, even if we wished to, we could retain useful facilities in Aden or elsewhere in South Arabia after independence is achieved by 1968 at latest. While we might, not without difficulty, secure the retention of some facilities, part of the price would be a continued commitment to assist in the defence of South Arabia and that, together with continued local agitation and restrictions on the uses to which we were permitted to put them, would be likely to make them more of a liability than an asset.

30. The study of our commitments in the Persian Gulf indicates that we could fulfil those commitments without the Aden base or other facilities in South Arabia (Annex D, Part 2) provided that we were able to build up our facilities in the Gulf somewhat (the extent of the building up would be determined by the range of commitments and force levels required). We should not need the Aden base after independence for the other main purposes which it now serves, viz., to enable us to defend South Arabia (a commitment which we should not wish to retain after independence) and to intervene in East and Central Africa (which we have accepted that we should do only to the extent that it can be done from facilities elsewhere—Annex F, paragraph 27).

31. Considerations of strategy and economy alike point, therefore, to our withdrawing from the Aden base by the time South Arabian independence is achieved. Our aim in the manner of our withdrawing should be to retain the respect and confidence of the Gulf rulers on which we shall need to rely if we are to succeed in retaining a military presence in the Gulf into the early 1970s.

32. In the Gulf our commitment to assist in the defence of Kuwait (principally against the risk of an internal *coup* subsequently supported from Iraq) is our most important specific military commitment, and determines the level of our forces (see Annex D, Part 1); without this commitment our annual expenditure on forces in the Gulf would be lower by some £14 million, and the capital expenditure required to provide certain additional facilities would be £6 million instead of £22 million. Our other commitments to States in the Gulf require a lower level of forces, but may last longer; in particular, the recent major oil finds at Abu Dhabi have given that State an enhanced importance both in our eyes and in those of the major Middle East countries, and this situation may be paralleled in other Gulf States if there are further oil finds.

33. The maintenance of our Kuwait commitment is important for two reasons. First, the continued independence of Kuwait, especially from Iraq, is important for the maintenance of the balance of power in the area, peaceful relations between Iran and Saudi Arabia and our friendship with both those countries; our interest in maintaining Kuwait's independence would remain even if the occasional

unhelpfulness of her attitude towards our policies became more marked. The second reason arises from the consequences that could follow the termination of the commitment, which is a formal one, embodied in an Exchange of Letters, indefinite in duration, terminable by either side at three years' notice. We expect that in due course Kuwait will feel that she can manage without the agreement and will ask for its termination, which in those circumstances would not damage our position elsewhere in the Gulf. On the other hand, an initiative on our part to terminate the agreement while Kuwait still relied on it, particularly after we had just withdrawn from South Arabia, would have damaging repercussions on the confidence placed in us by the other Gulf rulers and would be likely to lead to the rapid collapse of our position in the whole Gulf area with the wide-ranging consequences already described. Thus, the cost of continuing the Kuwait commitment after withdrawing from Aden may be regarded as the price payable for staying in the Gulf.

34. The question therefore resolves itself into a judgment on the timing of our withdrawal. The assessment of the political Departments is that we cannot expect to leave the Gulf before the early 1970s if we are to withdraw in good order and without leaving behind us a dangerously unstable situation and placing the pro-Western alignment of Iran in jeopardy. It is argued above that remaining in the Gulf will involve us in retaining the Kuwait commitment until we can negotiate its termination in agreement with the Kuwait Government. To fulfil this and our other Gulf commitments after withdrawal from Aden we shall have to move to the Gulf some of the forces at present at Aden and to increase our facilities in the Gulf at a capital cost of £22 million, substantially before withdrawing from Aden. Some other Departments take the view that this extra expenditure would not be justified, both because our tenure of the facilities in the Gulf is likely to be short and on the more general ground that any building up of our position in the Gulf will create a focus for nationalist opposition to our presence and will make it more difficult for us subsequently to withdraw from the Gulf. But unless we increase our forces and facilities in the Gulf, we incur the risk of a forced withdrawal from the Gulf little or no later than our withdrawal from Aden, with the probable serious consequences for our interests which have already been described.

### *Libya*

35. Our treaty commitment to assist in the defence of Libya continues until 1973; to seek to terminate it before then against the wishes of the Libyan Government would damage our position elsewhere in the Arab world. Our other main interest in Libya is to prevent the UAR from gaining control of Libya's oil. Our forces stationed in Libya are small and the facilities are of little external use to us now that our overflying rights are no longer usable, because of the present attitude of the Sudanese Government.

36. The United States have a greater interest in Libya than we have. Our relations with them would be impaired if we sought to withdraw wholly from our Libyan commitment. On the other hand (see Annex E, Part 2) we can probably persuade them, because of their concern for Libya, to accept the guarantee to defend Libya as a shared commitment of which they carry the greater part. In that event, it would be worth our while to make the small contribution to the Libyan commitment represented by our remaining forces there, and we could give up the facilities in Cyprus and Malta which at present we need for the commitment.

*Cyprus*

37. Our facilities are in the two Sovereign Base Areas of Akrotiri and Dhekelia. The Akrotiri base is used for the four Canberra strike squadrons which we have declared to CENTO: they are the only CENTO forces with nuclear capability and virtually the only forces declared to CENTO other than those of its regional members (not all of whom have made force declarations). The Canberras are also available for our national purposes, *e.g.*, in Kuwait.

38. As indicated above, the principal reason for continuing to support CENTO is that it provides a framework for the continued pro-Western alignment of Iran. The level and location of our force contribution to CENTO is considered in detail in Annex E, Part 1. There may be scope for some adjustment of the size of the Canberra force; but its dissolution or major reduction would jeopardise CENTO. No suitable alternative base exists in the Near or Middle East. The removal of the force to Germany or the United Kingdom (or, conceivably, to Malta, despite doubts over security of tenure there) would reduce the political and therefore the military credibility of our CENTO commitment; while therefore it might be necessary to consider withdrawal to one of these locations if the Cyprus base became untenable, it is not a move that we could make voluntarily without endangering the CENTO Alliance.

39. Pressures against our retention of the Sovereign Base Areas are likely to increase over the next five years and we cannot count on being able to remain in them indefinitely. To support CENTO we need to remain in Akrotiri beyond 1970. But we should have no military reason to retain Dhekelia, which is needed for our commitment to Libya, if we are successful in transferring the greater part of that commitment to the Americans.

40. Unless and until a Cyprus settlement is achieved, a complete withdrawal from Dhekelia would be undesirable since it would gravely affect our relations with Turkey. It would suit us best if the giving up of Dhekelia could become a bargaining factor in a Cyprus settlement. We cannot count on this; and in other circumstances giving up Dhekelia might so increase the pressures against our presence in the island as to put our tenure of Akrotiri at risk. In those circumstances, while we would secure savings by removing the stockpile and installations, we might have to accept the expense involved in continuing to maintain and defend the Dhekelia base area itself.

*Malta*

41. Our Defence Agreement with Malta obliges us to defend Malta. A confidential Exchange of Letters with the Maltese Government also obliges us, if requested so to do by them, to consider the provision of forces to assist them in maintaining internal security. We do not intend to abrogate either of these agreements and we shall be able to meet these commitments from outside the island. Therefore we would be able to reduce Malta to an undefended staging post, on the assumption that we could transfer to the United States the greater part of our Libya commitment.

42. The Defence Agreement (Article 6) also obliges us to consult the Government of Malta when major changes in the British forces in Malta which might have significant effects on its defence or economy are contemplated. Because of the economic dependence of Malta on the base, this Clause would inevitably give rise to a demand from the Maltese Government that the reduction in our defence spending should be offset by increased economic aid. If we refuse to help this could lead to a dangerous disruption of the Malta economy which would be likely to make our

staging post untenable. While it is possible that the consequences for Malta of our withdrawal might be mitigated somewhat by greater NATO use of facilities in Malta, it is more probable that our withdrawal would lead to the removal of the existing NATO naval headquarters from the island, for which there is already some pressure in NATO. In any event we suggest that the appropriate means of meeting the needs of Malta (whether by maintaining military forces there or otherwise) should be considered separately on its merits and apart from the main consideration of the Defence Review.

43. The possibility of Malta as an alternative to Cyprus as the base for the Canberras committed to CENTO has already been mentioned. This might be made acceptable to Iran; but we could not confidently rely on continued tenure and full use of Malta for this purpose.

### *Gibraltar*

44. Our forces would remain broadly unaffected by the changes in dispositions discussed above. Gibraltar is a colony which we have a commitment to defend and the garrison is already small. The naval facilities at Gibraltar are of value both in relation to the Home Station and for operations in the Atlantic and Mediterranean: some reductions in them could be made, giving a small saving, but this could give rise to a claim for increased civil development aid.

### *Conclusions*

#### 45. *Persian Gulf and South Arabia*

- (a) Our present commitments and force levels would cost £67 million in 1969–70.
- (b) If (as assumed in the post-Chequers costings study) we withdrew from Aden and could abandon the Kuwait commitment (but not our other commitments in the Gulf), the cost in 1969–70 would be £32 million (saving of £35 million) and capital expenditure before 1970 would be £6 million; we should run the risk that by abandoning Kuwait we might make our position throughout the Gulf untenable and therefore bring upon ourselves the dangerous consequences of a sudden withdrawal.
- (c) If we withdrew from Aden (this is likely to be forced on us anyway) and built up our forces in the Persian Gulf to enable us to continue to meet the Kuwait commitment and to stay in the Gulf until we have prepared the Gulf States and Iran for our withdrawal, the cost in 1969–70 would be higher by £14 million, *i.e.*, £46 million (saving of £21 million) and there would be capital expenditure before 1970 of £22 million.

### *Libya*

- (a) Our present commitment would entail expenditure in Libya of £5 million in 1969–70 and continuing expenditure in Cyprus (Dhekelia) and Malta (see below).
- (b) If (as assumed in the post-Chequers costings study) we abandoned the Libya commitment but retained a staging post in Libya, the cost in Libya in 1969–70 would be £3 million (saving of £2 million) and there would be no expenditure in Cyprus and Malta on account of a Libya commitment. Abandonment of the Libya commitment would damage our position elsewhere in the Arab world, and seriously embarrass us with the Americans.

(c) If we retained the Libya commitment but succeeded in persuading the Americans to undertake the greater part of it, the cost of facilities in Libya would remain at £5 million in 1969–70 but the commitment would still not entail expenditure in Cyprus and Malta.

### *Cyprus*

(a) Maintenance of our present forces and commitments would cost £32 million in 1969–70.

(b) If (as assumed in the post-Chequers costings study) we reduced our facilities in Cyprus to a staging post at Akrotiri only, the cost in 1969–70 would be £3 million (saving of £29 million). This would involve abandoning the CENTO commitment and facing the consequences of losing the pro-Western alignment of Iran.

(c) Maintenance of Akrotiri as an air base would cost an additional £11 million, *i.e.*, £14 million in 1969–70 (saving of £18 million). We could then fulfil the CENTO commitment, and the Libya commitment if shared with the Americans. If we did not succeed in giving up Dhekelia altogether, but found it necessary to retain the base area though not the stockpile and other installations, the cost would be somewhat higher.

The maintenance of the CENTO commitment would also involve capital expenditure of £30 million between 1971–72 and 1978–79 on replacement of aircraft.

### *Malta*

(a) Our existing forces would cost £23 million in 1969–70.

(b) If we reduced our facilities in Malta to a staging post, the cost in 1969–70 would be £4 million. Maintenance of the Libya commitment would then be possible only if we had succeeded in sharing it with the Americans.

The importance of the base to the economy of Malta is such that we should have to offset a reduction in our defence spending by substantially increased economic aid.

### *Gibraltar*

(a) The maintenance of the garrison and other facilities at their present level would cost £8 million in 1969–70.

(b) Minor savings on naval facilities as assumed in the post-Chequers costings study would reduce the cost to £6 million in 1969–70.

46. Thus, if we maintained all our present Middle East and Mediterranean commitments, the cost in 1969–70 would be £135 million. If we abandoned the CENTO, Kuwait and Libya commitments but sought to remain in the Persian Gulf (having left Aden) in order to fulfil our other commitments in the Gulf, the cost in 1969–70 would be £48 million, a saving of £87 million. If we retained a military presence in the Gulf for the Kuwait and other commitments and for the reassurance of Iran but left Aden, maintained Akrotiri for the CENTO commitment and succeeded in sharing the Libya commitment with the Americans so as to eliminate the need for the Dhekelia and Malta bases, the cost in 1969–70 would be higher by £25 million, *i.e.*, £75 million (a saving of £60 million).

*Far East**Confrontation*

47. So long as Indonesian confrontation involves us in the defence of Malaysia and Singapore on the present scale we cannot begin to reduce our defence expenditure in the Far East or move towards a more rational and less expensive defence posture in the area. Our immediate aim must therefore be to bring confrontation to an end as soon as possible. A solution cannot be secured by military means and we must seek a negotiated settlement.

*Policy after confrontation*

48. The ending of confrontation will create a new situation. Our aim will then be to bring our political and defence policy in the area into a better relationship with our essential interests. Our present defence spending, to a far greater extent than in other theatres, is out of all proportion to the extent of British economic interests in the area. Our political interests are to a large degree shared with the West as a whole and are not peculiar to the United Kingdom. Our trade and investment interests in the Far East, though considerable, cannot be regarded as justification in themselves for maintaining a military presence, except to the extent that thriving trade relations need conditions of reasonable stability which our forces, or allied forces to which we contribute, might help to sustain. These are the questions discussed in the paper on Indo-Pacific strategy at Annex F.

49. The primary objective of Western policy in the Far East is the political and military containment of Communist China and the preservation of stability. A specifically British interest is to help to maintain the security of Australia and New Zealand. For some years the pursuit of these aims is likely to require Western military support to deter or counter China's threats to countries in the area. In the longer term our aim must be to create a neutralised 'belt' in the South-East Asian region between the Chinese and the Western Powers; a Western military presence would however still be required in the background to act as a support and as a counter-weight to China's military strength.

50. It could be argued that the protection of Western interests in the Far East should be left to the countries directly concerned, the United States, Australia and New Zealand. But our close links with, and dependence on, United States policy in other parts of the world, and our historical relationship with Australia and New Zealand, mean that we could not withdraw altogether from the Far East without jeopardising our present close relationship with them: this would have serious repercussions on our position elsewhere in the world.

51. Additionally we have specific colonial commitments (primarily to Hong Kong) which require us to retain some forces in the area. (The question of force levels in Hong Kong is a separate issue, not dependent on the general consideration of our future position in the Far East, and is dealt with in paragraph 69 below.)

52. We should not therefore aim at complete withdrawal of our forces in the Far East. Equally, if we are to achieve the economies in defence spending which we need we must make substantial reductions. In the quadripartite talks in September with Australia, New Zealand and the United States we told our Allies that it was basic to our thinking even after the end of confrontation that Britain should continue to play a role in and make a military contribution to defence in the Far East area, although



on a reduced scale; but this would have to be on the basis of a co-operative effort with our Allies. This position was confirmed in the Prime Minister's message of 24th September to Sir Robert Menzies<sup>3</sup> and Mr. Holyoake;<sup>4</sup> a similar communication was made to the United States State Department.

### *Future of bases in Singapore and Malaysia*

53. Once confrontation is over the difficulties affecting our continued retention of the bases in Singapore and Malaysia are likely to mount rapidly. We consider that our security of tenure has been much reduced by the separation of Singapore from Malaysia. There is likely to be increasing friction between the Governments of Singapore and Malaysia (of which the present dispute over barter trade with Indonesia is an early instance) and between the Government in Kuala Lumpur and the Borneo Territories. Once the direct threat from Indonesia is removed Singapore and Malaysia will be more subject to Afro-Asian pressure to expel foreign troops and bases. Although the Prime Minister of Singapore, Mr. Lee Kuan Yew, may be sincere in saying that he wants us to stay in Singapore for a considerable time, he will be unable to proclaim this publicly and it must be doubtful whether he—and still less any successor—will be able to resist for long the pressure for our withdrawal.

54. In the quadripartite talks our Allies were not prepared to accept this assessment. They take the view that the Western defensive position would be very seriously weakened by our withdrawal from Singapore and Malaysia and that we should therefore maintain our bases there for as long as possible. They are inclined to discount the difficulty of maintaining the bases up to and beyond 1970.

55. We consider that in any case it would accord with our interests to withdraw from Singapore at such time as the ending of confrontation produces conditions which make this practicable. If we seek to remain in the Singapore base even at a reduced level of forces it would in practice be difficult to define and limit our commitment and the level of our forces would unquestionably be higher than if we had withdrawn to Australia. Only by withdrawal can we reduce our defence expenditure in the Far East to a level which is in more reasonable accord even with our broadest interests in this region. Indeed, only by withdrawal is there a reasonable prospect of reducing our total defence expenditure to the target figure. Moreover, it is questionable whether in the longer run the maintenance of the base accords with our longer term aims in the South-East Asian region as set out above.

56. Irrespective of our view on the continuing value of the bases, however, and despite the arguments of our Allies on the prospect of our being able to retain them we see no reason to revise our assessment of the way in which the situation is likely to develop and we believe that events over the next six months or a year will demonstrate to our Allies that we cannot count on retaining the Singapore and Malaysia bases up to or beyond 1970, even if we should wish to do so. Furthermore, we must recognise that once it becomes clear to Singapore and Malaysia that the bases are not going to be held withdrawal from them may have to be undertaken and completed within a period of months rather than years. This underlines the need for an early start to be made on the long task of creating alternative facilities in Australia.

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<sup>3</sup> Prime minister of Australia, 1949–1966.

<sup>4</sup> K J Holyoake (GCMG 1970), prime minister and foreign minister of New Zealand, 1960–1972; governor-general from 1977.

*Future defence arrangements*

57. Our essential policy objectives in the Far East and the Western position generally would be undermined if Malaysia and Singapore were to be left in chaos or wide open to a Communist or Indonesian takeover. The terms of the confrontation settlement and the way in which we move to new defence arrangements in the Far East should therefore be such as not to create a vacuum or to place any constituent territory of what was Malaysia in a position, against its will, of complete helplessness in the face of future Indonesian or other aggression. We cannot impose a settlement of confrontation ourselves, but developments in Indonesia or in Malaysia and Singapore may afford opportunities, perhaps in the near future, of which we and our Allies should be ready to take advantage. Our objective is therefore to end confrontation and secure an orderly withdrawal from Singapore and Malaysia in a manner consistent with our essential policy objectives as described above and such as not to entail the risk of instability and Communist penetration in the Malaysian area. Any continuing commitment to assist in the defence of Malaysia and Singapore should be allied and not solely British. The pursuit of this policy will in any case require prior negotiation with the United States, Australia and New Zealand and close co-operation with them throughout. It will also involve a renegotiation of our Defence Agreement with Malaysia, under which we are committed to help to defend their territory, and negotiations with Singapore about our withdrawal. Timing is likely to be one of the most important—as well as the most difficult—factors.

58. We envisage a much closer degree of interdependence in future with our Allies, above all with the United States, than has previously been contemplated. British troops should not be required to intervene alone (*i.e.*, without allied support) in the face of sophisticated opposition. There should be machinery for joint consultation and contingency planning and our aim would be not to have a nominal independence of action (except in certain contexts in our dependencies when the nature and scale of the operations would be quite different), but to contribute to a common cause.

59. If we accept joint military consultation and contingency planning, we cannot avoid a degree of political interdependence also. The choice will be whether we should keep both military and political interdependence to the minimum, or whether we should seek to bring into being a new kind of Far Eastern alliance with the United States, Australia and New Zealand with something of the cohesion of NATO. An alliance with the maximum military and political interdependence would afford us the best chance of persuading our Allies to meet the cost of the new defence facilities required in Australia, and of achieving the sharing with them of our Far Eastern commitments (in particular any residual commitment to assist Malaysia and Singapore in the event of renewed Indonesian confrontation). In return for these benefits we should, however, be committing ourselves in effect to maintaining a military presence in the Far East for an indefinite period, and accepting a risk of becoming involved in military operations resolved on by our Allies (primarily the United States) about which we had misgivings. This risk may have to be accepted if we are to achieve a substantial reduction of our forces.

60. SEATO would not be superseded by an alliance of this kind, but might continue to exist as a supplementary regional alliance. It would not however involve our providing forces additional to those contemplated above.

*Indian sub-continent*

61. The question whether such an alliance should cover the Indian sub-continent, and the role of the Allied forces in that event, would call for further consideration in discussion with our Allies. There would be advantage if co-operative arrangements covered the whole Indo-Pacific area; our contribution might be directed primarily to the Indian Ocean area and to some extent to Malaysia and Indonesia and we might play a relatively minor part in the Pacific area.

62. We shall presumably never wish to intervene militarily in any fighting between the inhabitants of the sub-continent itself. As regards external attack, the effective threat is of India being attacked or menaced by China. The question of our intervention with conventional forces would only be likely to arise if the scale of a Chinese conventional attack were such as to threaten the continued existence of India. We should then expect to act in concert with the United States and then only with air (and perhaps naval) forces. But if we are to be able to influence the policies of India and Pakistan some form of British military presence in the Indo-Pacific area may be of value as evidence of our capability and intentions within the area.

*Nuclear aspects*

63. Allied forces in the Indo-Pacific area will be facing a nuclear enemy and will need their own nuclear armaments. The availability of Western nuclear forces is also relevant to the question of including the Indian sub-continent within the scope of an alliance and to the linked question of non-proliferation and guarantees to non-nuclear Powers such as India and Pakistan. It may prove desirable to work for and perhaps to contribute to, an Indo-Pacific nuclear force to be set up under Allied control on the lines of the proposed Atlantic Nuclear Force. But this issue involves the whole of our future nuclear policy and requires much further study as regards both feasibility and cost in relation to the total defence budget. We consider that the issue should be pursued, in conjunction with the United States, as soon as possible.

*Size and form of the British contribution*

64. The British forces which we should offer to an alliance of the sort described above would need to be large and powerful enough, and sufficiently balanced, to be regarded by our Allies as a worthwhile contribution. Their size and form can only be determined by negotiations with our Allies and after a more precise definition of the tasks which the Allied forces would be required to undertake and the contribution which our Allies would make.

*Costs*

65. If confrontation is ended and we can agree with our Allies on a new defence posture, substantial savings should be possible. For the reasons given in the previous paragraph precise figures cannot be given at this stage, but some broad indications are possible. It was assumed in the post-Chequers costings study that after confrontation we should withdraw from Singapore and Malaysia to facilities in Australia with a reduced level of forces. That study also assumed that we might reasonably contribute to the Allied defence effort in the Far East forces estimated to cost about £186 million a year (a saving of about one quarter compared with the cost on current plans after the ending of confrontation). Our further studies have demonstrated that this sum must be the maximum if we are to attain a 1969–70 defence budget of £2,000 million.

Our discussions with our Allies about our force contribution must proceed on this basis. In that the post-Chequers costings study assumed a lesser degree of interdependence with our Allies than is now proposed, we would seek to reach agreement with our Allies on a lower level of British forces. The transfer from Singapore and Malaysia to Australia would, however, involve substantial capital costs and it is implicit in what is said above that this cost should be met by our Allies: should we fail to secure this it would be necessary for us to make corresponding reductions in our recurrent expenditure, and the question might then arise whether the reduced expenditure would purchase adequate and worthwhile forces.

66. If after the end of confrontation we remain in Singapore and Malaysia after 1970, as our Allies are pressing us to do, it will be difficult to limit our commitments in respect of the defence of the two countries, even if these are shared with our Allies. Higher force levels would thus be required than if we were in Australia and, although precise figures cannot be given, earlier studies would suggest that the cost might amount to about £245 million a year. In the event of a renewal of Indonesian confrontation the cost could easily be £270 million or more.

67. If on the other hand confrontation continues, no economies in the Far East can be made and, owing to the risk of escalation, confrontation will also limit the possibility of reducing force levels elsewhere. On this basis it is estimated that the defence budget in 1969–70 would be higher by £140 million than the figure given in the post-Chequers costings study even if all the other reductions in commitments assumed in that study were made.

### *Conclusions*

68. (1) Our immediate aim must be to take advantage of any opportunity for ending confrontation by negotiation.

(2) Our aim in ending confrontation is to work towards a new defence policy in the Far East (within a maximum annual expenditure of about £180 million) which will be better related to our essential interests.

(3) We should aim at securing our withdrawal from Singapore and Malaysia and the establishment of reduced forces in Australia by 1969–70.

(4) Our policy should be based on close interdependence with Australia, New Zealand and the United States, possibly embodied in a new kind of Far Eastern alliance, and in any event ensuring that we do not in future have to undertake military commitments alone.

### *Minor theatres*

#### *Hong Kong*

69. The post-Chequers costings study assumed a very substantial reduction in the garrison of Hong Kong, reducing the cost in 1969–70 from £15 million to £11 million. Reductions on the scale assumed would gravely impair the capacity of the garrison to come to the aid of the civil power in the event of internal disturbance while continuing to maintain a show of force on the border with China. We do not recommend a reduction of the Hong Kong garrison on this scale but propose that we should seek to reduce its cost to us by persuading the Hong Kong Government to make a larger defence contribution.

*Caribbean*

70. On the assumption that British Guiana will have attained independence we could without damage to our interests or default on our obligations withdraw our forces from the Caribbean area with the exception of one company of troops in British Honduras (in respect of the Guatemalan threat) and one frigate which would be part-time in the Caribbean to meet internal security commitments in our remaining dependencies. Any reinforcements of these remaining forces would come from the United Kingdom.

*South Atlantic and South Africa*

71. We should probably be able to secure South African agreement to the renegotiation of the Simonstown Agreement so as to enable us to retain the right to use facilities without having to maintain a naval presence in the area. The timing and manner of an approach to the South Africans will require care, particularly in the light of developments in Rhodesia.

72. Given the agreement referred to in the previous paragraph and the independence, by 1969, of Basutoland, Bechuanaland and Swaziland, we should be able to withdraw our military forces from this theatre with the exception of an ice patrol vessel to maintain our position in the Falkland Islands and the Antarctic and to deter Argentinean incursions. Any troops needed for internal security in the other South Atlantic islands, and any reinforcements for the Falklands, would come from the United Kingdom.

*Resulting savings*

73. Reductions in the Caribbean, South Atlantic and South Africa would yield approximate savings in 1969–70 of £2 million.

*Attitudes of our allies*

74. Our Allies' attitudes towards our various defence commitments, which by no means coincide with our own, are highly relevant to the defence review, and it may be convenient to summarise at this point the main views of the United States, Australia and New Zealand (we have already referred to the attitudes of our European Allies in discussing our European commitments).

75. The United States attach extreme importance to the defence review and we have undertaken to discuss its conclusions with them. It is of first importance that we should carry them with us in any changes we wish to make in our overseas dispositions, and in carrying out our studies we have therefore had in mind the priorities which we believe they attach to our commitments. We have, however, thought it right in the first instance to consider priorities on the basis of our own interests. Furthermore we have not attempted any evaluation of the United States order of priorities or of the extent to which these may be capable of alteration in discussion with them.

76. Subject to these points our assessment of United States views is as follows. They fully accept the need to establish our economy on a healthy basis, but at present question whether this involves cutting any of our major overseas commitments. In discussion they are likely to raise with us the organisation and cost-effectiveness of

our defence effort and they may question the value of our strategic nuclear capacity, except possibly in relation to our defence commitments in the Indo-Pacific area.

77. They attach major importance to our continued military presence in that area, including in the foreseeable future our presence in Singapore, though this priority may be affected by their fear that we ourselves attach less importance to our effort in this field than elsewhere and is also heavily conditioned by their present situation in Viet-Nam.

78. The retention of United Kingdom forces in Europe is hardly, if any, less important in the eyes of the United States, since a close understanding between the United States, Germany and the United Kingdom is to them, as to us, the key to a successful Atlantic Alliance. That alliance is vital to United States foreign policy.

79. We have less evidence of United States views on our position in the Middle East, which would probably be ranked third in the United States categories of major importance. We believe that they wish us to stay in the Persian Gulf, partly because our unique position there is one which they could not take over themselves even if they were willing to do so. They would probably accept that the military value of Aden would be slight if most of the forces had to be used to defend the base itself, and their main concern is that by one means or another we should retain the capacity for any military intervention which may become necessary on the Western littoral of the Indian Ocean and particularly in East Africa. They have a strong interest in seeing the independence of Libya maintained, but might be prepared to enter into joint planning on the basis of a reduced United Kingdom contribution. They probably regard our Canberra squadrons at Akrotiri as of little military value in relation to the Soviet Union, but they agree that CENTO is a useful instrument and would expect us to play the leading part in whatever measures were necessary to avert the dangers to Western interests if CENTO were to dissolve.

80. In the short term their attitude to our position in Cyprus would be governed by considerations relating to the Greco-Turkish quarrel over Cyprus itself; if both bases were given up in advance of a settlement this would almost certainly precipitate a serious reaction on the part of Turkey which they would wish to avoid.

81. They probably attach less importance to any of our remaining oversea defence commitments.

82. We have also had in mind the views of Australia and New Zealand, whose defence needs relate primarily to the Far East. One of our most important purposes in future talks with them will be to convince them that Singapore is unlikely to be valuable to us much longer as a base for the discharge of our defence commitments in the Far East. At present they wish us to preserve our military position there, and the Australian Government in particular shows little immediate interest in the possibility of an alternative base in Australia. The timing of our discussions with them in relation to those with the United States will be particularly important if we are to counter their suspicions that our arguments over Singapore are being advanced to provide justification for avoiding the acceptance of a continuing defence responsibility in the Far East.

### *Conclusions*

83. The revised patterns of commitments that we have studied are provisionally costed in the tables below.

## COST OF OVERSEA COMMITMENTS

(£ million in 1969–70 at 1964 prices)

*Summary of Figures in Text (rounded for convenience)*

Theatre  (a)	Current plans (Defence Review first stage)		Post-Chequers costings studies		Further studies (approximate figures only)	
	Confrontation		Confrontation		Confrontation	
	Ended	Continuing (assessment only)	Ended	Continuing	Ended	Continuing
	(b)	(c)	(d)	(e)	(f)	(g)
Germany	210	210	160	160	210	210
Middle East	70	70	40	40	50†	50
Mediterranean	70	70	15	15	30‡	30
Far East	250	270	190	270	190	270
Other (including Hong Kong)	20	20	15	20	15/20	20
Forces in United Kingdom and Support (net)*	1,560	1,570	1,480	1,535	1,500	1,570
Total	2,180	2,210	1,900	2,040	say 2,000	2,150

\* This covers strategic and other combat forces in the United Kingdom, Research and Development, training, production establishments, pensions, headquarters, movements and communications, family and personnel services, reserve forces and stocks, intelligence, special materials, etc.

† The extra £10 million depends on a decision to maintain the Kuwait commitment.

‡ The extra £15 million depends on a decision to maintain Akrotiri as a base for the CENTO commitment.

84. The purpose of the figures is to illustrate—in terms of magnitude—the forecast cost of the defence programme in 1969–70 on the basis of the assumptions about overseas commitments which we regard as the most realistic in the light of the studies which we have undertaken. These studies have been directed only to ascertaining how far our overseas commitments could be reduced by 1969–70, consistently with our continuing to play an international role which accords with our interests. They assume that as political commitments overseas are reduced, cuts will be made in Service manpower and in the equipment produced for the Services. Otherwise the economies as specified in our tables will not be secured. To obtain reliable and more precise figures a full detailed costing of the revised structure of our defence forces based on the new pattern of commitments will be necessary. Furthermore, these provisional costings are based on our current proposals for weapons systems. Simultaneously, the Ministry of Defence have been conducting capability studies which consider a possible revision of weapons systems which might more economically maintain our present commitments. Economies yielded by these separate series of studies cannot simply be added together. It will be necessary first to determine, at least provisionally, a revised pattern of commitments and then to review and to cost, in the light of the capability studies, the most economical pattern of weapons systems and forces which are capable of maintaining these revised commitments, before we can ascertain what, if any, further economies may be forthcoming.

85. The pattern of reduced forces and capabilities which will result will have substantial limitations. Political commitments five or ten years hence are certain to

look very different from to-day. So will the tasks involved for our forces. Those tasks will depend upon the capability and policy five years hence of any potential enemy that our commitments may require us to counter or to fight. Commitments now requiring no forces may become active: commitments now requiring few forces may need more by 1970. No one in 1961 could have assessed, for example, the present level of military tasks required to fulfil present political and military commitments in Cyprus, South Arabia and Malaysia. Even to-day, as the defence of Malaysia has shown, there are severe limitations on the scale and duration of the operations that we can sustain. Economies in defence expenditure will reduce our capabilities still further: the force structure assumed for the post-Chequers costings study involved reduction of front-line units for all three Services of the order of 20–25 per cent. Unless we rigidly restrict the commitments and tasks that our forces have to meet in the future, they may not be adequate to fight campaigns that may escalate in time and scale out of obligations that we still shall have. Some provision will in any event be required for the unforeseen: we cannot be sure that we shall always be able to disengage according to a strict timetable from those commitments from which we may decide to withdraw. Moreover, provision must be made for relieving over-stretched Service manpower and resources.

86. On the above basis, and without prejudice to the outcome of the separate studies that have been made of capability, we attempt, in this concluding section of our report, to summarise the main results of our studies of overseas commitments.

87. In considering these the first point we must make is that the attainment of the target figure by 1969–70 is largely conditional upon the ending of the Indonesian confrontation of Malaysia. If confrontation continues we do not believe that we can make the necessary economies, since even with drastic cuts in our commitments elsewhere it would still not be possible to reap their full benefit because most of the forces freed would be required as backing for confrontation operations and therefore could not be disbanded. Our first aim should therefore be to seek a negotiated end to confrontation, particularly since we do not believe that this can be brought to an end by military means alone. Recent developments however offer a greater prospect of a negotiated settlement before the end of the period under review than seemed likely even a few months ago.

88. Subject to this point the conclusions which seem to us to emerge from our studies are set out in the following paragraphs.

### *Europe*

89. We do not consider that the present situation offers any reasonable prospect of our being able to effect substantial economies in terms of our commitments by 1969–70. Our vital political interests require us to maintain our forces in Europe at approximately their present level until such time as partial measures of disarmament or a revised NATO strategy permit some reduction.

### *Mediterranean*

90. We are agreed that economies can be obtained to the extent described in this memorandum without detriment to our interest in respect of *Malta* (subject to later consideration of the civil implications), *Libya* and the Dhekelia base in *Cyprus* (at least as far as the maintenance of the stockpile is concerned). These changes will be subject to negotiation with the United States about their taking over the major



responsibility in respect of Libya. The maintenance of the Akrotiri base in Cyprus depends on decisions to be taken in respect of the Middle East (see paragraphs 93 to 95 below).

91. We are agreed that we shall in any event have to withdraw from *Aden* by 1968 at latest and moreover that it is in our long-term interest to do so.

92. The options therefore exist essentially in the remainder of the Middle East and in the Far East.

### *Middle East*

93. *Persian Gulf and CENTO*. We think it necessary to consider these commitments together at the present time since both are crucial to the maintenance of the independence and Western alignment of Iran, which are vital to political stability and the containment of Soviet influence in the Middle East, and to the retention of our eastabout air route. There are two views on whether the continued maintenance of our military position in the Persian Gulf would contribute to the stability of the area and the protection of our oil interests, and therefore would be advantageous both to ourselves and to the West as a whole, or whether in the longer run it is likely to be such an irritant as to fail in its purpose.

94. We are, however, agreed that if we withdraw our military presence from the Persian Gulf by 1968, the latest time for withdrawal from *Aden*, we would expose to grave risks the maintenance of stability in the Middle East and therefore of our interests there. We are also agreed, on the other hand, that it would not be in our interest, or indeed possible, to maintain a military presence in the Persian Gulf into the 1980s. The question is whether we should seek to maintain a military presence up to 1969–70 and into the '70s. The cost of doing so depends largely on the Kuwait commitment. We cannot safely plan on being able to negotiate its termination by 1970 and its repudiation, on top of our withdrawal from South Arabia, would cause a shock to confidence endangering our position throughout the Gulf. If we are to remain, we must therefore retain it. This will involve negotiating and constructing before our withdrawal from *Aden* additional military facilities for the somewhat increased forces required to meet the commitment in the Gulf.

95. The majority view of the Committee is that it would be unwise to take the risks of the grave consequences for our interests and for those of the West involved in withdrawal. Moreover, in this region, which is of major interest to the West, only the United Kingdom is in a position to maintain a military presence: our responsibilities could not be taken over by the United States even if they were willing to do so. Furthermore in considering whether to endorse this view and to maintain it if necessary against subsequent pressure to increase expenditure in the Far East (or indeed elsewhere) perhaps at the price of reducing expenditure in the Middle East, Ministers will wish to have regard to the relative scales of our military expenditure in the Middle East and in the Far East (even on the reduced basis which we propose) compared with what is at stake for us in each area.

### *Far East*

96. There are two aspects to our position in the Far East: our position in Singapore and Malaysia, and the question whether or not at such time as we may withdraw from Singapore we should make a contribution to the Western defence

effort in the Far East based on Australia and, if so, in what form and at what cost.

97. As to our base in Singapore, we take the view that when confrontation ends political developments within a relatively short period will make it unprofitable for us to stay. In any event the maintenance of the Singapore base involves expenditure which is out of scale both with our direct interests in the Far East, and also with what it is reasonable that we should contribute to a Western defence effort in this region.

98. On the second aspect, we have already committed ourselves to our Allies to a continuing military presence in the Far East in a message from the Prime Minister to Sir Robert Menzies and Mr. Holyoake and in a similar message to the United States State Department. The primary objective of Western policy in this region is the political and military containment of Communist China and the preservation of stability in the Far East and the Indian Sub-Continent. To this end we consider that it is of major importance to our broadest interests that we should retain a military presence in the Far East at a level which our Allies regard as worth while. We take the view, however, that we should only contemplate the provision of forces at a cost which should in no circumstances exceed the £186 million envisaged in the Post-Chequers costings study and might well be less. It is an essential corollary that the capital cost of the facilities which we should require in Australia should be met by our Allies: should we fail to secure this it would be necessary for us to make corresponding reductions in our recurrent expenditure in the Far East, and the question might then arise whether adequate and suitable forces could be sustained at the reduced level of expenditure.

99. We consider that the new pattern of reduced commitments, summarised above, would be in accordance with the needs of our foreign and Commonwealth policy. Subject to the end of confrontation, and to the considerations set out in paragraph 85, it should be possible to meet these commitments within a total defence budget of £2,000 million. When Ministers have reached decisions on the issues set out in this study, the next step will be a complete recosting of our defence effort and discussions with our Allies, whose views both on the nature and on the disposition of our contribution, and whose judgment on the pressure of events, are likely to differ in certain material respects from our own. These issues can, however, only be finally decided after discussion with them.

100. While we shall clearly have to consult our Allies (principally the United States but also Australia and New Zealand) about the changes, there are three reasons why we must press on them the urgency of our reaching decisions. First, unless we make a start at once—and perhaps even if we do—we have no hope of achieving a defence budget of £2,000 million in 1969–70, because, *e.g.*, forces have to be redeployed and disbanded, and equipment plans altered. Secondly, we cannot afford to prolong the present state of affairs when money is being spent uneconomically (*e.g.*, on holding contracts and on projects that may be cancelled). Thirdly, we ought to give an account of our new plans in the 1966 Statement on Defence Estimates which should be in near-final form by January 1966. For these reasons it will be necessary for us to indicate to our Allies, at the outset of our discussions with them, that for planning purposes in respect of equipment we shall have to take some early decisions on the basis of the new pattern of commitments assumed in the defence review, if we are to keep within the financial limit which we have set ourselves.

**7 130/213, MISC 17/8****13 Nov 1965****'Defence policy': record of a meeting at 10 Downing Street of ministers, service chiefs, and senior officials<sup>1</sup>**

The Meeting had before them a note by the Chairman of the Defence and Overseas Policy (Official) Committee (MISC. 17/14)<sup>2</sup> and a memorandum by the Secretary of State for Defence (MISC. 17/12).

*The Secretary of State for Defence* said that in July, on the basis of the outline proposals for reduced commitments which had been discussed at the Chequers Meeting in June (MISC. 17/5th, 6th and 7th Meetings), the Ministry of Defence had circulated costings and capability studies setting out hypothetical assumptions about reductions in commitments on the basis of which our defence expenditure could be reduced to £1,900 million in 1969–70, with a cut in our front line forces of from 20 to 25 per cent. The level of forces provided to meet the commitments in this study had however been decided arbitrarily: they were therefore not necessarily viable overall and would require further detailed study. Since this paper had been written he had carried out an intensive study of our intervention capability, that is, our ability to intervene in foreign countries outside Europe. This study had raised the particular issue of the relative merits of land and carrier-based aircraft. The conclusions had been disappointing. The Navy could not man more than three carriers; with a three-carrier force one could be kept permanently east of Suez with a second normally available within 15 days. This meant that we must retain some land-based aircraft. As land-based aircraft were therefore necessary, a study had been carried out to see whether it was possible to do without carriers. The results had shown that, so far as strike aircraft were concerned, carrier borne aircraft were always more expensive than land-based aircraft, and that it was possible to dispense with carriers, provided that we were not required to land large numbers of troops against sophisticated opposition beyond the range of land-based fighter aircraft. Carriers were, however, important for the protection of the Fleet at sea. They provided early warning of enemy approach and enabled an early attack to be made against hostile air and surface forces. They were therefore essential if the Fleet were required to operate in a hostile environment. If carriers were eliminated, the savings over the long term costings would range between £430 million and £800 million and for 1969–70 between £20 million and £60 million, the lower figures being on the assumption that as much as possible of the carrier capability was reprovided. If the military tasks in relation to our commitments in the 70s could be limited, it would be possible to take certain risks and not replace the carrier capability to protect the Fleet at sea: this would of course provide larger savings. Even taking this into account and on the most optimistic assumptions about carrier cuts and consequential savings, the Defence Budget would still require a cut of about £100–£200 million to be kept below the £2,000 million ceiling.

<sup>1</sup> Present: Wilson (chair), Brown, Callaghan, Healey, Bottomley, Greenwood, F Lee (minister of power), Jenkins, Mulley, Thomson, Lord Chalfont, Field Marshal Sir R Hull, Admiral Sir D Luce, General Sir J Cassels, Air Marshal Sir C Elworthy, Sir W Armstrong (Treasury), Sir E Roll (Dept of Economic Affairs), Sir P Gore-Booth (FO), Sir B Burrows (FO), Sir H Hardman (MoD), Sir Z Zuckerman (MoD), Sir N Pritchard (CRO), Sir H Poynton (CO), Sir R Way (Ministry of Aviation), Sir B Trend. The meeting was spread over two days, continuing on 14 Nov with a discussion of defence capabilities, the record of which is not reproduced.

<sup>2</sup> See 6.

Some further cuts in equipment were possible but each of them had political and industrial objections; for instance, accepting the Phantom with the J-79 engine instead of installing the Spey engine or saving money on research and development for VTOL by cancelling the P-1127 project. Within a defence budget of £2,000 million it was not possible to obtain the maximum cost effectiveness and keep both these projects, but Ministers would wish to examine the 10-year aircraft programme before coming to a decision.

The problem was therefore how commitments could be cut to reduce the forces in both men and equipment to achieve the necessary additional saving of £100 million to £200 million. This would mean disengaging from some of the tasks now being done, and avoiding commitments which might escalate and require additional forces in the future. The note by the Defence and Overseas Policy (Official) Committee (MISC. 17/14) was misleading in that it assumed that with reduced commitments forces could automatically be reduced by a comparable amount. This was not necessarily so as at present two-thirds of the Strategic Reserve was committed to actual tasks, which was one of the main reasons why there was so little flexibility in our ability to reduce our forces without raising strong objections from our Allies. An essential first step in the Defence Review would be to cut commitments and reconstitute the Strategic Reserve in order to regain some flexibility. It would then be essential to put definite limits on our tasks in relation to our remaining commitments so as to avoid situations similar to that in Malaysia at present, which could absorb our whole defence capability.

In general terms this meant there were two types of military tasks which we could not in future undertake: first, a limited war with a sophisticated enemy outside Europe, such as the United Arab Republic (UAR), Indonesia or Iraq, all of which acquired sophisticated equipment cheaply from the Soviet Union; secondly, large scale long-term counter-insurgency operations as in Borneo at present, where 16,000 troops were actively engaged. Unless we could limit our commitments both in number and in scale to exclude such operations, it would not be possible to demobilise the forces released by reducing our commitments, nor could we safely afford cuts in our forces in Germany as at present these constituted an essential reserve.

The new system of defence costing gave a broad picture of what it was costing at present to carry out the military tasks arising from each of our political commitments, but it would offer only a rough guide to the future costs of the Defence Programme. The costs arising from commitments varied widely from year to year and the 1965 costing did not enable us to predict with any certainty what the cost would be in 1969–70. For instance, in only the last few weeks possible new commitments had emerged in the suggestion to deploy fighter aircraft to Zambia and in the possible need to provide forces in Rhodesia if the Government there should change and request our help to maintain public order. Thus to get our defence policy on to a firm basis it would be necessary to cut commitments even more substantially than recommended in MISC. 17/14, and to limit strictly the tasks in relation to the commitments which we retained.

*The Prime Minister* said that after this introduction by the Secretary of State for Defence the Meeting, before considering the issues of substance, might first conveniently agree the procedure for their discussion of the papers before them. The memorandum by the Secretary of State for Defence on our defence capabilities

(MISC. 17/12) was primarily intended as a preliminary estimate of the most economical and effective deployment of manpower and choice of weapon systems which would restrict expenditure in 1969–70 to not more than £2,000 million at 1964 prices on the basis of existing commitments. The report by the Chairman of the Defence and Overseas Policy (Official) Committee (MISC. 17/14), which had been approved interdepartmentally at official level, considered various options between future commitments which would, on the basis of existing capabilities, restrict expenditure in 1969–70 to the agreed figure. Both studies assumed that confrontation would have ended by 1969–70. The Meeting might prefer to consider first the report on commitments (MISC. 17/14), their conclusions upon which would enable the Ministry of Defence to prepare a revised structure of forces and weapons systems to meet the pattern of future commitments, and to produce firmer costings than the tentative figures in MISC. 17/14. It would then be necessary to discuss with our Allies, especially the United States, the conclusions provisionally reached upon our future commitments. The best course might be first to consider our interests and commitments region by region.

In discussion the following main points were made:—

(a) Before our commitments in each theatre were examined, we should first consider the major objectives of our foreign policy, so far as it affected our military effort, and in particular whether our interests were better served by a number of bases relating to specific commitments than by a greater concentration of forces so equipped as to be flexible and mobile enough to meet a wide range of requirements, including many which would inevitably be unforeseen. Such a review might consider to what extent we should retain an independent capability and to what extent we should be capable of undertaking major operations only in conjunction with our Allies. It could be argued that a comprehensive review of Western policy, and then of the part which we could play in its defence within the limits of our defence budget, with due regard for the interests of our Allies, would be preferable to a study theatre by theatre of our existing interests and activities, which taken together might not present a coherent policy.

(b) Our nuclear policy should also be considered separately from the proposed theatre studies.

(c) On the other hand, a general discussion might be too diffuse to lead to the specific decisions which were urgently required upon our defence commitments and our capability to discharge them. The decision to limit our defence expenditure to £2,000 million at 1964 prices in 1969–70 so restricted our independent capability that we were bound in any circumstances to conduct major operations only in collaboration with our Allies. From a detailed study of our existing commitments, which we must reduce if our financial objective were to be met, a coherent defence policy could be constructed. In the context of the present discussions our nuclear policy as such was hardly in issue, since expenditure on nuclear weapons (including Polaris submarines) would be only about 2 per cent of the defence budget in the 1970s, and the aircraft needed for the delivery of nuclear weapons would in any case be required—and in larger numbers—for a conventional role.

Summing up this part of the discussion, *The Prime Minister* said that on balance the Meeting might more profitably discuss MISC. 17/14 theatre by theatre, concluding with a general discussion on defence policy. The only objective which should be regarded as beyond question in discussion was the restriction of our

defence expenditure in 1969–70 to £2,000 million at 1964 prices; otherwise all assumptions and commitments might be freely examined.

The Meeting then considered United Kingdom overseas commitments in relation to each main theatre.

#### A. *Europe*

*The Minister of State for Foreign Affairs (Mr. Thomson)* said that the post-Chequers costing study had been based on certain hypothetical reductions of our forces in the theatres in which they were engaged or stationed. The reductions which had been assumed in Europe were contrary to our treaty obligations and we could only obtain such reductions by negotiation and with the agreement of our Allies. The study by officials (MISC. 17/14) set out convincing reasons why such agreement would not be forthcoming at the present time and why it would be gravely disadvantageous to our interests to make such reductions unilaterally. We should, therefore, as proposed in the study by officials, retain our forces at approximately their present level until such time as a reduction was possible, either through agreement with our Allies that smaller total Western forces would be adequate on military grounds, or by a measure of partial disarmament in Europe.

*The Secretary of State for Defence* said that at the previous Chequers discussion he had been invited to arrange for an enquiry to be made into the cost of administration of the British Army of the Rhine (BAOR). This enquiry, which has been assisted by a firm of industrial consultants, had now been completed. It revealed the possibility of a saving of the order of £1 million a year out of the present total expenditure of £180 million a year. The Ministry would press on with the measures necessary to obtain this saving, which was worth while for its own sake, but would be negligible in relation to our total expenditure.

The Chequers Meeting had considered the further possibility of achieving savings through the logistic integration of the North Atlantic Treaty Organisation (NATO) forces. There was, however, no prospect of any saving by this means. Such integration would inevitably involve new capital expenditure and the acceptance of integration at the highest level of equipment, which meant accepting the more costly United States standards.

The United Kingdom was carrying an unfair share of the burden of defence as compared with our NATO Allies. Based on NATO standards of measurement our defence budget was 6.9 per cent of our gross national product (GNP). That of Germany amounted to 5.5 per cent of her GNP in 1964 and had since been reduced to what was estimated to cost some 4.5 per cent in 1966. In terms of foreign exchange our net overseas expenditure on defence amounted to 10 per cent of our defence budget. European countries as a whole had no net foreign exchange costs and France and Germany actually benefited in terms of foreign exchange. Before the escalation of the war in Vietnam even the United States spent in relation to her resources only between half and one third of our own burden in foreign exchange, after taking into account their arms sales abroad. 40 per cent of our Services manpower served overseas as compared with 39 per cent of United States manpower and 18 per cent of the French forces. No German or Italian forces served overseas. It was unacceptable that our burden should remain at this relative level.

The real function of NATO was to give credible political backing to the United States nuclear deterrent, and there was general agreement that the level of our forces

in Germany must be determined primarily in relation to maintaining the political solidarity of the alliance. From a purely military point of view this would be our easiest commitment to cut, but, quite apart from the grave political objections to doing so, our forces in Germany were necessary as a reserve for our commitments elsewhere, and we could not both withdraw our troops and demobilise them until those commitments were substantially reduced. To withdraw troops from Germany without demobilising them would inevitably lead to substantial capital expenditure on facilities in the United Kingdom. These considerations suggested that in the European theatre we should primarily seek from our Allies a greater reimbursement of our costs in foreign exchange. If this could not be obtained, we should withdraw some of our forces. It might well prove that the most effective method of bringing pressure to bear upon our European Allies to this end was to seek agreement with the United States that, in exchange for our willingness to continue a United Kingdom military presence East of Suez, they should join with us in putting pressure on Germany to provide a higher level of reimbursement of our foreign exchange costs.

In discussion there was widespread support for the view that Europe must be our first priority, though primarily on political grounds, and that we must retain our existing defence commitments there. Indeed, it could well be argued that so far from reducing our defence expenditure it was necessary that we should consider improving the equipment and effectiveness of our forces in Europe. At present, moreover, any substantial withdrawal of our forces might be particularly damaging by leading to greater German predominance in NATO. In the longer run there were signs that the strategic views of our Allies, and, particularly of Germany, were coming to accord more closely with our own and that agreement might in time be obtained on a general reduction of NATO forces. Furthermore, we must seek to persuade Germany that the best prospect of German re-unification was through a *détente* in our relations with the Soviet Union. At present, however, there was no prospect of such agreement, if only because NATO was preoccupied with the possibility of a French withdrawal as a result of General de Gaulle's policy.

Our willingness and ability to maintain forces at the present level in Germany should, however, be subject to our ability to reduce the cost in foreign exchange which was involved, and we should seek as a matter of high priority a substantial further mitigation of the burden so imposed upon us. In some degree, the prospect of success in achieving this would depend on our ability to sell military supplies to our Allies, but relief to the foreign exchange burden in this form would leave untouched the burden upon us in real resources. On this view the maximum help would be obtained if the German Government would pay the cost of German civilian labour in support of our forces in Germany. But in view of the pressures upon the German budget there appeared to be no prospect that such payment could be acceptable to them. Indeed, even their ability to be forthcoming in mitigating our foreign exchange burden would be affected by their own growing balance of payments problem.

In further discussion, the Meeting considered whether the most effective means of bringing pressure to bear upon the European Allies for assistance to us in meeting the foreign exchange costs of maintaining our forces in Europe would be by direct approaches to European Governments, or whether we should seek to enlist the aid of the United States Government in bringing pressure to bear upon them. In favour of the latter view, it was argued that for overriding political reasons we could not

employ with our European Allies the threat of withdrawing forces from Europe if they did not meet a greater part of our foreign exchange costs, and that the only effective pressure which could be brought upon them would be that of the United States Government. Our ability in turn to induce the United States Government to bring such pressure to bear would rest on our threat to withdraw our forces East of Suez, particularly from those areas where the United States Government attached the highest priority to our maintaining a military presence. On the other hand, the view was expressed that it would be contrary to our interest to make our defence policy dependent on the priorities of the United States Government, and that in particular the preservation of our vital interests in Europe should not be affected by the possible pressure which might be brought to bear upon us by the United States to retain forces East of Suez, if our own interests did not justify this course. On this view, it would be contrary to our interests to be dependent on United States pressure upon our European Allies for the mitigation of our foreign exchange costs, since this pressure might only be forthcoming in return for our undertaking commitments elsewhere in accordance with their priorities rather than our own interests.

In favour of a direct approach to our European Allies, it was argued that they were playing a smaller part in the defence of world wide Western interests than was the United Kingdom, and that in particular our defence of Western oil interests in the Middle East should be used as an argument for our obtaining financial support from them. It was, however, the general view that this argument had been put forward over a considerable period but without any success, and that it would be preferable to explain frankly that we ourselves attached the highest priority to the maintenance of our military commitments in Europe, but that the unwillingness of our European Allies to mitigate the burden in foreign exchange costs would oblige us to reduce our level of forces unless they could afford us a greater measure of support.

*The Prime Minister*, summing up this part of the discussion, said that it would be premature to reach any conclusions until the discussion as a whole had been completed. At this stage it appeared to be the general view that high priority must be accorded to the maintenance of our military commitments in Europe, though essentially for political reasons. The major problem was how best the cost in foreign exchange could be reduced.

#### *B. Mediterranean and Middle East*

*The Secretary of State for Defence* said that it was generally agreed that we could not abandon *Gibraltar* so long as it was threatened by Spain. In any case our defence expenditure there was small. In *Malta* we were anxious to retain the NATO Headquarters, but our direct defence interest was very limited. A withdrawal would, however, raise the question of providing other forms of aid. On the death of King Idris the situation in *Libya* might well change. Nevertheless he supported the proposal in MISC. 17/14 that we should seek to persuade the United States Government to take over the major part of the commitment to defend Libya. The bases in *Cyprus* were at present needed for the Libya commitment, but this would lapse if we reached agreement, as proposed, with the United States Government. Otherwise, the position in Cyprus depended on the arrangements to be made in the Middle East. This raised the question of the importance of maintaining the pro-Western attitude of the Shah of Iran and of the relevance of the Central Treaty Organisation (CENTO) to this objective. At present we needed the overflying route



through Iran, but once the VC-10s and C-130s came into service in about a year's time we could use the West-about route through the United States. This would not be subject to interruption for political reasons, though reinforcement times would be slower and the operating costs would be higher. The value of retaining the friendship of the Shah and the importance of CENTO for this purpose must be a matter of political judgment. Although CENTO was not a militarily effective organisation, our contribution to it (the four Canberra squadrons in Cyprus) was relatively cheap and the Canberras were also relevant to our plan for fulfilling the Kuwait commitment. If, however, we decided to continue our support for CENTO, it would be reasonable to request reciprocal facilities, such as the provision of forward operating airfields for the Canberra squadrons in Iran, so that they would not need to be based permanently at Akrotiri, and we could then withdraw from Cyprus.

In the *Persian Gulf and South Arabia* our largest military commitment was that to Kuwait. In the event of a threat to the security of Kuwait, success would depend on the speed of our reaction and we had hitherto relied on the battalion in Bahrain and a second battalion from Aden. He had previously hoped that we might get agreement to keep one battalion in South Arabia after independence and that the Kuwait commitment could continue to be met in this way. However, it was now clear that this was unlikely owing to local hostility to the presence of United Kingdom forces, and we must plan on leaving Aden completely when South Arabia became independent in 1968. Our withdrawal from Aden would almost certainly appear to be due to United Arab Republic (UAR) pressure, and the Rulers in the South Arabian Federation might feel that we had let them down. This would affect the confidence in us of the Persian Gulf Rulers, and we must also expect Nationalist pressure in the Gulf to mount rapidly. We should have to build up our forces in the Gulf if we were to remain after leaving Aden, and in order to fulfil the Kuwait commitment we should have to construct additional facilities costing some £22 million. Without the Kuwait commitment it should be sufficient to have some additional facilities on a much smaller scale and at much less cost (approximately £6 million) in Masirah. Extra capital expenditure in the Persian Gulf of the order of £22 million could scarcely be justified for the short period during which we could expect to maintain a military presence there, and our aim should therefore be to terminate the Kuwait commitment, unless the Ruler was prepared to let us station forces in Kuwait, in which case the military position would be different and the commitment would be much easier to fulfil.

The value of maintaining a United Kingdom military presence in the Arab world seemed to be increasingly doubtful, and once we withdrew from Aden it might prove impossible to remain in the Persian Gulf except at exorbitant cost. There was therefore a strong case for trying to get Saudi Arabia to take over our responsibilities both in the Persian Gulf and in the States of the South Arabian Federation. It must, however, be recognised that if Saudi Arabia or the UAR succeeded to our position we should have great difficulty with the Shah, who was more concerned with the threat from the UAR than that from the Soviet Union. Nevertheless, the situation seemed to call for a fundamental review of our present Middle East policy.

*The Minister of State for Foreign Affairs (Mr. Thomson)* said that MISC. 17/4 showed that all the Departments were agreed that large economies could be made in the Mediterranean and Middle East. Expenditure there on the basis recommended in MISC. 17/4 would be small in relation to our expenditure in Europe or the Far East,

and the question whether we should remain in the Persian Gulf was therefore more dependent on political judgment than on the need for defence economies. The most important issue was that of Iran. It was a major interest of the United Kingdom and of the West to keep Iran out of the Communist sphere of influence. Apart from the effect on our overflying rights, Iran was the only non-Arab source of oil in the Middle East. The extension of Soviet influence to the Persian Gulf would have consequences not merely for the situation in the Middle East, but for the Western Alliance as a whole. In relation to what was at stake the cost of maintaining the pro-Western attitude of Iran was not expensive. The possibility of Iran providing forward operating facilities for the Canberra squadrons in Cyprus might be examined, but this was likely to prove unacceptable to Iran owing to the probable Soviet reaction. It was agreed that we should have to withdraw from Aden when South Arabia became independent: it did not follow that our withdrawal from Aden must appear to be due to UAR pressure and that we could not therefore stay in the Persian Gulf. If, however, we abrogated the Kuwait commitment at the same time as we left Aden, this might well make our position elsewhere in the Persian Gulf untenable. The position would, of course, be different if Kuwait asked to be relieved of our commitment and this was something which might well happen, though we could not count on it by 1968. It was accepted that we could not stay in the Persian Gulf indefinitely and that we should have trouble if we remained there after withdrawing from Aden. However, the risk of leaving the Persian Gulf as well as Aden by 1968 would be likely to cause even more serious trouble. The Persian Gulf was a very sensitive area and no other country could take over the position which we had inherited there. If we left a vacuum, the neighbouring countries, Iran, Iraq, Saudi Arabia and the UAR, would each try to exercise their claims and the result would be a state of grave instability from which the Soviet Union would seek to profit and might well be able to do so. He therefore felt that, in view of the major economies which it was agreed could be made in the Middle East and Mediterranean, the remaining commitments in the area recommended in MISC. 17/14 were justified.

The following main points were made in discussion:—

(d) The dependence of the United Kingdom and of the rest of Europe on Middle East oil was already great and was likely to increase. If we left the Persian Gulf before making other arrangements to ensure stability the resulting confusion might well threaten the continued supply of oil. Moreover, expenditure on the Middle East, which was the one area from which we derived large economic benefits, was on a much smaller scale than expenditure in Europe and the Far East. On the other hand, the view was also held that a continued military presence in the Persian Gulf was not necessary to protect our oil interests and did not, in particular, afford any assurance against nationalisation; it would not in itself justify continued military expenditure there. Indeed our presence might even be disadvantageous to our interests by providing an irritant and a focus for Arab nationalist pressures.

(e) We were pledged to grant independence to South Arabia by 1968 at the latest. There might be advantage in advancing this date to 1967 and this might be possible if we were able to work out a Constitution acceptable both to the Federal Rulers and to Aden. Failing this, we might invoke the good offices of the United Nations. There would be serious objections to delaying the grant of independence in order to delay our withdrawal from the Aden base, and we should therefore be ready to give up the base by 1967 if necessary for this purpose. In this event, however, there would not be

time, even if an immediate decision were taken, to build up alternative facilities in the Persian Gulf which would enable us to continue to discharge the Kuwait commitment. Withdrawal from Aden in 1967 would therefore mean that we should have to give up the Kuwait commitment at the same time.

(f) The possibility of using Malta instead of Cyprus as a base for the Canberra squadrons might be examined. If we withdrew militarily from Malta we had a commitment to increase economic aid, and the relative cost of retaining some military force in the island should be weighed against that of the increase in aid. On the other hand, the transfer of the Canberra squadrons from Cyprus to Malta would make our support for CENTO appear less credible, and it might not be acceptable to the Maltese Government that we should base forces with a nuclear capability there.

(g) The staging base in Aldabra would afford the facilities needed for intervention in Africa should we be asked to intervene by the Governments concerned, and provided our forces were not opposed.

(h) Since we could not expect to retain a military presence in the Persian Gulf for more than a relatively few years, it was argued that substantial additional expenditure in the Gulf could not be justified after a withdrawal from Aden. Moreover, nationalist pressure against our presence would increase and might make an eventual withdrawal more difficult. There was therefore a case for withdrawing at the same time as we left Aden. Against this, it was maintained that we needed time to make alternative arrangements, for instance through collaboration with Saudi Arabia, in order to give some assurance of continuing stability in the area after we left. It should be possible to hold our position, even against increasing nationalist pressure, for a number of years. A premature withdrawal which would leave a vacuum in the Persian Gulf would entail unacceptable risks.

At this point the Meeting adjourned.

### *Saturday Afternoon Session*

#### *B. Mediterranean and Middle East (resumed discussion)*

The Meeting resumed their discussion of the Mediterranean and the Middle East.

*The Prime Minister* said that in the discussion during the morning it had been agreed that we should leave the Aden base when South Arabia became independent. There was, however, a difference of view on the question whether we should at the same time leave the Persian Gulf. The view had been strongly expressed that we should not incur extra expenditure in order to keep forces there: on the other hand it had been argued that we must remain in the Persian Gulf for some years even if this entailed additional facilities and expenditure. This issue did not relate solely or even primarily to the effect of a United Kingdom military presence in the Persian Gulf on our oil interests, on which there was still a divergence of view between Departments. Other factors must also be taken into account; for instance the willingness of the Ruler of Kuwait to keep the Kuwait balances in sterling. The attitude of the Ruler might not depend entirely on the question whether or not we retained a military presence in the Persian Gulf, nor need our own decision on this issue depend entirely on the future of the Kuwait balances; it was however something which must be considered. For the most important question was whether a withdrawal from this area at the same time as we left Aden would leave a vacuum and lead to instability in

the area, which would seriously affect the position in Iran and enable the Soviet Union to extend their influence.

*The Secretary of State for Defence* said that our capability to defend Kuwait was limited. If the Iraq Government were able to end their war with the Kurds and move the bulk of their forces near the Kuwait frontier, our present plans for intervention in Kuwait would be inadequate. Nor could we be sure that we could intervene in time to prevent an internal *coup* from succeeding; intervention by our forces after a successful *coup* would raise major political questions. Nevertheless, it was probably true that our capability was believed locally to be much greater than it actually was, and a continued military presence, even with a limited capability, might serve as a stabilising factor. The best solution might therefore be to retain the battalion in Bahrain after withdrawing from Aden and to station a second battalion in Masirah. With these forces we could not count on fulfilling the Kuwait commitment, but a complete vacuum would be avoided. If we were to adopt this course, it would be important to terminate the Kuwait commitment by agreement with the Ruler. The position would then be acceptable so long as our forces in Bahrain did not get too deeply involved in the maintenance of internal security.

Summing up this part of the discussion, *the Prime Minister* said that the Meeting agreed that we should seek to persuade the United States Government to take over the major part of our commitment to defend Libya. As regards withdrawing our forces from Malta and the suggestion that the Canberra squadrons might be based there rather than in Cyprus, further study would be required of our commitment to Malta in respect of economic aid. There was, however, a case for retaining some of the facilities in Cyprus at least for the time being, and we must not in any event fail to have due regard to the effect of our decisions on the internal and international position of Cyprus itself. The most important issue concerned the maintenance of a United Kingdom military presence in the Persian Gulf and we should consider the compromise solution suggested by the Secretary of State for Defence. All these conclusions must be provisional until the whole position could be reviewed in the light of the discussions on other areas and on the capabilities study in MISC. 17/12. We should also need to take account of the views of the United States Government and of the relative priorities which they attached to the different theatres.

### *C. Far East*

*The Secretary of State for Defence* said that he was not persuaded that, as proposed in paragraph 69 of the report attached to MISC. 17/14, the garrison of *Hong Kong* should not be reduced. We at present maintained six units there, the role of three of which was to reinforce the police in internal security duties whilst the others defended the frontier. But if the Chinese wished to take *Hong Kong* they could readily do so without the use of military force by cutting off the water supply and fomenting civil disorder. If it should be decided on internal security grounds to maintain the garrison at its present level, the *Hong Kong* Government should be pressed to increase their present annual defence contribution of £1½ million to, say, £4 million. It should be borne in mind that the population of the Colony had increased sixfold since the end of the war, mainly from the Chinese mainland, so that the bulk of the population had no long-standing ties with the United Kingdom which entailed special obligations on our part.

*The Secretary of State for the Colonies* said that in *Hong Kong* there was always

the possibility of sudden deterioration in internal security which the Chinese Government might use as an excuse for intervention. Six battalions had been required to control the riots in Kowloon in 1956, which suggested that the present force level should not be reduced. The maintenance of order in Hong Kong was important if commercial confidence were to be retained.

In discussion, doubt was expressed about the commercial value of Hong Kong to the United Kingdom, particularly having regard to the extent of our defence expenditure there. There was general agreement that in the first instance we should seek a higher defence contribution from the Hong Kong Government.

*The Secretary of State for Defence* said that there was no possibility of restricting defence expenditure with a ceiling of £2,000 million in 1969–70 at 1964 prices unless Indonesian confrontation were ended and we ensured that we would not have to fight Indonesia in the same way again. It would not be possible to retain the Singapore base for long after confrontation were ended, as we would probably be asked to pay too much for the use of the base and would be subject to unacceptable restrictions on the use of our forces stationed there. If we wished to stay in the area a base in Australia would be necessary. The question was whether we should remain in the area at all. In the long term it was doubtful whether it was in our interest to do so. However, we had certain responsibilities for our colonial territories such as Fiji, and should retain the ability to come to the rescue of British subjects in, for instance, East Africa. It was therefore necessary to keep some forces stationed east of the Middle East Air Barrier. There were also political arguments for retaining some military presence in the area, including the fact that the United States attached much importance to not being left as the sole defender of Western interests in South-East Asia. It was also important that we should be in a position to influence United States policy in the Far East. To do so we should need to provide forces, and retain responsibility, for certain tasks in the area. He agreed with the note by officials in this respect.

With the forces which could be provided within the £186 million allowed for the Far East in the post-Chequers costing study it was clear that we would not be able to take any large scale independent action. A key factor in what we would be able to provide was the extent to which our allies would be prepared to pay for facilities for us in Australia. If we had to meet these costs there would be little left to provide forces. It was also doubtful whether the Australians had the necessary building capacity to provide these facilities within the necessary time limit. It was essential to know what type of tasks our forces would be required to undertake in order to prepare an appropriate force structure, and also to realise the limitations of the scale of forces which would be available within these costs. We could not defeat Indonesia in a limited war by ourselves at present, and we certainly would not be able to do so within a budget of £186 million for our Far Eastern forces. It was a common fallacy that small mobile highly-equipped forces which arrived quickly on the scene of action could take on anything, but this was no longer so in relation to certain countries in the Far East. Indonesia for instance had a population of 100 million and a defence budget of £400 million; their forces were twice as large as the total of our forces worldwide and were equipped perhaps better, with Soviet arms supplied very cheaply. For example, they had supersonic fighters, Badger jet bombers and missile-armed fast patrol boats. Fortunately, their organisation and operation of their forces was at present inefficient, but it was dangerous to plan on the assumption that this

would still be so in five years' time. At present we deterred them from raising the level of the conflict by our strike capability, but we had not been able to stop the infiltration of their guerrilla forces and other confrontation operations which engaged very large numbers of our troops. There were other countries in the Far East which could pose a serious threat in the future. We would only engage China in conjunction with the United States; Japan and the Philippines might pose a serious threat at some later stage if they re-armed, and the possibilities of Pakistan being driven into the Chinese orbit and of a Communist threat from a united Vietnam could not be discounted. Thus the relative value of the United Kingdom's capability deployed 10,000 miles from home was likely to decline. It should therefore be accepted that we could not fight a limited war alone against a militarily sophisticated medium Power such as Indonesia, although it should be possible to continue to deter by the threat of our strike capability against their homeland, since they could not mount a comparable threat against the United Kingdom. Also we must not engage in long-term counter-insurgency operations such as those in which the United States were involved in Vietnam, where a quarter of a million United States troops together with half a million South Vietnamese were hard pressed by a Viet Cong guerilla force of no more than approximately 100,000.

We were therefore faced with the choice between providing a small balanced capability and accepting a geographical share of responsibility with the United States with their backing against an escalation of the conflict beyond our capability, or of providing only a relatively small contribution to what would be essentially a United States force. The first alternative would be preferable. We should aim to have a force related to limited tasks and aimed at deterring rather than defeating an enemy, but of a size worthwhile as a contribution to Western forces for SEATO or other operations. The second alternative would give us less influence with the United States and could easily lead to our being engaged in Vietnam-type operations of which we did not approve. If it were decided to choose the first alternative with a force limited to an overall cost of £186 million, it would be possible to devise certain alternative force structures and then to discuss with our allies, and in particular the United States, which would be the most useful contribution.

*The Minister of State for Foreign Affairs (Mr. Thomson)* said that the Foreign Office were in general agreement with the proposals on the Far East in paragraphs 47–68 of the report attached to MISC. 17/14. The Secretary of State for Defence had raised issues which had wide implications for our whole foreign policy; but our fundamental objective in Asia as in Europe was the establishment of peace, and we were seeking to define the United Kingdom role within that concept. Whether or not we decided to retain any independent capability, the crucial issue was how to create a balance of forces which would contain Chinese expansion. This could only be achieved if we were to attain a high degree of interdependence between the United States, Australia, New Zealand and ourselves, which suggested that our best course was closer to the second alternative put forward by the Secretary of State for Defence than to the first. Only thus were we likely to be able to influence United States policy in Asia.

*The Secretary of State for Commonwealth Relations* said that the long experience of the United Kingdom fitted us for a major role in Asia, the discharge of which enabled us to maintain our considerable interests in the Far East. Whilst on the ending of confrontation we should withdraw from our base in Singapore, and should

renegotiate our Defence Agreement with Malaysia, it was of prime importance that we should collaborate with our Allies to avoid any Power vacuum in the area and in particular to secure that our withdrawal was orderly and did not lead to chaos in Malaysia. We should maintain a military presence in the Far East thereafter not only to protect our considerable trade and investment interests, but also to maintain our relationship with Australia and New Zealand, which were not only our closest Allies but also countries whose support we needed to maintain the stability of our colonies in the Far East. In his message to the Prime Minister of 22nd October the Prime Minister of Australia, Sir Robert Menzies, had made clear the Australian view that, as Europe was now relatively stable, it was in Asia that the risk to world peace arose. We should therefore accord high priority to our defence arrangements in the area.

In discussion, there was general agreement that the question whether we could maintain an independent military role in the future had already been determined by the Government's decision to reduce the cost of the Defence Budget to £2,000 million at 1964 prices by 1969–70. The issues to be decided in the Far East therefore related to the manner and extent of our contribution to a co-operative Western military effort and the political terms on which we should agree to contribute. In considering these issues we must take into account that the extent and nature of purely British interests in the Far East were substantially different from our interests in Europe, which was vital to our security and of major economic importance to us, and also from our interests in the Middle East, where, whatever the difference of view of the effect of our military presence, there was no question but that they were direct and important. In the Far East, on the other hand, our present defence expenditure was to a greater extent than in other theatres disproportionate to our interests. Our trade and investment interests in the Far East were not themselves a justification for maintaining a military presence, and our political interests were to a large degree shared by the West as a whole. The crucial interest of the West in the Indo-Pacific area was to ensure the containment of China and to prevent Eastern and Southern Asia from falling under Chinese Communist domination. In the longer term, these objectives were most likely to be achieved through the creation of a neutralist area free from any outside military presence, where local nationalism would be sufficiently strong to constitute a barrier to Chinese expansion. The ability and willingness of the neutral States to maintain their neutrality would, however, require a Western military presence in the background as a counterweight to Chinese military strength. The fact that our interests were primarily those of the West as a whole in this region made it appropriate that our military contribution to maintain them should be in co-operation with our Allies rather than independent, and this would not necessarily imply any degree of political subservience to them. We must, moreover, bear in mind that the Anglo-United States Alliance was vital to our world-wide policy.

In determining what military contribution we might appropriately make in these circumstances, we must in the first instance provide the capability to carry out our remaining colonial commitments. Thereafter, the degree of our direct interest suggested that we should seek to make the smallest contribution which was acceptable to our Allies. Indeed, it could well be argued that the maximum of our contribution should be determined by what expenditure we could afford within the total of £2,000 million after we had provided for meeting our interests in the remaining two major theatres. It would not, however, be appropriate to carry this

line of argument to an extreme, and we should examine the marginal effectiveness of our contributions in each of the three theatres in question.

It would also be necessary to decide not solely the total quantum of our military contribution, but also its nature. There might be some analogy between the degree of alliance which might evolve between the United States, Australia, New Zealand and ourselves in the Pacific on the one hand, and the NATO Alliance on the other. But this analogy was only partially valid having regard to the wide difference in the political interest and geographical extent of the countries comprising these alliances. In considering our military contribution to an Indo-Pacific alliance it might be argued that we could best contribute a balanced force capable of carrying out certain military tasks and of maintaining the prime Western defence responsibility in certain areas either by itself or in conjunction with Australian and New Zealand forces. This would give us the maximum degree of political independence. Alternatively, we might contribute to the alliance limited forces which would not be capable of independent operations. This might prove less costly than the maintenance of a balanced force, but would expose us to the danger of political commitments in accordance with the policies of our Allies which might not be welcome or indeed acceptable to us.

In further discussion the following points were raised:—

(i) Further consideration should be given to the relevance to our nuclear policy of the fact that Allied forces in the Indo-Pacific area would be facing a nuclear enemy and would need their own nuclear armaments. It might prove desirable to work for, and perhaps contribute to, an Indo-Pacific nuclear force to be set up under Allied control, but this issue involved the whole of our future nuclear policy and required further study as regards both feasibility and cost in relation to the total defence budget. It would also require further consideration in conjunction with the United States at an early stage.

(j) It was confirmed that it would be practicable to reduce defence expenditure to the agreed figure of £2,000 million at 1964 prices in 1969–70 provided that early decisions were taken on our prospective commitments, that well before that date confrontation were brought to an end, and that planning could start on this assumption as soon as those decisions had been taken.

*The Prime Minister*, summing up the discussion to this point, said that a Working Party of officials from the Foreign Office, Ministry of Defence and Commonwealth Relations Office should now be set up to define the military tasks which our forces might be required to discharge in the Indo-Pacific area in the 1970s. They should do so on the assumption that a visible United Kingdom military presence in the area would be maintained, but that our forces would constitute a contribution to an Allied effort and should be provided within a total expenditure not exceeding £186 million. The Working Party should also examine the military implications of the tasks so defined. Ministers would wish to consider at their meeting the following day precise terms of reference for this study.

It would not be appropriate to reach decisions on a revised pattern of commitments as a whole until there had been further Ministerial discussions at which the Foreign Secretary could be present. Such discussions should be arranged as soon as possible. Thereafter the Ministry of Defence should review the structure of forces and weapons systems which could most efficiently and economically carry out the revised pattern of commitments which emerged from these further Ministerial



discussions. Their proposals then should be considered interdepartmentally by officials before coming to Ministers. Final decisions could not be taken until after there had been discussions with our Allies. . . .

## **8 CAB 148/23, OPD(65)174**

**22 Nov 1965**

### **'Some considerations of foreign policy with particular reflections on the Middle East': memorandum by Mr Stewart for Cabinet Defence and Oversea Policy Committee**

In the course of the Defence Review Ministers and officials have discussed a number of detailed papers covering particular considerations and obligations of foreign policy and also the military capabilities possessed and desired by the British armed services. It may help my colleagues if, at this stage, I attempt to set out some of the universal aspects of foreign policy which, in my view, have to govern our final conclusions. A defence policy is designed to defend something; it is now perhaps expedient to think for a moment about what we have to defend: this may help us finally to decide how to distribute the capabilities under the limit of £2,000 million at 1964 prices which we have set for ourselves.

2. Our discussions hitherto have led to a considerable measure of agreement on defence policy in many parts of the world and on certain important measures of economy. The principal area of uncertainty remains the Eastern Mediterranean and the Middle East. For this reason, I have devoted the second part of this paper to putting the realities of this area into the context of foreign and defence policy as a whole.

3. The fundamentals of British foreign policy must be the preservation of peace and the promotion of the welfare of the British people. The two are for the most part interdependent, though crises occur in our history when the second, broadly interpreted, being threatened, has had to take precedence over the first. The welfare of the British people is not confined to their material advancement, though this is an important element in it. Welfare covers not only the standard of living and the development of genuine social justice; it also covers the freedom of the individual and the preservation of those institutions, political, judicial and social which uphold it. These institutions can be threatened not only from inside but also from outside, particularly in an age when armed threat is allied to modern techniques of infiltration and subversion. Insofar as free institutions are weakened elsewhere in the world, they come under even greater pressure in the countries which are, as it were, their home.

4. After the removal of the Nazi power, we were confronted, somewhat to the bewilderment of the British people, by an aggressive attitude on the part of the Soviet Government as leaders of the Communist *bloc*. The use of Soviet power to suppress, e.g. democratic institutions in Czechoslovakia in 1948, caused the Western countries to act on the necessity to prevent further encroachments of this kind by setting up the NATO Alliance. Further alliances with the same motive, if perhaps under somewhat less obvious threat, were concluded in the 1950s in the form of CENTO and SEATO. The direct military threat particularly from the Soviet Union has clearly become much less since the Soviet authorities came to the evident conclusion that a Communist world would have to be achieved by means other than war. The objective itself has not been abandoned. It is promoted by the other methods referred to above,

and the relative *detente* in the direct relationship between the Soviet Union and the principal Western powers is substantially counteracted by the competition between the Soviet Communist *bloc* and the Chinese Communist *bloc* for power in third countries. The objective of both Communist groups in particular is to disrupt both the relations between the leading Western powers and, more particularly at present, the relations between these powers and the newly independent countries.

5. In the face of these worldwide developments it becomes the task of the Western alliance on the one hand to keep the direct tension between the Soviet Union and themselves as low as possible, while at the same time ensuring as unprovocatively as possible, that no avoidable gap is created in the countries broadly belonging to the open society which will allow the further extension either of the military power or the political influence of Communism, whether deriving its authority from Moscow or from Peking. As the problem has developed the geographical background of this policy expressed in defence terms means that, broadly speaking, there is a continuous necessity to try to prevent a complete breakthrough of Communist power from the central land mass of Europe and Asia into the rest of the world. (This cannot be interpreted absolutely literally because there is, for instance, a Communist regime in Cuba.) But, broadly speaking, nations, and particularly newly independent nations, should have the chance to develop politically and economically undisturbed by Communist subversion and takeovers.

6. This is not a negative policy. It is in fact the policy of the British Government that, in this revolutionary age, economic and social progress and the increase of social and economic justice should proceed rapidly but against a background of political stability and, as far as possible, political freedom. Newly independent countries find it difficult to do this because they are not used to running their own affairs, nor to the difficult decisions and the highly developed quality of patience that are needed to bring about rapid progress in conditions of reasonable stability.

7. There is thus a world interest on the part of the United States, Britain and other partners in protecting the economic and social growth in political stability of many new and vulnerable countries. The responsibility cannot be divided into sections on grounds of convenience or inconvenience, congeniality or uncongeniality, expense or cheapness. The question of who does what depends on a mixture of resources, experience and historical obligation. And the efficacy of the policy depends on the ability of the United States and Britain to work together to steer it along the right lines.

#### *Middle East defence after a withdrawal from Aden*

8. The Anglo-American alliance is fundamental to British policy and interests in all parts of the world. To preserve it and get best value from it, we must, within the limits imposed by our economic resources, retain our present unique position among the United States' allies as the only power able and willing to support the Western strategic posture and peace-keeping rôle on a global basis. In many parts of the world we cannot expect to make more than a token contribution, if any. But this only makes it all the more important that we should continue to play our part where we still effectively can. If we were to fail to do this, the Americans might in some cases undertake what we failed to do, but our standing and influence with them would substantially disappear, including our ability to secure their economic and financial support. Alternatively, they might 'go home' with even more serious consequences for the non-Communist world.

9. In particular, in South-East Asia we are considering a new quadripartite organisation in which our commitment and contribution would be limited, at the expense mainly of the United States and Australian Governments. The potential saving in this area is of the order of £60 million a year. In the Mediterranean we hope to make a saving of £40 million a year, largely by persuading the United States Government to accept much of the burden of our commitment to Libya. These savings will not be possible, if we refuse to play our part and pay the relatively much smaller costs of maintaining the Western military presence in areas in which the Americans for one reason or another could not replace us.

### *The Persian Gulf*

10. One area in which, for historical reasons, Britain has a unique ability to play a decisive political and military rôle is the Persian Gulf. Within the general instability of the Middle East, the Gulf is inherently the most unstable sector of all. The seeming paradox of its comparative stability has arisen solely from our presence. It is in fact a power vacuum which we have filled for the past 150 years. If we were to withdraw by 1969–70, we should risk:—

- (a) Iraqi conquest of Kuwait;
- (b) Saudi Arabian conquest of Abu Dhabi;
- (c) War between Iran and Saudi Arabia over Bahrain;
- (d) War between Saudi Arabia and Muscat over Buraimi.

We could be certain that both the United Arab Republic and the Soviet Union would be fishing in these troubled waters. Iran's confidence would be so shaken that we would have to reckon on her abandoning her pro-Western alignment. There might also be consequences for the supply of oil, the profitability of the British oil investment and the strength of sterling.

11. One commitment in the Gulf which requires special attention, since it is militarily the most difficult and the most expensive, is that to Kuwait. The Iraqi claim to Kuwait has a long history and has certainly not been extinguished by Kuwait's expensive purchase of Iraqi recognition. But with every year that passes, it becomes more difficult for Iraq to swallow up Kuwait without arousing an international storm. My expectation is that at some time in the not too distant future Kuwait will feel secure enough to do without British military support and that she will then terminate our commitment to her, which she finds a political embarrassment. This may happen by 1969–70, but is more likely after 1970. The Kuwaitis may misjudge the Iraqi threat and find that they have terminated our commitment prematurely. This is an unavoidable risk. But we should not take the avoidable risk of ourselves denouncing the 1961 Exchange of Letters if the Kuwaitis wish us to maintain the commitment. To do so would not only risk Kuwait's future but would certainly undermine our position in the rest of the Gulf and the confidence of Iran, with all the consequences set out in the preceding paragraph.

12. Apart from this we need time for patient and probably protracted diplomacy in order to bring about a situation in which we can withdraw from the Gulf without precipitating the dangers I have mentioned. This involves not only trying to bring about an acceptable relationship between Iran and the Arabs such as would survive the removal of our presence (which acts to some extent as a buffer between them), but also bringing the small and in some cases backward States of the Persian Gulf

into greater harmony with the present day world, and in preparing them to do without our protection. These aims should be promoted by means of closer political and economic arrangements between the States themselves and, probably, by increasing the role of Saudi Arabia.

13. It is unfortunate, both financially and politically, that, in order to maintain our position in the Gulf and in particular our ability to go to the help of Kuwait for a long enough period, we should be obliged to decide in the very near future to increase our military facilities in the Gulf and to station more troops there on the withdrawal from Aden. The estimated cost of these extra facilities is about £22 million. Nevertheless from the financial point of view I consider that, even if our tenure of these additional facilities is limited in time, the cost is by no means excessive, viewed either in relation to the above objectives of our policy, or to the much greater expense of maintaining our presence in South East Asia or, for that matter, to some of the items of new equipment for our forces which have been mentioned. From the political point of view it is argued that the creation of new defence facilities will attract greater opposition and thus nullify the advantage we hope to obtain. There is of course a risk of this. But insofar as the new facilities can be put in areas of very limited indigenous population and where local conditions are entirely different from those which we have experienced, for example, in Aden, I do not believe that we should be unduly influenced by this risk, and I conclude that in the view of the importance of the objectives we seek to obtain we should decide to take the steps that are necessary to retain our position in the Gulf and our ability to fulfil the Kuwait commitment after our departure from Aden.

#### *CENTO*

14. As explained in paragraphs 30 to 37 of Annex B to MISC 17/14, the principal value of CENTO is that it provides the framework for Iranian cooperation with the West. It contributes towards preserving Iran's Western alignment in a manner which is politically and militarily cheaper than any likely alternative. The four Canberra squadrons with nuclear capability based at Akrotiri are the only significant Western force declared to CENTO (the United States declares no forces). Their military value in nuclear war may be limited; but they have great political value as evidence to the CENTO regional members, in particular Iran, of Western support. As explained in Part I of Annex E of MISC 17/14, some reduction in the present four squadrons may be possible over a period, particularly if this coincides with the introduction of newer and more powerful aircraft; but the retention of a military force credible in the eyes of the regional members of CENTO is politically necessary. Total withdrawal of the Canberras would probably make it impossible to keep CENTO alive. There would also be serious objections to the withdrawal of the Canberras' nuclear capability, since in the context of an alliance against the Soviet threat four Canberra squadrons carrying conventional bombs would obviously not constitute a credible military force. The earlier examination of the conceivable alternatives led to the conclusion that the force must continue to be based on Akrotiri if it is to serve its purpose effectively.

#### *Bases in Iran*

15. Judging from the minutes of the ministerial discussion on 13/14 November (MISC 17/8th Meeting) the broad lines of this argument are agreed; but the

discussion left two points for further examination. The first is the question raised by the Secretary of State for Defence, of establishing forward operating fields for the Canberras in Iran, so that they would no longer need to be based permanently at Akrotiri. Under present arrangements there are plans for the pre-strike dispersal of some of the Canberras to airfields in the Persian Gulf, if time and circumstances permit; but if this is impossible, nuclear strikes can be mounted direct from Akrotiri. Although it would be open to us to request forward operating facilities from the Iranian Government, my assessment is that they would be very reluctant to grant them since such facilities would be regarded as provocative by the Soviet Union and would be likely to stir up domestic criticism of the Shah's regime. (The Iranians gave the Soviet Union an assurance in 1962 that they would not allow Iranian territory to be used as a base for foreign missiles.) For the same reasons we ourselves would have political objections to pressing the request. In addition, as the price of their agreement the Iranian Government would probably seek a veto on the use of nuclear weapons launched from bases in their territory; and the establishment of the facilities would entail considerable new expenditure in Iran, which the Iranians would expect us to meet and which would hardly be justified in duplication of facilities available in the Gulf.

16. The establishment of forward operating fields in Iran would also raise the question whether at a time of great international tension we would want to move nuclear strike aircraft to positions so near the Soviet Union. Similar objections would apply in the case of Turkey whose Government wishes to remain on good terms with the Soviet Union. Since existing Turkish bases are already overcrowded the practical difficulties in this case would be even stronger.

### *Malta*

17. The question of basing the Canberras at Malta rather than at Akrotiri has also been raised. The Secretary of State for Commonwealth Relations is circulating a memorandum on the political considerations affecting Cyprus and Malta. From the point of view of CENTO, however, this move would be open to considerable military and political objections. Malta, unlike Cyprus, would not allow the Canberras to reach their targets directly without refuelling. The regional members of CENTO are aware of this; the move would therefore seriously reduce the credibility of the force. On the assumption that forward fields in Iran or Turkey are out of the question, it would be necessary to retain a refuelling post at Akrotiri. We could not assume that in an emergency there would be time or opportunity to deploy to the Persian Gulf airfields. Operational planning would probably be more difficult and the response time would necessarily be increased. (Similar problems would arise in the use of the Canberras in the Kuwait operation.) If we reduced Akrotiri to an unprotected staging post it is likely that the Cypriot Government would exert pressure on us to leave altogether; in any event Cypriot popular reaction would probably make it difficult or impossible to use it operationally. Capital expenditure would probably be entailed in Malta since it is likely that the facilities would need to be enlarged and improved to accommodate the four squadrons and their nuclear weapons. Altogether we think it unlikely that we could persuade our CENTO allies that four squadrons based on Malta continued to constitute an effective striking force.

18. A compromise solution may be possible whereby part of the Canberra force,

say two squadrons plus the nuclear weapons, was retained at Akrotiri and the remainder, with their attendant transport aircraft, stationed at Malta with plans for their deployment forward to Akrotiri in the event of an emergency. This would presumably reduce the operational efficiency and credibility of the force, though perhaps not fatally; the retention of the main component of the force at Akrotiri would help to reassure the Shah. On the assumption that the existing squadrons in Malta (one maritime and one reconnaissance squadron) are withdrawn, there would probably be no need to construct new facilities in Malta. Though our overall expenditure would be no less and probably more than at present, we would be doing more than under any other proposed arrangement to support the Maltese economy. Politically and, I understand militarily, this course would be less satisfactory than the present position; but we think it is one which we could present and defend in CENTO.

### *Summary and conclusions*

19. (i) The Anglo-American alliance is fundamental to British policy and interests. Our readiness to support and complement United States power in areas where we can play an effective part is a vital element in maintaining the alliance.

(ii) In the Persian Gulf we have a unique ability to play a part. It is an inherently unstable area and premature withdrawal of our military presence, before we have made arrangements for the area's continued peaceful development without us, would lead to widespread conflict and provide opportunities for the U.A.R. and the Soviet Union to make trouble.

(iii) Kuwait is steadily consolidating her independence and by the early 1970s may feel able to do without our protection. Before that happens, action by us to terminate the 1961 Exchange of Letters would undermine our position in the rest of the Gulf and the confidence of Iran, with the consequences outlined in (ii) above.

(iv) CENTO is valuable as a means of maintaining the Western alignment of Iran. Without a credible military contribution from us, which can best take the form of the present nuclear-armed force of strike aircraft, which are also available for national tasks, CENTO would probably collapse.

(v) For military and political reasons Akrotiri is the best base for the nuclear strike force declared to CENTO. If the whole force were based at Malta, its targets would be outside the unrefuelled range of the aircraft and the force's military credibility and political usefulness would be destroyed. Forward operating airfields in Iran and Turkey must be ruled out on political and practical grounds. But the detachment to Malta of half the force, the rest remaining at Akrotiri, would make some contribution to the Maltese economy and could be defended in CENTO.

## **9 PREM 13/216, ff 6–9**

**23 Nov 1965**

**'Defence review': minute by Mr Gordon Walker to Mr Wilson on the issue of 'whether we are an island off the north-west corner of Europe or a world power'**

There can surely be no doubt that through our NATO alliance the European position has become stabilised. With this thought in mind, I am sure we should not reduce

our commitment to NATO without consultation with our Allies; indeed the size, shape and balance of the British Army of the Rhine is a NATO problem and must be tackled through and by NATO. In my opinion, when reviewing our military situation, whether it be in Europe or anywhere else in the world, the views of our NATO, SEATO, CENTO Allies and our Commonwealth partners must be regarded as being of paramount importance. It is particularly important to appreciate, of course, that our role as a world power lacks reality unless we work out our position at all points in relation to the United States.

2. The essence of our Defence thinking must be related to the best and cheapest way of securing the continuing neutrality of the Afro-Asian Bloc. A shift of the latter towards support of a Chinese communist expansionist policy would be a major disaster for the West. Chinese policy from Bandung down to present-day happenings in Rhodesia, including the overthrow of Ben Bella,<sup>1</sup> the conflict in Viet Nam, the open war between India and Pakistan, confrontation in Indonesia, are all and each of them but echoes of the struggle between the West and the Chinese for the soul of Africa and Asia. As a corollary to the support of an Afro-Asian Bloc neutrality policy, we must pursue a policy of containment of the potential military might and expansionist aims of China. To face the problem this way is to expose the folly of even attempting to formulate a Defence policy in isolation and then telling the United States, the rest of our Allies and the Commonwealth the conclusions we have reached. We cannot even begin to hope to counter Chinese communist influence without the closest cooperation with the United States, Australia and New Zealand and we deceive ourselves if we believe otherwise. The issue is not Europe v. East of Suez, the problem is whether we are an island off the north-west corner of Europe or a world power and that means interdependence both in the framing and in the carrying out of policy. We shall only be laughed at if we advocate independence and interdependence at one and the same time and then when action becomes necessary choose the course which appears at the moment to be the most convenient.

3. I have tried to clarify our aim and I would now like to turn to aspects of the last Defence discussions which perturbed me deeply. The R.N. aircraft-carrier v. R.A.F. aircraft battle continued to rage on as usual unceasingly and inconclusively; in the meanwhile the needs and value of the Army were relegated to the background and there they remained. Yet time and again in recent years the necessity for forces on the ground has been demonstrated rather than a requirement for ultra-sophisticated aircraft and guided-missile destroyers! One has only to think of Korea, Malaya, Kenya, Suez, Cyprus, Swaziland, British Guiana, Aden, and Indonesia, not to mention the enormous ground forces of our major Ally committed in Viet Nam, as examples—we live in the era of guerrilla warfare and internal security operations. But let us face up to chilly reality. At this very moment, the 23rd November, 1965, for example, with the debatable exception of the demonstration battalion of the School of Infantry, there is not a single line-battalion that is available in the United Kingdom for an 'emergency tour' overseas. The present force level of sixty infantry battalions and one SAS regiment is stretched to breaking-point. When examining the Arms Plot, one sees such makeshift expedients as the 1st Battalion Royal Ulster Rifles being warned for an emergency tour in Aden in April, 1966, although the battalion only

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<sup>1</sup> Algerian president, deposed in military coup in 1965.

returned to the United Kingdom in February, 1965 from an emergency tour in the Far East. Such an 'ad hoc' state of affairs simply cannot go on indefinitely, yet hardly one word on the subject was said during the last Defence discussions. I am certain that we must plan today, as the keystone of our Defence policy, on a highly mobile Army, well equipped, organised and supplied, and with a sound force structure. Until this is achieved, planning and discussion by both the Royal Navy and Royal Air Force are surely esoteric.

4. There is one other facet of the Defence Review that I would like to highlight. There is no doubt that a desire to complete the cuts in the Defence Budget *by* 1969/70 to £2,000m. at 1964 prices inevitably leads to a scramble to make economies where the reductions in pounds, shillings and pence are clearly visible to the general public. You may recall that I minuted you on 11th June, 1965 as follows:—

'... whilst I accept that future Defence Budgets should not exceed £2,000m. at 1964 prices, excluding increases due to rises in pay and pensions (a relevant reservation, as the biennial review of pay and pensions is due in 1966 involving a rise of some £50m.), I cannot accept that we can specify at this stage the date by which this figure may be realised. We can, and should aim at 1969/70, but to achieve £2,000m. as a target, steps must be taken now to reduce our commitments, and this will be a complicated business. We must constantly bear in mind that if we proceed too quickly we may find ourselves involved in military undertakings that may well increase, rather than reduce, future Defence Budgets. *We must start our journey towards the £2,000m. target at once, but when we may arrive is known only to God.*'

5. As the first steps on our journey I consider that we should put the following measures in hand at once:—

(a) On the assumption that further negotiations with the German Government may fail to produce additional financial aid from them towards the cost of our Forces in Germany, we should make contingency plans to reduce substantially the strength of the British Army of the Rhine. This would also entail, of course, parallel cuts in the German civilians engaged in logistic support. We should forthwith undertake, as a matter of extreme urgency, a logistic planning study (which could be put into effect immediately once NATO gave approval) to determine the number of troops and their families from BAOR that we could accommodate in the United Kingdom and the cost of so doing.

(b) We should plan to:—

(i) Disengage from our interests in the Mediterranean including those in Gibraltar, Malta and Libya and withdraw our garrisons. With regard to the latter, we should seek to persuade the United States Government to take over the major part of the commitment to defend Libya. In this event, the Dhekelia SBA in Cyprus mainly needed for the Libya commitment might lapse but the effect of reducing our commitment in Akrotiri to perhaps a mere staging post on our obligations to CENTO would have to be examined. In the future, because of uncertainty about our present routes, we will have to rely mainly upon the Westabout routes for global reinforcements.



(ii) Forthwith begin a logistic study to determine the best means of leaving Aden, and establishing a two-battalion group in the Persian Gulf, in order to maintain a stabilising influence in that region and by these measures avoid a complete vacuum.

(c) In the Far East, we are committed to support Malaysia as long as the confrontation with Indonesia exists, and this obligation must be honoured. If, however, we are to continue to use our power for good in the world after confrontation has ceased and our Forces have withdrawn from Malaysia, we should press negotiations with Australia, New Zealand and the United States to determine how best we can provide defence support in the area. I am in no doubt that we should buy a small force of F.IIIA.s and establish them at Darwin, to be used in the Australia support concept, which we would assist further by supplying technical staff and reinforcements.

6. Again I must reject as preposterous that we can afford both a Carrier Force and the full proposed number of F.IIIA.s. It is clear that a reduced number of F.IIIA.s might be necessary particularly for the reconnaissance role but I cannot agree that the proposed diverse quantities of R.N. shipping are remotely justified.

7. Finally, I must once again emphasise that it is to the Army that we must turn as the foundation of our future Defence requirements. We must ensure that the ground forces must be adequate to cope with guerrilla warfare wherever it arises and at the same time strong enough to force a potential enemy into committing a major aggression if he is to achieve his aim; an aggression which would be clear to our Allies, the Commonwealth and the rest of the world.

## **10 DEFE 13/477, no 52**

**Jan 1966**

### **‘The United Kingdom defence review’: draft aide mémoire<sup>1</sup> by HMG for discussion in Washington and Canberra**

Her Majesty’s Government have reached a stage in the review of their defence programme at which they wish to discuss with the United States Government and with the governments of Australia and New Zealand, the major conclusions they have provisionally reached about the objectives of future defence strategy and the revision of the long term structure and deployment of U.K. forces.

2. The Prime Minister explained to the British Parliament on December 21 1965 that the British Government had decided to continue to maintain a world-wide defence role, particularly in order to fulfil those commitments which, for reasons of history, geography, and Commonwealth association, the United Kingdom was best fitted to undertake. He also emphasised that this role would have to be exercised within fixed limits of cost, both financial and in terms of the real resources allocated to the purpose. This note sketches the main outline of the conclusions of the review relating to the changes in U.K. forces and their deployment.

#### *Strain on resources*

3. The defence review has been conditioned by the urgent need to reduce the financial strain on resources, especially in foreign exchange, and on the manpower of

<sup>1</sup> Prepared by MoD.

the Services. On assuming office in October 1964 Her Majesty's Government inherited a defence programme forecast to cost some £2400m. in 1969/70 (at 1964 prices), an increase of £400m. above the level of the Defence Estimates for 1964/65. It was decided that a programme of this size would require more resources and more foreign exchange than the country could afford if it were to regain its economic health. A target of £2000m. for 1969/70 was therefore set.

4. A parallel objective has been the reduction in over-stretch from which U.K. forces are suffering. While there has been some reduction in political commitments during recent years, our military tasks arising from the remaining commitments have increased; and the military capability of those whom our commitments may require us to fight has been increasing faster than our own. Although the increased mobility of the Services has enabled them to cover many commitments with forces sufficient to meet only a small proportion of our total commitments, the difficulties of over-stretch are increasing. On several occasions recently we have had no strategic reserve units available in Britain because they were all either on, or had just returned from, emergency operations. Some of our political commitments may involve us in a scale of conflict which requires more men or more sophisticated forces for a longer time than we can afford within a limited defence budget.

5. In the light of these factors, and of the review which has been made of future commitments and the planned capabilities of our forces, the provisional pattern of deployment is as follows.

#### *Nuclear forces*

6. The planned force of Polaris submarines has been reduced from five to four. No further change is proposed. We have examined the possibility of stationing this force in the Indo-Pacific area. This could not be done before 1973 at the earliest, and to suggest any change in our plans now might hamper the development of proposals for the control of nuclear forces in Europe. We do not, therefore, intend to take this possibility further, at least for the present.

#### *Europe*

7. Our land forces in Germany not only form a contribution to NATO, but are also a source of reinforcements to meet emergencies in other parts of the world. We have undertaken not to reduce them unilaterally; and we recognise the strong political and military reasons for not making large reductions at the present time. We do not, therefore, plan to make any early change in the size of the British Army of the Rhine. But the maintenance of these forces, added to our other overseas defence responsibilities, imposes a severe financial strain, particularly on the balance of payments; this now amounts to about £90m, a year in Deutschmarks. We must, therefore, find some further means of lightening the burden.

8. We cannot, however, afford to maintain our air forces in Europe without any change. Moreover, the balance of power (including nuclear power) in Europe makes it more important to deploy our air resources elsewhere, where they can make a more valuable contribution. Subject, therefore, to consultation with our allies, we plan to make a reduction in the strike, reconnaissance, and ground attack capability of the Royal Air Force based in Germany. The total of 94 aircraft of this type (78 Canberras and 16 Hunters) will decrease in the years after 1970 to 48 (Phantoms and [either P.1127 or eventually Jaguars]).

*The Mediterranean*

9. We plan to make reductions in the forces in the Mediterranean. No naval forces or maritime patrol aircraft would be maintained permanently there. This would mean that we could not meet our Category 'A' contribution to SACEUR in the Mediterranean, which consists of a destroyer squadron or four ships and a mine counter measures squadron of six ships.

10. We wish to discuss with the U.S. Government the possibility of a closer arrangement for sharing in the present defence commitment to Libya. We can then make economies elsewhere in the Mediterranean. In Cyprus the R.A.F. forces would be retained to provide nuclear support to CENTO; but the land forces would be reduced to those necessary to protect the R.A.F. base at Akrotiri. It would be possible for the Dhekelia Sovereign Base Area to be given up if further examination showed that this would be desirable. Malta would be reduced to a staging post with an RAF reconnaissance squadron; the major NATO Headquarters should remain there.

11. At Gibraltar a garrison, airfield and other facilities will be retained, but there may be minor savings in naval facilities. The dockyard will continue to operate.

12. The total land forces in the Mediterranean would be reduced from about 7 major units to between 2 and 3 major units.

*Middle East*

13. We must expect to withdraw our forces from Aden when the colony becomes independent at the end of 1968; we shall then expect to have no obligations to, or defence facilities or forces in, Aden or the South Arabian Federation. British forces will remain in the Persian Gulf and be increased, after withdrawal from Aden, by a second battalion group, a second ground attack squadron and a long range maritime patrol squadron. The forces to be provided will suffice to meet commitments to the Persian Gulf States other than the Kuwait commitment in its present form. We plan to discuss with the Ruler of Kuwait the limitation of our commitment there to the provision of air support, unless he gives us adequate warning for the move to Kuwait of reinforcements of land forces from the United Kingdom or the Far East.

*The Indo-Pacific area**a. Hong Kong*

14. A garrison of the present size will be retained, together with some coastal minesweepers. No aircraft will be provided.

*b. Naval forces*

15. The Royal Navy's aircraft carrier force is not required for operations in the Atlantic or the Mediterranean and is of only marginal significance in the Middle East. The case for continuing with carriers and their fixed-wing aircraft rests on the needs of the Indo-Pacific area. It has become clear that there is no way of accommodating a viable carrier force throughout the 1970s within a defence budget of £2000m, without a most drastic reduction in our land and air forces. This is because we must commit ourselves to a new cycle of heavy capital expenditure on replacement carriers (including the immediate ordering of a new aircraft carrier (CVA.01) and on new aircraft for the Fleet Air Arm if we should wish to keep carriers through the 1970s and perhaps beyond. At present, however, the carrier force provides a flexible and

powerful deterrent. We therefore intend to maintain a carrier force as long as we can without heavy new capital expenditure. The existing carriers should be able to remain in service until about the middle 1970s; and, although recruitment of sufficient naval aircrew will become increasingly difficult from about 1970 onwards, we would hope to maintain an effective force up to about 1975. (On this basis the R. N. Phantom project would go ahead, though on a reduced scale.) In the intervening period we intend to provide some additional ships and weapons for the Royal Navy, primarily to strengthen its capability in guided weapons, and also to increase the front line of the RAF for maritime tasks.

*c. Land forces (other than in Hong Kong)*

16. Our plans for the forces in the Far East have been based on the assumption that the confrontation of Malaysia by Indonesia has ended. So long as the confrontation commitment remains, we shall continue to play our present part in countering it. But when its end has been achieved, we intend to reduce the land forces in the area to a total of about 7 major units (including Commandos). This would enable us to retain our present amphibious capability in the Far East, and to continue to make a contribution to the Commonwealth brigade at present based in Malaysia. In the plans drawn up at the beginning of 1962, before confrontation began, the force structure proposed for the Far East apart from Hong Kong assumed the reduction of land forces to 9 major units. [Our present plans, like the 1962 plans, assume that the Gurkhas will be disbanded.]

*d. Air Force*

17. Air forces on the scale required will continue to be provided.

*e. Deployment of forces*

18. We fully appreciate the value of our present bases in Singapore and Malaysia; but, if we are not able to remain indefinitely in Singapore (and it is our present assessment, that we may not be able to do so), we should be able to retain a military capability in South East Asia only in so far as our allies had helped us to prepare facilities in Australia from which we could then operate. For this reason we now wish to explore with the United States and Australian Governments what would be involved in providing facilities in Australia to support the force levels we envisage after confrontation has come to an end.

*f. Capabilities*

19. With forces of the size and type which are planned for the Indo-Pacific area (even allowing for reinforcement from the United Kingdom) there will be some capabilities which will have to be given up. The United Kingdom will not be able to undertake alone any operations involving intervention against sophisticated opposition, and must renounce tasks that carry any risk of our forces having to extricate themselves from operations in similar circumstances. We must also assume that, without aircraft carriers, we should never seek to conduct military operations involving a substantial threat to our naval and land forces outside the manageable range of aircraft operating from established airfields, unless we can rely in advance on support from our U.S. allies. We shall, however, have the capability to contribute to allied operations; we shall be able to maintain with very little change our forces

declared to SEATO; and we shall be able to continue to discharge our remaining colonial responsibilities.

### *Caribbean and South Atlantic*

20. We plan to withdraw our forces from the Caribbean, except for a company in British Honduras and a frigate. We hope to make arrangements with the South African authorities to retain the use of facilities under the Simonstown agreement without having to maintain a naval presence there. We plan to retain an ice patrol vessel in the Falkland Islands and the Antarctic.

### *Africa*

21. The nature of the requirements we may have to meet in Africa is not clear, but the Rhodesian situation, which could develop into a long term commitment, has illustrated the extent to which we might be involved. We must plan to retain a limited capability for taking military action in Africa—in case, for example, we are asked to provide some assistance on a small scale by an African Government or are required in some emergency to evacuate British subjects. The forces required for this purpose would come from the reserves held in the U.K.

### *The Strategic Reserves*

22. The paragraphs above summarise the main changes planned in deployment overseas. It is fundamental to our strategy that we shall rely to the maximum extent on the possibility of reinforcement from the Strategic Reserve in the U.K. and, for serious emergencies, from Germany. In deciding the size of forces to be retained in the U.K. we have to allow for the need to reduce the over-stretch of our forces by making the full provision needed for the roulement of units, and for the unexpected. We plan to retain a capability to provide concurrently from the Strategic Reserve up to one brigade for limited war and three infantry battalions for internal security operations world-wide. A substantial airlift will be available to move these forces at short notice. Royal Navy and R.A.F. forces based in the U.K. will also be available for overseas reinforcement.

## **11 FO 371/190785, no 74**

27 Jan 1966

[Defence review]: FO record of a meeting between Mr Stewart and Mr Healey and their US counterparts at the State Department in Washington<sup>1</sup>

### *A. NATO*

*Mr. Rusk* said that he understood that no particular problems had arisen in the last part of the morning meeting after he had to leave. It was clear that both the United Kingdom and the United States had problems with arrangements for off-set

<sup>1</sup> Present: for the UK, Stewart, Healey, Sir P Dean (UK ambassador in Washington, 1965–1969), Field Marshal Sir R Hull, Sir S Zuckerman, Sir B Burrows (permanent UK representative to North Atlantic Council, 1966–1970) and others: for the US, Rusk, McNamara, Ball, General E Wheeler (chairman, Joint Chiefs of Staff), J McNaughton (assistant secretary of defence for international security affairs), J Leddy (assistant secretary of state for European affairs) and others.

purchases. They were willing to help each other over this and over burden sharing in general, and, after further study, put before NATO the idea that steps taken in fulfilment of NATO obligations should not redound to the disadvantage of and State [sic] from the point of view of foreign exchange. *Mr. McNamara* and *Mr. Healey* said they had nothing to add to this summary. *Mr. Healey* pointed out that officials were now discussing F-111As and aid.

#### B. *Libya*

2. *Mr. Rusk* said that the United States welcomed the United Kingdom readiness to keep some forces in Libya. He understood that the question of reinforcement caused difficulty from the point of view both of manpower and logistics. He said that it was not clear how long the United States would wish to keep its base in Libya. But so long as the base remained, its presence implied a certain degree of commitment. The United States did not wish to make its commitments any more formal.

3. He said that in regard to the situation in Libya, as in Aden, the United States took account of President Nasser's<sup>2</sup> orientation. They would take his attitude to Aden and Libya into account when an extension of the present six-month food agreement with the UAR became necessary in June 1966. In speaking to the UAR, the United States had on many occasions emphasised its interest in Libya, especially when talking about the Yemen situation.

4. He said that the United States and the United Kingdom should keep closely in touch over Libya on a week-by-week basis. It was important to keep these contacts quiet.

5. *Mr. Stewart* said that the change in the United Kingdom's position did not affect the number of forces in Libya, nor would it be noticeable to the Libyans. But it did leave something in the air with regard to the possibilities of reinforcement. He asked whether *Mr. Rusk's* remarks had meant that something was still to be left in the air. *Mr. Rusk* indicated assent and also said that what he had in mind was contingency discussions rather than contingency planning.

6. *Mr. Healey* said that, even when we made the planned alterations in the disposition of our forces, of which the Libyans were aware, there would be no overt change in our commitment. We would maintain two points of entry—Tobruk and El Adem—and would still have forces for the personal protection of the King. But as a result of the proposed . . .<sup>3</sup> heavy reinforcements for Libya would have to come from the United Kingdom. Therefore our reaction time would be slower. This extra delay would be more than made up by a greater formal commitment by the United States. This would not mean increasing United States forces.

7. *Mr. Rusk* said that this suggestion would have to be discussed within the United States Government. It was difficult to make larger or more formal commitments, or to earmark more forces. The United States had an interest in Libya; the President had given the King an assurance. It was not easy to go beyond this commitment.

8. He suggested that discussions should be held to find out exactly where the problem lay; whether it was availability of forces, logistical support, or political commitment. Without allowing anyone to draw the wrong conclusions, it would then be possible to see what could be done about it.

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<sup>2</sup> Gamal Abdel Nasser, Egyptian prime minister, 1954-July 1956 and president, July 1956–1970.

<sup>3</sup> The document reproduced here is a copy. The original has been closed under section 5(1) of the Public Records Act, 1958, until 2007. Approximately one line is missing at this point in the text.

9. . . .<sup>4</sup> *Mr. Stewart* said the basic fact was that . . .<sup>5</sup> the United Kingdom would not be able to carry out its commitment. *Mr. McNamara* accepted this but said that it appeared that no further overt commitment from the United States was necessary to satisfy the Libyans.

10. In answer to Mr. Rusk's question, *Mr. Healey* said that nothing would be said about a change in the Libyan commitment in the Defence White Paper. Indeed, since the White Paper would only be about 6,000 words long there would probably be nothing precise about commitment changes in it except a reference to the withdrawal from Aden. *Field-Marshal Hull* commented that he believed the . . .<sup>6</sup> would be seen by the UAR more as a reduction of the British capability to take action in Lebanon and Jordan than as a cut relating to the Libyan connection.

11. In answer to General Wheeler's question *Field-Marshal Hull* said that the United Kingdom would leave a stockpile in El Adem. . . .<sup>7</sup> *Field-Marshal Hull* said that cost effectiveness prevented this. The tanks could be retained in Libya, but moving other materiel there would mean capital expenditure. In addition, there was little space left within the perimeter at El Adem.

### C. Aden

12. *Mr. Rusk* asked whether we believed the political orientation of an independent South Arabian Federation would be towards the United Kingdom, and the West in general and [? or] President Nasser. *Mr. Stewart* replied that it would probably be technically non-aligned. But for internal reasons its political allegiance would almost certainly be shaky in every direction. In general it might be less hostile to Britain and there might be somewhat less enthusiasm for President Nasser. He said that he thought an independent South Arabian Federation might become a ground of conflict between Egypt and Saudi Arabia, but it was difficult to predict how active the conflict would be. He did not believe that the South Arabian Federation would ask for guarantees from Saudi Arabia or Egypt in any precise form. He hoped that after his experience in Yemen, President Nasser would avoid becoming so committed in the South Arabian Federation. One of President Nasser's fixed aims was to get rid of British bases. *Mr. Stewart* emphasised that it was difficult to be precise about all this. *Sir Bernard Burrows* said that the political affiliations of the South Arabian Federation would depend on what sort of a State emerged, unitary or federal. At present the eastern States tended to look towards Saudi Arabia.

13. *Mr. Healey* said that the United Kingdom was committed to granting independence not later than 1968, but progress towards independence could not start until the Defence Review decisions were clear. Then one possibility was that the eastern parts of the Federation would incline towards Saudi Arabia and the western parts towards the Yemen. We would not wish to leave troops in the South Arabian Federation for fear of taking on a self-defeating commitment, but would like to secure agreement for staging aircraft on the way to Africa. The Arabians might be able to agree to this more readily than they would to planes staging to Arabian countries. However, he emphasised that no one could be certain how the South

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<sup>4</sup> Approximately six lines of text are missing at the beginning of para 9.

<sup>5</sup> Half a line of text is missing at this point.

<sup>6</sup> Half a line of text is missing at this point.

<sup>7</sup> Approximately a line of text is missing at this point.

Arabians would react when they came up against the fact of independence. *Sir Bernard Burrows* said that it was hoped new constitutional proposals for the South Arabian Federation would be put forward in the next few months.

14. *Mr Rusk* asked whether the United Kingdom would continue to give aid after withdrawing from the base in Aden even if such aid was no longer under a military heading. *Mr. Healey* said that the United Kingdom would almost certainly have to continue to pay the Federal Guard and the Federal Regular Army, since they were only mercenaries, and, if the United Kingdom did not pay them, might fly apart.

#### D. *India and Pakistan*

15. *Mr. Rusk* said that he had no information about the existence of any secret agreements which the Russians might have concluded with the Indians or Pakistanis at Tashkent.<sup>8</sup> If no such understandings existed, the agreement would be very satisfactory from the point of view of the United States, provided that President Ayub<sup>9</sup> could carry his country with him. Relations between India and Pakistan should improve as the various steps stipulated in the Declaration were carried out.

16. *Mr. Stewart* said that he would agree entirely. It was true that the United Kingdom still had a problem in its relations with India, but the results of Tashkent certainly made this no worse. On the profit side, it would seem, apart from the aspects mentioned by *Mr. Rusk*, that one facet of Soviet policy now was to contain China. In this respect the interests of India, Pakistan, the Soviet Union, the United Kingdom and the United States marched together.

17. *Mr. Rusk* said that he was trying to find a way to resume aid to both countries. Apart from this there was a very serious food shortage in India to be dealt with and he understood that a similar problem, though of smaller dimensions, existed in Pakistan too. The question of resuming military assistance was more difficult. The Administration was working on very thin margins: there had very nearly been a Congressional revolt about aid to the sub-continent, as members of Congress understandably objected to supplying arms to each country for use against the other.

18. *Mr. Stewart* said that we must probably expect India to take more and more military equipment from the Soviet Union, whose influence would increase correspondingly. From the British angle he did not feel that this would be too serious, because it was basically all aimed against China.

19. *Mr. Rusk* said that this would not be welcome to the United States. If India were to spend more on arms or to increase the proportion of arms obtained from the Soviet Union this might affect the extent to which the United States could supply India with other forms of assistance. This problem was at present being studied. *Mr. McNamara* said that from his point of view Soviet military aid to India was not unwelcome—on the contrary, it was desirable for the Soviet Union to try to help India against China. He was, however, worried about the political situation in India, which looked as if it might be unstable for some years to come. He was also worried about the extent to which India would efficiently undertake the task of protecting not only herself but also the States on her borders, which formed part of her defence complex.

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<sup>8</sup> At the suggestion of the Soviet Union, the president of Pakistan and the prime minister of India met at Tashkent on 4 Jan 1966 to discuss their differences after the seventeen-day undeclared war between India and Pakistan over Kashmir in September 1965.

<sup>9</sup> General Ayub Khan, president of Pakistan, 1958–1969.



### E. *Indo-Pacific region*

20. *Mr. Rusk* said that before *Mr. Stewart* and *Mr. Healey* explained the British position he would like to remark that if it was the British intention to reduce their forces in the region, the timing of any indication of this intention was most important, especially in the light of the present situation in Viet-Nam. He hoped that it was not the intention of the United Kingdom to continue its effort in the region solely to resist Indonesian confrontation. So far as discussion with Australia and New Zealand was concerned, the United States would welcome informal talks with these two countries and Britain, but were anxious that they should not seem to exclude other States in the area.

21. *Mr. Stewart* said that the British Government envisaged forces in the region which would cost about £200 million per annum. We were anxious to have quadripartite discussions, and agreed that this should not be on a formal basis. The British Government hoped that discussions could soon be started in the context described in paragraph 5 of the United Kingdom Memorandum. He entirely agreed that talks should not take place solely in terms of the present British difficulties over confrontation. We had been working on the assumption that confrontation would end by 1970, although we should then still be left with other anxieties.

22. It must be recognised that the future position and policy of Indonesia was going to be very important to the whole region. One possibility was that a relatively moderate Government would emerge in Indonesia and would reach a *modus vivendi* with Malaysia, Singapore and the Philippines. Even so, Indonesia was likely to have the preponderating influence in the area, if only because of the size of its population. Such an amicable grouping of countries, even though not linked with the West, would not want to be bullied by the Chinese. It would be able to act accordingly if it were aware that—as we hoped—there were effective quadripartite arrangements in the area. This would suit us, the United States, Australia and New Zealand very well, and in this context the ending of confrontation was important.

23. If we could remain in Singapore without our presence bringing us into conflict with the wishes of the population we should be glad to do so, but we must look ahead to the likely possibilities of the situation:—

- (a) if confrontation came to an end, it was open to doubt whether we could retain the base in Singapore;
- (b) in Malaysia itself there were a number of younger groups of nationalistic tendencies. When the Tunku disappeared from the scene such groups would take on greater importance;
- (c) there was the attitude of the Singaporeans to reckon with. At present most people realised the importance of the base to Singapore on economic grounds alone, but the future political development of Singapore was in doubt, especially if Lee Kuan Yew were to go. Unfortunately, the layout of the base made it very vulnerable if the population were hostile;
- (d) so long as we have a base in Singapore, Sabah and Sarawak may believe that the United Kingdom has a permanent defence commitment towards them. This we cannot accept.

It amounted to a question of what would be possible, rather than of what might be desirable. If we were unable to retain the base it would be highly regrettable if there

was nowhere else in the region for us to go to. It was for this reason that the British Government envisaged an alternative position in Australia.<sup>10</sup>

24. It was necessary to be clear about the tasks that we could or could not expect to perform in the region. We did not expect to be able to deal on our own with an attack from a nation armed with sophisticated weapons, such as Indonesia. We did, however, think that with the forces for which we were planning we would continue to be able to play a role in Africa in case of need, and that, with the help of our Allies, we could take our part in SEATO and stiffen any non-aligned nation in the region.

25. *Mr Healey* said that he had little to add to his remarks at the morning meeting about our expected capabilities in the region. At the moment we could deal on our own with most of the contingencies with which we expected to be faced; but if Indonesia were to acquire more sophisticated weapons, this would cause difficulty, as the Foreign Secretary had said, and it was necessary for us to plan accordingly. From the purely military angle we would like to stay in Singapore, even though that would be more expensive in running costs than if we had a base in Australia, because in Singapore the troops would be accompanied by their families, while in Australia it was envisaged that they would not be. But it would be pointless to stay on in Singapore if this were to mean that we should have to take on tasks with which we could not cope, at the cost of other tasks which were more important to us and with which we could cope. There were also the political uncertainties to be reckoned with. We had had no trouble for the past two years, but there had been difficulties before that and they might well recur. If so, we could not possibly reimpose colonial rule and continue to operate from Singapore against the wishes of the local inhabitants.

26. If we were forced to withdraw entirely from Singapore and Malaysia, and no alternative facilities had been prepared, we should have to withdraw entirely from the region, and it was unlikely that we should then be able to return. We therefore wanted to plan to have somewhere to go to. For obvious reasons, the Australians would prefer us to be north of Australia rather than in Australia itself. Apart from this, there might be difficulties about siting the facilities that we need. At the moment it was a question of getting the Australians to agree to talks at all: however, *Mr. Healey* hoped that in the course of his forthcoming visit to Canberra, he would be able to arrange for staff talks to start soon. We did not envisage setting up any formal new organisation and were not in any desperate hurry, but we did need American help to persuade the Australians to co-operate.

27. *Mr. Rusk* said that much clearly depended on developments in Viet-Nam and Indonesia. As regards the latter he hoped that both Governments would in due course be able to work for a more positive attitude than was now feasible. It was possible that if the army were to take over, they would not pursue purely nationalistic aims but would take a more moderate and constructive course. If this were to be the case, the continued British presence in Malaysia would not be a great problem for Indonesia. Although the British could obviously not hang on if the local population objected, *Mr. Rusk* hoped that we would not attempt to move too fast and above all that we would not accept any Indonesian suggestion that we might abandon Singapore in return for an end to confrontation. This would be a very fragile arrangement.

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<sup>10</sup> A reference to the proposal that the UK might have alternative facilities in Australia.

28. The United States regarded Australia not merely as a friendly country to be defended, but as part of the whole free world defence system in the region. Mr. Rusk thought that if we were to leave Singapore the Australians would regard this as a sign that we were disengaging ourselves from the problems of the region. *Mr. McNamara* agreed and said that it was not clear from the British Memorandum how the quadripartite group would participate in protecting the area, especially in South-East Asia.

29. *Mr. Rusk* said that if the Indonesian situation developed in a reasonable direction the nations of the region might well draw together. We already had the concepts of Maphilindo and ASA; it was possible that the Mekong Development Group might lead to closer ties between Cambodia, Laos, Viet-Nam and Thailand; and Japan and Korea might play more of a role. Initially this would not take place in the field of security, but in regard to each country's problems *vis-à-vis* the 700 million Chinese. A British presence in the region might encourage such groupings. *General Wheeler* noted that India or Japan might have roles to play outside their own borders. *Mr. Stewart* said he thought that for the time being the Japanese Government were likely to shy away from any attempt to draw them into a defence commitment.

30. Mr. Stewart agreed that any appearance of a 'white man's club' was open to objection, but as the Chinese threat increased this might induce countries to join us. It was, however, most important not to try to force this tendency. The purpose of a quadripartite arrangement would be, first, to defend Australia and, second, to strengthen SEATO. The Japanese and others would be more likely to join us later if they felt that a firm basis existed in the arrangements already made by the four Powers.

31. *Mr. Healey* said that the United States seemed to be asking us to discuss the role of Western military force in Asia despite the fact that we could not foresee what the position would be a few years ahead. So far as Indonesia was concerned, confrontation was a distraction from the main problem and the sooner it was ended the better (though not on any terms which could be regarded as abandoning Malaysia and Singapore to their fate). The crucial question was how the war in Viet-Nam would end and how Asian Powers would react to this. We assumed that the United States were aiming at a situation in which the existence of a genuinely neutral South Viet-Nam would be possible. This would allow the withdrawal of United States forces from the Asian mainland, but not necessarily also from the Philippines. In general it would be better to avoid having any Western troops on the mainland of Asia. At the present juncture, we should try by way of quadripartite talks, to foster a military capability in the Far East which would be flexible enough to meet the various types of situation which might develop. It could be assumed that neither Britain nor the United States had any interest in remaining in South-East Asia on their own, but Australia and New Zealand were already *in situ*. Quadripartite discussions would provide a focus for working more closely together for the future.

32. *Mr. Rusk* said that the SEATO Treaty aimed against Chinese Communist expansionism was already in existence. If Hanoi and Peking continued to push against their neighbours we must oppose them, and it was this concept which underlay the SEATO arrangements. How did the United Kingdom see us meeting the Chinese threat with no forward position in the area? Both Australia and New Zealand were a long way away. Mr. Rusk felt that, because of confrontation, the United

Kingdom tended to regard the threat to the area as coming from the south, whereas the United States looked to the north.

33. *Mr. Stewart* said that Britain did not have any geographical bias in this respect. But unlike the position in Europe, many South-East Asian countries were confused about the nature and direction of the threat. If confrontation were to end on a satisfactory basis this would provide a partial answer to the question how we should oppose China, for then the other countries in the area would not fear us, but would be apprehensive of the increasing power of China. It was important that we should be in a position to take the best advantage of whatever situation might develop. For a number of reasons SEATO was not a very satisfactory instrument and Asian Powers not already committed would be more likely to join or associate themselves with any organisation which appeared more effective. *Mr. Healey* said that the main lesson to be learnt from SEATO was that we should not be in too much of a hurry to rush into treaty arrangements which other countries might accept only for their own narrow purposes (as Pakistan had done in the case of SEATO). But it is unfair to expect the British Government to say exactly what they want the Organisation to do, when future developments in the region are so uncertain.

34. *Mr. Ball* said that in the past the United States had rejected the geopolitical concept of abandoning the East Asian mainland south of Russia to the Chinese. This decision had been and remained open to debate; it was the sort of problem which we should examine in advance and in much greater detail.

35. *Mr. Rusk* said that he wished to make clear that although the United States had reservations about the idea of a quadripartite organisation, they were not rejecting it. He was merely indicating some questions about the purposes and scope of the responsibilities of the participants. We needed to discuss with the Australians and New Zealanders how we saw the total problem of the region. *Mr. Healey* questioned whether it was safe to assume that there *was* a 'total problem'. Each country in the region at all events saw the problem in a different light. What we wanted was a joint capability to deal with a range of contingencies, and the first step was to discuss what contingencies we could expect to cope with. *Mr. Rusk* said that the first question in everybody's mind would be whether our proposals represented an increase or reduction of our commitments.

36. *Mr. Healey* said that during his stay in Australia he hoped to reach agreement on bilateral and quadripartite talks on the facilities required. He would let the United States Government have an account of his talks. *Mr. Rusk* said that we first needed further discussion about what we were trying to do. Thereafter it should be possible to make progress on the details.<sup>11</sup>

37. *Mr. Stewart* said that the British Government would like discussions to start as soon as possible. Was it possible for the four Governments to get to work soon on implementing the ideas set out in paragraphs 5 and 6 of the United Kingdom

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<sup>11</sup> Reporting on his Washington talks with President Johnson and US officials in Dec 1965, Wilson informed the prime ministers of Australia and New Zealand that McNamara and Ball had expressed great interest in the idea of UK Polaris submarines being deployed as part of a collective defence arrangement in the Far East and South-East Asia. As regards priorities, US officials were said to attach higher priority to the maintenance of British strength in these areas than in Europe. 'What they were concerned about was not our presence in Singapore for its own sake but how far its retention or abandonment would affect our ability to carry out an effective defence role in the Far East in the future' (PREM 13/799, tel 837 saving, 24 Dec 1965).

Memorandum? *Mr. Healey* suggested that, provisionally and depending on Australian reactions, plans should be made for a Ministerial meeting to take place in Canberra in the autumn. This would give officials a target to work to.

38. *Mr. Rusk* said that he hoped to be able to comment later in the evening after he had been able to discuss this with his colleagues in private.

## **12 CAB 148/25, OPD 9(66)1**

1 Feb 1966

### **'Defence review: forces structure and overseas commitments': minutes of Cabinet Defence and Oversea Policy Committee meeting on a statement by Mr Mayhew**

*The Prime Minister* said that the Minister of Defence for the Royal Navy had expressed certain doubts about the course of the Defence Review, which it would be appropriate for the Committee to hear from the Minister himself.

*The Minister of Defence for the Royal Navy* said that, in his view, the United Kingdom could not maintain a world role on a defence budget in 1969–70 of £2,000 million at 1964 prices. Such a course would either entail an unacceptable strain upon our forces or an undue dependence on the United States or both. We should therefore accept either a higher figure for the defence budget or, preferably, a lesser international role. The sum of £2,000 million was an artificial target figure, which had been laid down before the study of our commitments had begun, while the limit of £186 million for defence expenditure in the Far East was even more artificial in that it represented only the residual sum after provision had been made within the £2,000 million for the level of forces necessary to maintain our commitments other than in the Far East. As a result no thought had been given to the possibility of a smaller defence budget related to fewer commitments; and there had been an inevitable tendency for each of the three Services to seek to secure for itself the maximum share of the limited total provision. The Navy Department believed that on a defence budget of the size in question it was impossible to carry out the commitments which were envisaged for our role East of Suez; that it was ineffective and dangerous to seek to do so; and that what was proposed did not correspond to our national needs. They fully supported the need to buy a force of F-111A aircraft; but they disagreed with the proposal in respect of aircraft carriers.

There were three alternative courses which might be followed in respect of the carriers—to phase them out by 1969–70; to continue with aircraft carriers until 1980 by building the CVA-01; or to seek to maintain the existing carriers in service until about 1975, in accordance with the proposal put forward by the Secretary of State for Defence. In the view of the Admiralty Board the third course was impracticable on the grounds of manpower stringency which had been brought out in earlier discussion. The issue had been examined by a joint Working Party representative of the Royal Navy and of the Royal Air Force, which had concluded that it might be possible to retain the Fleet Air Arm (FAA) in existence under this plan for a further three years, perhaps for four, but certainly not longer. Even if, despite this view, the carriers could be kept in service for a longer period this course would still entail severe operational penalties, since in the later years they would only have half their strike aircraft embarked. Moreover, morale was a vital factor in the

maintenance of a Service as challenging and dangerous as the FAA; and the cancellation of the CVA-01 would severely damage the morale of aircrews and commanders, with consequential operational penalties.

It might be held that the Royal Navy had been mistaken in some five years ago deciding to commit itself to the continuation of carriers and that it would have been preferable to base its future development upon surface-to-surface ship missiles coupled with the operation of land-based aircraft. But the decision which had in fact been taken could not now be reversed. It followed that to dispense with carriers would have four serious consequences:—

(i) We should lose the opportunity of exercising air power over the ocean outside the manageable range of land bases. There was no certainty what that range might be; but it was undoubtedly restricted.

(ii) We should forfeit any degree of reinsurance for the loss of a land base, which was even more vulnerable than a carrier.

(iii) We should deprive ourselves of the proved deterrent value of the carrier, including the considerable political importance of its visible presence in areas of instability. Its phasing out would be welcome to our enemies, especially to Indonesia and China, and would make a challenge to our presence in the Far East both more likely and more difficult to deal with.

(iv) We should sacrifice all the advantages inherent in the versatility of the carrier and its ability to meet unpredictable situations. In this connection it was very relevant that most of the emergencies which we had had to face in the last five years could not have been predicted in advance.

On the other hand to maintain a carrier force in being, at least to the extent of building the CVA-01, would avoid these disadvantages, while entailing an extra cost of only £30 million a year over the period under review.

There was also reason for concern at the changes in commitments which were envisaged. It now seemed uncertain whether it was realistic to suppose that we should be able to withdraw from Singapore in the foreseeable future; but if we maintained our position there, this would entail the risk of our being entangled in further commitments and might also postpone the end of confrontation. Moreover, our commitments elsewhere, for example, in Central Africa, were growing; and the reduction in our forces envisaged in the Defence Review could not, in these circumstances, be justified by reference to our prospective future level of commitments. The provisional conclusions of the Defence Review envisaged that we should not engage in future even a medium Power which possessed sophisticated weapons; but the concept of 'sophistication' was too vague to provide a reliable basis for the formulation of policy. It could not be maintained, for example, that the Viet Cong represented a sophisticated Power; yet they were strong enough to tie down a very large United States force in Vietnam. Moreover, although the number of medium Powers possessing sophisticated weapons was at present small, it had taken Indonesia only five years to achieve that status; and other Powers might follow a similar course. The outcome of our reduction of capability would therefore be to leave us unable to meet such opposition, except as a mere auxiliary of the United States. The degree of dependence on the United States which would be involved would be undesirable, even if there were real political agreement between us on Western aims in this area. But in fact such agreement, particularly in relation to China, did not exist; and there was no firm or agreed political basis for the degree of

military co-operation between the United Kingdom and the United States which the Defence Review envisaged. If we were to retain a military presence in this area, therefore, we should also retain the necessary degree of independent capability.

Moreover, there was grave reason to doubt the ability of white nations alone to maintain a peace-keeping role in Asia or to establish an effective political or military containment of China. The presence of military forces did nothing to assist political containment; at least there was no proof that it had such effect and little evidence for it. It followed that, while it must be accepted that we should retain the ability to carry out our Colonial responsibilities in Hong Kong and in our Pacific territories and to assist the defence of Australia and New Zealand, we should withdraw from all other commitments in the Far East.

In discussion the view was expressed that the fundamental points which the Minister of Defence for the Royal Navy had properly raised had already been fully considered by the Committee in the course of the Defence Review. The figure of £2,000 million at 1964 prices for defence expenditure in 1969–70 had admittedly been adopted at the outset of the Defence Review, on the basis of an economic judgment that this was the maximum which we could afford. But there was no reason to modify that judgment; and the maintenance of our economic strength was essential for any effective foreign and defence policy. Even so, the target had not yet been achieved and it was clear that, if such a limit had not been imposed at the outset of the Review, estimated expenditure in 1969–70 would have been substantially above £2,000 million.

We had inherited the obligations of a world Power; and it was in our interest that these should not be abandoned so long as we could make an effective contribution to the maintenance of international stability. At one time it had seemed possible that a defence budget of £2,000 million could not be achieved without drastic changes in the United Kingdom's position in the world. But the Defence Review had shown that within the limits of these resources we could still, in the judgment of most of those professionally concerned, play an appropriate role as a world Power.

It was agreed that the role of aircraft carriers lay predominantly in the Far East and that, if it were decided that we should not maintain a military presence in that area, there would be no case for continuing carriers. Admittedly, if carriers were maintained up to or beyond 1980, this would give us a larger degree of independence; but the indefinite maintenance of an effective carrier force required the resources of a major Power, to which we could not aspire. It did not follow that, if we discontinued carriers, we must also surrender all military responsibilities in the Far East. Although it was impossible to forecast developments in that area with any certainty, we had continuing obligations to our dependent territories, as well as to Australia and New Zealand, which we could not abruptly abandon. Nor did it follow that the maintenance of a military presence in the Far East by 'white' Powers would necessarily unite the Asian countries against us. On the contrary many of them might come to welcome support against the Chinese threat; and we might well be able to contribute with our Allies to the containment of China in the sense of at least deterring China from trying to impose her will by the threat or use of force at any point she chose within the area.

Our resources would no longer permit us to undertake operations independently against a medium Power. But this did not mean that in the Far East we should be no more than auxiliaries of the United States. Although the military strength of the

United States must be predominant in the Indo/Pacific area, they were most anxious that we should play our part with them as Allies and not mere auxiliaries; and we must not ignore the extent to which our political presence (which in turn depended on our military presence) was of importance to them. If we withdrew from the area, there was a serious risk that the United States would concentrate on the Far East and that United States opinion would revert to isolationism in relation to Europe. Any withdrawal of the United States from Europe, however, would leave a vacuum which it would be costly both for ourselves and for other European Powers to fill, in political as well as financial terms.

*The Prime Minister*, summing up the discussion, said that, although the Committee had been impressed by the clarity and force of the statement by the Minister of Defence for the Royal Navy, it was generally felt that the points which he had made had been considered in the course of the Defence Review and did not call for any basic revision of the conclusions reached by the Committee. Those conclusions, however, were still provisional, pending decisions to be taken by the Cabinet.

The Committee:—

Took note of the statement by the Minister of Defence for the Royal Navy and of the points made in discussion.<sup>1</sup>

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<sup>1</sup> Mayhew resigned as minister of defence for the Royal Navy on 22 Feb 1966. Admiral Sir D Luce, the first sea lord, retired.

## **13** FO 371/190785, no 94

2 Feb 1966

[Defence review]: inward telegram no 416 from Sir P Dean to FO, transmitting Mr Stewart's analysis of the US response to the defence review talks

Following for Private Secretary from Stewart.

Defence Review.

My telegram No. 371.

It is still difficult to provide a composite picture of the United States Government's reactions to last week's defence review talks.<sup>1</sup> The senior members of the Administration have been almost wholly absorbed with Viet Nam and in particular, with the decision to resume bombing and the handling of a very difficult situation in Congress. We have, however, seen McGeorge Bundy<sup>2</sup> and some others with the following results.

2. The way in which the Foreign Secretary and the Secretary of State for Defence expounded our provisional conclusions has greatly impressed the Americans and created a mood of sympathy to replace the anxiety and even mistrust which had been building up over the last few months. While the anxiety has not entirely disappeared as regards the Far East, there is a sense of relief that we have managed to make such a good showing with what is by American standards a very modest sum of resources,

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<sup>1</sup> See 11.

<sup>2</sup> Special assistant for security affairs to the US president, who left the White House on 25 Feb 1966 to become chairman of the Ford Foundation.



and that we are not in quite such a hurry to implement the more drastic measures as they had feared. American tactics will undoubtedly be to win as much time from us as they can, and they attach great importance to the way in which we announce our intentions in the White Paper and the ensuing defence debate. In the connexion Bundy reminded me that the Prime Minister in his message to the President (your telegram No. 1047 of 27 January) undertook to communicate with the President again after the talks on 27 January. The White House therefore expect a further message from Mr. Wilson and Bundy made it clear that they expected to get this before the White Paper went to Press. Having said this, Bundy continued that the over-riding American concern, as Mr. Rusk repeated several times, is to avoid explicitly or implicitly the impression that the United States' own military and political commitments have been extended, or that they are being left to carry on the burden of Western defence on their own. Bundy added that the Americans had understood from both the Foreign Secretary and Mr. Healey that except in relation to our giving up Aden, the White Paper was not going to be very explicit in respect of other withdrawal plans. He hoped that this general principle would apply particularly to anything we said about Singapore. A specific reference to this would in the American judgment be likely to start the rot.

3. I understand that Mr. Rusk is likely to write to the Secretary of State in the next few days to place on record some of the points which he and McNamara made during the talks and perhaps some new points as well. All we have been told is that it will probably include a request that should the Indonesian confrontation come to an end, we should maintain our present strength in the Far East at least so long as the situation in Viet Nam has not improved.

4. Libya and the Mediterranean. It is clear that the Americans will not undertake any overt or covert commitment towards Libya which would have the effect of formally shifting from our shoulders to theirs the main burden of responsibility for Libyan defence. On the other hand, they seem genuinely ready to embark with us on a more thorough consideration of the nature of the problem, perhaps, (despite Mr. Rusk's cautious reaction) combined with more concrete contingency planning. They are not challenging our decision to run down our logistic backing in Cyprus, but they hope that even without this, we can maintain a significant capacity for intervention. The most important point in their eyes is that we are maintaining a military presence in Libya. They want to consider what if anything they can do to assist us with our logistic problems. They are thinking at present in terms of a team under State Department leadership with representatives of ISA and Joint Chiefs of Staff which might come to London for exploratory discussions. They would want no publicity at all. Indeed, an essential part of their thinking is that nothing should be said which might arouse suspicions in Libya that we are about to put water into our wine.

5. Persian Gulf/Aden. Our plans have hitherto evoked a minimum of comment. The Americans feel that this is wholly our problem and manifestly have no wish to become associated with it, at least in the military sense. Bundy confirmed that they will stand by their undertaking to exercise what political influence they can to restrain Nasser from further trouble-making, but they do not rate their leverage very high. The extent of their political interest in the area and their willingness to contribute to the maintenance of political stability should become clearer following the current Middle East talks.

6. Indo-Pacific area. This raises by far the most difficult problem and American minds are torn by conflicting considerations. There is at least a unanimous desire that we should hold on to Singapore for as long as possible, confrontation or no confrontation. Rightly or wrongly, the Americans believe that our physical withdrawal from the South East Asian mainland would have profound psychological repercussions on Asian and indeed American opinion and create a climate which would fatally weaken their position in Viet Nam. They are therefore not prepared to express views about an alternative base in North West Australia. There is nevertheless deep satisfaction that Her Majesty's Government is prepared to remain committed to Indo-Pacific defence. While the political value of our presence is paramount in American eyes, we are assured that real importance is attached to its military value even if the underlying operational concepts are far from clear.

7. It is where to proceed from here that is causing problems. Among official advisers there is strong interest in carrying out with us (and perhaps the Australians and New Zealanders) a study *ab initio* of the long term politico-military problems of South and South East Asian defence; provided this is kept secret it has been suggested that a new and more detailed presentation of our Indo-Pacific defence concept in light of Mr. Healey's talks in Canberra would be a good starting point. While this implies some readiness to accept the ideas in paragraphs 5 and 6 our memorandum, I doubt whether the Americans are ready to take decisions on joint planning machinery or any other institutional arrangements, and probably not even to discuss them until the basic tasks and assumptions have been considered.

8. Bundy's advice, however, is that we should delay as long as possible trying to force even procedural decisions on these matters out of the United States Government. It is not merely that the Administration is too absorbed in Viet Nam to look rationally at 1970 defence requirements, but that any honest consideration of long term policy in South East Asia is apt to raise the sort of fundamental questions which are being brought up in the current Congressional debate and which political leaders in this country prefer not to have to face. A typical difficulty is the question of what sort of military operation could be envisaged in containment of Chinese expansion in a post-Viet Nam situation. Present American doctrine calls for a substantial limited war capability (which incidentally would be considerably in excess of anything which we would be likely to have in mind). The Vietnamese war could provide either a strong justification for or condemnation of current American military policy according to the way it comes out.

9. All this suggests that we had better leave the Americans more time to digest the implications of our proposals for translating into practical terms military interdependence in the Indo-Pacific area and for a withdrawal in due course from Singapore to N.W. Australia and allow the initiative for raising the matter to come from them.

10. NATO, burden-sharing and balance of payments. Our intention to maintain the BAOR at roughly present strength is welcome here and we have heard no more of the idea that reductions in Europe would be preferable to any in the Far East. Proposed cuts in R.A.F. Germany have also passed without much comment so far. In fact they probably suit the Americans, who would like to gain acceptance in NATO for the idea that air forces can nowadays be reinforced from outside and that stationing on the Continent is not so necessary.

11. American willingness to support the burden-sharing study in NATO, to meet us to some extent over access to the United States arms market in return for a F111A

purchase, and to address stationing costs and offset arrangements in Germany as a joint problem marks a considerable advance. Our need for active American support over military balance-of-payments has finally sunk in although as one American official remarked, it was a pity that the Secretary of the Treasury could not have been present to hear the Foreign Secretary and Mr. Healey on this subject. Despite Mr. McNamara's rough language no one is very sure how in practice the necessary leverage can be brought on the Germans to increase their defence budget and spend more money on purchases in United Kingdom or United States. There is growing feeling that equipment orders cannot provide the whole answer and that something more radical requires to be done. The Americans would probably be more receptive to such suggestions as a NATO defence payments union or to such ideas as we might have on obtaining immediate foreign exchange and possible budget relief from the German Government. (e.g., direct German financing of local services). They would like to know more of what we have in mind in applying the 'EDC' formula to NATO defence costs, but we sense a certain scepticism [sic] about the utility of exercise in principle which run the risk of producing philosophical rather than practical results. I assume that we shall be receiving further instructions about following up the Secretary of State's proposal for discussions in Washington.

12. F111A. This subject is covered in current exchange of telegrams between BDSW and M.O.D. of which you will be aware.

## 14 PREM 13/890

25 Feb 1966

[Defence review]: letter from Sir A Downer<sup>1</sup> to Mr Wilson, conveying a personal message from the Australian prime minister

I have been asked by my Prime Minister<sup>2</sup> to send you the following message:—

'My dear Harold,

I was glad to have your message, through your High Commissioner, on 23rd February, about your defence review. Furthermore, it was helpful for us to have had an advance copy of the White Paper which, as you said, accords with the tentative conclusions which Mr. Healey put to us. I issued a short public statement yesterday about your White Paper in terms which I hope were helpful to you. Your High Commissioner will have sent you a copy. We were, as you would imagine, delighted that your Government has decided firmly to maintain a global role. I am sure that this is a sound, indeed historic, decision which you will never regret. Retreat from Asia would have had world wide repercussions of a depressing kind for all devoted to the cause of freedom, and as some uncertainty had come to hang over the matter its removal will be heartening to all the non-Communist countries of Asia.

It may not have been an easy decision. The resignation of one of your Ministers<sup>3</sup> and the line taken by Enoch Powell<sup>4</sup> reveal that there are strong views in Great Britain which run in the other direction. We applaud the realism and firmness you have shown despite these dissenting judgments.

<sup>1</sup> Australian high commissioner in London, 1964–1972.

<sup>2</sup> Mr H Holt, prime minister of Australia, 1966–1967 (deceased).

<sup>3</sup> See 12, note 1.

<sup>4</sup> As shadow defence secretary, Enoch Powell was a critic of the East of Suez defence policy.

We strongly commend also your decision to remain in Singapore as long as acceptable conditions persist. As you know, we impressed as strongly as we could upon Denis Healey that your presence in Singapore and Malaysia is of the highest importance for the maintenance of peace and good order in the immediate areas, and is a moderating and stabilising influence for Asia generally. It leaves us, of course, in a much more effective military position than would be the case if operations had to be staged from bases further to the South. Your continuing presence will help to sustain morale, which would have suffered a grievous blow had your decision gone in the other direction.

It will interest you to know that, apart from the confirmation of these views which no doubt you received both from Singapore and Kuala Lumpur, the Thai Prime Minister and his colleagues Thanat Khoman and Pote Sarasin, in our talks with them in Canberra over the last two days, have fully endorsed our views about your presence on the mainland of Asia. They were emphatic that to remove from the mainland would be undesirable from the point of view of long-term stability in Asia.

Denis left us in no doubt as to the need for planning against the contingency that the Singapore base might prove untenable. We will work actively on this problem, knowing that our endeavours in this direction will be recognised by your Government, not as an incentive or encouragement to vacate Singapore, but to ensure that a withdrawal, if rendered unavoidable, will not result in a return home to the United Kingdom because of the absence of suitable facilities for operation on the mainland of Australia.

The visit last week of Hubert Humphrey,<sup>5</sup> although not planned with any relationship to our talks with Denis Healey, was in the event most opportune. He made it plain that the United States also is strongly in favour of the retention of the Singapore base and of the continuance of substantial British forces East of Suez. He was receptive to what we had to say on the subject of quadripartite discussions.

I have just sent a message to President Johnson about the Vice President's visit and have taken the occasion to raise again in a general way the importance which we attach to discussions at a political level, aimed at a political meeting of minds and deriving from that some broad joint understanding on our overall objectives in Asia and on defence strategy on the roles of forces and their dispositions and the better co-ordination both on our military and our economic aid policies.

It is likely that Paul Hasluck<sup>6</sup> will be in London and Washington early in April and it may not be difficult to arrange the sort of exchange we have in mind at one or other of these centres.

Altogether the series of talks with Denis Healy [sic], Vice President Humphrey and the Thai Delegation have greatly clarified our own thinking about the future defence programme. We shall be reaching a decision, I hope, next week on additional forces for Vietnam. I shall be in touch with you about this as soon as I can give you something more definite about our intentions. I recall that you told President Johnson last April when we committed a battalion to Vietnam, that you welcomed the decision as a valuable step towards our joint objectives. You can also expect us to remain in active discussion with you on such matters as the feasibility of base establishments and other questions arising from our valuable talks.'

<sup>5</sup> US vice-president.

<sup>6</sup> Australian minister for external affairs, 1964–1969.

**15 CAB 148/28, OPD(66)54****10 May 1966**

**'Indo-Pacific policy': report to ministers by an Official Committee (chairman, Sir B Trend) of the Cabinet Defence and Oversea Policy Committee on the future of Britain's military role in South-East Asia.**

*Annex*

The attached paper, which has been prepared on the instructions of the Official Committee by its Defence Review Working Party for the consideration of Ministers, discusses Indo-Pacific policy against the background of the Quadripartite Ministerial discussions which are to take place in Canberra on 30th June after the SEATO Meeting.

The Appendix<sup>1</sup> to the memorandum was originally drafted as a United Kingdom paper to be circulated for quadripartite official talks to take place in advance of the Ministerial discussions. Present indications of United States and Australian wishes make it uncertain whether we shall obtain agreement to preliminary official talks on matters of substance as distinct from procedure; diplomatic soundings on this point are still in progress. Should there be no preliminary official talks on matters of substance, the draft at Appendix could, if desired, be used as the basis of a paper for circulation for the Ministerial talks, and in any event its contents will be required as a United Kingdom brief for the talks. But it is too soon to decide what use to make of the draft at Appendix and what changes in presentation it may need in consequence.

Ministers will wish to note that the revision of our Defence Agreement with Malaysia, and the conclusion of a new Defence Agreement with Singapore, cannot begin before we are clear what part we want our allies to play in this area (paragraph 13 of the Report). Proposals on the form of the new Agreements will be considered by the Defence Review Working Party and subsequently by OPD(O) and a submission then made to Ministers, in the light of the forthcoming official and Ministerial discussions with our allies.

**Annex to 15***The defence review*

The future of Britain's military role in South East Asia was exhaustively considered in the course of the Defence Review. The main conclusions finally reached were as follows:—

- (a) British material interests in South East Asia are not by themselves large enough to justify the cost of deploying British forces in the area on any significant scale.
- (b) Britain nevertheless has a considerable political interest in South East Asia. She also has important economic as well as political interests in neighbouring areas such as the Indian sub-continent and Australasia. We should not wish to see South East Asia submerged in Communism or otherwise reduced to satellite status by Peking. The main burden of Western military opposition to such developments must be carried by the Americans (and Australians); but we wish there to be a British contribution as well, on the basis of a co-operative effort with our allies.

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<sup>1</sup> Not printed.

- (c) This British contribution is bound to be expensive. Nevertheless, it must be limited financially if defence expenditure is to be reduced by 1970 to the agreed overall amount which will be consistent with Britain's economic health. Given our inescapable commitments in other parts of the world, this means in practice that the annual cost of our military contribution in the whole Indo-Pacific area must by 1970 be drastically reduced from the present level of about £235 million; a limit of something like £186 million (at 1964 prices) is in mind.
- (d) It will only be possible to cut our Indo-Pacific military expenditure to this extent if we are able to reduce our forces in the area substantially below their present level, to which we have been forced to raise them by Indonesia's policy of Confrontation.
- (e) It is clear from consultation with our American and Australasian allies that as things stand they would be strongly opposed to a British military withdrawal from Singapore in any avoidable circumstances, and in particular as the terms of a settlement of Confrontation. More positively, they regard our continued presence in the Singapore Base as the most valuable contribution which Britain can make to defence in the Indo-Pacific area.
- (f) Mainly in deference to these views, we should plan to retain our military facilities in Malaysia and Singapore for as long as their Governments agree that we should do so on acceptable conditions. This decision has been announced in the Defence White Paper.
- (g) We nevertheless believe that the Singapore Base is likely to prove untenable before long. Our allies disagree. A summary of the main arguments which have been used on either side is attached at Annex A. But we have been able to persuade them to consider making fall-back arrangements in case we are proved right and they wrong. They have therefore begun to discuss with us, without commitment, the practical possibilities for our having military facilities in Australia if necessary. This too has been referred to in the Defence White Paper.

### *Background to the Singapore decision*

2. We made it clear to our allies that if we had to leave Singapore at short notice and no facilities had been prepared for our military accommodation elsewhere in the area, we should have to go home. If we went home, it would be for good since it would be politically impossible for us to redeploy our forces in the Indo-Pacific area at a later date when alternative facilities might have been developed.

3. Our allies saw the force of this argument. But they remain suspicious that we do not in fact want to stay in Singapore. This, they are afraid, is what really underlies our doubts about the Base's tenability and our insistence on the preparation of alternative facilities elsewhere.

4. The American attitude to the Singapore Base is of course conditioned by the Viet Nam war. So long as they are militarily involved there, they are bound to judge the views and actions of their allies in the area by the overriding criterion of what is likely to enhance or prejudice their chances [sic] of victory. They would consider it little short of treachery for us to sound a retreat on their flank by abandoning our existing position before we are forced to do so. Even if we could demonstrate that we had no choice in the matter, because of local political developments outside our control, our situation would hardly be improved so long as the struggle in Viet Nam lasts and the scale of United States and Australian commitment continues to

increase. The Americans would certainly put us under the strongest pressure to follow the Australian example and send our troops to fight alongside theirs. They could hardly acquiesce in our withdrawing a significant part of our forces altogether, in accordance with the Defence Review run-down, and moving the remainder to peaceful stations in Australia, while United States troops were left to carry on with the real fighting in the front line. Whether the Americans will continue to attach the same importance to our Base in Singapore after the end of the Viet Nam war will depend primarily on the terms of the Viet Nam settlement and on the degree of their involvement in Thailand.

5. The Australians, unlike the Americans, are influenced not only by their present involvement in Viet Nam but also by what they see as the unchanging facts of geography. For the Americans, Singapore is in present circumstances a position of importance on the flank of their present battlefield in Viet Nam (and perhaps of a future battlefield in Thailand). For the Australians, it is a permanent fortress guarding (or menacing) their own northern frontiers. They agree that we may be forced to give it up. But they see no virtue at all in our going before we are pushed.

6. Our own national attitude is very different. When we were assessing purely British interests in the course of the Defence Review, before the stage of consulting our allies was reached, our provisional conclusion was that after the end of Confrontation political developments within a relatively short period would make it unprofitable for Britain to retain her military bases in Singapore and Malaysia. There were broadly four reasons for this:—

(i) There might well be increasing friction between Singapore and Malaysia over the next few years.

(ii) Once Confrontation was over, local nationalism was bound to become increasingly critical of Britain's 'neo-colonialist' presence in Singapore and Malaysia, despite the financial advantages which both countries derive from that presence; this would either force us out or at best severely restrict our ability to use our bases except for the immediate defence of Malaysian and Singaporean territory.

(iii) An open-ended commitment to the defence of Malaysia and Singapore, which we could not avoid retaining if we retain our bases, would make it difficult if not impossible in the period after 1970 to keep our military expenditure in the area within the necessary limits described above.

(iv) If we retained our present bases, we might even fail to achieve the necessary force reductions by 1970 in the first place. To meet the required timetable, we should have to begin reducing our forces not later than 1968. Since no reduction could begin while Confrontation continues, 1968 was the latest date by which in one way or another we should have to have brought Confrontation to an end. We could not be sure of meeting this deadline.

7. We believe that our American and Australian allies will welcome our continued military presence in the Indo-Pacific area after we have withdrawn from Singapore. The Americans do not want to be left as the only major Western power in the region; the Australians do not want to be left entirely dependent on American protection, and indeed are afraid that if we withdraw altogether the Americans may do so too. We therefore expect that they will encourage us to redeploy in Australia (and in the Indian Ocean Islands) in the post-Singapore period; and we hope that

they will be prepared to bear the capital cost of the (shared) military facilities we shall need to have there, or to accept that if we bear part of the capital cost we could only afford to do so within our financial limits by reducing our annual military expenditure in the area further than we have in mind at present.

8. Withdrawal from Singapore to Australia will be in accordance with the general guide-lines for Britain's long-term policy in South East Asia which were circulated by the then Foreign Secretary (Mr. Gordon Walker) to his colleagues in November 1964 (OPD(64) 10).<sup>2</sup> This argued that in the end British and other Western forces on the Asian mainland will do more harm than good, while at the same time noting that a delicate balance would have to be struck between the dangers of staying too long and of withdrawing too fast, and that Western 'defeat' in South East Asia would imperil the long-term objective. Our aim should be to ensure an eventual withdrawal to peripheral positions in Australia and in the islands of the Indian and Pacific oceans. From there they should still be able to deter outright *aggression* by a Communist state, and to sustain anti-Communist morale in South East Asia by suggesting that any such Communist aggression would have more than local resistance to contend with. But the departure of Western troops from the mainland will leave the field clear for the indigenous development (with British and other Western help) of political, economic and military forces without which in the long run Communist *subversion* cannot be permanently excluded.

9. This long-term policy is itself based on an analysis of the nature of the threat from China. This is described in paragraphs 15–17 below.

#### *The consequences of the Singapore decision*

10. As things now are, however, the modification of our policy which our promise to stay in Singapore involves puts at risk our chances of limiting military expenditure in the Indo-Pacific area to the level we can afford by 1970. The base itself with its extensive installations will be more expensive to run than new facilities in Australia. What is more important is the danger that by staying in Singapore we might not in certain circumstances be able to reduce our forces to the level envisaged in the Defence Review and hence to limit military expenditure in the Indo-Pacific area to the level required. This situation could arise in two ways:—

- (a) if Indonesia refused to end Confrontation so long as we are in Singapore;
- (b) if we had to hold forces available after the end of Confrontation adequate to counter renewed Indonesian aggression against the Borneo States as well as mainland Malaya.

11. It can perhaps be argued that the first of these possibilities does not have to be faced now. The prospects for ending Confrontation are at present brighter than they have been since it began. We may doubt the realism of expecting it to be formally called off. But we can at least give it a chance to wither away, with the tacit consent of the new rulers of Indonesia.

12. The second possibility, however, cannot be so easily ignored. It is an essential part of the Defence Review decisions that we should reduce our forces in the area, when Confrontation ends, and thus make possible the planned reductions in our overall force levels. What remained might be enough to enable us to defend the

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<sup>2</sup> See 89.



actual mainland of Malaya against Indonesia, and their presence would be a deterrent to Indonesian adventures. But if nevertheless there were a renewed Indonesian threat to Eastern Malaysia, we should have to choose among the following courses of action:—

- (i) We could seek extensive military help from our allies; this would have to mean the Americans as well as the Australians, and it is far from certain that the Americans would respond;
- (ii) We could undertake major air strikes against Indonesia to destroy her military capability; in most circumstances this would probably be open to the gravest political objections.
- (iii) We could refuse to undertake military land operations in the Borneo territories. This would be tantamount to abandoning those territories if, as is probable, Malaysian land forces were not themselves capable of resisting determined Indonesian aggression. We should then be in breach of our present Defence Agreement with Malaysia. In any case if we refused to help the Malaysian Government in Borneo against their express wishes, we should destroy their confidence in our protection and would almost certainly bring about a demand for our withdrawal from both Malaya and Singapore.

13. There is a particular reason why we may need to consider this problem in the near future. If we are to stay in Singapore and Malaysia, there may be difficulties in postponing the revision of our Defence Agreement with Malaysia, to take account of Singapore's departure from the Federation, and we must also conclude a new Defence Agreement with Singapore. Before negotiations begin we shall need to be clear what part we want our Australian, New Zealand and American allies to play. If we are to retain our present deployment mainly in deference to their views, it would be reasonable to ask that the Americans should be ready to join the others in assisting us if things went badly wrong. So far as Australia and New Zealand are concerned, we should press for them to be as fully committed as ourselves to the defence of Malaysia and Singapore. This might lead to a system of interlocking agreements, at least in relation to Malaysia and Singapore, which would have similarities, though on a much more restricted scale, to the system in the North Atlantic Treaty Organisation. At the same time we should want to avoid the position where the way in which we met our obligations to Malaysia and Singapore was subject to American and/or Australian and New Zealand control.

#### *Future prospects*

14. Against this background, and in preparation for the next round of discussions with the Americans and Australians, we need to consider British and allied policy in the Indo-Pacific area. If our views are to carry weight with our allies we must be prepared to do this in the context of a wide-ranging review of Western interests in the area. Such a review is only possible against an assessment of prospects in the main danger spots affecting the future of the region: China, Indo-China, Thailand and Indonesia/Malaysia.

15. *China.* The starting point must obviously be our analysis of the nature of the threat from China. In the longer term it is difficult to foresee the effect which population changes, particularly in China, may have on the power relationships and the policies of the countries in the area. On the basis of the present evidence, we

regard Chinese policy as opportunistic, and we would wish the West to be able to deter or in the worst case help resist any military adventure on which Peking might be tempted to embark. But we do not think that China has or will develop any sustained ambition to annex territory in South East Asia. We do not even think that she plans to use direct aggression as a means of imposing Maoist governments on the countries of the region. Her aim, as we see it, is to ensure that her neighbours in mainland South East Asia are sufficiently compliant to constitute no direct or indirect threat to her own security (as they would do, in her view, if they accept or provoke the intervention of Western forces on their soil). Given such compliance, China should probably not be regarded as likely to embark on annexation, or communism by means of direct military aggression.

16. China, however, believes more actively than Russia does in encouraging the revolutionary struggle of indigenous 'freedom forces' against established governments in the non-Communist world. Dislike of instability on her frontiers may make her less enthusiastic about applying this doctrine in South East Asia than she is in e.g. Africa or Latin America. But she remains the prisoner of her own ideology. She cannot disown a 'liberation struggle' anywhere, whatever the dangers. Chinese (or Chinese inspired) subversion is therefore a real threat in South East Asia, even though Chinese military aggression may not be.

17. Unlike aggression, subversive activity cannot in the long run be satisfactorily countered by South East Asian countries accepting Western alliances or calling for Western forces. The presence of Western soldiers on the South East Asian mainland, at least if it is sustained and on a significant scale, is actually liable to aggravate subversive activities and make more difficult the maintenance of a unified national front. It is just what the Communist agitator needs to prove his point. It also makes the general Western position more vulnerable in international organisations like the United Nations.

18. *Indo-China*. The formulation of Western policy is bedevilled by the uncertain situation in Vietnam. Neither the military nor the political outcome there can be predicted with any confidence. It seems clear that in conventional military terms the Americans cannot lose and may win. It is less clear that they can be politically successful in maintaining a stable and defensible government in Saigon. It is almost certain that they cannot win the politico-military struggle at the level of subversion; that is to say, they will not be able to achieve a situation in which they can withdraw their forces and leave a durable anti-Communist regime behind. As this becomes clearer, the great question will be whether the Americans will decide to keep their forces in Vietnam indefinitely, whatever local views on this may be; or whether they will prefer to pull out in favour of a supposedly compromise regime which will in practice be overthrown fairly soon thereafter. If they opt for the latter, they will face a further choice between:—

- (a) taking the opportunity to pull their military forces out of mainland South East Asia altogether; or
- (b) maintaining (and no doubt reinforcing) the remaining Western military deployments on the Asian mainland, notably in Thailand.

This will be a crucial choice, which will have a profound effect on British interests and defence expenditure. It will be of great importance for Britain that our views should carry maximum weight with the Americans when the time for decision comes

and that there should be a predisposition in Washington to take account of advice from London. On our present thinking British advice will almost certainly be in favour of (a) above and against (b).

19. In Laos, almost everything depends on the outcome of the struggle in Viet Nam. It is always possible that either the North Vietnamese or the Americans will decide to open a second front in Laos to further their ends in Viet Nam. If this does not happen and things in Laos go on as they are, the chances are that the present *de facto* partition of the country will be perpetuated, with a non-Communist area in the south west and a Communist area in the north east. In the end, the former may be absorbed by Thailand and the latter by North Viet Nam.

20. Cambodia has succeeded in remaining an independent country without excessive commitment to either side in the cold war. Although the Cambodians are on better terms with China than they are with America, they are not a satellite and they have preserved a non-Communist form of government. Their chances of continuing on their chosen course might be decreased, however, if either the Communists or the anti-Communists were to achieve a decisive victory in Viet Nam.

21. *Thailand.* The immediate situation is reassuring. The country is a committed friend of the West and a loyal member of SEATO. There is little sign of local resentment at the increasing military presence of the United States and little tendency to criticise American policies in Asia or elsewhere. Reasonable economic progress is being achieved, under a government which by local standards is neither excessively tyrannical or excessively corrupt. But the threat of insurgency is already apparent in areas of north-east Thailand; and the shadow of potential subversion extends to non-Thai minorities in other parts of the country, including a large Chinese community in Bangkok itself.

22. The Americans are rapidly building up their forces in Thailand and may soon have logistic facilities for as many as four United States divisions in addition to their substantial air force contingents. But our present evidence suggests that this build-up is related solely to Viet Nam. It is designed either to counter a North Vietnamese move to open a second front in Laos or conceivably to make it possible for the Americans to open the second front themselves. There is no sign that the Americans are building up their forces in order to be able to deal with large scale insurgency in Thailand itself. But the presence of large American forces does provide Communist agitators and saboteurs with an extremely tempting target. The Thais may be able to limit the damage by building up their counter-subversion effort. But the danger must be reckoned to be increasing that large scale insurgency will have broken out in Thailand within the next two or three years.

23. This prospect could face the West with a very serious dilemma indeed. The Americans, Australians and ourselves are agreed that if Thailand is directly attacked we will all help to defend her. But we have none of us decided what we would do if she became involved in a campaign against subversion which might lead in the end to a major civil war. If we withdrew and let the civil war take its course, as in Burma, Western material interests would suffer, SEATO would disintegrate and Thailand as a committed ally would be lost. On the other hand, if the West allowed itself to be drawn into the fighting, it could find itself committed to another Viet Nam-type war in circumstances which might be less promising even than those obtaining in Viet Nam today. The decision would be primarily an American one, but as a member of SEATO Britain would be directly involved on the American side. We might not succeed in influencing

American policy, but we would have every reason to try. On the basis of present thinking we should have to advise withdrawal, while recognising that this would present formidable problems both of method and timing. It is impossible to be precise at this stage about the way in which we might present the matter to the Americans since this would depend on the circumstances at the time, including the outcome of the hostilities in Viet Nam and the possible evolution in American thinking.

24. *Indonesia, Malaysia, Singapore and Brunei.* The situation in Indonesia is still far from clear. But it seems likely that the new regime is now in effective control of the country and that it will prove more satisfactory from the British and Western point of view than its predecessor. It has already denounced the Peking–Djakarta axis, and it is showing healthy signs of awareness that Indonesia's most pressing need is to clear up the confusion into which her economy has been allowed to fall. All this gives us some ground for hoping that Confrontation, even if it is not formally abandoned, will gradually be allowed to wither away to an extent which would enable us to reduce our forces.

25. Mainland Malaya has a reasonable prospect of remaining stable and prosperous and friendly towards the West. But in the existing Malaysian Federation, although the political situation has for the moment stabilised itself more effectively than seemed possible at the time of Singapore's expulsion last August, three major weaknesses remain:—

(a) The cohesion of the Federation is likely to be threatened, particularly when Confrontation pressures are eased, by separatist tendencies in Eastern Malaysia; and in Sarawak, after the departure of British troops, subversion could develop to a point at which the Kuala Lumpur Government might be unable or unwilling to deploy the necessary forces to control it.

(b) Antagonism between Malaysia and Singapore may increase, for racial, political and economic reasons, and this could inflame communal tensions in both states; in the worst case, if a severe economic recession were to bring a pro-Communist government to power in Singapore, the Malaysians might be provoked to direct military intervention.

(c) The regime now in power in Kuala Lumpur cannot be expected to retain the confidence of its subjects indefinitely if it continues to be somewhat old-fashioned and paternalistic; when the Tunku leaves the scene, for instance, demands for something more 'Asian' and 'progressive' could produce an upheaval if they are not adequately met.

26. The prospects for Singapore are uncertain. Mr. Lee's present internal position is strong, but it would become vulnerable if there were economic distress. Effective co-operation with Malaysia in defence and economic affairs is still far from assured. But so long as the Anglo–Malaysian Defence Agreement persists, the Singaporeans seem likely to be able to carry on as at present under effective British military protection. If the Anglo–Malaysian alliance disappeared, we could scarcely continue a commitment to the defence of Singapore alone. The Singaporeans would then be faced with the choice of associating themselves on the best terms they could get with whatever bargain had been struck between Kuala Lumpur or Djakarta, or turning to Peking in the face of a surrounding tide of Malay chauvinism.

27. At present Brunei enjoys British protection under the 1959 Brunei Agreement. For as long as the present autocratic Sultan remains the real power in

the State, his pro-British and anti-Malaysian sympathies rule out any question of Brunei seeking to sever the British connection in favour of an association with neighbouring States. But it is our aim to bring about representative government in Brunei as quickly as possible. When this is achieved (and there has been some progress recently), it is our hope that a popularly elected government will realise, and perhaps welcome the fact that Brunei's long-term future must lie with that of the other countries in the area. At the same time it should be possible to terminate British protection, with all its colonial associations.

28. The essential problem of the Indonesia–Malaysia region is the future relationship between Djakarta and Kuala Lumpur. From Britain's point of view, all will be well if the new Indonesian regime allows Confrontation to fade away without trying to alter Malaysia's present frontiers or international alignment. We would not object if, while preserving our base facilities, Kuala Lumpur agreed to a settlement involving political concessions in Borneo which were acceptable to the peoples of Sabah and Sarawak (and we might indeed have no alternative but to acquiesce if Kuala Lumpur were simply to abandon Sabah and Sarawak to Indonesia whatever the wishes of the local inhabitants even though this would be seen to be a betrayal both by us and by Malaysia of our stated intentions when Sabah and Sarawak were included in the Federation). Alternatively, it would from our point of view be satisfactory if a non-aligned Djakarta–Kuala Lumpur axis were to emerge of its own accord. We should then lose our present bases; but that would not be too high a price to pay for a settlement in the region, although it might pose awkward short-term problems with our allies if the Viet Nam war was still engaging them as heavily as at present. The time may come, however, when we can no longer pin our hopes, as now, on one of these reasonably satisfactory outcomes. If Indonesia refuses to give up her aim of breaking up Malaysia, and if the Malaysians refuse to give way, confident that we shall protect them in all circumstances, we shall face an unpleasant choice between:—

(a) warning the Malaysians not to count on United Kingdom protection if they cannot come to terms with Djakarta—which would precipitate a crisis in Anglo–Malaysian relations leading to an anti-British government in Kuala Lumpur and our own ignominious ejection from our bases; or

(b) continuing, without being able to rely on allied help, to defend Malaysia indefinitely against a hostile Indonesia—which from a financial point of view would certainly cost more than under the Defence Review we are prepared to spend in the area and from a political point of view might even drive Djakarta back into its old aggressive and fellow-travelling ways.

### *Western policy*

29. It is the aim of Western policy to prevent Chinese control of the whole of South East Asia by the establishment of a bloc of satellites on the analogy of Stalin's treatment of Eastern Europe in 1944–48. But there is still considerable argument about how this objective can best be achieved.

30. If the analogy of Europe could be carried further it would follow that the West should set up as wide as possible a military alliance of Western and Asian countries on the NATO model. The military and political containment of China would then begin as far north of Darwin and as far west of Hawaii as possible. The obvious difficulty about this, as the failure to widen SEATO has shown, is that in the

post-colonial atmosphere of contemporary Asia a comprehensive military grouping of this kind is politically out of the question, except, perhaps, if there were a clear Chinese threat to each of the countries concerned. Even if such a grouping could be achieved, however, it is doubtful if it would prove effective. As indicated above, the main danger in South East Asia is subversion, not aggression. But the long-term containment of subversion is not readily secured by military alliances with the West, and indeed such alliances may even make subversion more likely. In any case, a NATO-type alliance would imply a greater degree of Western commitment to the military defence of every inch of South East Asian territory than any Western government would really regard as desirable.

31. If the main threat in South East Asia is subversion, the best way to counter it is clearly to develop the region's indigenous strength. But there are different views on how this can best be done. Economic aid will be vital but is not likely by itself to be enough. In South Viet Nam at present, the Americans are not formally allied to the local Government but have nevertheless decided that the only way of sustaining it is to commit large numbers of white troops to counter-insurgency operations on its behalf. Having taken this decision, they are not likely to be deflected by any general arguments which their allies can deploy. But it remains our own view that in the post-colonial atmosphere of South East Asia indigenous strength is more likely to develop effectively on a basis of non-alignment. The countries of South East Asia, individually or in association with one another, will have to progress towards a situation in which they live with the Communist and Western worlds alike, keeping on reasonable terms with both but avoiding satellite dependence on either. Our judgment is that the presence of Western forces on the Asian mainland hinders this development, by driving local nationalists into an unnatural alliance with local communists. But the manner and timing of Western military withdrawal are crucial. A premature withdrawal would leave behind a position of weakness ripe for exploitation by the Chinese Communists. A complete withdrawal from the Indo-Pacific area, leaving China as the only source of major military power, could fatally impair nationalist morale: counter-vailing Western forces will therefore need to remain available in the background.

32. For these reasons, present British thinking inclines to the view that Western interests are not best served by the maintenance of military alliances with mainland countries in South East Asia and the forward deployment of Western troops. We should prefer to work for a non-aligned South East Asia, with Western forces withdrawn to positions on the periphery. But we recognise that there can be no prospect of making progress in this direction while the United States' heavy involvement in the Viet Nam war continues and grows heavier. In areas such as Indo-China and Thailand, where United States power is deployed and ours is not, it is the Americans who will effectively decide Western policy for the foreseeable future. Non-alignment could, however, come about with less upheaval on a somewhat narrower front involving only Indonesia, Malaysia and Singapore, where British power at present predominates. Even here, our freedom of action is limited by the importance which the Americans (and Australians) attach to our remaining in Singapore at least so long as the situation in Viet Nam remains unchanged. But we should never lose sight of the fact that our aim is to achieve a lasting settlement between Indonesia and Malaysia. In the long run, we regard this as more important than the retention of our Base in Singapore. We should not therefore object to the eventual emergence of

Indonesia, Malaysia and Singapore as a non-aligned bloc, either by agreement among themselves after Confrontation ends or even as part of a phased programme agreed on in principle at the time that Confrontation is wound up.

### *British objectives*

33. Against this background, the proper objectives for Britain seem to emerge as follows:—

(a) Defence expenditure in the Indo-Pacific theatre should be reduced by 1969/70 to the limit set in the Defence Review of £186 million a year. To the extent that we may have committed ourselves to remaining in Singapore into the 1970s, we have put at risk the prospects of achieving this reduction. Sustained efforts will therefore be needed to achieve economies within the Singapore/Malaysia deployment of our forces and to persuade our allies to share the resulting military and financial burden with us.

(b) We have promised publicly to stay in Singapore for the present. It would not be in our interests to leave in the near future, while the Viet Nam war continues unabated and before any alternative facilities can be created for us in Australia. We should therefore avoid sterile attempts to harmonise our long-term concepts with those of the Americans and Australians. We should concentrate instead on securing their co-operation over immediate problems.

(c) We should nevertheless not seek to conceal our different long-term views in discussion with the Americans and the Australians. We should always keep in mind that what we should like to see is some kind of gradual movement towards a non-aligned South East Asia. We may recognise that it is a distant prospect. But so far as we can we should avoid doing anything to make it more distant still.

(d) In the Malaysian region where our power now predominates we should work for *modus vivendi* between the three countries concerned. This will not only give Western policy a lead in the right direction. It will also much reduce the danger of our military deployment in the Indo-Pacific area costing us more than we can afford and will offer almost our only hope of escaping from the dilemma described in paragraph 12 above.

(e) Both while we remain in Singapore and after we leave it, we should ensure that our forces are structured and deployed in the Indo-Pacific area in a way that makes military sense in the light of the tasks which we believe will be the proper ones for them. Specifically we should be clear that these tasks should not include direct involvement either on the Asian mainland in counter-insurgency operations or in operations similar to our present involvement in Borneo; this does not of course exclude response to a clear case of aggression, nor indeed would it preclude a change in the policy of Western involvement in a particular case if we were forced to accept that this was essential.

(f) In talking to our American and Australian allies we should aim:—

(i) to pursue with our allies the concept of four power consultation and co-operation over all aspects of Indo-Pacific strategy and to secure the most satisfactory political arrangement which our allies will accept to support four power military co-ordination (see Annex B);<sup>3</sup>

<sup>3</sup> Not printed.

- (ii) to secure and implement agreement that alternative facilities for British forces should be prepared in Australia forthwith, so that we shall have somewhere to go when we leave Singapore;
- (iii) to persuade our allies that these facilities need not be so expensive if prepared alongside, and as part of, facilities which it will be desirable to prepare for their own use; but that the capital cost will have to be borne by them if it is not to come out of our overall financial limit.

#### *Quadripartite talks*

34. In the next round of quadripartite talks, which are likely to take place in May, we should be guided by the considerations in paragraph 33(b) (c) and (f) above (while walking warily as regards the financial point in paragraph 33 (f)(iii) for the time being). To avoid giving the impression of being too obsessed with our own particular problems in the Indonesian–Malaysia region, we should begin with a general review of Western interests and prospects in other parts of the Indo–Pacific area. We can then lead on to questions of concerting four-power tactics towards Indonesia and of providing military facilities in Australia.

35. The draft paper at Appendix has been drawn up, in accordance with the foregoing, for use either as a United Kingdom paper for circulation in advance of the forthcoming quadripartite talks or (if a circulated paper is not desired) as the basis of a brief for the United Kingdom participants.

#### ANNEX A: THE TENABILITY OF THE SINGAPORE BASE

##### *The British view*

The British assessment of our prospects of continued tenure of the Singapore base is as follows:—

- (a) Experience has taught us that no ex-colony in the Afro–Asian world can be expected to tolerate Western military bases indefinitely after independence. A base may be acceptable at first, because the ex-colony concerned is glad to have independence at any price, is anxious not to suffer economic loss and/or feels militarily insecure in an unfamiliar world. But in the end the base becomes repugnant to local pride. Nationalist sentiment proves stronger than considerations of economic or security advantage.
- (b) When the original Malaysia was created we hoped it would provide a political framework for our Base and avoid the emergence in South East Asia of a Chinese city state and potential Peking satellite. The city state has now emerged and the political framework is broken. We are left trying to maintain a coherent military presence in two neighbouring but militarily antagonistic states.
- (c) We expect that sooner or later the Malays of Malaya, driven by racial antipathy towards (and fear of economic domination by) the local Chinese, may make a political deal with their cousins in Indonesia. This would involve Kuala Lumpur accepting a degree of subordination to Djakarta. The Indonesians could well demand the ejection of the British as part of the price of the deal. We should not wish to be left defending the Singaporeans, even if they wanted us, against an emergent Maphilindo (or Malindo).



(d) Mr. Lee must be regarded as an uncertain quantity; while he welcomes us at present he is opportunistic and would have no scruples in ejecting us (or in imposing restrictions on our use of the base) if it later suited him. It is quite possible that he will become more Afro-Asian in his outlook; in the face of economic distress he would almost certainly be replaced by someone more extreme. In any event the Singaporeans are likely to demand a steadily higher price for our tenancy, and might well seek to impose restrictions on our use of the base.

*The American and Australian view*

2. Our two main allies have suggested or implied the following reasons why we should remain confident of being able to hold on to the base for a long time:—

(i) Both Singapore and Malaysia may prove themselves exceptions to the general rule about Afro-Asian hostility to Western bases. The neighbouring Philippines have already shown themselves prepared to accept bases indefinitely. Both Malaysia and Singapore would have several motives for such an attitude, even apart from the obvious economic one; they are frightened of Indonesia, frightened of China and within limits frightened of each other.

(ii) Even if we are right in supposing that a more radical and less pro-Western regime will in due course emerge in Malaysia, it does not follow that the Singapore Government would necessarily join in a demand for our withdrawal. Radical nationalism in Kuala Lumpur might indeed make the Singaporeans all the more eager to keep us. The less they can count on economic co-operation with the Malaysians, the more they will depend on the economic benefits of our presence. The greater the danger of a Kuala Lumpur-Djakarta axis, the more eager they will be to find a protector for their own small island. As a Chinese enclave surrounded by hostile Malays they would be bound to look to Britain to ensure their survival. The only alternative would be to look to Peking; but unless we provoke them into an agonising reappraisal by insisting on our withdrawal, the Singaporeans can be relied on to prefer the capitalist devil they know to the Communist devil they can all too vividly imagine.

(iii) Exactly the opposite situation could develop, with a radical government in Singapore wanting to be rid of the British base but a moderate one in Kuala Lumpur anxious to see it retained. Malaysia could have good reason for such an attitude—fear of Indonesia, fear of the local Chinese, fear of Peking filling the political vacuum in Singapore if we left. In theory, an independent Singapore would of course be free to expel us, however much the Malays objected; but in practice Singapore will always be extremely vulnerable to Malaysian pressure, for strategic and economic reasons as well as from considerations of water supply.

(iv) In the worst case, if future regimes in both Singapore and Kuala Lumpur agreed on wanting to eject the British, they might not be prepared to force the issue to our disadvantage if we took a robust attitude and indicated that we were determined to stay. In time and with a little luck, their natural fear of Djakarta and/or Peking should reassert itself and the pressure for our withdrawal should then decline.

(v) If a military government came to power in Indonesia with a strongly anti-Communist outlook, it might be prepared to adopt a moderate and co-operative attitude towards the West and to accept the presence of Western forces in South East Asia as a useful contribution against the common Communist enemy in the north.

(vi) Alternatively, Indonesia may not be in the first stage of a progressive revolution but rather in the first stage of a rapid decline into administrative chaos. In that case, her capacity for exerting influence outside her own frontiers will be much reduced for many years to come. Individual Indonesians may remain hostile to the British presence in Singapore, but they will be in no position to do anything about it. Confrontation will wither away.

(vii) As a third alternative, the present military regime in Djakarta may still be overthrown by President Sukarno or his supporters.<sup>4</sup> A Peking-orientated Indonesia could then re-emerge, with all her old aggressiveness reinforced. If that happened none of her neighbours would be at all anxious to see the counterpoise of British power removed from Singapore.

(viii) It is always possible that an old Malayan nightmare may be fulfilled by the local Chinese in Singapore and Malaysia taking over political control of a reunited Federation. A Malaysian Government under Mr. Lee might from an ideological point of view be more hostile to Western bases than is the present Kuala Lumpur regime. But in practical terms it could be glad to retain British protection against the racial antipathy and resentment which it would certainly encounter from Indonesia.

### *Conclusions*

3. The uncertainties of South East Asia are notorious. The internal situation of Singapore and her neighbours, their relations with each other and their attitude to the Great Powers are all liable to kaleidoscopic changes which defy prediction and analysis. With so many unknowns, any forecasting that we or our allies may do is bound to be highly speculative. Neither side can hope to prove conclusively that their view is right. However much we may think that there is more realism and less wishful thinking in the British assessment, we cannot expect the Americans and Australians to find our arguments irresistible.

4. The task of reaching a consensus is made even harder by the fact that we each tend to exaggerate our forecasts in order to influence the others. We suspect that the Americans and Australians wish to keep us in Singapore even in what we would regard as undesirable circumstances ('even in adversity' was Sir R. Menzies' tell-tale phrase); we therefore overstate our certainty that we shall not be able to stay even if we wished to do so. Conversely, the Americans and Australians suspect us of preparing to 'chicken out', in circumstances which they would regard as likely to damage their interests; they therefore over-emphasize their view that there can be no possible question of our having to leave if we do not want to.

5. In these circumstances, our best tactics with our allies will probably be to concentrate on the argument that, even on the most optimistic analysis, the outlook in Singapore is uncertain and the danger of our being compelled to evacuate the base at short notice cannot prudently be overlooked. Unless fall-back facilities are available somewhere else, i.e. in Australia, we shall have no choice but to go home altogether if that danger materialises. Optimists and pessimists can therefore agree on the need for such fall-back facilities to be prepared (and for the necessary funds to be provided). We have already had some success with this line of argument and should pursue it at the forthcoming quadripartite talks.

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<sup>4</sup> See 19, note 2.

**16 CAB 148/25, OPD 24(66)2****13 May 1966****'Indo-Pacific policy': minutes of Cabinet Defence and Oversea Policy Committee meeting on OPD(66)54**

The Committee considered a note by the Chairman of the Official Committee (OPD(66) 54)<sup>1</sup> to which was attached a memorandum by officials on Indo-Pacific policy with reference to the quadripartite Ministerial discussions to take place in Canberra on 30th June after the meeting of the Council of the South East Asia Treaty Organisation (SEATO). Discussion centred on the list of United Kingdom objectives in the Indo-Pacific theatre listed in paragraph 33 of the memorandum.

*The Secretary of State for Defence* said that while he found the memorandum by officials acceptable in some respects, it lacked clarity on some points and contained inconsistencies. First, we could not in fact avoid a discussion with our allies about long-term strategy, since it was clear that the Australians would expect such a discussion as a preliminary to any consideration of quadripartite consultation and co-operation; while we were unlikely to succeed in harmonising our politico-military concepts with those of our allies we could not avoid the attempt. Again, it was unrealistic to suppose (as implied in paragraph 33(e)) that we could both limit our military tasks in the Indo-Pacific area so as to exclude participation in counter-insurgency operations, and, at the same time, envisage a change in our policy of non-involvement in a particular case, since our force structures, which would be matched to the policy of non-involvement, could not suddenly be changed in order to meet a particular case of aggression. The assumption in the memorandum that we could escape after the end of confrontation without any residual commitment to the Borneo States might well be over-optimistic. While it was possible that the States might leave the Federation of Malaysia in circumstances that enabled us to divest ourselves of any commitment to their defence, events might turn out otherwise, and it remained undecided what should be our response if confrontation were not formally terminated but merely withered away with Indonesian troops remaining stationed in Kalimantan able to resume confrontation should Indonesian policies again change. Further study was needed by officials of the Borneo situation, to include consideration of constitutional and juridical questions (with particular reference to the position of Brunei), our future commitment to the Borneo territories (depending on the circumstances in which confrontation ended) and the consequent military implications.

The memorandum by officials gave added cogency to our allies' arguments in favour of our remaining in the Singapore base for as long as we could on acceptable terms. It was easier to see a useful role for our forces in Singapore, where they were a stabilising influence and a deterrent to local conflicts, than in Australia, where they could not play such a part and where their role in relation to the Chinese threat against Australia must be questionable. Whereas the memorandum emphasised the threat to South East Asia arising from Chinese subversion, it seemed more likely that China would operate by exploiting differences between the powers in the area—e.g. there was a risk of a Malay alliance of Indonesia and Malaya against the Chinese of Singapore, who in turn might resort to China for support. It was this kind of

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<sup>1</sup> See 15.

development which the Australians feared, rather than direct attack on Australian territory, and hence they saw our contribution to Indo-Pacific stability as being best made by our remaining in Singapore.

The note by the Chairman of the Official Committee raised the question what use should be made of the paper at the Appendix to the memorandum, which had been originally prepared as a United Kingdom paper for circulation for quadripartite official talks to take place in advance of the Ministerial discussions. Experience in the discussions with the Australians in January about our defence review findings suggested that to circulate a paper to the allies in advance of quadripartite talks would be unwise. The memorandum circulated before the January talks had undoubtedly made them more difficult. The Australian attitude to Indo-Pacific strategic questions was in our view naive and over-simplified, while they regarded views such as those advanced in the memorandum at Appendix as imprecise and over-optimistic; in these circumstances a circulated memorandum could be a hostage to fortune.

Finally, the suggestion in the main memorandum (paragraph 13) that we should seek a full commitment from our allies to help us in Malaysia was ill-judged in present circumstances: it would certainly lead to pressure on us to assist the Americans and Australians in Vietnam. It was better to continue the understanding that Malaysia was our problem and Vietnam theirs.

*The Foreign Secretary* said the memorandum by officials was acceptable to him as a background for the forthcoming quadripartite Ministerial discussions. It would be better not to circulate the memorandum at Appendix to the allies in advance of the discussions though it might prove convenient to circulate it during the discussions. The lack of precision in the memorandum, to which the Secretary of State for Defence had referred, resulted from the unpredictable nature of the problems that we faced in the Indo-Pacific area, and uncertainty about our allies' attitudes to these problems. At the best, confrontation might be terminated in circumstances that would avoid loss of face on either side, would involve the reascertainment of opinion in the Borneo States about membership of the Malaysian Federation and would lead to the emergence of a grouping of states after the Maphilindo concept. In that event, it might be politically possible for us to remain in Singapore without strong objection from Indonesia and with the support of the Singaporeans themselves. The apparent inconsistencies in the main memorandum about long-term strategy were, to some extent, synthesised in paragraph 5 of Annex A on the Tenability of the Singapore Base, where it was suggested that on the most optimistic analysis the outlook in Singapore was uncertain and that fall-back facilities for our forces should be made available in advance somewhere else, lest we had no choice but to bring our forces home if we could not remain in Singapore.

In discussion, it was generally agreed that the imprecision of the memorandum reflected in part the uncertainties deriving from the situation in the area. We should, however, form a clear view of our own long-term objectives. A full discussion of these could best take place after the Ministerial talks in Canberra in June, which should be the first of a series of opportunities for ascertaining the thinking of our allies on these subjects. But meanwhile some issues were clear. It would be counter to our economic interests to retain a large military presence in the Indo-Pacific theatre after the ending of confrontation. The prospect of containing military expenditure in the theatre, after confrontation ended, within the annual figure of £186 million

might be at risk in consequence of our decision to remain in Singapore for as long as we could, and it would be necessary for us, if we were to stay in Singapore after the end of confrontation, to do so on a more limited scale than had been envisaged in the discussions the previous year. There was no real requirement for us to contribute to the defence of Australia since full-scale attack by China was not envisaged and in any event could be met only by the use or the threat of the nuclear deterrent, and since it should be a Western political objective to eliminate any long-term military threat to Australia from Indonesia, by securing an end to her anti-Western policies and her adoption of a neutral or even friendly posture. The Australians seemed confident that in any event they could deal with their own forces with any threat from Indonesia to Australian territory.

In further discussion it was noted that the Australians were sceptical about the practicability of providing or indeed the need to provide in Northern Australia facilities for any considerable number of United Kingdom troops.

*The Prime Minister*, summing up the discussion, said that the Committee accepted the memorandum by officials as a suitable basis for the forthcoming quadripartite discussions, while noting certain unresolved difficulties in the long-term, even though these were covered for the immediate discussions by paragraph 5 of the Annex. We should not expect too much of this round of quadripartite discussions, but it should be our aim to secure further rounds of discussions and appropriate quadripartite arrangements for their continuation, despite the known American resistance to overt machinery for this purpose. In the light of these discussions the Committee should consider further our precise defence objectives in the Far East. The study by officials of the Borneo question should also be put in hand in the light of the forthcoming discussions on the lines indicated by the Secretary of State for Defence.

The Committee:—

- (1) Approved OPD(66) 54 as a brief for the forthcoming quadripartite official and Ministerial discussions on Indo-Pacific policy.
- (2) Instructed the Secretary to arrange for a study to be undertaken by the Official Committee of the constitutional, political and military problems presented by the Borneo territories on the lines indicated by the Secretary of State for Defence.
- (3) Agreed to resume their discussion of Indo-Pacific policy after the quadripartite Ministerial discussions.

## **17 PREM 13/890**

**10 June 1966**

**‘South-East Asia’: record of a conversation between Mr Wilson and Mr Rusk about Britain’s commitments in South-East Asia [Extract]**

... *Mr. Rusk* said that it looked as if confrontation might end soon. This would presumably result in a withdrawal of British troops from Malaysia; he hoped we could study urgently the lesser needs of Thailand, where 600–700 armed marauders were operating in the North-East. Britain already had 400–500 Army Engineers in Thailand and Australia had an Air Force Squadron. The Thais had asked the U.S. to supply 10 U.S.-manned helicopters to supplement their existing effort. He greatly hoped that H.M.G. could help here and that they could draw some distinction between military aid for Vietnam and for Thailand.

*The Prime Minister* developed at some length the political difficulties that any such military aid by Britain was likely to create for the Government. Opposition to U.S. policy in Vietnam was now compounded by growing Parliamentary and political opposition to the whole of Britain's East of Suez policy. This was essentially an unnatural alliance between those who held extreme left-wing or pacifist views and others who wished Britain to centre all her efforts in Europe. Though unnatural, this alliance was potentially dangerous, more particularly since its general approach was supported by sophisticated economists who argued that we could not afford an East of Suez policy. We could not ignore the danger that giving what would inevitably be very marginal help to Thailand to deal with bandits would strengthen this movement of opposition (which included a number of people who were increasingly taking a strongly anti-American line as well) and thereby merely create more difficulties for H.M.G.'s policy of support for the United States in Vietnam. *Mr. Rusk* asked if these people were already aware of the existing British troops in Thailand. *Mr. Healey* said that, on the whole, they were not; nor did they realise that we gave a certain amount of training in Malaysia to Vietnamese personnel. But he believed there would be real opposition to what *Mr. Rusk* was proposing, or indeed to anything like a further Thompson-type mission to Vietnam.<sup>1</sup> We could get away with what was on the ground now; any addition would multiply our difficulties. Moreover, we were very short of helicopters and even shorter of helicopter crews. We only had 9 at present in B.A.O.R. and 3 in Cyprus because we had stripped other commands to put them in Malaysia. Even so, crews were woefully overstretched; and even when the time came to redeploy, assuming an end of confrontation, the helicopters would probably be the last equipment we should wish to release.

*Mr. Rusk* commented that our problem was similar: how we were eventually to wind up SEATO. Senator Fulbright<sup>2</sup> was now against it; but he had voted for it originally and we now had it. If conditions were peaceful, the problem of winding it up should not be too difficult. He recalled that when he had been in the State Department as Assistant Secretary for Asian Affairs, he opposed the negotiation of SEATO because he thought it preferable to organise local arrangements between countries of the area, backed up militarily by the great powers from outside. But now SEATO was there, and we could not get out of it. *The Prime Minister* said that the Government had recently had little difficulty over the known fact of our SEATO commitment. But this was an emotive political issue in Britain. SEATO certainly existed, but surely it was not at the centre of any of our policies. *Mr. Healey* commented that we had no commitment under SEATO to help an ally in internal security, but *Mr. Rusk* said that this was also an external problem because the guerrillas came from Laos. *Mr. Healey* suggested that to some extent our difficulties resulted from the underlying motive for the American request. They wished to commit H.M.G. publicly to a military presence further north within SEATO than hitherto; whereas this was politically very delicate in Britain. *Mr. Rusk* commented that we had a Treaty commitment. *Mr. Healey* agreed but said there was a difference between the Treaty as it now stood, subsequent to the position taken by France and

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<sup>1</sup> See endnote 37 on p cxxvii.

<sup>2</sup> Senator J William Fulbright, Democrat, Arkansas, 1945–1974; chairman, Senate Foreign Relations Committee.

Pakistan, and the position as it would be if we accepted an extended commitment which could only result in prejudice to our general attitude towards Vietnam. *The Prime Minister* said that it would also carry implications for our presence in Singapore, which was much criticised at present in Britain as a symbol of the Kiplingesque quality of our Far-Eastern policy. In any case, if we could surmount the financial problems involved in keeping troops in Germany we would on the whole prefer to have them there than in the Far East. Surely this would also be preferable to the United States Government. *Mr. Rusk* said that this would not help the Americans at present. So far, the U.S., Britain and the Asian members of SEATO had taken one view of the Treaty while France and Pakistan had taken another. The question that now arose, as he saw it, was what would be Britain's position after confrontation. *The Prime Minister* said that we could only defend our continuing presence in Singapore if we showed we intended to bring our confrontation troops home. *Mr. Healey* recalled that in any case only a quarter of our troops in the Far East would be brought home. We should still be keeping about 6% units there. Indeed, one of our difficulties was that if we continued to stay in Singapore we might have to keep more men there than would be the case if we were able to move to facilities in Australia. Forty per cent of our overseas expenditure on defence would still be spent in the Far East. In any case it was still far from certain how soon confrontation would really end, but when this happened our withdrawal would be in gradual stages over a period of 3 to 4 years.

*Mr. Rusk* said that he nevertheless hoped that H.M.G. would give consideration to how SEATO could now evolve. *The Prime Minister* agreed to consider this.

## **18 CAB 148/25, OPD 29(66)2**

**17 June 1966**

### **'Defence review: South Africa and the South Atlantic': minutes of Cabinet Defence and Oversea Policy Committee meeting**

The Committee considered a note by the Chairman of the Official Committee (OPD(66) 69) to which was attached a memorandum regarding the means of implementing the Defence Review decision that we should seek to withdraw our naval forces and personnel from South Africa while retaining the right to use defence facilities, including over-flying facilities, there.

*The Defence Secretary* recalled that Ministers had decided in the Defence Review that we should seek to withdraw our naval forces and personnel from South Africa while retaining the right to use defence facilities there, including over-flying facilities. This involved the withdrawal of the South Atlantic and South America (SASA) Squadron and of the Commander-in-Chief, South Atlantic and South American Station (C-in-C SASA) and his staff. The defence facilities which we wished to retain—and which would be expensive to replace—included facilities for communications, refuelling, maintenance and docking, and over-flying and staging; it was also desirable to secure continued South African participation in the NATO worldwide Naval Control of Shipping Organisation. It was necessary to consider how we might best present to the South African Government our decision to withdraw our naval forces and personnel without causing adverse reactions which might involve the withdrawal or re-negotiation of these facilities. Planning

had been proceeding on a joint naval exercise with the South African Navy, postponed from October, 1965, and now due to take place between 15th July and 25th August. The United Kingdom forces involved would be one RN submarine (en route to the Far East), an RN frigate based on Simonstown, and a small number of RAF aircraft which it was proposed to fly out from the United Kingdom, not using African airfields. If this exercise were now to be cancelled it might jeopardise the retention of our defence facilities in South Africa, whereas to confirm our continuance in the exercise might reassure the South Africans. A further factor which might reduce the chances of an unfavourable reaction to our planned withdrawals would be an offer in principle to contribute towards the modernisation of the Cape Wireless Station; this offer might be restricted to a capital outlay of £300,000 or an annual payment of £25,000, and was at present under consideration with the Treasury.

*The Foreign Secretary* said that he was in general agreement with the proposals outlined by the Defence Secretary. It would be desirable that HM Ambassador in South Africa should be authorised to open negotiations with the South African Minister of Foreign Affairs before the latter left South Africa at the end of June for a month's absence, and that he should at the same time be in a position to confirm Her Majesty's Government's willingness to continue with the training exercise and propose a contribution by Her Majesty's Government to the modernisation of the Cape Wireless Station on the lines suggested.

Discussion showed general agreement with the Defence Secretary's proposals.

*The Prime Minister*, summing up the discussion, said that the Committee agreed that HM Ambassador in South Africa should be authorised to open negotiations with the South African Foreign Minister, informing him of Her Majesty's Government's decision to withdraw the SASA Squadron and C-in-C SASA and his staff as proposed in OPD(66) 69. At the same time he should confirm our participation in the joint training exercise planned for July–August and, subject to further examination by the Treasury and Ministry of Defence, offer a contribution by the United Kingdom Government towards the modernisation of the Cape Wireless Station. It was essential that the prospects of the South African Government continuing their present attitude of restraint in connection with the Rhodesian situation should not be impaired. If, as was possible, other African countries reacted adversely to our participation in the naval exercise with South Africa this requirement would need to be explained to them frankly.

The Committee:—

- (1) Took note, with approval of OPD(66) 69 and of the Prime Minister's summing up of their discussion.
- (2) Invited the Secretary of State for Defence to proceed with plans for the joint training exercise with the South African Navy.
- (3) Invited the Chancellor of the Exchequer and Secretary of State for Defence to arrange for their Departments to examine further the question of a contribution by the United Kingdom Government to the modernisation of the Cape Wireless Station with a view to an offer being made to the South African Government when the latter were informed of our plans for withdrawal.
- (4) Invited the Foreign Secretary to instruct HM Ambassador to open negotiations with the South African Foreign Minister in accordance with conclusions (1) to (3).



**19 CAB 148/25, OPD 31(66)2****5 July 1966****'Foreign secretary's visit to the Far East': minutes of Cabinet Defence and Oversea Policy Committee meeting on Mr Stewart's visit to explain British defence policy in South-East Asia**

*The Foreign Secretary* said that in Bangkok he had explained our defence policy in South East Asia. The Thai Government were faced with an increasingly serious problem of insurgency, supported from outside the country. They were not, however, asking for outside help to deal with this and it was important that we should not encourage countries in the area to expect that such help would be available; they must deal with the problem themselves, although we might have to take a different view if the external support for insurgency increased beyond a certain point.

At the South East Asia Treaty Organisation (SEATO) meeting three distinct groups had been distinguishable: the four regional members and the United States; France and Pakistan; and ourselves. The first group had taken a very strong line on Vietnam and it was clear that many Asian countries in the area were greatly concerned at any possibility of a United States withdrawal from Vietnam. The French observer had made no contribution at all and Pakistan had taken a cautious line in view of her reliance on China for support against India. The Pakistan representative had pressed for the inclusion in the communiqué of a reference to the dispute with India but this suggestion had fortunately been dropped. Speaking for the United Kingdom he had explained that we intended to keep a military presence in the area and would fulfil our existing commitments but could not undertake any new commitments in the SEATO context.

The subsequent four power talks in Canberra had been less difficult than he had expected and it had been agreed that there should be discussions at the official level of the problems of the area, on a country by country basis, in order to define the respective roles of the four powers. The United States Secretary of State had suggested that United Kingdom forces released from Malaysia by the end of confrontation should be sent to Vietnam; but he had explained that this would not be acceptable in view of our declared policy and Mr. Rusk had not pressed the suggestion. It had also been suggested, both by the Americans and by the Australians, that British forces might be sent to Thailand, but he had taken the line that the Thai Government had not asked for this and must themselves deal with the problem of subversion. He had emphasised that in relation to our population and resources we had been bearing heavier military responsibilities than any other country and that these must be reduced. He had explained that we were not seeking an excuse to leave Singapore, but that developments might be such that we should be unable to stay. The Australians had agreed to prepare contingency plans for stationing British naval and air forces in Australia; land forces would be more difficult since the Australians would be reluctant to have British land forces based in Australia while Australian forces were fighting in Vietnam. It had been agreed that local groupings of Asian countries could be valuable as a barrier to Chinese expansion and he had emphasised our view that we should be more likely to achieve this if Western forces were available 'in the second line'.

In Djakarta the Indonesian Foreign Minister, Mr. Malik, had also been in favour of a wide grouping of Asian States, which would nominally be for economic and

cultural purposes but would in fact be aimed at resisting Chinese expansion. There seemed to be a reasonable prospect that with care such a grouping of Asian States could be established. He had spoken to Mr. Malik about Indonesian incursions into Eastern Malaysia since the Bangkok Agreement<sup>1</sup> and had warned him of the serious consequences if these continued. He was personally satisfied that Mr. Malik sincerely wanted to end confrontation because of his concern to restore the Indonesian economy. The attitude of the Indonesian military leaders was less certain but the recent incidents might have been intended to demonstrate Indonesian military power in order to influence opinion in Sabah and Sarawak. The Conference of the Provisional People's Consultative Congress had been in progress during his visit to Djakarta and the Indonesian leaders seemed confident that they could gradually remove President Sukarno<sup>2</sup> from any remaining position of influence. The change of government in Indonesia and the prospects which had now opened for improved relations, justified our policy of firmness coupled with restraint in dealing with confrontation.

In Kuala Lumpur he had told the Malaysian Defence Minister, Tun Razak, that once confrontation was over we should wish to hand over to Malaysian forces and withdraw our troops from the Borneo Territories as rapidly as possible; and that once they had left they would not be expected to return. Our withdrawal might lead to a deterioration in the security situation in the Borneo Territories but we could not use British forces to protect the Malaysians against Indonesia if the Malaysians themselves, who professed full confidence in Indonesian good faith, did not wish us to do so. He had found the atmosphere in Kuala Lumpur depressing and Tun Razak had not been helpful about the anti-British statements which Malaysian Ministers were inclined to make.

In Singapore the Prime Minister, Mr. Lee, was much concerned that the Indonesian Government were not acting in good faith and that after the British withdrawal they would take over Sabah and Sarawak as a prelude to an attempt on Singapore. It was discouraging that in Singapore and Kuala Lumpur the leaders were more pre-occupied with suspicions of each other than with the threat from China.

*The Minister of Defence for The Royal Air Force*<sup>3</sup> said that from his own recent visit to Malaysia and Singapore he could confirm the atmosphere of unrealism in Kuala Lumpur. The Malaysian authorities had not consulted us about their negotiations with the Indonesians for ending military confrontation, but there was a report that they had already reached agreement that, when confrontation was formally ended, all British forces should immediately be withdrawn from one of the most sensitive areas in Borneo. There was no certainty that the Indonesians, even if they wished to do so, could control dissident elements from their side of the frontier and the Malaysians

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<sup>1</sup> An agreement to end the three-year old confrontation between Malaysia and Indonesia was signed by Mr Malik and Tun Abdul Razak, the Malaysian deputy prime minister and defence minister (see 103), at Bangkok on 1 June 1966. A formal treaty was signed by the two ministers on 11 Aug. Malaysia agreed that general elections should be held in Sabah and Sarawak to establish whether they wished to remain part of Malaysia. The treaty also called for the immediate cessation of hostilities and the resumption of diplomatic relations between Indonesia and Malaysia.

<sup>2</sup> Achmad Sukarno, first president of Indonesia, 1945–1967. Sukarno's authority was irreparably damaged in the autumn of 1965 after the Indonesian army under the command of General Suharto, the army minister, suppressed with great savagery the Indonesian communists. Suharto took over the presidency from Sukarno on 12 Mar 1967.

<sup>3</sup> Lord Shackleton, minister of defence for the RAF, 1964–1967; undertook mission to South Arabia, 1967.

might well be incapable of maintaining security in the Borneo Territories. In any case the Malaysian Air Force was not in a position to take over immediately and would continue to rely on support from the RAF for air transport. There was therefore a risk that if we withdrew from the Borneo Territories too soon we should be left with an ill-defined responsibility and, if the situation there deteriorated, we might be asked by the Malaysians under the Defence Agreement to return.

*The Chancellor of The Exchequer* said that the state of the economy and the prospective balance of payments deficit in the current year would very shortly face the Government with decisions about reducing expenditure. It was essential that we should achieve the maximum economies in defence expenditure in the minimum time and to this end we should ensure that all our forces were withdrawn from the Borneo Territories as soon as possible; we were under no obligation to assist the Malaysians to maintain internal security there. The Foreign Secretary, with the agreement of his colleagues, had said in Canberra that just as the Australians had come to our aid in two world wars we would assist Australia if she were attacked; it did not however follow that for this purpose we must maintain bases in the area, whether in Singapore or in Australia itself.

*The Prime Minister* said that although the security situation in the Borneo Territories might deteriorate after our withdrawal there was a risk that if we stayed on too long we should get further involved; there was therefore a strong case for taking Tun Razak at his word and withdrawing our forces as soon as confrontation ended. In the light of the reports by the Foreign Secretary and the Minister of Defence for the Royal Air Force on their visits to the Far East, a message might be sent to the Secretary of State for Defence, who was now in Singapore, asking him to consider plans for the largest possible reduction of British forces in the theatre in the shortest possible time after confrontation ended. He might also be asked to examine the possibility of reducing expenditure in Singapore, not only by reducing the forces stationed there, but also through reductions in overhead expenditure which might be achieved by giving up or 'moth-balling' facilities in the base. The question of reducing Government expenditure, to which the Chancellor of the Exchequer had referred, would be studied by the Committee which the Cabinet had agreed to set up to review overseas expenditure.

The Committee:—

- (1) Took note of the reports by the Foreign Secretary and the Minister of Defence for the Royal Air Force on their visits to the Far East.
- (2) Invited the Minister of Defence for the Royal Air Force to send a message to the Secretary of State for Defence in Singapore on the lines indicated by the Prime Minister in his summing up.<sup>4</sup>

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<sup>4</sup> Brown replaced Stewart as foreign secretary on 11 Aug 1966. Briefing Wilson on Brown's views on current issues, A M Palliser, private secretary to the prime minister, commented on South-East Asia: 'The Foreign Secretary is not entirely convinced of the validity of our present approach. He is inclined to question whether it is really in the long-term British interest for us to be physically present in the area more or less indefinitely. He fully recognises that we have to honour our present commitments and that we cannot just pull out and leave Australia and New Zealand and all our other allies in the area (to say nothing of the Americans) to their own devices. But he wonders whether—particularly in the context of the Defence Review—we should not accept as our eventual objective that we should get right out of South East Asia, and pending this becoming possible we should not undertake commitments or plans designed to keep us on the hook rather than let us off it' (PREM 13/1454, minute, 3 Sept 1966).

**20 CAB 148/25, OPD 39(66)****12 Oct 1966****'Malta': minutes of Cabinet Defence and Oversea Policy Committee meeting on the effect on Malta of the proposed reduction of services**

[When Malta became independent in Sept 1964, a defence agreement was concluded under which the UK paid £5 million a year in return for the right to station troops on the island, and the use of naval and air facilities. A ten-year financial settlement was also agreed, the UK contributing over the first five years £29.5 million (75 per cent as a loan, 25 per cent as grant) to develop new industries and tourism to replace Malta's economic dependence on service expenditure. Malta was also the Mediterranean headquarters of NATO. In 1965 Malta applied for admission to NATO but had to be satisfied with a statement by the NATO Council to the effect there would be joint consultations if, in the opinion of the Maltese government or any NATO member, the independence, security or integrity of Malta were threatened. In 1960 the UK government had decided to convert the Naval Dockyard at Malta to commercial use. It was leased to a UK-based firm of dry dock operators until 1963, when the administration was taken over by a new Drydocks Corporation with UK shipping firms as managing agents. The dockyard was nationalised in 1968, although the managing agents continued to assist in the administration until 1971.]

The Committee considered a memorandum by the Commonwealth Secretary (OPD(66) 93) on the reduction of the services in Malta.

*The Commonwealth Secretary* said that the Maltese Government had reacted very strongly against the proposals put to them by the Parliamentary Under Secretary of State and there was no prospect of securing their acquiescence in reductions on the scale and timetable we had envisaged. During the Commonwealth Prime Ministers' Conference the Maltese Prime Minister had confirmed their position and had referred to an assurance given by the former Colonial Secretary (Mr. Duncan Sandys) in 1964 that there would be no further reduction for ten years: however no record of any such undertaking existed in the Commonwealth Office.

A re-examination of the consequences for the Maltese economy had shown that these would be very severe, particularly in regard to unemployment. Even if more money were available this would not mitigate the effects in the short term. The Chiefs of Staff had confirmed that the remaining facilities which we intended to retain in Malta would be of great importance and many of our plans, for instance the evacuation of British subjects in case of need from Nigeria, depended on the use of Malta as a staging post. There was however a risk that if we carried out the reductions against the wishes of the Maltese Government, they would deny us these remaining facilities. This would be against their own best interest but both Government and Opposition in Malta were in that event likely to act on emotion rather than reason. Resentment might be so strong as to turn Malta against the West, with serious consequences for the North Atlantic Treaty Organisation and for the strategic position in the Mediterranean. The damage to Anglo-Maltese relations would affect other issues on which decisions were urgently required, such as the future of the Malta Dockyard and which were important to United Kingdom interests. It must also be recognised that the savings we should obtain would be offset by a reduction in Maltese imports from the United Kingdom so that the net benefit to the balance of payments might be no more than £4 million a year. We should therefore agree to modify the extent and timing of the rundown. We should offer to defer for two years the withdrawal of the two battalions from Malta. This would cost an additional £1-2 million a year, but against this could be set £1¼ million which would have to be spent

on accommodation in the United Kingdom if the troops were brought back here. We should also offer to retain for a further period the Royal Malta Artillery (RMA) now serving in Germany, to which the Maltese Government attached great importance, if only for reasons of prestige. We might also offer to defer the withdrawal of one Canberra squadron for six months and of the Royal Navy frigates for twelve months. The total net additional cost would be a little more than £2 million, of which £1.5 million would be in foreign exchange. The Maltese Prime Minister would be leaving Malta for two months in early November but it had been suggested to him that he should come to London in late October for further consultations about the rundown.

*The Secretary of State for Defence* said that Malta was only one instance of the difficulties which were bound to arise from the Defence Review redeployment and the decision taken in July to accelerate the programme. We faced similar difficulties in such areas as Germany, Hong Kong, Libya and Brunei. There were dangers in dealing with each area individually and it would be better to take decisions after a review of the whole problem. If it were decided, after such a review, that changes in the Defence Review redeployment were required for political rather than military reasons, any additional cost should not fall on the Defence Vote. In regard to Malta it was important that the Royal Navy and Royal Air Force reductions should not be delayed and according to his information the cost of doing so would be higher than that suggested by the Commonwealth Secretary. If the Royal Navy frigates were not withdrawn we should have to retain the shore installations and the cost would be £2 million in resources and £3.4 million in foreign exchange. The retention of the Canberra squadron would cost £20,000 in resources and £100,000 in foreign exchange. The RMA would not be required in Germany after April 1967 and to retain it there would cost our balance of payments £500,000 a year in remittances as well as the cost of maintaining the second regiment in Malta. We should not go further than the offer already made to discuss with the Maltese Government the date for handing over to them responsibility for the RMA. The retention of the two Army battalions in Malta would offer certain advantages in easing the accommodation problem in the United Kingdom, but the additional United Kingdom expenditure of £1¼ million would only be deferred unless the battalions were to remain in Malta for a number of years until the problem of temporary accommodation in the United Kingdom had been solved. If we made any offer in relation to the two battalions we should try to limit its scope. Instead of agreeing initially that both battalions should remain for an additional two years we might seek agreement on the basis that withdrawal should be deferred for only one year or that the delay should be of one year for one battalion and of two years for the second. A particular problem concerned the withdrawal of the Shackleton squadron; this had not been in Malta at the time of the 1964 Agreement and its withdrawal had not been accelerated by the July decisions. Even if consultation with the Maltese Government about our other proposals were delayed we should secure their acquiescence in the withdrawal of the Shackleton squadron.

In discussion there was general agreement that the position in Malta should be considered in relation to the position in other areas affected by the Defence Review redeployment and by the decisions reached in July to make savings of at least £100 million in Government overseas expenditure during 1967/68. It would then be possible to judge the arguments in regard to Malta, based on the long association between Malta and the United Kingdom and the economic consequences for Malta, against the arguments applying to other areas.

Summing up the discussion *the Prime Minister* said that the Government had recognised that the decisions taken in July in regard to savings in Government overseas expenditure would be difficult to implement, but it was important to achieve the total saving which had then been announced. A review of the progress made in reaching this total, and particularly of the defence savings which formed part of it, should be prepared urgently so that the Committee could consider the position in Malta and in the other areas affected by the Defence Review redeployment. Meanwhile, the Maltese Prime Minister might be informed that the question of the Services rundown in Malta was still under consideration; but we should insist that the withdrawal of the Shackleton squadron should be treated as a separate issue and should not be deferred.

The Committee:—

- (1) Took note that the Prime Minister would arrange for an urgent review of the progress made in implementing the Government's decision to reduce Government overseas expenditure by at least £100 million in 1967/68.
- (2) Agreed to reconsider the question of the Services rundown in Malta in the light of this review.
- (3) Invited the Commonwealth Secretary to inform the Maltese Prime Minister that the question of the Services rundown in Malta was still under consideration but that the withdrawal of the Shackleton squadron was a separate issue and could not be deferred.<sup>1</sup>

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<sup>1</sup> Discussion of Malta resumed when the DOPC met on 19 Oct. Bowden again argued that reductions on the scale and timetable proposed would inflict damage on Malta, including unemployment at a level equivalent to four million in the UK. Also put at risk would be an agreement over the future of the dockyard and the defence facilities the UK wanted to retain. On this last point the Commonwealth secretary was supported by Healey who emphasised it was a strategic interest of the UK that Malta should not seek help from the Soviet Union. (The Defence Review envisaged Malta as a staging post and base in support of certain military operations; without the Maltese airfields the UK could not implement plans to intervene in Libya.) The defence secretary argued it would be wrong to delay the run-down of naval facilities and the withdrawal of the Canberra squadron but there was room for compromise over the date of the withdrawal of the two battalions. Arguing on strict economic grounds, Callaghan suggested the UK 'urgently needed to carry through the withdrawal from Malta in the shortest possible time'. The Committee accepted some alleviation was called for and suggested further consultation with the Maltese government (CAB 148/25, OPD 41(66)5). Eventually, and after the Maltese parliament enacted legislation restricting the operations of UK forces in Malta (in one instance tugs refused to move a RN aircraft carrier through the Grand Harbour), an agreement was reached following a conference in London in Feb 1967 attended by Dr Borg Oliver, prime minister and leader of the Maltese Nationalist Party. Breathing space in the first two years of the run-down was agreed and the withdrawal was extended from four to five years. A Joint Mission under Lord Robbins was set up to explore alternative means of employment in the tourism and other industries. The UK also agreed a more generous financial settlement. Malta's investment programme for 1967–1968 included capital expenditure of just over £9 million. The UK agreed to contribute over £5.5 million in grants and just under £1.5 million in loans.

The terms upon which Britain and NATO might continue to use base facilities in Malta remained a contentious issue. Over the second five years of the 1964 ten-year financial agreement, the UK proposed that the amount involved (£23 million) should be 50 per cent loan and 50 per cent grant. Oliver refused to accept these terms, and put forward a demand for a 100 per cent grant. In Mar 1970 Stewart and Healey argued the UK should make concessions to Malta, by reverting to the earlier formula of a 75 per cent loan and a 25 per cent grant. They had two reasons. First, because the Libyan revolution of 1969 and the Russian presence in Egypt had increased the importance of Malta to NATO. Secondly, because it was better to deal with Oliver rather than Dominic ('Dom') Mintoff, leader of the opposition Labour Party, who had already (ahead of an election in Malta scheduled for not later than mid-1971) declared his intention to

remove NATO forces (CAB 129/149, C(70)43, memo by Stewart and Healey, 10 Mar 1970). The Labour Cabinet in London refused to yield, on the grounds that Malta's economy was prospering and that should Mintoff win the election, the UK would have thrown away an important bargaining card (CAB 128/45, CC 12(70)5, 12 Mar 1970). Following Mintoff's victory at the election held in June 1971, the Maltese government cancelled the 1964 defence agreement with the UK and withdrew the right of NATO forces to use the island. To avert a crisis, talks with the Conservative government were held in London in Sept 1971 and agreement reached that for the continued use of the facilities, Malta would receive from the UK £5.25 million a year in rent, and from NATO £4.25 million. But in Dec 1971 Mintoff presented the UK with a demand for an extra £9.5 million, together with restrictions on the use of the base by other NATO powers. He backed his demands by setting a deadline—31 Dec—for the withdrawal of UK troops, and visiting Libya to discuss the possibility the revolutionary Libyan government might take over the finance the bases. In Jan 1972 Heath suggested a fresh approach. He had in mind informing NATO the UK was leaving Malta, and that if the alliance wanted Malta's neutrality it would have to buy it. Home and Carrington resisted and wanted a new agreement. Heath's proposal, they suggested, would be seen as a triumph for Mintoff (PREM 15/1071, no 27, note by Armstrong of a meeting at Chequers, 9 Jan 1972). New talks led to a new agreement (Cmnd 4943) on the use of military facilities in Mar 1972. It ran until Mar 1979 when all UK NATO forces left the island.

## **21 CAB148/25, OPD48(66)1, Confidential Annex 9 Dec 1966** **'Defence expenditure studies': minutes of Cabinet Defence and** **Oversea Policy and Defence Committee meeting on the need for** **further cuts in defence expenditure**

The Committee considered a memorandum by the Secretaries of State for Foreign Affairs, Commonwealth Affairs and Defence (OPD(66) 122) about studies on defence expenditure.

*The Secretary of State for Defence* said that the Chancellor of the Exchequer had indicated the need to consider further large reductions in the Defence Budget by 1970–71. Savings within a range of £200–300 million had been mentioned. These would be most difficult to achieve and without further detailed studies it was uncertain whether they could be reconciled with an effective foreign and defence policy. He had agreed with the Foreign and Commonwealth Secretaries that such studies should be undertaken on the basic assumption that we could not plan on a fundamental change in our external policies only one year after the completion of the Defence Review, and that we should accordingly exclude a total withdrawal of our forces from any one overseas theatre by 1970–71. Such a withdrawal was not indeed politically practicable in the period in question. It was accordingly proposed that studies should be carried out on the following principle hypotheses:—

- (i) a cut of one-third in Defence Review force levels in Europe;
- (ii) a cut of one half in Defence Review force levels in the Far East, including Hong Kong;
- (iii) a reduction in Defence Review force levels in the Persian Gulf;
- (iv) a reappraisal of the value of the Central Treaty Organisation (CENTO) in the longer term and of our position in Cyprus;
- (v) cuts in supporting forces and facilities in the United Kingdom.

The detailed specifications for such studies and the timetable for them were set out in detail in the Annexes to the memorandum. The studies should enable the

Committee to consider the position as a whole and to reach conclusions by the middle of 1967 on the size and shape of the Armed Forces in 1970–71, on their equipment, on our overseas tasks and commitments and on costs. The maintenance of secrecy about them was important in view of the sensitivity of our allies and the risk of damage to the morale of our Armed Forces should there be any reference to a new target figure for defence expenditure. Publicly, therefore, we should take the line that the Defence Review was a continuing process, that we were now looking somewhat further ahead than 1969–70, that defence expenditure was under scrutiny in common with all governmental expenditure, but that there was no new Defence Review.

Furthermore, the implications of this process both for the Ministry of Defence and for the Armed Forces were critical. It would only be acceptable that this further review should be carried out if it were agreed that this would be the last major review of its kind in the life-time of the present Government, though this would not of course exclude the normal continuing examination of the requirements of the Services and of their equipment.

In discussion it was argued that it would be more logical to approach the whole issue of our defence expenditure from a different standpoint. In the first instance, we should consider what our essential interests were in overseas policy and defence in the remainder of this century. The view might well be taken that these interests consisted essentially in the maintenance of stability and that accordingly we should consider what was the most suitable contribution which we could make towards it. On the other hand, it was pointed out that we must, in determining the size of our contribution, also have regard to our economic capacity to bear it, and that in practice a proper determination of priorities could best be ensured by basing studies on initial assumptions about the total level of expenditure. These assumptions should not, however, be regarded as prejudicing the outcome of the studies, or the Government's freedom to determine in the light of them the level of forces required to protect the security of the United Kingdom and to maintain our essential interests overseas.

In considering the particular studies which were proposed, it was further argued that the reductions in forces to be studied would, despite the proposed premise that there should be no fundamental change in our external policies, nevertheless involve such a change. In particular, the forces which would, under these studies, be maintained in various overseas theatres were so small that they might well be ineffective for the ends in view. Furthermore, our military presence in a theatre might mean that we should be inescapably involved in any conflict that might develop there with the risk that the conflict would grow to a level which our military forces would be inadequate to sustain. It was, however, pointed out that the separate studies proposed would not of themselves determine the conclusions which should thereafter be reached on our external commitments as a whole and on the level of our Forces. They would, however, supply the essential facts and show the possible options, in the light of which it would be possible to determine our defence and overseas policy as a whole. It would, however, be desirable, in order to enable the full range of options to be considered, to carry out additional studies on the political and military implications of total withdrawal from the Far East and on the relationship of the possible reduction of our forces in Europe by one-third to the Government's policy of seeking to join the European Economic Community if appropriate



conditions could be secured. Such studies would parallel the longer-term reappraisal of the value of CENTO.

The following further points were also made:—

- (a) There should be a full study of the economic, and therefore political consequences for Singapore and Malaysia if we were to withdraw wholly from the Far East. This study should include the consequences for our own civil and military aid programmes.
- (b) The detailed proposals for the studies did not pay adequate regard to the interests of the dependent territories and these must be fully safeguarded.
- (c) It might well prove necessary to take a number of decisions about equipment for the Armed Forces during the course of the studies and before final conclusions were reached about the future size and shape of the Forces. It would be necessary to ensure agreement between the Treasury and the Ministry of Defence on the manner in which such decisions should be approached.

*The Prime Minister*, summing up the discussion, said that the Committee were in agreement that studies should be carried out as proposed in OPD(66) 122, on the understanding that this in no way pre-judged the decisions which Ministers would take thereafter on our future defence and overseas policy and on the size of the Armed Forces. In addition to the studies proposed, there should be studies of the implications of a total withdrawal from the Far East and of the relationship of the proposed reduction in the level of our forces in Europe to our European policy as a whole and in particular to our investigation of the possibility of joining the European Economic Community. The specifications for these additional studies should be agreed interdepartmentally by officials. The fact that studies were being carried out could not be kept secret and should be handled on the lines proposed in paragraph 6 of the memorandum. It was, however, essential that these specifications should be kept secret since otherwise the mere knowledge that we were considering certain possibilities would itself arouse reactions overseas which would restrict the Government's eventual freedom of choice. The studies should, as in the case of the previous Defence Review, be carried out under the supervision of an official committee under Cabinet Office chairmanship and the Secretary of the Cabinet should consider what machinery should be devised for this purpose.

The Committee:—

- (1) Approved OPD(66) 122.
- (2) Agreed that additional studies should be carried out in respect of Europe and the Far East on the lines indicated by the Prime Minister in his summing up of their discussion.
- (3) Instructed the Secretary of the Cabinet to consider the appropriate machinery for carrying out the studies and for their interdepartmental consideration by officials.
- (4) Invited the Chancellor of the Exchequer and the Secretary of State for Defence to consider the most suitable means for reaching interdepartmental agreement during the course of the studies on the equipment for the Armed Forces for which commitments would have to be made in this period.

**22 CAB 129/128/2, C(67)40****31 Mar 1967****'Defence expenditure studies': joint Cabinet memorandum by Mr Brown and Mr Healey recommending a revised timetable for a British military withdrawal from South-East Asia**

[The proposals outlined in this memo were sent by the MoD to Downing Street on 21 Mar. Palliser commented to Wilson: 'If we pursue the policy suggested here, we should be under no illusion that it is anything but the end of Britain's "world role" in defence—at least in the eyes of our main Far Eastern allies (the United States, Australia, New Zealand, Singapore and Malaysia) and of course also in those of our potential European partners (though this of course would not be disadvantageous).' Palliser thought it would be a mistake to begin talks with the UK's allies. There might be a leak 'in garbled form' and if things went wrong the result might be that for a policy which was not to be implemented for another eight years, the UK would immediately 'incur all the odium at a time when our main allies in the Far East are bogged down in the Vietnam war, and resentful of our failure, as they see it, to help them there'. The Cabinet Office, according to Palliser, was 'seething with indignation' about the MoD's proposals because only at the last minute had MoD officials revealed what they had in mind (PREM 13/1384, minute to Wilson, 21 Mar 1967). The proposals were placed before the DOPC on 22 Mar. The minutes attribute the following to Brown: 'Our aim should be to remove our forces from the mainland of Asia as soon as possible and not to retain commitments for which our forces were inadequate. This would best be done by moving to a peripheral strategy based on naval and air forces. His only reservation was on fixing now a firm date such as 1975–76 for reaching this position. It would be preferable for the date to be flexible so that if opportunity offered, for example because the war in Vietnam ended, we could leave Singapore/Malaysia earlier. We must not get ourselves into a position which committed us to stay on the mainland of Asia longer than we need' (CAB 148/30, OPD 14(67)2, confidential annex, 22 Mar 1967).]

Our colleagues are aware (CC(66) 59th Conclusions, Minute 2) that a series of studies has been in progress designed to secure further large savings in defence expenditure by 1970–71. A major reduction of our forces was postulated, but still on the basis of no major change in our overseas policies. It is now clear that on this basis the maximum further savings on the defence budget which could be achieved by 1970–71 would be about £100–£125 million (these figures would increase by up to £25 million in subsequent years).

2. When these studies were started it was hoped to find further defence savings of between £200 million and £300 million by 1970–71. These savings figures were arbitrary and not based on any detailed calculations. Nor did they take account of any offsetting expenditure on economic or defence aid that might be required. Subsequent consideration of future public expenditure as a whole has emphasised the need to achieve the maximum possible saving on defence account as a contribution to the reduction of the present planned programmes of public expenditure as a whole by £500 million in 1970–71.

3. It is, therefore, plain that we must either accept a much smaller saving than had been hoped for on the Defence Budget or change our overseas policies. For the health of our economy we must change our overseas policies. We suggest below how this could best be done and outline what new policies we should seek to adopt. We must, however, emphasise that the new policies if agreed by our colleagues will take time and effort to carry through, and will not then be easy to change.

*Room for manoeuvre*

4. The indications are that in the next few years our room for manoeuvre is limited mainly to our Far East deployment and commitments and to the

consequential effects on the forces, facilities and stocks which we need to maintain in the United Kingdom. Even in the Far East the pace at which we can proceed will be seriously affected by the need not only to re-negotiate our commitments but also to avoid creating instability and so frustrate the achievement of the savings we wish to obtain. In particular, Singapore's economy is highly dependent on the presence of British forces, which provide 20 to 25 per cent of the Gross National Product and employ not far short of 10 per cent of the local labour force against the background of a local unemployment figure of about 10 per cent.

### *Politico/military strategy*

5. In the light of the studies carried out we consider that it will be necessary for us to withdraw British forces from Singapore and Malaysia and to maintain a minimum military presence with maritime and air forces based in Australia.

6. We shall have to consult our Allies about this proposal, notably Australia, New Zealand, the United States, Singapore and Malaysia. Withdrawal from Singapore and Malaysia would have to be phased over a number of years; our aim would be to try and reach the half-way mark by 1970–71 and to be completely out by 1975–76, though we should not preclude the possibility of an earlier withdrawal if political events made this feasible. We should offer, if necessary, to maintain a small maritime and air presence, on an unaccompanied basis in Australia, using Australian facilities once we have withdrawn from Singapore and Malaysia.

### *Commitments*

7. This new approach will involve major re-negotiations of our commitments. Soon after 1970–71 we should no longer have any land forces in the Far East (apart from Hong Kong) and we must therefore re-negotiate our Treaty obligations to Malaysia and Singapore and our force declarations to the South East Asia Treaty Organisation. We should have to re-negotiate our agreement with Brunei. We could no longer contribute our land forces to the Commonwealth Brigade, but we could contribute maritime and air forces to a Commonwealth Strategic Force. Apart from the political and military changes in commitments, the economic consequences in the area as a whole would be considerable and in Singapore could be grave.

### *Defence savings*

8. It is not possible at this stage to give precise figures of the likely savings in the Defence Budget; but the Defence Secretary believes that, if adopted now, the defence savings that should result by 1970–71 would, as a preliminary estimate, be in the region of £150 million to £200 million and up to £300 million by 1975–76. It will take some time to work out the full implications, not least because of the need to assess the effects on the forces we maintain in the United Kingdom. The urgent need is for the process of consultation to start so that an early start can be made in achieving defence savings.

### *Aid implications*

9. The defence savings take no account of the expenditure on aid which would be necessary to help mitigate the consequences of our withdrawal from Singapore and Malaysia. Some increase in the aid budget will be needed to alleviate the economic difficulties, particularly in Singapore where they seem likely to be more severe than Malta. The full implications cannot be assessed before consultation starts.

*Consultation*

10. It will be difficult to carry our partners with us in this new approach and to get them to accept the major consequences in terms of reduced military capability, re-negotiated commitments, and economic changes. Nevertheless, we believe it is essential to do so.

*Timing and tactics*

11. A principal difficulty in giving effect to the new approach lies in choosing the right combination of timing and tactics. On the one hand, in order to make sense of long term planning some firm assumptions are needed. But on the other, flexibility is required if we are to get the maximum political advantage out of the proposed policy. It may well be that outside political events, in particular a Vietnam settlement, will eventually make things easier for us with our allies. We must ensure that neither our planning nor our public statements commit us so rigidly that we find ourselves unable to advance the date of our final departure from Singapore and Malaysia if this later proves to be possible. In any public statement we may make, we should be careful to avoid naming dates so as to leave the maximum room for manoeuvre. In carrying out further work we shall study carefully the possibilities of making our final withdrawal at a date earlier than 1975–76.

12. If this approach is acceptable to our colleagues, we propose to start forthwith a series of consultations with our friends and Allies concerned on the lines we have indicated but without prejudice to final decisions which must be taken in the middle of this year.

*Conclusion*

13. We recommend that our colleagues agree to the new approach outlined in this paper.

**23 CAB129/128/2, C(67)41****31 Mar 1967****‘Defence expenditure studies’: Cabinet memorandum by Mr Bowden on the likely impact of the proposed British military withdrawal from South-East Asia**

The Foreign and Defence Secretaries in their memorandum C(67) 40<sup>1</sup> have proposed major changes in our overseas policies in the Far East, involving a rapid run-down of our forces by 1970–71 and their withdrawal from Malaysia/Singapore by 1975–76.

2. The main impact of these changes will fall on the Commonwealth countries in the area—Australia, New Zealand, Malaysia and Singapore. A decision to plan on total withdrawal from Malaysia/Singapore represents a major reversal of the policy announced just over a year ago after consultations with our Commonwealth allies and often reaffirmed since then; and the speed of run-down goes far beyond anything contemplated when I visited these Commonwealth countries last month.

3. In my view the better course would be to adopt as our objective a reduction of our forces to about half their present level in the next few years, to initiate consultations on this basis, and to leave a decision on the date of eventual withdrawal

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<sup>1</sup> See 22.

from Malaysia/Singapore to be taken in the light of developments in what is bound to be a fluid situation in the Far East.

4. If, however, the decision is in favour of the course recommended in C(67) 40, there are certain important principles I would wish to underline:—

(a) It should be our clear aim so to handle matters that we do not create a chaotic situation in the Malaysia/Singapore area. This will be essential for the carrying out of our policy without disaster. But very severe strains will be imposed on Malaysia and Singapore both from the need to readjust their own defence arrangements and from the impact on their economies. Malaysia and Singapore are, particularly by South-East Asia standards, successful and progressive countries due to British rule and friendship in the past, and, as such, assets in the search for peaceful progress in that part of the world.

(b) Our negotiations with Malaysia and Singapore can only be realistic if based on acceptance on our part of the need to mitigate the economic consequences of our run-down by making available civil, and probably military, aid on a very considerable scale. The economic problems arising from a run-down of the scale and speed envisaged have not been assessed in detail; but it is clear that they will be formidable, particularly in Singapore where there is a real risk of a Communist take-over if the strains are too great. There can be no certainty that in Singapore the damage to the economy could be made good by development aid, however large, and relatively large sums of budgetary aid may be required.

(c) We must be prepared to take fully into account the views expressed by these four Commonwealth Governments in our consultations with them. For Australia and New Zealand major readjustments in the disposition and possibly the shape of their own defence forces will be involved. Our consultations with them should be full and frank. It will be essential to carry Malaysia and Singapore with us if our run-down is to be orderly and meet our own practical requirements. This underlines the need for flexibility (paragraph 11 of C(67) 40).

5. I ask that, if C(67) 40 is approved, my colleagues should endorse the three principles outlined above.<sup>2</sup>

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<sup>2</sup> Cabinet considered the joint memo by Brown and Healey (see 22) and this memo by Bowden at two meetings on 4 and 11 Apr 1967. Ministers authorised consultation with the UK's allies upon the basis of the Brown-Healey proposals. It was agreed Brown would sound out the US, Australian and New Zealand governments during the forthcoming SEATO Council meeting at Washington, after which Healey would visit Singapore and Malaysia. The questions of the eventual date of withdrawal, and whether (a) the UK would thereafter maintain maritime and air forces in Australia and (b) what size these forces might be, would be taken in June–July upon completion of the defence review (CAB 128/42/1, CC 16(67)3 and CC 19(67)4).

## **24 CAB 148/30, OPD (67)17, Confidential Annex 21 Apr 1967** **‘Defence expenditure studies’: minutes of Cabinet Defence and Oversea Policy Committee meeting on Mr Brown’s discussions in Washington with the US government, the prime minister of New Zealand and the Australian minister of external affairs**

*The Foreign Secretary* said that, during his consultations in Washington earlier that week about the changes that we intended to make in our policy and military

deployment in the Far East, his task had been made more difficult by the restrictions placed upon him by the Cabinet's decision that we should not, at least at this stage, discuss the possibility that, after we had withdrawn from Singapore/Malaysia, we might maintain a maritime and air presence in the area using facilities in Australia.<sup>1</sup> The Defence Secretary would face a similar problem during his forthcoming visit to the Far East for consultations with the Governments of Singapore and Malaysia. We could not expect to secure even the acquiescence of our allies in our plans to withdraw from the mainland of Asia (apart from Hong Kong) by the mid-1970s unless we were able to say that we were ready to maintain such a presence thereafter and this issue called for early reconsideration by the Cabinet.

He had found a general readiness on the part of the United States Government and of the New Zealand Prime Minister, Mr. Holyoake, and the Australian Minister of External Affairs, Mr. Hasluck, to accept our plan to reduce our forces in Singapore/Malaysia by about half by 1970–71, but all were opposed to our presenting this rundown in the context of an intention to withdraw altogether from Singapore/Malaysia by the mid-1970s. The Australian reaction to our plans had been particularly strong and only the Americans accepted our view that, once the war in Vietnam was over, white troops were likely to be unwelcome in South East Asia. The Americans, including President Johnson, the Vice-President Mr. Humphrey, the Secretary of State, Mr. Rusk, and the Secretary for Defense, Mr. McNamara, were particularly concerned that we should not announce any intention to withdraw completely from the Far East because of the effects this would have on the policy of the United States Administration, given the attitude of the Senate.<sup>2</sup> They had also stated categorically that if we were to withdraw from the Far East there was no prospect that they would become responsible for filling the power vacuum that ensued. Despite this reaction we should hold to our plans to reduce our forces in Singapore/Malaysia by about half by 1970–71 and to withdraw these forces altogether by the mid-1970s, presenting these moves as part of a single logical plan. This would add somewhat to the difficulties of the United States Administration but would be likely to accord in timing with their objectives of bringing the war in Vietnam to an end in the next year or two. The consultations which the Defence Secretary was to have in Singapore and Malaysia should be on the same basis as those which he had had in Washington and should make clear that what we intended to do was right on grounds both of economy and policy.

*The Defence Secretary* said that he was in full agreement with the Foreign Secretary. It was essential that we should inform the Governments of Singapore and Malaysia of our plans as fully as we had those of the United States, Australia and New Zealand. It was also essential that as soon as possible we should be able to say that we

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<sup>1</sup> See 23, note 2.

<sup>2</sup> Palliser interpreted Rusk's attitude as, 'Plan as much as you like, but for God's sake don't go announcing it all now' (PREM 13/1455, Palliser minute, 3 May 1967). At about the same time, on 25 Apr, Wilson and Johnson met briefly at Bonn. The president remarked that all Wilson's financial troubles would be over if the UK agreed to send two brigades to Vietnam. Wilson responded that if he even hinted at this he would have no financial worries because he would be out of office and coping quite nicely on his memoirs (*ibid*, minute of meeting). By this point also US Treasury officials realised it was illogical to expect the UK to take action to support sterling and, at all costs, to maintain its overseas commitments. Mathew Jones. 'A decision delayed: Britain's withdrawal from South-East Asia reconsidered, 1961–8' *The English Historical Review* vol CXVII (2002) pp 589.

were willing to maintain a military presence in the Far East after we had left Singapore and Malaysia. If we could not do this we should be repudiating earlier statements of policy made by the present Administration. We could not otherwise hope to obtain acquiescence in our plans nor indeed to maintain the credibility of the Government's statements. But we should not, without further consideration, attempt to specify even in general terms the nature of this presence or its size, and in particular we should not at this stage imply that our capability would necessarily be in the form of forces permanently stationed in the area. As regards costs, the first rough calculations that had been made of the saving of £300 million in 1975–76 that would result in defence expenditure if our plans included total withdrawal from Singapore/Malaysia by then had allowed for the spending of £10 million annually in the Far East on a continuing presence there and, in addition, for consequential expenditure in this country on the capability to reinforce if necessary.

In discussion there was general agreement with the views expressed by the Foreign and Defence Secretaries. Our objective remained to take decisions on all aspects of our defence policy and programme in June/July. It appeared that progress towards decisions on the Far East aspect of our policy would be seriously delayed, with a consequential deferment of savings which we would achieve, unless we were shortly able to indicate a willingness to maintain a presence in the area after our withdrawal from Singapore/Malaysia. This would require further consideration by the Cabinet.

*The Prime Minister*, summing up the discussion, said that in his consultations with the Governments of Singapore and Malaysia the Defence Secretary should follow the same line as that which the Foreign Secretary had taken in Washington, taking them into our confidence in the same way about our plans and the reasons of economy and policy which underlay them. He had himself sent a message to the Australian Prime Minister, Mr. Holt, recognising the concern of Australia that we should not abandon our interest in the Far East and stating our intention to maintain this interest and support, though without relying by the mid-1970s on large overseas establishments on the ground.

The Committee:—

Invited the Defence Secretary to be guided by the Prime Minister's summing up of their discussion in his consultations with the Governments of Singapore and Malaysia.

## **25 CAB 148/32, OPD(67)29**

**4 May 1967**

### **'Far East defence policy': memorandum by Mr Healey for Cabinet Defence and Oversea Policy Committee on his visits to Singapore and Malaysia**

I visited Singapore and Malaysia from 22nd to 27th April for discussions with the Governments of Singapore and Malaysia as well as with the Commander-in-Chief, Far East and the Service Commanders. I outlined our new thinking on future policy as follows:—

- a. by 1st April, 1968 we aimed to secure a total reduction of 20,000 in the number of men and women working in or for the Services compared with the total at the end of confrontation;

- b. by 1970/71 we hoped to reduce the number of servicemen and civilians in the Far East by about a half;
- c. we were assuming for planning purposes that British forces would be off the mainland of Asia by the mid-1970's. No specific date for final withdrawal had been fixed and no decision had been taken on whether the United Kingdom would retain a military capability for use in the Far East after the mid-1970's;
- d. we would be prepared to make economic aid available on a significant scale to mitigate the effects of our reductions in Singapore and Malaysia;
- e. our intention was to take and announce final decisions on our future defence policy before the Summer recess.

### *Singapore*

2. The Prime Minister of Singapore was worried chiefly about the maintenance of internal and external confidence in Singapore—both in the short term and in the long term. As to the short term, he was particularly concerned to maintain a stable situation until the new currency was established after its introduction next month. He did not resist the prospect of a reduction in our forces of a half by 1970/71, provided that it was carefully phased in consultation with the Singapore Government. As regards the longer term, he was at pains to stress that a statement now of total British withdrawal by the mid-1970's would inflict psychological damage on Singapore which could be far more serious than the direct economic effects of our proposals. The certainty of lost jobs and reduced income would be hard to accept; but the main danger would come from the potential power vacuum which would create a sense of insecurity in the area as a whole and might well discourage the continuing investment on which Singapore would depend.

3. In short, the main plea of Mr Lee Kuan Yew was that we should present our new policy in a way that would minimise the risk of shaking confidence and creating instability. He urged that we should announce no more than the intention to reduce our forces by a half in the early 1970s, while working quietly and closely together towards the final British objective. He hoped that, after the mid-1970's, we should continue to keep a military presence of some kind in the area, preferably (he implied) on the ground in Singapore, though he did not discount the potential value of rotating forces from the United Kingdom or from Australia. He was anxious to regard the whole operation, not as a parting of the ways, but as evolution towards a new and different relationship between two Commonwealth countries. This approach would depend upon a readiness on our part to show a continuing interest in the area and, particularly if we wish to announce our intention of leaving the mainland by the mid-1970's, to make clear in public that we should still have some military capability which could be used there, if required.

### *Malaysia*

4. Malaysian Ministers reacted in the same way as the Singapore Prime Minister. They too were mainly worried about our intention to leave the Asian mainland by the mid-1970's and the potential effects of announcing it in the immediate future; and they also urged that we should say no more than that we intended to reduce our forces by half by 1970/71, and that we should retain some capability after 1975/76.

5. Other points of importance were these:—



- a. Malaysian Ministers expressed a clear preference that we should retain in the area, after 1970–71, predominantly maritime and air forces which would provide a sophisticated military contribution towards stability of the area; they recognised that these forces would be mainly or wholly based on Singapore.
- b. They assumed that our force reductions, at least over the next few years, would not affect the Anglo–Malaysian defence agreement, though they were told that our plans for meeting any contingencies would be bound to change as the pattern of our forces and the local situation changed.
- c. The Tunku was concerned about the effect of our plans on Brunei; he made very clear his own view that we should be ready to take the initiative, at the appropriate moment, in order to bring Brunei under the wing of Malaysia.
- d. The Tunku also took the view that it would be some time before the Malaysians could expect to see the effective development of any regional co-operation in the area, and he volunteered that he would approach the Australian and New Zealand Governments in order to suggest a new and closer defence relationship now that Britain was being compelled to deploy smaller resources on the spot. He saw advantages in some discussion, later in the summer and probably in London, between the Prime Ministers of the Commonwealth countries concerned.

#### *Economic aid*

6. Both Singapore and Malaysia welcomed the economic fact-finding team, which is now at work. They asked that it should be kept secret—for the reason again that any publicity might give the impression of large and early reductions in jobs and thus damage confidence in economic stability.

#### *Defence factors*

7. The Commander-in-Chief produced a plan for reducing by 1st April, 1968 the total number of men and women working in or for the Services by about 20,000 compared with the total at the end of confrontation. I am examining these proposals and, after consultation with my colleagues concerned, I expect to be in a position very shortly to authorise the Commander-in-Chief to implement them. Our redundancy proposals would then be discussed with the Governments of Singapore and Malaysia.

8. I also discussed the scope for further reductions during the next two or three years on the basis of achieving a reduction of about a half by 1970/71, and of retaining thereafter a residual presence of mainly naval and air forces. It emerged that:—

- a. It was unlikely to be practicable to preserve the Commonwealth Brigade as an efficient unit and at the same time secure the reductions required: the Commander-in-Chief Far East will be discussing the implications of our proposals with the military authorities in Australia and New Zealand during his visit to Australia in about the middle of this month.
- b. It would be necessary to make further reductions of the Gurkhas after 1969 (when we shall have achieved the reduction already announced from 14,500 to 10,000); and this should probably relate to a further cut from the total of 10,000 to a total of about 5/6,000.
- c. The size and scope of the Singapore base and its facilities is governed very largely, particularly for the Army, by the requirements of SEATO Plan 4 (Defence

of the SEATO Area against overt Chinese aggression); if we are to secure the reductions we need, and to make consequential cuts in logistic facilities in the Far East, we shall have to reduce or restrict our force declaration to SEATO—measures that we shall in any event have to take if we are to cut commitments on a scale that will match the cut we are assuming in our forces by 1970/71.

### *Conclusions*

9. I would summarise the conclusions of my visit as follows:—

a. The Governments of Singapore and Malaysia have reacted more helpfully and constructively than we had grounds for expecting. If we can continue to carry them with us, we shall have a better chance of achieving the reductions we seek within the timescale required, and we shall also cut away much of the ground from which the USA, Australia and New Zealand are likely to resist our plans.

b. Total withdrawal from Singapore will present potential problems—military, economic and political—which are likely to be far more serious than those of Aden and Malta. We are fortunate in having to deal with the Government of Mr Lee Kuan Yew—bearing in mind that we have, in an island about the size of the Isle of Wight, some 32,000 uniformed personnel and nearly 40,000 dependants, scattered widely among nearly two million Asians of different races who have a record of turbulence. We should regard the survival of the present regime as an essential condition of plans for orderly withdrawal over the years ahead.

c. What stands out is the importance which both Singapore and Malaysia attach to our being ready to maintain some form of continuing military capability which could, if necessary, be used in the Far East after the mid 1970s—when we shall have withdrawn completely our forces on the mainland. This is a factor which must be considered alongside the plea of both Governments that we should avoid any announcement in the immediate future of our intention to leave the mainland. And an early decision on it will be essential to further progress towards an announcement of our plans.

d. As a result of the initiative of the Tunku, who plans to be in London himself some time in June, we shall have to be ready for further consultations in about a month's time—when the Prime Minister of Australia is also intending to visit Britain. We shall need to decide whether we should, at that stage, enter into any collective consultation with Governments affected by our future plans for Far East defence policy.

### *Next steps*

10. The immediate task is to complete, in the light of the consultations in Washington and the Far East, the next stage of work in the defence expenditure studies. Work is in hand, and I propose that—in relation to the Far East—we should proceed on the following assumptions:—

a. We should, as quickly as possible, complete the necessary consultations with other Departments concerned on measures to achieve total reductions in the Far East of 20,000 by 1st April 1968;

b. we should authorise detailed planning about the means of achieving reductions of about a half by 1970/71—on the basis that we shall then retain a residual presence of naval and air forces, and that—subject to further discussion with

Australia and New Zealand—the Commonwealth Brigade will not be maintained after 1969;

c. we should, in working out further details of our future force levels and deployment, plan:—

(1) to reduce or restrict declarations to SEATO;

(2) to announce at the appropriate time a further reduction in Gurkhas—from a total of 10,000 to about 5/6,000.

d. we should also plan to make provision for some military capability for use if necessary in the Far East after 1975/76—though we should not prejudge the character, size or deployment of this capability until we have made further progress with the defence expenditure studies as a whole.

### *Recommendation*

11. I ask my colleagues to note the conclusions in paragraph 9 and to endorse the assumptions summarised in paragraph 10.

## **26 PREM 13/1456**

**13 June 1967**

**‘Far East defence’: record of a meeting between Mr Wilson and Mr Holt**

**[Extract]**

... *Mr. Holt* said that Australia's concern at the proposed British policy for the mid-70s was not primarily a matter of Australian military security. This was well protected by the ANZUS Treaty (and, to some extent even through SEATO). Moreover, the significance of Australian—U.S. relations was increasing all the time; even in the field of investment, the Americans must now be something near to the British figure of about £1,000 millions. Moreover, there was a remarkable growth of American interest and investment in Asia generally; and this was equally true of Australia, whose exports East of Suez now represented 50 per cent of their total exports, with Japan as a major factor. This year, for the first time, Japan had displaced the United Kingdom as Australia's largest export market. Admittedly, the money value of Australia's exports to Britain had increased, even though the percentage had fallen: they hoped that this situation would continue, subject to any consequence that might flow from eventual British membership of the E.E.C.

*Mr. Holt* said that Australia's real concern was at the long-term implications for the future security pattern of the region. Taking an arc round the mainland from Japan, through Korea, Taiwan, the Philippines, Thailand, round to Malaysia and Singapore, and including Australia and New Zealand, they were bound to note that the only part of the arc where there was no American military commitment was in Malaysia and Singapore. The United States Government had always regarded this as a Commonwealth—and indeed primarily a British—responsibility. In their talks with the President and with Messrs Rusk and McNamara he and the Prime Minister, he knew, had both been told in the strongest terms of the great difficulties the Administration would face with Congress and American opinion generally if they were left in due course as the only non-Asian power established on the Asian mainland. This was also, he believed, the view of many of the Asian Governments

themselves. Mr. Holt thought that the Defence Secretary had probably derived a misleading impression from his talks in Singapore and Malaysia, especially the latter. The Tunku was a calm and urbane character who perhaps took a slightly complacent view. But Tun Razak undoubtedly felt strongly about what Mr. Healey had said to him. *The Prime Minister* commented that Tun Razak's view had indeed been made very clear to us. Mr. Holt said that the same was true of the Prime Minister of Singapore. At the time Mr. Healey had spoken to him, Mr. Lee had been apprehensive lest public discussion in Singapore of this matter should lead *inter alia* to a fall-off in foreign investment there. But he had privately expressed to the Australian Government his serious apprehension at British plans.

Mr. Holt said that the Australian Government understood and sympathised with Britain's problem. As he had made clear on arrival in London, his purpose was not to 'twist the British arm' but to find ways of meeting the legitimate concern felt by the Australian Government, and, he knew, those of New Zealand and the United States. They accepted that there must be a big reduction in British forces in the area. But they hoped that even in the reduction up to the 1969/70 period some flexibility could be retained in relation to the Commonwealth brigade. *The Prime Minister* said that the same point had been made to him by Mr. Marshall.<sup>1</sup> Mr. Holt said that the people of the area attached much importance to a continuing British presence. The Australian Government had told the United States Government that they believed that British thinking in the long term was much in line with American ideas for the period after the end of the Vietnam war. But he had not found this view accepted in Washington, where it was argued that any American departure, for example, from Korea, even after the end of the war in Vietnam, would create a crisis in U.S./Korean relations. The United States Government had substantial defence facilities in Taiwan, the Philippines, Guam and Okinawa; and they were building up facilities in Thailand on a scale designed to prevent them finding themselves caught in a Vietnam situation there. He therefore considered that a continuing U.S. presence on the mainland could be assumed for the foreseeable future. Only if Thailand at some point found themselves the only mainland country still with a U.S. presence might this situation change. But this was unlikely. In any case, the Australian Government thought it vital to the security of the whole area that the United States Government should have sufficient political and public support internally to be able to maintain their military commitments and presence in Asia. The Australian and New Zealand presence in Vietnam was marginal but, as he had found in the United States, it was immensely appreciated there because the Americans like 'to have the support of a friendly voice'. Similarly, the continuing British presence, however small, would have a disproportionate value in this context. As to the Commonwealth brigade, he was not versed in the technical arguments; but he hoped that Her Majesty's Government could keep enough flexibility in planning to maintain the possibility of continuing the brigade, even if substantial modifications in supply or logistics might be required.

Mr. Holt said that as Australia (and New Zealand) grew in strength and in population, they accepted that they must play an increasing part; as regards the shorter-term aspects they had always accepted that Britain would wish substantially to reduce her forces after the end of confrontation; what was at present being done

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<sup>1</sup> J R Marshall, deputy prime minister and minister of overseas trade, New Zealand, 1960–1972.

could of course be presented as entirely in conformity with this purpose. But the longer-term aspect was more difficult and disturbing. They naturally accepted that plans could and should be made to meet all eventualities. But to take definite decisions now seemed to contradict all the lessons of contemporary history and in particular that of the unpredictability of events—of which the Middle East had just furnished the most recent example. He accepted that the Vietnam problem might prove relatively short-term. The bombing must be hurting North Vietnam: it sufficed to imagine the consequences in Australia if all their power and industrial plants were being progressively eliminated. The communist mentality, as they knew, accepted abrupt changes in policy if a regime recognised that a given policy was unsuccessful. He saw that Her Majesty's Government had a political problem at home and that it could seem advantageous to handle this by announcing firm decisions as soon as possible. But those who were pressing for this now would only press for something else two months later if they received satisfaction. *The Prime Minister* said that there was some force in this; many of those in Britain who were most 'dove-like' in relation to Vietnam were 'hawk-like' about the Middle East: and the use of napalm in Vietnam was apparently judged more reprehensible than its use in Syria. But Mr. Holt was mistaken in thinking that the Government's policy resulted from political pressures. It was more soundly based than that.

*Mr. Holt* said that, nevertheless, an early announcement of the policy would set off a chain of consequences. Their hope was that, although they themselves might have a clear idea of the outcome of British thinking, this could be presented publicly in vaguer terms. Could it not, for example be related to the need for substantial reductions, the desirability of flexibility in dispositions and consequently to plan for a variety of possible options—it might even be said that one of these might well have to be a complete withdrawal from the mainland; but that no final decision had been taken and that the Government would be keeping the position under constant review. A public British position on these lines would be very helpful to the Australian Government; after the Vietnam war was over, Australia and others might be able to do considerably more themselves. *The Prime Minister* said he recognised that Vietnam dominated the situation at present. *Mr. Holt* said that any unequivocal British statement now that Britain would be off the continent of Asia by the mid-1970s would have a shattering effect on Commonwealth relations in the area, on Australia and New Zealand in particular and generally throughout the Far East. The Australian Government could not understand the need to make such an announcement at this point. They believed it would also be damaging to Anglo-American relations—indeed his understanding was that the U.S. administration had told H.M.G. they would prefer British defence cuts to be made in Europe than East of Suez.

*The Prime Minister* said that we had been willing to make further cuts in Europe. But this also raised great difficulties with the U.S., as had emerged from our tripartite talks about the German offset problem. They had expressed great concern lest substantial British cuts should strengthen the isolationist pressures in the U.S. and the continuing demand for cuts in U.S. forces in Europe. On the general issue the Prime Minister repeated that British policy was not related to political or party pressures. So far as the latter was concerned there was considerable diversity of demand and purpose on the part of those urging total withdrawal. But, as he had made clear after the Labour Party Conference the previous year, the Government's

intention was to govern. There were, however, strong and legitimate pressures on the Government drastically to reduce overseas expenditure. First, there were the very powerful economic arguments resulting from the essential need to keep our balance or payments in surplus. The figures for the first quarter of 1967 being published that day would reveal such a surplus. But excessively tough measures had been required from the Government, including measures of deflation which had resulted in a certain degree of unemployment. When comparisons were made between the amount of deflation required for only £50 million of import saving and overseas expenditure of about £500 million, it was clear that very convincing justification of this overseas expenditure was needed. The economic argument, however, though strong was not necessarily conclusive. In this respect there was a certain analogy with our position in relation to the E.E.C. where the economic arguments for joining could be held to be finely balanced, but the political arguments for doing so were decisive. But, in the present case the decisions involved derived from our whole concept of what our general defence posture should be.

The Prime Minister said he wished to emphasise that no final decisions had yet been taken. The Government had made it clear that they intended first to consult their Commonwealth partners and the U.S.; and Ministers had carried out a further review of the matter before his visit to Washington, and in the knowledge that he would thereafter be seeing Mr. Holt, Mr. Marshall and, in due course, the Prime Ministers of Singapore and Malaysia. They were prepared to say that Britain would retain a military capability in the area; this meant, in practice, that we should retain certain commitments and accepted (as was always our intention) that Britain should not be isolated or cut off from the area. The Prime Minister recognised that this would not satisfy Mr. Holt's *desiderata* of a continuing British presence in Singapore or on the Commonwealth brigade. He would be asking the Defence Secretary to develop our arguments at greater length in the forthcoming plenary session; and Mr. Healey would be able to do this more effectively and in greater detail than he himself had done. But one of the main problems was that of how to arrange a small but effective deployment of forces without a vast and very costly infrastructure. The Australians in Vietnam did not have this problem since they could depend on the American infrastructure. But the problem would present itself in serious form if there were any question of our trying to keep only small forces in Singapore. *Mr. Holt* asked whether the cost of doing this could not be broken down and shared with some of the other Commonwealth countries, including Australia. Had any studies been made of the possibility of sharing the burden in this way with Malaysia and other interested countries? *The Prime Minister* said that a further difficulty was that Asian countries, if they felt they could rely on the protection of a Western power, were reluctant to make any real effort to defend themselves. Japan was an interesting example of this in her relationship with the U.S. *Mr. Holt* agreed in principle. But he argued that part of any understanding reached with Malaysia and Singapore for a continuing British presence there could be that they themselves should make a greater effort.

The two Prime Ministers then invited their colleagues to join them for the plenary meeting at 11.30 a.m.<sup>2</sup>

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<sup>2</sup> In the *Supplementary Statement on Defence Policy* (Cmnd 3357) published on 18 July, the personnel at British bases in Malaysia and Singapore were to be cut from 80,000 in 1967 to 40,000 by 1971 (at which point over half would be civilians), and a complete withdrawal would follow by the mid-1970s. Obligations

under the SEATO pact would be honoured but the troops assigned to SEATO, including the Commonwealth Brigade, would be reduced. Future strategy in South-East Asia was to be based on sending forces out from the UK rather than on maintaining permanent bases in the area. The main UK commitment in the future was to be in Europe with the NATO alliance. The strength of the armed forces was to be cut from 417,360 in 1967 to 380,100 in 1971, with a further cut of 38,000 by the mid-1970s and a reduction of 80,000 in the number of civilians employed by the services.

## **27 FCO 8/31, no 30**

17 Nov 1967

**[Persian Gulf and Iran]: report by Mr Roberts to Mr Brown on his visit to the Persian Gulf and Iran, 31 Oct to 12 Nov 1967**

You will have read the records of meetings which I had with the various Rulers and the purpose of this paper is to pinpoint the more important issues in the area as I now see them.

2. I visited all the States on the Arabian side of the Persian Gulf, my objectives being:—

- (a) to reassure the Rulers that the British presence would continue as long as it is necessary to maintain peace and stability in the area.
- (b) to urge the Rulers to speed up the modernisation of their administrations and to expand popular participation.
- (c) to encourage them to cooperate among themselves and to resolve their differences.

3. The reassurance about a continued British presence was welcome everywhere. The Rulers have undoubtedly been very anxious especially in view of the events in South Arabia. I refuted very firmly every suggestion that Britain had let down the South Arabian Government and I consider that they now accept this. They also agreed with my explanation of the differences between South Arabia and the Gulf, but a little too readily at times and there may be a danger that the Shaikhs may lean on our presence. It is important that we should follow up our reassurance with active pressure on them to modernise and cooperate.

4. We must decide as soon as possible what form a closer association of the Gulf States should take and, having decided, press forward with advice, encouragement and even pressure to that end. I have started a series of discussions with advisers on these lines and will report to you from time to time.

5. I also visited Muscat and Oman and had a discussion with the Sultan. I am concerned about the future of the Sultanate. It is possible that this, rather than the Gulf States, will be the next target of revolution in the Middle East. The Sultan is set in the ways of fairly benevolent despotism.<sup>1</sup> He is impervious to the dangers of denying participation in his administration except to a few nominees of his own. He says that he is going to set up a 'development board' to spend the oil money on improvements. But it is clear that he has in mind a board which will rubber stamp his own decisions and he will favour the loyal areas of his Sultanate at the expense of the disaffected. Nothing I could say could budge him from this visionless policy.

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<sup>1</sup> Sultan Said bin Taimur of Muscat and Oman was overthrown by his son Qabus on 22 July 1970. Britain recognised Sultan Qabas on 29 July. He set about liberalising the regime, and progressively released political prisoners from his father's prisons.

6. Already there are points of friction on his northern frontier, e.g. the Buraimi Oasis, and the dispute between him and Ras al Khaima. Now he has a not very clearly delineated frontier to the west and an N.L.F. governed South Arabia. For the moment I can only sound a note of warning but I am sure that we must examine afresh the future of the Sultanate.

7. I spent three days in Iran and had long discussions with the Prime Minister, the Foreign Secretary and the Shah. I had shorter but valuable meetings with the Minister of Court (who is very close to the Shah), and the Minister for the Economy and conversations with a number of others. The principal points that emerge are:—

(a) There was some expectation (and some speculation in the Iranian press) that I had come to designate Iran as our 'heir apparent' in the Gulf. I made it clear that we were staying and discouraged ideas that might lead to unilateral action by the Iranians. The trend of their argument was that while they welcomed our decision to stay they must look to their own security and be ready themselves to maintain peace and stability if and when we leave. While they disclaimed any territorial ambitions, e.g. in Bahrain, they said that they must be in a position to insist on free passage for their ships in the Gulf and through the Hormuz Straits.

(b) This attitude is at once understandable and potentially dangerous and I therefore constantly stressed the need for Iran to work for a consensus among all the countries bordering the Gulf. I think they understood the need for this and that they are trying to improve contacts and discussions with Saudi Arabia, Kuwait and Iraq. But this conception of an agreed policy among the countries of the Gulf must be actively encouraged by us in the coming months.

(c) Oil is clearly going to be a difficult subject. The Iranian Prime Minister argued strongly that we should press the Consortium to increase their off-take so that Iran could fulfil the targets of their Fourth Economic Plan. I pointed out the dangers and was helped by Zahedi, the Iranian Foreign Minister, who also saw the dangers. I shall go thoroughly into this question again with our Oil Department.

(d) Iran is clearly on the threshold of important mineral exploitation, including copper. My judgment is that the country will grow further in strength over the next few years engendering resources for external investment and this gives point to many of their references to their readiness to participate in the development of the Gulf States.

(e) They have long wanted permanent representation in the Protected States, particularly in Dubai. My attitude in discussion was that we must avoid creating precedents which would stimulate subversive Arab penetration of the States. The current Saudi request should therefore be carefully limited and any consideration we give to Iranian requests should be related to Sir Denis Wright's<sup>2</sup> thesis in his telegram of 14 November.

8. My general conclusions are:—

(a) We should actively consider a future form of association for the Protected States.

(b) We should actively consider ways of promoting agreement among States bordering the Gulf for its future security and development.

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<sup>2</sup> Sir Denis Wright, ambassador to Iran, 1963–1971.



(c) Discussions about the Median Line should proceed at official level with the Iranian Ambassador.

9. Finally, I would like to say that the arrangements for this rather long trip were excellent throughout and that our diplomatic representatives in the countries I visited are clearly highly efficient and very well regarded locally. I also visited some of our military establishments and found officers and men in very good heart and with a complete understanding of their rôle. The quality of the N.C.O.s is very good indeed so that discipline is excellent and contact with the local populations is without incidents. There is a question relating to leave which I shall mention to Denis Healey but otherwise there seem to be no serious difficulties.

## **28 CAB 128/43, CC 1(68)3**

**4 Jan 1968**

### **'Public expenditure: post-devaluation measures': Cabinet conclusions on withdrawal from East of Suez**

**[Extract]**

The Cabinet had before them a memorandum and a note by the Chancellor of the Exchequer on public expenditure (C (68) 5 and 6).<sup>1</sup>

*The Chancellor of the Exchequer* said that the covering note to his memorandum (C (68) 5) demonstrated that, in order to make a success of devaluation by establishing our balance of payments beyond doubt, the Government should now take further action to reduce demand by an annual rate of something of the order of £1,000 million in terms of increases in taxes or reductions in public expenditure and to achieve as much as possible of this shift of resources by means of reductions in public expenditure programmes. Three main reasons for this were as follows.

First, our external financial position made it essential for us to transform a substantial deficit on our external payments in 1967 to a large surplus in 1969. 1967 would be the fifth successive year in which our external payments had been adverse. The accumulated deficit of that period would amount to some £2,000 million and would bring us nearly to the end of the borrowing rights available on tolerable terms. Because the disadvantages of devaluation took effect earlier than the advantages, 1968 would be a neutral year from the point of view of the balance of payments, with a continuing deficit in the first half and a compensating improvement in the second.

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<sup>1</sup> Jenkins met Brown, Healey and Thompson on 20 Dec 1967 to discuss the defence cuts. The chancellor said Britain should withdraw from South-East Asia by 1970–1971, and from the Gulf by 1969, or even the end of 1968. Britain, he argued, 'had come to the point of defeat on the economic road, and unless we took measures of the kind he was proposing he saw no prospect for many years ahead'. Healey pointed out how many times he had been called upon to review defence expenditure and he wanted cuts in domestic expenditure to be equally credible. He insisted an entire theatre would have to be cut. Cuts spread across the board would mean a deployment of forces the services would regard as 'incredible'. Thompson opposed Jenkins's timetable for the withdrawal from South-East Asia. Brown wanted further examination by officials and consultation with allies. He preferred cuts to be made East of Suez rather than in Europe (PREM 13/1999, record of meeting in foreign secretary's room in the House of Commons). This official record of the meeting might be contrasted with Jenkins's later recollection when he suggested his three colleagues had defended Britain's worldwide role with an attachment to imperial commitments in a manner worthy of Joseph Chamberlain, Kitchener of Khartoum and Lord Curzon. Roy Jenkins, *A life at the centre* (London, 1991) pp 224–227.

In 1969, however, the competitive advantages afforded by devaluation should be at their peak. If, therefore, we were to restore our balance of payments position over the next two financial years, it would be necessary to aim at an external surplus of some £500 million in the second year. This was not an excessive target: it amounted to only a quarter of the accumulated deficit of the last five years, and improvement in the balance of payments of the order proposed—from a deficit of £300 million in the current year to a surplus of £500 million in 1969—was not an unreasonable aim either in itself or in the light of the recent success of Federal Germany and of Italy in this respect. But in order to achieve this target it would be necessary to make room for a shift in resources to exports and to import-saving at an annual rate of the order of £1,000 million.

Second, it would clearly be impossible to achieve so large a shift in demand and resources by means of taxation alone. To attempt this would involve such substantial increases in taxation, both direct and indirect, that a consequential and counter-productive spiral effect on wages and prices would be unavoidable. Moreover, with employment increasing, such a course would involve a significant fall in the standard of living in 1968, and no increase in that standard in 1969. It was therefore essential that as much as possible of the necessary shift of resources should be achieved by means of reductions in public expenditure programmes.

Third, the factor of confidence in sterling would be of the utmost importance during the first half of 1968 when, for the reasons which he had stated, our external trade balance was likely to continue to be adverse. There was substantial expectation in countries overseas, on whose confidence we were dependent, that our public expenditure would be restrained, if not indeed reduced; and the rise in public expenditure foreshadowed in the current departmental estimates would, if it were not sharply held back, have a very damaging effect on external confidence.

For these reasons it was imperative that the measures to restrain public expenditure should be, and should be seen to be, both adequate in the aggregate to achieve their purpose and properly balanced in their composition, embodying substantial reductions in our programmes of expenditure both at home and overseas, including defence expenditure. He could not accept the argument that, because public expenditure for civil purposes had greatly increased in the last few years whilst defence expenditure had been held relatively steady, the latter should not also make a substantial contribution to the necessary economies. It had been a major part of the mandate upon which the Government were elected that they would take steps to remedy the disproportion between spending on defence and on civil purposes. It had to be recognised, however, that it would not be possible to make significant defence savings in the financial year 1968–69 and that there were limits to the economies which could be achieved in 1969–70. It was therefore the more important, if defence expenditure was to make a contribution sufficient to give an appropriate balance to the Government's economy measures as a whole, that the exigencies of our present economic situation, and the public realisation of them, should be made the occasion for firm long-term decisions on defence policy of such a character as to demonstrate clearly that we were now prepared in this respect to cut our coat according to our cloth. He therefore proposed that the Government should now decide and announce to Parliament on 16th January two groups of measures to these ends. First, that the Government had decided that the United Kingdom should now withdraw from its political and defence responsibilities in the area East of Suez by the end of the

financial year 1970–71, instead of by the mid-70's as provided for by previous policy decisions in this field. On this proposal he differed from the Ministers responsible for external policy and defence, who accepted the proposed withdrawal in principle but felt that it should not be completed until the end of the financial year 1971–72. In his view the difference of date was a significant one, since the earlier date would mean that the withdrawal could be completed within the lifetime of the present Parliament, and almost within the present decade, whereas the latter date would for these reasons achieve less impact as a decisive change from present policy. The earlier date would afford some 3¼ years in which the Governments affected by our withdrawal could rearrange their affairs; and in his view deferment of our withdrawal for a further year would not significantly assist them in this respect. Second, it was essential that these reductions in our commitments should be seen to be reflected in corresponding reductions in our expenditure on defence equipment and personnel and consequential structural readjustments in our forces. In particular, it was important that there should be a significant reduction in our very substantial purchases of foreign aircraft. The argument that the cost of these was largely neutralised by offset arrangements was not valid, especially in present circumstances when the resources used for production and sales for offset purposes were needed to reinforce the drive for more exports and for import-saving. In our changed national circumstances these proposals were right in themselves and should be given priority among the measures which the Government must take in the present situation.

Only on that basis could adequate reductions be made in the growth of civil expenditure. The scope of the reductions proposed in his memorandum was such that he could now comment only upon those which, for political, economic, or social reasons were of particular importance. In the savings in civil expenditure there should be a balance between those achieved by additional charges and those achieved by reductions in services. Under the former head, he proposed to re-impose charges for prescriptions made under the National Health Service. Such charges were essential to any realistic set of economies in expenditure and would be less harmful to the National Health Service than any of the alternative means of economy which had been suggested, including an increase in contributions. He proposed that there should also be increases in the charges for dental services and for school meals and that economies should be made in local health and welfare services. As regards education, he proposed a three-year deferment of the raising of the school-leaving age. This would be an unpalatable decision; but its effects would be mitigated by important concessions to avoid undue delay in the implementation of the Government's policies for the formation of comprehensive schools and for the elimination of the worst school buildings. The improvement in the housing situation justified the savings on the housing programme which he had put forward in his memorandum. Family allowances had presented an important but very difficult problem. The 7s. 0d. increase in allowances planned for April 1968 could not be increased; and he was considering whether it could be made more selective without resort to an individual means test. Administrative difficulties and tax consideration prevented him at this stage from putting forward more definite proposals; but he was considering with great urgency how far it might be possible to introduce the principle of selectivity immediately; and he hoped that before 1969 it would be possible to apply this principle comprehensively on an acceptable basis. He proposed that civil defence should now in effect be put on a 'care and maintenance' basis, so as

to achieve a saving of some two-thirds of present expenditure by 1969–70. The increase in the numbers of employees of central and local government was giving rise to much public criticism; and he proposed that every effort should be made to avoid any increase in such employment in 1968–69. Expenditure on road construction, improvement and maintenance was growing so quickly that it was essential that economies should be made, the main burden of which should fall upon minor roads, with particular application to road maintenance by local authorities. It was similarly essential that expenditure by local authorities should make an adequate contribution to the economy programme. Much of this expenditure arose in respect of the implementation by local authorities of central government policies, and the main means of control of the remainder was the Exchequer rate support grant. This grant was fixed for two years at a time, *i.e.*, currently until the end of 1968, with provision for interim increases as justified by rising prices. It would therefore be difficult to change the rate of grants before the end of 1968. But he proposed to serve notice as part of the current measures that he would not be able to approve any increases in the grant in respect of 1968 and that for the next two-year period, 1969 and 1970, he would not be prepared to allow any increase in the rate of grant in excess of three per cent in real terms. In so far as his other proposals for economies in local authority expenditure were unacceptable, *e.g.*, in respect of education it would be necessary to make the three per cent restriction more severe.

The Cabinet would understand that, while the proposals in his memorandum represented a formidable and unpalatable programme of economies, it was essential for the economy and for the financial standing of the country that effect should be given to it; when circumstances improved, mitigations could be introduced accordingly. But the Cabinet should be clear that it was his view that the proposals as they stood could not be regarded as too severe but indeed that, having regard to the proportion of the necessary shift in resources still remaining to be made by increases in taxation, a considerable case could be made for restrictions on public expenditure of still greater severity.

The Cabinet then turned to consider a memorandum by the Foreign Secretary and the Commonwealth Secretary (C (68) 7) on reductions in defence commitments.

*The Prime Minister* informed the Cabinet that there had been some preliminary discussion of cuts in the defence programme by a smaller group of Ministers earlier that day. The discussion had centred on two main issues—our future defence commitments and the equipment of the forces. These issues might be considered separately. As regards commitments opinion had been divided on two points: first, whether our final withdrawal from Singapore and Malaysia should be completed by 31st March, 1971 or by 31st March, 1972; and secondly, given that we could not remain in the Persian Gulf after we had withdrawn from the Far East, whether we should aim to withdraw from the Gulf earlier and whether we should announce our decision publicly.

*The Foreign Secretary* said that it would be wrong to suppose that any new major change of policy was now in question. That change had been made as a result of the last Defence Review in July 1967 when the decision had been taken to withdraw our forces from East of Suez and, although it had not been announced at the time from the Persian Gulf. We had secured the acquiescence of our allies in the decision to withdraw from the Far East by not giving a precise date for our withdrawal but by stating that it would be in the 'middle 1970s' and by promising a continued military

capability for use in the area after our withdrawal. The issue was now whether our withdrawal should be accelerated. Given the cuts which would be necessary in domestic expenditure, the overseas departments did not oppose an accelerated withdrawal. But it must be recognised that it would entail serious risks for the stability of the area. He and the Commonwealth Secretary were firmly of the view, and it was also the unanimous opinion of their advisers, that the earliest date which would be tolerable for the completion of the rundown would be 31st March, 1972. In Singapore we should be throwing on the labour market about 60,000 people now directly deriving their employment from the British forces. This could provoke widespread labour unrest, possibly leading to the overthrow of Mr. Lee Kuan Yew's Government and the assumption of power by a Communist régime. These risks would be greatly increased if we had to complete our withdrawal by 31st March, 1971. One year's delay could make a very considerable difference. Our withdrawal would in any case lead to a serious diminution of British influence in an area where we should still retain important economic and other interests even after withdrawal. Once our forces had gone we should depend more than ever for the protection of those interests on the good will of the local administrations. If we aroused their distrust they had it in their power to organise against us. Even if we ceased to be a world power, we should continue to retain world interests and to need friends and allies to defend them. We could not afford to flout international opinion in the way the French did.

In the Persian Gulf direct British interests were involved. Forty per cent of our oil supplies (and over 50 per cent of Western Europe's) came from the Gulf; and the 40 per cent of Gulf oil which was in British ownership made a significant contribution to our foreign exchange earnings. He recognised that our forces could not defend our oil supplies and that the oil producing states needed us as customers for their oil. But there was a real risk of intervention by other Powers; and this risk would increase with the speed of our withdrawal. The Soviet Union was already buying Iraq oil which she did not need, in order to establish her political influence in the area. If there were disorders in the Gulf States, our oil installations would be in danger. The Middle East crisis in the summer of 1967 had shown that no Arab State could stand out against popular demand not to supply us with oil. For these reasons he would prefer to make no announcement of our plans for withdrawal from the Gulf. Once it was known we were going, we might well be faced with the same situation as we had faced in Aden and be forced to leave sooner than we intended.

*The Commonwealth Secretary* said that the decision to withdraw from the Far East had already been taken. The issue now was the date of withdrawal. To advance withdrawal to 1970–71 from 1971–72 would produce no savings in 1968–69 and only £5 million in 1969–70. The difference of a year might not be important for us; but it could be vital for our Far Eastern allies and especially for Singapore. Our withdrawal would create widespread unemployment in Singapore; and it would make a very great difference if this were phased over three years instead of four. There was a real danger of this unemployment leading to the overthrow of the régime. The extra year would also be important for our relations with Malaysia, Australia and New Zealand. He was leaving for the Far East on the 5th January and would have to explain to our Commonwealth allies why we had been obliged to change our minds about the rate of our withdrawal only a few months after we had assured them that the Defence Review of July, 1967 would be the last in the life of this Parliament. He

needed guidance from his colleagues on what to say. He would like to tell the Governments concerned that we should not withdraw before 1971–72; that this earlier date would involve an increase in mitigatory aid; and that he was ready to listen to their views and to report back to his colleagues.

In the course of discussion on the date of our withdrawal from the Far East it was argued in favour of withdrawal by 1971–72 that, given that the principle of withdrawal had already been decided and that the only issue was its timing, the extra year proposed by the Foreign Secretary and the Commonwealth Secretary was important for the countries concerned, especially Singapore, and would extend by one-third the time available for them to adjust themselves to the impact of our withdrawal. We had to set the minimal savings which would result from bringing forward our withdrawal to 1970–71 against the political and economic risks involved in the area. It was in our own interests to withdraw in circumstances which would enable us to maintain the maximum of good will in the countries concerned, with whom we should still need to trade and do business after our withdrawal. We should also still retain our moral obligations to Australia and New Zealand. Another consideration pointing to a later rather than an earlier withdrawal was the fact that we had 35,000 servicemen and 12,000 dependants in Singapore and Malaysia: and, if there were disorders, their withdrawal might become dangerous and expensive. The later date would also reduce the formidable administrative problems of organising their return to this country.

In favour of the earlier date of 1970–71 it was argued that it would still allow 3¼ years for the rundown; and that an extra year was unlikely in practice to make a critical difference or appreciably to reduce the dangers of disorder in the area. We must expect that our decision would be unwelcome to the United States, Australia and New Zealand; but their reaction would not be materially influenced by the margin of a year. Even in Singapore it was far from certain that unemployment would be as massive as was feared or would necessarily lead to disorder. The Prime Minister of Singapore had not appeared to be greatly concerned with the possibility of an accelerated withdrawal when the Prime Minister had met him in Melbourne in December 1967. He had been more preoccupied with the political situation in Malaysia and with the anticipated economic boom in Singapore.

Moreover, the question at issue was more than one of mere timing; our credibility as a nation was involved. So far our reductions in defence expenditure had always been too little and come too late. This was our opportunity to make radical final decisions and to make clear that our future defence role would be concentrated in Europe. Our experience in Aden had proved the advantages of fixing an early date for withdrawal and adhering to it. Our standing in the world depended on the soundness of our economy and not on a world-wide military presence. We must get our commitments and resources into a sensible long-term balance as soon as possible. We should be increasingly on our own in the world for the next few years; and we must therefore concentrate on safeguarding our own interests. Against the background of our present economic situation there was a strong case for a withdrawal by 1970–71.

In discussion of our withdrawal from the Persian Gulf it was pointed out that it would be essential to announce a date for withdrawal soon. Unless this was done, it would not be possible to announce or plan the phasing out of our aircraft carriers (which would yield substantial savings in expenditure), since the carriers would be

needed to cover withdrawal from the Gulf. An early announcement was also necessary to remove uncertainty in the area. Some concern was expressed at the consequences of withdrawal for the security of oil supplies which were vital for our industry and also for Western Europe. On the other hand it was argued that we could not stay in the Gulf after we had withdrawn from the Far East. Indeed, once it was known that we were withdrawing from the Far East earlier than planned, our position in the Gulf was likely to become more and more difficult. The area would become increasingly unstable and we could not expect to maintain stability by the presence of our forces. As regards oil, our primary interest was in the oil installations with their considerable earnings of foreign exchange. But it had been noticeable that during the Nigerian civil war and the Middle East crisis in the summer of 1967 action had been taken by the local administrations concerned to protect foreign oil installations. They might not therefore be in such danger as was feared. The risk to oil supplies might also not be so serious: the Soviet Government could not afford to buy unlimited quantities of oil from the Middle East for purely political reasons.

In subsequent discussion there was general agreement that the proposed statement on defence reductions should contain no reference to Hong Kong; that we should plan to withdraw very soon some of our aircraft from Cyprus; but that it would not be practicable to withdraw from the sovereign base areas in 1968 or 1969. In any case Cyprus would be required as a staging post until the withdrawal from the Far East was complete.

*The Prime Minister*, summing up this part of the discussion, said that the decision of the Cabinet was that our withdrawal from the Far East should be completed by the end of the financial year 1970–71 and that we should withdraw from the Persian Gulf by the same time. Both decisions should be announced, the reference to the Gulf being so expressed as to imply that withdrawal would certainly not be later, and might be sooner, than withdrawal from the Far East. The Foreign Secretary should inform the United States Secretary of State, Mr. Dean Rusk, of our decision when he met him in San Francisco on 13th January; and the Commonwealth Secretary should inform the Governments of Australia, New Zealand, Malaysia and Singapore during his forthcoming visit to the Far East. If, in their consultations with these Governments, the Foreign Secretary or the Commonwealth Secretary encountered a strong reaction, they would be free to undertake to invite the Cabinet on their return to consider these representations. The possibility of increasing our offer of mitigatory aid to Malaysia and Singapore in the light of the decision to accelerate our withdrawal should be considered separately; and no commitment in this respect should be incurred meanwhile. But there would be no objection to the Commonwealth Secretary's informing the Malaysian and Singapore Governments that we should be willing to discuss with them, at a later stage, the aid implications of our accelerated withdrawal. The Cabinet agreed that we should not abrogate unilaterally the Anglo/Malaysian Defence Agreement; but we should need to negotiate with the Malaysian Government a re-interpretation of it, in order to bring it into conformity with our new policy. We should not retain a special capability for use in the Far East after our withdrawal. But the general capability which we retained in Europe would be available to be deployed overseas; and we could assure our Commonwealth partners and allies that in this way we should retain the ability to help them if circumstances in our own judgment demanded it. It must be clearly understood, however, that we could not give any advance undertaking to implement that capability. As regards our membership of the South

East Asia Treaty Organisation the view of the Cabinet was that, since our only Treaty commitment was to consult and there was no obligation to provide forces, we need not necessarily withdraw from the Treaty, provided that there was no question of additional military equipment specifically related to this commitment (*e.g.*, transport aircraft). The Foreign Secretary should, if he thought advisable, arrange for a Minister to visit those States whose interests were involved in our withdrawal from the Persian Gulf, in order to give them advance warning of the announcement we proposed to make. It would also be necessary for the forthcoming statement of the Government's economic measures to include some reference to the offset arrangement for financing the costs of our forces in Germany; and further consideration should be given to this question.

The Cabinet:—

- (1) Agreed that the process of withdrawing our forces from Malaysia and Singapore should be completed by the end of the financial year 1970–71.
- (2) Agreed that we should withdraw our forces from the Persian Gulf not later than the same time.
- (3) Agreed that their decisions under Conclusions (1) and (2) above should be announced in due course, subject to any further discussion which might be required in the light of the results of the forthcoming visits by the Foreign Secretary to the United States and the Commonwealth Secretary to the Far East.
- (4) Invited the Foreign Secretary, the Chancellor of the Exchequer and the Secretary of State for Defence to consider what reference should be made, in the forthcoming statement on reductions in expenditure, to the arrangements for financing the costs of British troops in Germany. . . .<sup>2</sup>

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<sup>2</sup> The Cabinet's discussion of the cancellation of the order for F-111 aircraft is not reproduced here.

## **29** PREM 13/1999, no 8a

11 Jan 1968

[Defence review]: personal message from President Johnson to Mr Wilson on British plans to withdraw from East of Suez

Dear Harold,

I have just learned from Dean Rusk of your plans for total British withdrawal from the Far East and the Persian Gulf by 1971.

I know you are close to a final decision and that there is not much time for reconsideration. I also can guess at what soul-searching you and your colleagues have been going through in trying to find the means for restoring the health of the British economy and still carry as much as possible of the financial burdens which you have so courageously borne thus far.

This having been said, I cannot conceal from you my deep dismay upon learning this profoundly discouraging news. If these steps are taken, they will be tantamount to British withdrawal from world affairs, with all that means for the future safety and health of the free world. The structure of peace-keeping will be shaken to its foundations. Our own capability and political will could be gravely weakened if we have to man the ramparts all alone.



Although the decision must, of course, be your own, I can only wonder if you and all of your associates have taken fully into account the direct and indirect consequences.

While the hour is late, I urge you and your colleagues once more to review the alternatives before you take these irrevocable steps. Even a prolongation of your presence in the Far East and the Persian Gulf until other stable arrangements can be put in place would be of help at this very difficult time for all of us.

With warmest personal regards,

Sincerely,  
Lyndon B. Johnson

### **30** PREM 13/1999

12 Jan 1968

**[Defence review]: Cabinet Office record of a meeting between Mr Wilson, Mr Healey and the service chiefs on the impact on the armed forces of the proposed cuts in defence expenditure<sup>1</sup>**

[The service chiefs had requested a meeting with the prime minister to express their concerns about the defence cuts. In view of the fact the Cabinet was to meet the same day, with the risk therefore of the engagement with the chiefs being misinterpreted as an attempt to bring pressure on the government, no publicity was given to the meeting recorded here (PREM 13/1999, no 6).]

The *Chief of the Defence Staff* expressed his thanks and those of his colleagues to the Prime Minister for agreeing to see them in the context of the current review of public expenditure. He wished to emphasise that he and his colleagues had no desire to influence the policy decisions which were for the Government to take. But they felt in duty bound to express the concern which they felt unanimously in regard to certain general considerations affecting the future of the Armed Services. They fully accepted that their task was to implement as efficiently as possible the defence policy laid down by the Government and, to that end, to ensure that the Armed Forces were as efficiently manned, equipped and trained as possible.

The *Chief of the Defence Staff* said that the Chiefs of Staff recognised that if there was to be the proposed withdrawal of the British military presence from the Far East and Persian Gulf by 1970/71, there was a grave risk of serious and possibly dangerous instability. They accepted this and that it was their duty to take all possible steps, within their competence, to minimise it. But it was clear that the whole process would impose very grave strain on the morale, discipline and efficiency of the Forces. In 1957 there had been a severe run-down in the strength of the Armed Services. But the Services' morale at the time had been high and the run-down had been in the context of the ending of National Service. The present run-down was not only to be much greater than before but it was also a run-down of Forces recruited on a voluntary basis and in circumstances where morale had already been to some extent impaired by successive defence reviews in previous years, coupled with a wave of ill-informed and damaging press speculation. The total effect of this was inevitably unsettling.

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<sup>1</sup> The meeting was attended by Marshal of the RAF Sir C Elworthy (chief of defence staff), Admiral Sir V Begg (chief of naval staff), General Sir J Cassels (chief of general staff), and Air Chief Marshal Sir J Grandy (chief of air staff).

The Chief of the Defence Staff said that in these circumstances the general confidence of the Services had become so shaken as to affect not only serving members but also the prospects of encouraging young people to join the Services, with the consequent risk of jeopardising the whole future of the Services. The extent of these dangers was clearly a matter of judgement on which he would not wish to be dogmatic. He also wished to emphasise that he was not opposed in principle to the rundown itself. But he hoped the Government would accept the virtual impossibility of achieving, immediately after the currently proposed withdrawal from the Far East and Persian Gulf, the figures envisaged for the rundown by 1976, under previous plans. The Chiefs of Staff therefore hoped that they could be given sufficient additional time in order to achieve the rundown consequential on the proposed withdrawal in an orderly manner.

In reply to a question from the Prime Minister, the *Chief of Defence Staff* confirmed that their main concern was at the rate rather than the size of the proposed rundown. It was impossible at this stage to quantify their likely desiderata: but in their view there was bound to be a residual rundown to be completed over a period of time after withdrawal. He also wished to reaffirm very strongly indeed the unanimous view of the Chiefs of Staff, which he knew that the Defence Secretary had brought to the Prime Minister's attention, that a reduction in commitments must precede cuts in capability; though equally they fully recognised that after commitments were reduced there must be genuine cuts in capability. But if the latter were cut first the armed forces might not be able to meet continuing commitments. He and his colleagues therefore hoped that they would be given the time required to work out rationally the appropriate capability once they knew what their firm commitments were.

The *Chief of Defence Staff* concluded by a further reminder of the problems of morale and frustration within the Services. He and his colleagues would be grateful for any help Ministers could give towards meeting this problem.

The *Chief of Naval Staff* said that he entirely supported the main theme advanced by the Chief of Defence Staff, namely the need for additional time to complete the proposed rundown of the forces. The Chiefs of Staff all agreed on the gravity of the issue of confidence within the Services but within the Royal Navy there was a different starting point to be considered. Naval morale had been very seriously affected by the decision two years previously not to build the new aircraft carrier and to phase out the existing carrier fleet. Since then he and his colleagues had worked hard to restore confidence within the Fleet, using the main argument that, given time, an excellent Fleet could be built up without the carrier force—and that time was provided by the decision to keep two large carriers until the mid-1970s. Their task however had been gravely complicated because of subsequent cuts, and the decision to scrap H.M.S. *Victorious*. Although there were good reasons for doing this, irrespective of devaluation and the need to make economies, he had found the exceptionally strong reaction to the decision within the Fleet most disturbing. Naval recruiting at the beginning of 1967 had been improving but had tailed off rapidly and was now 30% below their requirements. In 1967, for the first time in naval history, they had failed to obtain the requisite number of seamen officers. He was gravely concerned lest the announcement of further drastic cuts so soon after the assurances given to the Fleet in July 1967 might touch off a real explosion and shatter the confidence of

the Fleet. He wished therefore to urge strongly that once decisions on future commitments had been made there should if possible be no dramatic announcements of cuts in capability and that time should be given to the Chiefs of Staff to consider what capability would be adequate for the new commitments. The *Prime Minister* commented that the Defence Secretary would be able, bearing these considerations in mind, to advise his Cabinet colleagues on the best method of presenting their decisions.

The *Chief of the General Staff* said that he wished fully to support everything said by his colleagues and to reaffirm their request for some extra time, not in relation to the withdrawal but for the necessary process of working out the scale of redundancies and reductions thereafter. This could not be done at the same speed as withdrawals and the efficiency of the Army was in any case bound to suffer. There were disturbing signs in the Army similar to those in the Royal Navy of a growing lack of confidence in the future. This was evident in the much higher rate in 1967 than in 1966 of voluntary retirements of officers, many of them in younger age groups. Recruiting of other ranks was also falling off: the December figures were 40% below those of any previous December. Moreover, this deterioration only reflected the July measures and the successive defence reviews up to the present. The further cuts now proposed would certainly make the situation worse. The currently planned disbandment of twenty-eight major units represented a serious loss of capability and general disturbance. These were not insuperable problems. But they were substantial and caused considerable hardship. However, they only affected 15,000 men: and now a further 13,000 had to be disbanded. This meant depleting the organisations responsible both for military training and for handling and receiving the vast amount of equipment that would be returning to this country from Singapore and the Gulf. It would be virtually impossible to disband the total numbers involved by 1971 and a further year or two would make a big difference.

The *Chief of General Staff* said that resettlement was also an important issue. If over the next five years a small amount of extra money could be available for this the problem would be considerably mitigated. He hoped that the Prime Minister would consider this possibility sympathetically. In conclusion he said that the Army could solve its problems but extra time was essential if efficiency and morale were not to suffer.

The *Chief of the Air Staff* agreed with his colleagues and said that precisely the same problems of recruitment, confidence and morale were evident in the Royal Air Force. Latest figures showed that officers on the general and supplementary lists were leaving the RAF at more than twice the planned rate. Likewise 51% more airmen and SNCOs had asked to leave than the required figure. This only reflected increasing disillusionment within the Service in the light of measures up-to-date. The latest proposals would certainly result in an even greater erosion of confidence both amongst those already serving and amongst potential recruits. There was a 30% reduction in applications for scholarships compared with two years previously. Hitherto they had been working on the basis of long term reductions in strength by 1975/76. If they now had to reduce the strength of the RAF by 21,000 in less than half the time previously planned, they would have to double the rate of rundown. This represented a complete turnover of over half the total RAF strength within three years. This was extremely disturbing and explained why he thought it essential for

them to be granted the maximum possible time to achieve the rundown. In the RAF there was a particular need for professional skills and experience: and morale and a good general spirit were fundamental to the essential high standards. He felt bound to warn the Prime Minister that, unless means could be found of alleviating present anxieties within the Service, standards would inevitably fall with the gravest consequences. The current accelerating rundown was being superimposed on a process of major reorganisation, re-equipment and revised training programmes. Naturally the RAF would do their best but the problems would be very serious and they needed the maximum time possible to mitigate the inevitable turbulence and fall in general confidence.

The *Prime Minister* recalled that the then Paymaster General had been opposed to much of the July Defence Review because he feared the serious effect on morale and recruiting of the fact that young men could not longer look forward to 'joining the Army and seeing the world'. He wondered how serious a factor this was.

The *Chief of the Defence Staff* said that the pattern of life in the Services had changed many times throughout the years. It was difficult and possibly dangerous to attempt to affirm that the factor mentioned by the Prime Minister in itself would affect morale. It was possible but not certain. The *Chief of the General Staff* said that he thought this factor would affect the present generation of more senior serving officers and older men. But he agreed that it was difficult to make firm forecasts for the future.

The *Prime Minister* said that the Chiefs of Staff would not expect him to comment on the possible decisions to be taken by the Cabinet. But he assumed that they would wish him to inform his colleagues of the points that they had made; and he and the Defence Secretary agreed that they would do this jointly at the meeting of the Cabinet that afternoon.

The Defence Secretary and the Chiefs of Staff left at 10.25 a.m.

### **31 CAB129/135, C(68)22**

**12 Jan 1968**

**'Public expenditure: post-devaluation measures': telegram from Mr Brown on his discussions in Washington about the East of Suez defence cuts (circulated to Cabinet with a note by Sir B Trend)**

[Fuller accounts of Brown's meeting with Rusk at the State Department on 11 Jan are in PREM 13/2081 and PREM 13/3326. The US secretary of state said he was 'a soft spoken man and he would leave it to Mr Brown to add several decibels to what he had to say'. (Brown noted in the margin against this part of the record in PREM 13/2081, 'He did!') Rusk 'could not believe that free aspirins and false teeth were more important than Britain's role in the world'. He considered the British withdrawal from East of Suez would adversely affect 'the deterrence of aggression'. He was also concerned about a possible chain reaction with demands being made in the US for similar defence cuts. The US had no intention of taking over commitments abandoned by the UK. When challenged by Brown that the US would want to withdraw its forces from Vietnam once an honourable peace had been achieved, Rusk replied there would still be an American presence in the Philippines and Korea which would be able to move back to the battlefield in Vietnam quicker than the North Vietnamese. Rusk also described as 'illusory' the idea the UK would be able to lend support in South-East Asia and the Middle East from a European-based capability. He said what was in prospect was 'a major withdrawal of Britain in world affairs'. This would be 'a catastrophic loss to human society'. The decisions described by Brown 'represented a new dismal chapter in the world scene'.]

I had a bloody unpleasant meeting in Washington this morning with Rusk. His courtesy and moderate Southern manner did not disguise the depth of feeling and at times even contempt which he expressed. Bruce<sup>1</sup> and certainly the Malaysians had obviously informed him pretty fully of what is in our mind and he was not altogether surprised by anything I told him. Nonetheless he expressed more than once his 'deep distress' at the decisions we had taken.

2. Rusk's main argument was that our decisions would have a profound influence on the total world situation. He was inclined to dismiss as an illusion the idea that our forces in Europe and the United Kingdom could have some general capability. If, pending our entry into the EEC, we were to withdraw into a sort of 'little England', he thought British interests in the Middle East and South East Asia would suffer progressively. Rusk was also very concerned about the effect of our cuts on the American position. 'If you scratch any American you find an isolationist.' In the 30's and 40's we had set the Americans an example which they had followed to the extent of suffering 300,000 casualties since 1945 in support of peace in various parts of the world. If the teacher was now leaving the pupil Americans would be deeply affected. They would ask why they should be interested in the peace of the world if the British were opting out. He found it embarrassing to say to his British colleague quote for God's sake be Britain unquote.

3. Rusk had not had time to do his sums, but he was inclined to argue that the savings we hoped to make would be offset by the damage which we would cause by our withdrawals to British commercial and other interests in South East Asia and the Middle East. He also tried to suggest that a withdrawal from the Persian Gulf coming on the heels of a decision not to supply maritime equipment to South Africa indicated that we had got our priorities wrong. I took him up sharply on this. I said that this sort of criticism did not come appropriately from a Government which for ideological reasons had frustrated the efforts of a British company to sell civil aircraft to South Africa. Rusk also argued that the present was an inopportune moment to withdraw from South East Asia and the Middle East since both areas were in turmoil. I said I did not agree with this assessment. The situation in the Gulf, for example, was better now than it had been for some time. The risk of trouble between Iran and Saudi Arabia was less than previously. Some of the rulers in the Gulf had already been thinking of the sort of arrangements they would have to make after our departure.

4. Rusk obviously resented what he called the quote acrid aroma of the fait accompli unquote. He summed up our discussion by urging us to maintain a tangible presence in South East Asia and the Gulf. He was not making a choice between the two areas. He believed British interests would be damaged if we withdrew. He had got the impression from reports reaching him from London that our insistence on announcing our withdrawals was a response to political pressures: and that we were therefore subordinating the world issues which were paramount at this time to political considerations.

5. I am bringing a full record with me.<sup>2</sup>

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<sup>1</sup> See 3, note 3.

<sup>2</sup> Also circulated with C(68)22 was a telegram from Mr Thompson to Mr Wilson about his discussions with the New Zealand government about the defence cuts. This is not reproduced here; see 32.

**32 CAB129/135, C(68)23****15 Jan 1968****'Defence cuts': Cabinet memorandum by Mr Thomson reporting his discussions with the governments of Australia, New Zealand, Malaysia and Singapore<sup>1</sup>**

As my colleagues know, I have just returned from consultations about our new defence cuts in the Far East with the four Commonwealth Governments in the area. I outline below the principal reactions of these countries, and then draw some general conclusions.

*General*

2. Though there are many differences in emphasis and still more in tactics between the four Governments (and I set out the details below), the main reactions of all four Governments were basically the same, viz, that:—

- (i) the speed of our withdrawal by 31st March, 1971 would allow no prospect for any other force to be trained and equipped in time to take our place;
- (ii) our general capability lacked credibility;
- (iii) therefore there would be a lack of confidence in the area which ran the risks of:—
  - (a) communalist troubles in Malaysia;
  - (b) encouragement to communists in both Singapore and Malaysia;
  - (c) renewed Indonesian aggression and possibly even intervention by the Philippines in East Malaysia; and
  - (d) endangering global security by sparking off in one of the danger spots of the world a local conflict which, with Communist China in the background, could escalate into a great-power confrontation.

3. All of course drew attention to our past and sometimes very recent assurances. All thought our action would have wider and unfortunate economic repercussions for us. Mr. Lee specifically threatened retaliatory action; but the Australians and Malaysians made it equally clear that, if the decision stood, they would be compelled in their own interests to take action which would hurt us. And Malaysia and Singapore drew attention to the serious economic consequences for them of our accelerated withdrawal. There was scepticism, especially in Australia and Singapore, that we would achieve worthwhile savings by a precipitate withdrawal and everywhere I met the belief that for short-term economic reasons we were taking historical decisions which would be irreversible and might have disastrous consequences in years to come.

4. All emphasised for different reasons that the Americans could not and should not take our place even if they were willing to. Australia and New Zealand are willing to maintain their present contribution, but could not operate in a vacuum. Australia maintained that she could not significantly increase her contribution without making a defence effort relatively more than Britain's; and so did New Zealand, who are facing economic difficulties of their own.

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<sup>1</sup> More detailed accounts—in the form of reports by the UK high commissioners—of Thomson's discussions with the four governments are to be found in FO 24/95 (Malaysia), FO 24/98 (New Zealand, Malaysia, Australia and Singapore), and FO 24/103 and 104 (Australia).

5. Many (especially the Australians) made the point that if rumours proved true that orders for the F. 111 were to be cancelled, then our general capability to operate outside Europe would indeed totally lack credibility.

### *Malaysia*

6. The Malaysian Government have a deep feeling of being let down, considering how closely our new proposals follow on the assurances we gave last July and the shock of devaluation. It would be almost impossible for them to acquire and operate by 1971 the sophisticated military equipment they consider necessary and which we had previously said we could provide. They are worried about the implications of our decisions for the security of East Malaysia, responsibility for which they only assumed from us on the basis of our undertakings under the Defence Agreement. They are doubtful of the meaningfulness of our general capability for operations in their area until we can give them more specific information about it. The outcome of this will to a large extent govern their response to our offer to reinterpret the Anglo-Malaysian Defence Agreement after 1971: they stressed the importance they attach to the continuation of the Agreement, but they do not want the shadow without the substance. They would like our help in involving Australia and New Zealand in future defence commitments to them. Although the Minister of Finance indicated that they would now consider themselves free from restraint on economic matters and free to protect their interests even at the expense of ours, the Tunku significantly dissociated himself from Mr. Lee's retaliatory threats and blackmailing tactics.

### *Singapore*

7. On my arrival in Singapore I faced the situation that the Government was already aware from the Malaysians of the substance of our proposals and following an emergency Cabinet meeting had put into effect a militant campaign against them before even hearing them from me at first hand. Thus, Mr. Lee had already recorded a BBC interview in which he threatened retaliatory measures against us if we decided to withdraw by 1971, including withdrawal of his sterling balances and retaliation against British commercial interests in Singapore. Mr. Lee may to some extent have been bowing to the views of some of the more militant of his colleagues, such as the Minister of Finance, Dr. Goh; or he may have been trying to recover ground lost by what he had come to believe were mistaken past tactics based on optimistic co-operation; or he may have been influenced by Mr. Mintoff's visit. What is incontrovertible is that his whole team of Ministers and senior officials were united in their mood of bitterness and frustration, leading them to resort to any tactics which might enable them either to influence our decision or to make good the damage by all means at their command. Whatever the outcome I fear we have inevitably lost much good will. The strength of their reaction is aggravated by the short time which has elapsed since our assurances last July and by their belief that our new decisions are not justified on economic grounds alone.

8. In my talks with Mr. Lee I did my best to convince him that blackmailing threats were a mistaken policy; and at our joint Press conference he went some way to retract. I think he regretted his BBC interview: and we know he kept his promise to me to try to stop it, but a version had already been broadcast. But he is in a near-hysterical and unpredictable state. Dr. Goh has subsequently restated in more considered terms the action the Singapore Government will take if we confirm the

decision to withdraw by 1971. This includes the withdrawal of their sterling balances phased evenly over the three intervening years.

9. During the official talks the Singapore Government's position emerged as follows. They face the dilemma that they must above all maintain confidence in the security of their future if they are to survive economically; they feel this to be vital for the overseas investor. While aid on a substantial scale from us would help in the short term, they are more concerned about the provision of a credible military deterrent in succession to our presence. They do not consider our new policy, as at present defined, will provide this. Their main anxieties centre on Indonesia (though they clearly have Malaysia in mind). They therefore feel they must invest heavily in the sophisticated equipment such as air defence, fighter aircraft and ships which they had previously believed we would provide; but they are dismayed by the knowledge that it will be quite impossible for them to acquire the skills to operate them by 1971. While therefore they would like no announcement of our date of withdrawal, they attach even more importance to an extension of the date beyond 1971, so as to give them a better chance to make the necessary economic and military adjustments.

10. Mr. Lee was determined to come to London to state his case in person and is now here.<sup>2</sup>

### *New Zealand*

11. The New Zealand Government's understanding of our economic difficulties and their recognition that the decisions were for us to take did not conceal their deep sense of shock and sadness at what they clearly regarded as the end of an era. Their main anxiety centres round the nature of our general capability after our withdrawal and our continuing will and ability to deploy it East of Suez. They regard this as the test of our intention to honour our frequently reaffirmed assurance that we will come to their assistance as they came to ours in two world wars. In their eyes this implies a general capability with troops properly trained and with the right equipment for the area and the ability to get there in time. They were apprehensive about their continuing ability to maintain, far less increase, their forces in Malaysia and Singapore after our withdrawal. They could only do so in association with a great power, and the United States showed no inclination to take over our role. Moreover their defence planning was very dependent on Australia, who were still undecided on a number of important issues.

12. In his Press statement Mr. Holyoake stressed the importance the New Zealand Government attached to the existing arrangements for Commonwealth defence co-operation in South East Asia and to the continuation of a meaningful association with Britain. He indicated the marked concern they would feel if there were to be any significant acceleration of the plans for withdrawal which we announced last July.

### *Australia*

13. Australian Ministers presented their case impressively, without recrimination but with deep feeling. This was the third occasion in two years that

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<sup>2</sup> As a result of Lee Kuan Yew's visit (see 109) the UK agreed to extend the final date for withdrawal from South-East Asia by nine months to 31 Dec 1971 and to assist in the establishment of a joint air defence system for Malaysia and Singapore.



they had been asked to adopt a new basis for their own defence planning. They were intensely sceptical of the relevance of our general capability to the problems of their own security. It was not a question of fulfilling our moral obligation to them by fighting on the Australian mainland. Their security lay further north, where we still had a vital part to play in ensuring stability until a credible regional defence system emerged. This would require time, and 1971 would allow far too little time. They were prepared to continue their contribution, but they could not afford to increase it significantly, and they certainly could not themselves provide the defence umbrella in South East Asia under which our lucrative commercial interests could continue to prosper. They felt it was not a matter only of regional security but of global security and they thought it was most important to carry the United States with us. They did not think it would be possible or even desirable for the United States to take our place. We were presenting them with cruel decisions in Malaysia while they were fighting in Vietnam, where they did not even have our support in words. They felt the savings we would make from hastening our withdrawal from such a sensitive area were small in relation to the issues at stake and they thought that we should find the savings from some other area. In brief, the Australian Government urged that we should make no announcement of a date for our final withdrawal; that we should extend the date 'considerably' beyond 1971; that our general capability should be meaningful in their context and should be seen in our announcement to be so; and that we should be as flexible and helpful as possible in settling the future of our defence installations in Malaysia and Singapore and in the detailed timing of the rundown of our forces so as not to leave the Australian forces unnecessarily exposed.

14. The Australian Government later handed over a memorandum, a copy of which is annexed to this paper.<sup>3</sup> They also made clear in a Press statement that they could not accept our proposals and expressed their keen concern at them.

#### *Five Power conference*

15. In Kuala Lumpur the Tunku pressed on me strongly the idea he had advanced last year for a conference of the Commonwealth countries directly concerned in order to discuss the defence problems thrown up by our withdrawal. In order to moderate the reactions to our proposals I felt it impossible to dissent, and indeed saw some possible advantage in such a conference at the appropriate level and at the right time. I therefore undertook to convey his suggestion to the Governments of Australia, New Zealand and Singapore. I made it clear that such a conference could only be held on the firm understanding that it would take place on the basis of decisions we would already have taken.

16. Singapore and Australia expressed their readiness to take part in such a conference though Australia was sceptical about its usefulness. New Zealand were cautious, in advance of the Australian reaction on which they are absolutely dependent.

17. While I fully reserved our position about the timing and the level of representation of the conference, I believe personally such a meeting would be both in our own interests and the least we can do to seek means to mitigate the dangers of a vacuum caused by our own withdrawal. The situation is different and the problems more urgent than when the Tunku first proposed a conference last summer. A number of practical issues have to be settled quite soon if we are to speed up our

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<sup>3</sup> Not printed.

withdrawal. These include the future of a whole range of our defence facilities including the airfields and air defence systems, some of which like Butterworth are shared with and all of which are of concern to other Commonwealth Governments. I do not think these matters can be carried to speedy finality in bilateral exchanges. A conference would also be the only way of bringing together all those who will be concerned with the defence of Malaysia and Singapore after our withdrawal in order to discuss what arrangements will be necessary when we leave. In particular it seems the best way of persuading Malaysia and Singapore to tackle their defence problems jointly and to induce Australia and New Zealand to decide the extent of their future association with them.

### *Conclusion*

18. In accordance with the wishes of the Cabinet, I presented our proposals as firm decisions, although I made it clear that these would not become final until after my return and until I had had the opportunity to convey the views of Commonwealth Governments to my colleagues. Their arguments fall broadly into two parts: the first concerning the date of our withdrawal, and the second concerning our military capability to operate in the area thereafter.

19. My general conclusions on these issues are:—

(i) We should decide that our final withdrawal from Malaysia and Singapore should be on a date later than 31st March, 1971; I believe strongly that this is right on the merits of the case, both because it would give more time for adjustments and because the economic savings are small. If, for example, we extended the date to 31st March, 1972, this extension of only one year would increase the timescale by one-third and very greatly ease many of the attendant problems both for ourselves and our allies. In addition it would make the Commonwealth countries feel that their strong representations had been heeded, that consultation had been more than merely the presentation of a *fait accompli*. Thus it would mitigate the damage to our relations with countries in which we have strong economic interests.

(ii) In designing our general capability after 1971, we should ensure it will carry credibility with our Commonwealth partners in the Far East. It ought to be shaped so that if we decide British interests are at stake at any time in the Far East, we have the military means to deploy our capability. This ought to be made clear in the announcement.

(iii) We should be willing to take part in a conference with Australia, New Zealand, Malaysia and Singapore to consider the practical problems thrown up by our new timetable, while making it clear that the timetable itself and the abolition of the special capability cannot be reopened at the conference.

(iv) We should be flexible and helpful in disposing of our defence facilities in Malaysia and Singapore with a view to ensuring the future security of the area and preserving the interests of other Commonwealth Governments.

(v) We should also be generous in providing training and seconding expert personnel after withdrawal in view of the fact that according to CinCFE it would take Singapore and Malaysia approximately five years to train specialists to operate their own air defence.

(vi) We should reach very early decisions on substantial aid for Malaysia and Singapore up to the time of our withdrawal.

**33** PREM 13/1999, no 17

15 Jan 1968

[Defence review]: outward FO telegram no 554 to Washington transmitting the text of Mr Wilson's reply to President Johnson<sup>1</sup>

I laid both your messages before my Cabinet colleagues today and they were carefully read before our final deliberations and decisions on the range and extent of the swingeing cuts in public expenditure, at home and overseas, that I shall be announcing to parliament tomorrow. I should like to say at the outset how grateful I am to you for setting out with such restraint and understanding what I know to be your powerfully-held views on the measures we are having to take.

I need hardly tell you how profoundly my colleagues and I regret the necessity for our decisions. As you will see when you receive a copy of my statement—and I will do my best to get this to you as early as possible—some of the decisions we have taken on the home front strike at the very root of principles to which many of us have been dedicated since we first went into politics. They are bitter decisions for us to have to make: and only our conviction that they are vital in the long-term interests of Britain, and that the British people will accept them as such, has made it possible for us to stomach them.

The heavy sacrifices at home would have been pointless without drastic retrenchment abroad. I ask you to believe that this is not, as some journalists and even some Commonwealth statesmen have been saying, simply a matter of party politics—of keeping some kind of quote balance unquote to force the unpleasant home medicine down the throats of our party supporters. Of course politics is involved here—what is politics all about anyway? But this is much wider than party politics—the policies of the nation and the sense of purpose of the British people as a whole are deeply involved.

At the time of devaluation, I told you that the British people were sick and tired of being thought willing to eke out a comfortable existence on borrowed money. As your people may have told you, there has been over the past weeks an astonishing assertion of this kind of spirit throughout the nation and irrespective of party. At the root of this is a still rather confused groping for the real role that Britain ought to be playing in the world: and it has been striking to observe, in polls and other tests of public opinion, not only the extent to which people are prepared to accept drastic sacrifice at home but also their demand that we must no longer continue to overstrain our real resources and capabilities in the military field abroad.

This does not mean, as you suggest, a British withdrawal from world affairs. Of course there are always, in any country, those who in moments of storm prefer to bury their heads in the sand. But the spirit that has been running through this nation in recent weeks is not that of quote Little England unquote. I believe it to be a blend of exasperation at our inability to weather the successive economic storms of the past 20 years and determination, once and for all, to hew out a new role for Britain in the world at once commensurate with her real resources yet worthy of her past. There is at last a nation-wide realisation that this can not be done on borrowed time and borrowed money.

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<sup>1</sup> See 29. President Johnson sent a second message to Mr Wilson (not reproduced here) about the UK decision to cancel the order for fifty US F-111 aircraft. For the US reaction to this, and how, in the US view, it compounded the problems posed by the decision to withdraw from the Persian Gulf, see 35, paras 8–9.

I shall not attempt to list here all the measures which will be set out in my statement tomorrow. But just as you were able to give me a brief forewarning of the dramatic steps you felt it necessary to take on New Year's Day to protect even the vast economic strength of the United States, so I wish you to know now the two decisions that are most directly relevant to this country's international posture and thus to our own working relationship: and those to which your two messages were addressed.

First, the Far East and the Gulf. As I shall be explaining tomorrow it is absolutely clear to us that our present political commitments are too great for the military capability of the forces that we can reasonably afford, if the economy is to be restored quickly and decisively. But without economic strength, we can have no real military credibility. If there is any lesson to be learned from the sombre way we have found ourselves obliged to lurch from one defence review to another in recent years, it is that we must now take certain major foreign policy decisions as the pre-requisite of economies in our defence expenditure. Put simply, this only amounts to saying that we have to come to terms with our role in the world. And we are confident that if we fully assert our economic strength, we can, by realistic priorities strengthen this country's real influence and power for peace in the world.

This was what underlay the intention, conveyed to Dean Rusk by George Brown, to withdraw our forces from the Far East and the Middle East by the end of the financial year 1970/71. But as George explained we fixed this deadline subject to reconsideration in the light of the account he brought back of your government's views and what George Thomson returned to tell us of the views of the Commonwealth governments in the area. We also, as you may have seen, sent the Minister of State in the Foreign Office to discuss our intentions with the heads of government and others concerned in the Middle East. In the light of your message to me, of the reports from our other colleagues and of our deep and searching discussion with Harry Lee,<sup>2</sup> who flew to London this weekend, we have decided to defer our withdrawal for a further nine months, i.e. to the end of 1971. I know that this will still seem too soon to yourself and to many others. But, in the face of the appallingly difficult decisions we are having to take over home expenditure, I believe that it is a significant contribution to the time needed to help those in the areas concerned prepare for the day when we shall no longer have a military presence there—for, believe me, it is only of our military presence that we are speaking. We know that its withdrawal involves risks. We believe that there is no option but to run them. But we intend to continue our aid programmes to the best of our ability, and of course to maintain our political, trading and economic interests there.

Secondly, the F. 111. again, I ask you to believe that my colleagues and I have spent many hours of discussion and heart-searching on this problem at three separate meetings and gave the fullest weight to the considerations advanced in your message. But we have come to the reluctant conclusion that the only way we can achieve the really decisive economies that are essential in the hardware budget of the Royal Air Force, while still keeping effective and sophisticated capabilities in all three services, is to cancel the order for the 50 F. 111 aircraft. I hope you are wrong in assessing that this decision will be interpreted abroad as a disengagement from any commitments to the security of areas outside Europe or indeed largely in Europe as

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<sup>2</sup> Harry Lee is the anglicised version of Lee Kuan Yew; for his talks in London on the defence review see 109.

well. And you are certainly wrong if you take the view you mentioned that it is quote a strong indication of British isolation unquote. In fact, I believe both these views to be wrong. As I shall be explaining tomorrow, we intend to make to the alliances, of which we are members, a contribution related to our economic capability: we shall not be withdrawing from our three major alliances: and the general capability that we shall retain in this country and on the continent can also be deployed overseas and will still thus enable us to continue to give assistance to our international partners and other allies concerned, if the circumstances so demand.

Against this background and having regard to what you yourself said in the second of your two messages, I nevertheless hope that Denis Healey and Bob McNamara, for whose helpful efforts in these matters we are all most grateful, can reach an early agreement in broad terms about continued credit facilities for the unchanged phantom and hercules programmes and for appropriate adaptation of the offset arrangements.

Believe me, Lyndon, the decisions we are having to take now have been the most difficult and the heaviest of any that I, and I think all my colleagues, can remember in our public life. We are not taking them in a narrow or partisan spirit. We are taking them because we are convinced that, in the longer term, only thus can Britain find the new place on the world stage that I firmly believe the British people ardently desire. And when I say quote the world stage unquote I mean just that.

With warm regards,  
Harold Wilson

### **34** FCO 8/33, no 84

27 Jan 1968

**[Persian Gulf]: despatch from Sir S Crawford<sup>1</sup> to Mr Brown on reactions in the Persian Gulf to the announcement that British forces will be withdrawn by the end of 1971**

I have the honour to report on the immediate situation in the southern part of the Persian Gulf, following the visit which the Minister of State at the Foreign Office paid to the Gulf States from the 8th to the 10th of January, and the announcement by the Prime Minister on the 16th of January that Her Majesty's Government intended to withdraw all British forces from the Gulf by the end of 1971.

2. My object is not to go back over the discussions which the Minister of State had with the Rulers, of which the Foreign Office already has records, nor to weigh the pros and cons of Her Majesty's Government's decision, but to consider the situation in the Gulf as it now is. An essential ingredient in the situation is the state of mind of the Rulers. This has been determined not only by the substance of our acutely unwelcome decision, but also by the way in which they were confronted with it without prior discussion and without being given any clear idea of how the stability of the Gulf could be preserved after our departure, by the fact that contrary to the strong views of several of them, the decision was announced publicly, and finally by the absence of a response to the offers which three of them made to contribute to the costs of maintaining British forces in the Gulf. The cumulative and shattering effect

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<sup>1</sup> British Resident in the Persian Gulf, 1966–1970.

upon them and upon their confidence in us of these events was made all the greater because the decision came only two months after the Minister of State had given to the Rulers on behalf of Her Majesty's Government a firm assurance that in the joint United Kingdom-Gulf interest the British military presence in the Gulf would be maintained for as long as was necessary to ensure peace and stability in the Gulf and that there was no time-limit on this presence.<sup>2</sup> The Rulers do not look upon the nine months extension in the time which our forces will stay in the Gulf beyond the date originally given to them as changing the situation in any material way. Their sense of security for the future has been removed, without there being any satisfactory or in some cases visible alternative to us as the protecting power, they see their economic and social progress jeopardised by growing uncertainty in the internal security situation and they feel that their States in varying degrees are likely to be exposed to subversion from outside and within.

3. The fears of the Rulers vary according to the differing circumstances of their States. In the case of Bahrain, the Ruler<sup>3</sup> is acutely conscious of the Iranian claim to the island and will take a great deal of convincing that this claim will not be pressed; his State, with relatively small oil revenues, is also from the economic point of view especially at risk, because foreign investors, whose support is needed for the diversification of the economy, may take fright. The Ruler of Abu Dhabi,<sup>4</sup> in the knowledge that Saudi Arabia maintains her claim to the great part of his territory, cannot look to King Faisal<sup>5</sup> for protection and does not know to whom else to turn apart from ourselves. The Rulers of the five small and impecunious Northern Trucial States are in complete confusion and are looking in all directions to see where they can run for cover. All the Rulers are aware that their manpower resources are not enough to enable them to build up defence forces adequate to enable the States to stand on their own, either individually or together. And although Saudi Arabia is seen by most of them as the only possible alternative protector, even those Rulers who count most upon her support have doubts about the military effectiveness of Saudi protection and know that it would be unpopular with many of their people. It is not surprising therefore that they are greatly perplexed about where to turn, and feel bitterly that we are letting them down. There has been as yet no open reaction among the public to the announcement of the 16th of January, but soundings taken in Bahrain, where its implications are most widely understood and discussed, show that even educated Nationalists are opposed to our going and just as uncertain as the Rulers about where the future of the Gulf States now lies.

4. A period of constant meetings and active discussion has started between the different Rulers and between them and their neighbours, and all sorts of wild and impractical ideas are being ventilated. The Rulers of the Northern Trucial States have been meeting together in groups, Shaikh Rashid of Dubai<sup>6</sup> has visited all the other main Rulers, Shaikh Issa of Bahrain has been to Riyadh and is about to visit Kuwait, whose Foreign Minister starts this weekend on a tour of the Southern Gulf States. A meeting of the Trucial States Council is likely to take place shortly and there is expected to be either beforehand or afterwards a meeting in Dubai of all the Rulers of

<sup>2</sup> See 27.

<sup>3</sup> Shaikh Isa bin Sulman al-Khalifa; on the Iranian claim to Bahrain, see 118, para 9.

<sup>4</sup> Sheikh Zaid bin-Sultan al Nahayan of Abu Dhabi. On the Saudi claim to the Buraimi oasis and to a large part of the territory of Abu Dhabi, see 118, para 8.

<sup>5</sup> King of Saudi Arabia, 1964–1975.

<sup>6</sup> Sheikh Rashid bin-Said-el Maktum of Dubai.

the Protected States. In all this movement, it is impossible to see what dominant pattern is likely to emerge. Apart from other considerations, the Rulers do not yet know what answers Her Majesty's Government will give to their enquiries about the future of the protection treaties and to their offer to contribute to the costs of the British forces to enable them to stay longer, pending the establishment of alternative security arrangements in the Gulf. In my telegram No. 94 of the 24th of January, I have reported an approach which Shaikh Rashid has made to me, speaking on behalf of all the main Rulers and dealing mainly with this subject, and I have recommended that we give a favourable response to the Rulers' offers. If we do, we shall have taken a step towards reviving the belief that we still have their interests at heart, as well as our own, and that we genuinely wish to preserve peace and stability in the Gulf. We should not, however, imagine that a favourable answer now would restore the position as it was before the 16th of January. The Rulers would be glad to have more time to develop their States and to work out alternative security arrangements. But too great a blow has been struck at their confidence in Her Majesty's Government, for them to be other than suspicious about the Government's longer-term intentions or to believe that our policy may not change again without warning and to the detriment of the Gulf States.

5. There is at present much talk of greater unity among the Trucial States, but this will come up against the serious problem of Rashid/Zaid rivalry, which is now, even more than in the past, about how to ensure the survival of their States and about the bearing which their very different relationship with Saudi Arabia has on this problem. There is also talk about the desirability of building some form of unity among the four principal States, but the Rulers of Bahrain and Qatar<sup>7</sup> are unlikely to encourage such ideas so long as the Saudi Arabia/Abu Dhabi situation is unresolved. In this situation, it is impossible to tell whether the recommendation contained in my despatch of the 8th of December about the Trucial States, that we should aim at separating Abu Dhabi from the others and encouraging the Northern Five to accept Dubai's leadership, can still be regarded as our aim. It certainly cannot be actively pursued at present. The recommendations in my subsequent despatch of the 22nd of December on the implementation of other aspects of policy, based on the objective of promoting the emergence of four mini-States in the Southern Gulf, can still be regarded as relevant, but we shall not now have the calm period of two years needed to put them into effect, and it will be necessary to consider as we go along what changes need to be made. The concentration of the minds of the Rulers and their Governments on the problem of the security, and indeed survival, of their States will probably delay progress on some points, *e.g.*, administrative reform in Bahrain, while complicating others, such as Gulf functional co-operation. What is I am afraid certain is that in this period our own influence on developments will be much reduced, even though, in their perplexity about the future, the Rulers keep asking us for advice. In dealing with their questions. I believe that we should avoid at this stage advocating any particular form of alternative security arrangements for the area in the future, and should simply show a sympathetic readiness to listen to their ideas as to where their interests lie and how they think they should be protected, so that we can consider how best we can help them. Now that Her Majesty's Government have decided on their future policy, according to where they believe Britain's interest lies,

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<sup>7</sup> Sheikh Ahmed bin Ali-al Thani of Qatar.

we should do everything we can to convince the Rulers and their peoples that, in implementing this policy, we shall to the utmost extent possible be guided by their interests.

6. I have not in this analysis referred to the Sultan of Muscat and Oman. The Sultanate is not under our protection, and the Sultan has in no way attempted to query our decision to withdraw. The decision must have disturbed him greatly, for it is bound to complicate the security situation within and on the borders of the Sultanate, and he has very little time to prepare for the final shock to the whole area which our withdrawal will cause. Yet the stability of the Sultanate is as much in our interest as is that of the Protected States, for one is linked with the other, both in the particularly sensitive point of Buraimi and more generally. The common interest in the progress of the Sultanate which we and the Sultan share is recorded in the Exchange of Letters of the 25th of July, 1958, the basic agreement under which we have helped to build up his armed forces; this common interest is very present in his mind and it is as his contribution to it that he has met our recent requests to him, *e.g.*, to our placing a BBC relay station on Masirah Island, and to our basing V-bombers on the airfield there (under the abortive plan for preserving the security of South Arabia after our withdrawal). I have no doubt that it remains an interest of ours that there should be a stable and peacefully developing State in South-East Arabia and that we should continue to help the Sultan through the difficult period of adjustment which the Sultanate like the Protected States will now have to face.

7. Although it is not yet possible to see with any clarity how we can make the best use of the time remaining for our military presence in the Gulf in order to ensure its long-term stability, there are, I submit, a number of points which we should watch, having in mind the considerations in the last two paragraphs:—

(a) We should reach decisions as early as we can not only about the Rulers' offset offers, but also about the future of our protection treaties, about the kind of help we may be able to contemplate giving to the Gulf States in the period after the withdrawal of our forces from the Gulf, and about the future of the Trucial Oman Scouts. The Rulers need to know very soon where they stand on these points at least in principle, if they are to think realistically about the future. I trust that our conclusions will, where appropriate, be put to them not as irrevocable decisions but as matters which we wish to discuss with them.

(b) We should be very careful over the drafting of public statements made on behalf of Her Majesty's Government about the Gulf, including those describing the kind of security system we hope will be established after our departure. There are many pitfalls here. An obvious one is that, by suggesting that we are thinking of building up a defence pact among the authoritarian Governments of the larger States around the Gulf, we shall erect a target for attack by the revolutionary Arab countries in the north and by radical Nationalists in the area itself, which will weaken the stability of the Gulf States. Another is to suggest that all that is required is an agreement between the major Powers around the Gulf, and that in consequence the Gulf States are pawns at the mercy of these Powers and ourselves, that we are not taking their interests into account, and that everything will be fixed over the heads of their Governments. (I am afraid that this was what the Defence Secretary implied by the words he used at the end of his BBC 'Panorama' interview on the 22nd of January.) It is a commonplace that, because statements



about Middle East politics are virtually impossible to draft without offending at least some of the interested parties, they have to be worded in such general terms as to have little concrete meaning. This is very much the case here.

(c) We should be extremely careful about Arab–Iran relations. There is just below the surface in the minds of the Bahrainis and perhaps others the fear that, because of our long-term interest in good relations with Iran, we shall disregard the interests of the Gulf States and sell them down the river. This has for long been a theme used by the propaganda services of the revolutionary Arab countries, and they will undoubtedly use it effectively, if we give any encouragement at all. This consideration supports what I have said in the previous sub-paragraph about the choice of words in our public statements about the Gulf. It is also a reason why we must be ready to uphold the position of the Gulf States in the face of Iranian claims. Our views on the status of Bahrain have been clearly stated in the past and we must be prepared if necessary to restate them firmly and repeatedly. There is no difference in principle about our position over the Tunbs and Abu Musa.<sup>8</sup> We may fear that, after our withdrawal, Iran will seize these islands. Nevertheless, during the period of our presence in the Gulf, we must give full support to the sovereignty of the Rulers to whom the islands, in our eyes, belong. This does not mean that we or they should be provocative, but it does mean that so long as we have forces here we must take whatever action is necessary to avert an Iranian occupation. This is simply one facet of the need to honour our protection obligations to the Gulf States during our remaining years here, as the Minister of State, during his last visit to the Gulf, assured the Rulers that we would.

(d) We should avoid taking any decisions in the near future about the rate of the run-down of our military units in the Gulf and should avoid any public statements on this question. Having taken the risk of announcing a final date for our withdrawal, four years ahead, we have, among other dangers, given those who would wish to disturb this area full notice of our intentions and an encouragement to try to speed up our departure or, at the very least, by causing disturbance, to claim credit for it. No deterioration has occurred in the internal security situation and it is impossible to tell now whether it will do so, or if so, how the Governments will react over the years ahead. We should remain as flexible as possible on this matter until we see more clearly how the situation will develop.

(e) We should continue to take all possible care to ensure that our forces are unobtrusive and that relations between members of the forces and the Arab populations of the Gulf remain friendly. Unobtrusiveness involves keeping numbers down and I hope that ruthless economy will continue to be the aim in the review of service establishments in the Gulf which is about to take place.

(f) We should do our utmost in our contacts with the Governments of Iran and Saudi Arabia to promote a solution to the problems presented by these countries' claims on the territories of Bahrain and Abu Dhabi. With regard to the former, we may believe the Shah's assurance that he will not pursue the claim on Bahrain actively, but the Bahrain Government will need more than this to convince them, so long as Iran maintains restrictions on all forms of contact with Bahrain; their fears also cloud their ideas about co-operation with Saudi Arabia, since they are afraid that the maintenance of Iran's claim may drive Saudi Arabia to carry out a

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<sup>8</sup> On the Iranian claim to the Tunbs and Abu Musa, see 118, para 9.

pre-emptive takeover. With regard to Abu Dhabi, it is abundantly clear that King Faisal is not weakening in his claim. If it is maintained, it will add a new dimension of difficulty to our own withdrawal, for after the events of the last 20 years, we could not in honour simply abandon Shaikh Zaid to this fate. As I said earlier in this despatch, it also greatly complicates the present attempts of the four principal Rulers to co-operate together, for by exacerbating the rivalry of Shaikhs Rashid and Zaid, it makes Shaikh Issa and Shaikh Ahmed wary about co-operating too closely with Shaikh Zaid for fear of spoiling their relationship with King Faisal. This dispute remains the most intractable but most important problem facing us, and it seems to me that we must renew our efforts to make King Faisal see that a peaceful settlement of it is absolutely essential to the future stability of the Gulf.

(g) We should continue our policy of giving practical support to the Governments of the Gulf States, to the extent that they wish it, in building up their administrations, developing their economies and improving their security forces. This means going full steam ahead with our technical assistance programme in Bahrain and with establishing the Gulf Technical Institute, of which the Foundation Committee has just held its first meeting. It means, I hope, an extension of British Council activities, with the aim of helping in the educational development of the southern part of the Gulf; this extension has been the subject of repeated recommendations from this post. It means continued support for the local security forces in training and logistic matters, and in providing on secondment the personnel that they will need, perhaps in greater numbers than in the past. This applies not only to the Protected States, but also to the Sultanate where we should continue to give personnel, administrative and logistic help to the Sultan's Armed Forces within our capabilities and on repayment. British forces will of course continue to avoid getting directly involved in Sultanate defence and internal security commitments.

(h) We should do whatever is required to support the efforts of the States to promote developments directed at improving their economic viability. This means a helpful policy over ECGD financial guarantees for such things as the aluminium smelter plant for Bahrain and for construction projects generally in the Gulf. It means that Her Majesty's Government should confirm soon that they will participate in the proposed runway development at Muharraq airport. It means encouraging, through the Council for Middle East Trade and in other ways, British firms to continue to take a keen interest in exporting to the Gulf and in tendering for projects here. Although there must now be greater uncertainties about the future, it remains important that British firms should do their utmost to earn a substantial share of the sterling which the oil exports of the area will bring to the Gulf States, and that British Government policies should continue to encourage the Governments of the Gulf States to be good holders of sterling.

8. In all this, I have had in mind that, although economic *force majeure* has compelled Her Majesty's Government to decide to withdraw British forces from the Gulf earlier than was originally intended, it will remain an important British interest on both political and economic grounds that peace and stability should be maintained in the Gulf in the long term. Although we cannot hope to see yet what will in the long run best serve this aim, we must in the meantime do our best to steady the essentially unstable boat of the Southern Gulf States and make it easier for them to take the rock-strewn and as yet invisible rapids ahead.

**35 FCO 24/102, no 319****4 Mar 1968****'United States reactions to our withdrawal East of Suez': despatch from Sir P Dean (Washington) to Mr Brown**

Now that the Prime Minister has visited Washington following Her Majesty's Government's announcement on 16 January of their decision to complete the withdrawal of all British forces east of Suez, except for the Hong Kong garrison, by the end of 1971, it is possible to review American reactions to these latest developments in United Kingdom defence policy and to attempt to assess the effect on Anglo-American relations.

2. Since I arrived in Washington nearly three years ago we have on three separate occasions discussed with the United States Government the implications of major policy decisions affecting the world-wide deployment of British forces—the 1966 Defence Review, the 'little' defence review of July 1967, and now this latest set of measures. In each case the economic imperatives which have led us to retrench have been such as to leave little room for adjustment in deference to American views. While questioning our premises, reproaching us, albeit politely, for lack of prior consultation, and representing the risks they believed to be involved in our withdrawals, the Americans have nevertheless never made a really determined effort to stay our hand or modify our plans. Of course they have spoken quite strongly, but they never really tried to twist our arm.

3. The strength of their visible reaction to each succeeding set of measures has been, surprisingly, in inverse proportion to what one might have assumed to be the importance from their point of view. Thus when reports began to circulate towards the end of last year about a drastic acceleration of our existing withdrawal plans and further cuts in our overall defence expenditure, they provoked no immediate comment or enquiry and were greeted with an air which I have elsewhere described as one of 'gloomy fatalism'. Following the Prime Minister's 'nothing is sacrosanct' statement of 18 December, 1967, members of my staff found in their working contacts with the State Department and the Pentagon that the statement had not passed unnoticed but that American officials seemed to be under instructions to do no more than make it very clear that whatever decisions in the defence field might follow, the United States was not to be expected to fill any vacuums. Even if this were desirable in foreign policy terms it would be ruled out by domestic considerations, in particular the Congressional attitude to overseas commitments, especially in an election year and with the Vietnam war still raging. There were suggestions that the Administration felt that they would be wasting their breath in trying to influence us away from defence cuts, following the failure of their representations prior to July 1967. When you saw Mr. Rusk on 11 January on your way back from Tokyo to give him the outline of our latest plans, it is true that he spoke with great feeling about the evil consequences which he foresaw. But formal statements of the Administration's concern were not made until it was manifestly too late to influence Her Majesty's Government's decisions. Mr. Rusk's message about the Persian Gulf barely reached you before you left for Japan. Even a message from the President read on the surface more like an admonition not to cancel the F.111 contract than a plea to review our intentions, although it certainly had a deeper significance.<sup>1</sup> Some

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<sup>1</sup> See 29 & 33.

suspect that the message was in part at least designed to demonstrate that the United States was not lagging behind the Australian and other interested governments in expressing their alarm. And when the Prime Minister was in Washington earlier this month, the President reverted only briefly to the whole subject.

4. At first sight it is not easy to explain this comparative lack—or at least slowness—of reaction on an issue which, for a variety of reasons, touches American interests in very sensitive places. When the full scope of our intentions was revealed, the private as well as public response was above all one of sadness at the passing of an era rather than of indignation. At the same time there was an element of self-pity and resentment at the thought that the United States would be faced with yet a further extension of an already unwelcome burden for the defence of the free world. The mildness of the reaction was not, I am sure, due to indifference but rather a combination of resignation and perplexity. Although the Administration tended in 1966 and 1967 to question the economic arguments which led us to cut back on our deployments east of Suez, against the background of their own escalating balance of payments problem the Americans must have been forced, however reluctantly, to acknowledge that our difficulties were genuine and urgent. And the real turning point was probably July 1967, when a long and much stronger American campaign to over-persuade us failed. With the devaluation of sterling last November they were finally brought face to face with the realities of our situation. At that time they were led to believe that our foreign and defence policies as laid down in July 1967 would remain intact, so that no action on their part was in any case called for before the speech of 18 December. Thereafter they cannot have failed to know more or less what might be in the wind, and there must, I feel, have been a conscious decision on their part (reflected in the working-level attitude I have referred to above) not to seek again to influence us, still less to offer us incentives to stay East of Suez. I am, I should underline, fairly sure that at this stage it was not their expectation that we contemplated more than accelerated withdrawal from Malaysia and Singapore, coupled possibly with the reduction, if not the cancellation, of the F.111 order, and that they were resigned to both. The Gulf probably did not enter their calculations, and they must have assumed that the acquisition of some F.111s would seem to Her Majesty's Government essential to make credible the retention of any capability of intervention outside Europe. Only as the British press, and perhaps the American Embassy in London, revealed the possibility of departure from the Gulf and the total cancellation of the F.111 order did Mr. Rusk's and the President's interventions follow.

5. However there is no doubt that the Administration as a whole, including the President himself, have taken our decisions hard, and we have had evidence of the President's feelings since the Prime Minister's visit. I am afraid that no amount of rationalisation will make any real impact on the Administration's belief that the defence cuts were motivated more by domestic political considerations than anything else. It is difficult on the merits of the case to demonstrate to them that really significant or early financial savings will result. It is abundantly clear to them that the decisions were imposed from above and were not the result of detailed staff studies. So when one speaks of American resignation, one must not assume that the Anglo-American relationship has emerged unscathed. At the same time, the Americans have a real interest in its continuation and particularly in employing it between now and 1971 in order to make the best of the new situation with which

they are now confronted. They would be cutting off their noses to spite their faces if they elected to punish us or to retaliate.

6. Meanwhile their perplexity is very real. They have still to sort out for themselves just what are the long range implications. Taking the problem in detail, some analysis of their attitude can be attempted. The shock of our eventual withdrawal from Malaysia and Singapore was in fact largely absorbed two years ago when we first revealed our intention to give up our land-based presence by the mid-70s. At the time the Americans argued strongly against the whole idea on the grounds that it would prejudice their own position in South East Asia, that it was throwing away an irreplaceable strategic asset and that it was an invitation to political instability in the area. As time went on they became more adjusted to the prospect, encouraged no doubt by the out-turn of events in Indonesia, the stalwartness of the Tunku and Mr. Lee, and their own growing optimism about the growth of political maturity among the Asian countries. They were also consoled by our intention of remaining in a different way militarily committed in the area. Having swallowed the principle, the main issue at stake became one of timing, which by its nature is much harder to argue. Since they cannot themselves put a term on their involvement in Vietnam nor admit that they will still be fighting there beyond the mid-70s, and are in any case publicly committed to withdrawal from the Asian mainland in the event of a satisfactory settlement in Vietnam, it would have been hard to demand of us something which they could not accept for themselves. I would have expected them however to have reacted more directly to our decision no longer to provide for a mobile military presence east of Suez after 1971. But it is also strange in retrospect that they passed over in silence the offer made in 1966 to embark on joint staff talks with themselves, Australia and New Zealand for the co-ordination of defence plans, pointing to some form of permanent joint planning organisation. You will remember that they objected to this on the grounds that it would be counter-productive to establish a new 'white man's club'. In view of subsequent events it is perhaps as well for us that our suggestion was not taken up. Their failure to do so, like their total lack of interest in ideas for a U.K. base in North-West Australia, probably reflect their unwillingness at the time to acknowledge that there was any satisfactory alternative to our remaining in Singapore. They now seem determined not to step in with any initiative and we have been told that they have spoken to the regional governments concerned—Australia, New Zealand, Malaysia and Singapore—in the sense of urging them to discuss together the implications of the British decision. When they have done so, the United States Government will be prepared to discuss with them the conclusions they have reached but entirely without commitment.

7. Our decision not to pursue the British Indian Ocean Territories project<sup>2</sup> has been accepted without protest. But this may be because they hope eventually to install the necessary facilities themselves (they are showing signs of interest in Diego Garcia and Farquhar Island) and do not regard as essential either our physical participation or financial contribution so long as their own access can be assured though they would, of course, like to see the Union Jack flying jointly over such facilities if possible. This would cause them few, if any, political problems, domestically or internationally.

8. It has been the decision to leave the Persian Gulf which came as the biggest

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<sup>2</sup> cf 345, 348, 350.

surprise and has raised the most apprehension. Here again, there was a prelude in the shape of our departure from Aden, about which Mr. Rusk had misgivings, and they knew we would leave the Gulf one day. But their general reaction to the decision to leave so soon was one of astonishment that we should contemplate withdrawing from an area where our economic stake (and incidentally their own), was so large, our political relations with the rulers apparently peaceful and the military costs so relatively modest. Their discomfort reflects the general feeling that there is enough trouble in the Middle East already without adding new factors for instability or providing further opportunities for an expanded Soviet presence. That they are now beginning to address themselves to the problem is shown by Eugene Rostow's<sup>3</sup> characteristically premature suggestion for regional security arrangements and the questions put to the Department by the United States Embassy in London. But I am sure they are still a long way from defining the future problems for themselves or assessing what the new situation may mean for their defence commitment to Iran and their obligations towards Saudi Arabia.

9. The cancellation of the F.111 also came as a surprise. They had in fact expected us to drop perhaps 10 of the 50 ordered, but to seek our main savings at the expense of the Phantom programme. It was unwelcome both because of the loss of foreign exchange earnings entailed and as a symbol of our disengagement from a global strategic role (although I do not have the impression that they will greatly miss the military contribution *per se* which these aircraft would have made to defence east of Suez). Both in official dealings with us and in public they have reacted dispassionately. They have made it clear that they will deal with the penalties of cancellation on strictly business terms, and although they seem prepared to retain the principle of offset for our other aircraft purchases, we must expect that it will sap the Administration's will to fight the objections of Congress and vested interests to future sales of British equipment to the United States forces.

10. Finally, they are worried about the further proposed reduction in our defence expenditure ceiling both in substance and for fear of the pretext which it may offer to similar cuts by the other NATO allies. This above all they see more as a concession to domestic political pressures than as an economic requirement.

11. They have yet to add all this up and it will take time before the effects work their way through on Anglo-American relationships. In the short term I doubt whether there will be any perceptible difference, but in the longer term I am afraid that it will inevitably mean a further erosion both of our ability to influence American policy and of American interest in consulting us. Together with our shared concern in the operation of the two international reserve currencies, our common interest in world-wide defence has provided the major ingredient in the unique bilateral relationship we have enjoyed. From 1971 onward we shall have no claim to special military partnership, except insofar as we may still be the only friendly nuclear power, although one may hope that practical inter-service co-operation will continue in the Atlantic/NATO context, particularly in the naval sphere. Whether this will cause us any practical inconvenience or difficulties only time will tell: it all depends on whether one can foresee circumstances in which we might either need exceptional support to which the Americans no longer feel we are entitled or want to modify American policies which we believe to be misguided, for which purpose the

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<sup>3</sup> US under-secretary of state for political affairs, 1966–1969

leverage will be lacking. For a time at least, we can expect to be treated with the consideration due to a distinguished footballer who can still play a useful game and has a rich fund of experience to be drawn on, but who can no longer turn out in all weathers and whose retirement is not far off. If we want to keep a place in the side there are I think three basic requirements. First and most obviously, we must restore our economic health. Second, we must do whatever we can to enhance our contribution to European defence and to resist further troop reductions in Europe. The Americans have always set great store by this and if we can establish ourselves as the leading European military power it will do much to compensate in the American mind for the disappointment they feel about our withdrawal from a global defence role. In particular we must, to make our concentration in Europe credible, show willingness to restore and enhance our military presence in the Mediterranean, where Soviet naval expansion causes real concern here. Third, we should offer to concert closely with the Americans during the phasing out of our deployment east of Suez in order to leave behind as tidy a situation politically and militarily as we can. The lack of any real consultation with them in advance of our decisions was particularly resented. The more we can do to provide continuing defence assistance short of an actual presence, the better. For local as well as domestic political reasons, there is little present prospect of the United States 'filling the vacuum' in the physical sense when we have gone. Moreover they are themselves heavily overstretched in Vietnam. But between us there may be quite a lot we can do, often discreetly, to ensure that the vacuum is not filled by hostile forces. When it comes to political action, as will generally be the case, the Americans are the first to recognise that we are still, in the crucial few years ahead, more skilled than they. If we can keep the initiative in our hands we can both perhaps restrain American impatience (and the ham-handedness which sometimes goes with it) and show the United States Government that we are politically still a world power and a worthwhile partner.

12. It is impossible at present to look further ahead than this. It is conceivable that American protestations of the impossibility of their filling the vacuums which our departure will leave may not prove entirely true. It is certainly the case that they cannot replace us in the sense of enjoying the same facilities as we have enjoyed, and on the same basis. But their declarations on the point may have been intended to act as a deterrent to our decisions and may over the longer term no longer apply when a new situation exists, following 1971. There will by then be a new Administration, and it will be a different one following this year's elections even if it is still headed by President Johnson. I can detect on the American side some hope that, at least in the Gulf, and whether because of developments in the area or because of a possible change of Government in Britain, our own decisions may yet be reversed or changed in important respects. Even if they are disappointed in this, the fundamental question remains to be resolved whether, on the assumption that the Vietnam war is ended, the United States will in the longer term wish to contract its overseas commitments or will be willing to accept alone the role of imposing some kind of Pax Americana in the broad area of the Indian Ocean. It is premature to exclude the latter possibility even though appearances at present would argue to the contrary, and we do know that the United States Navy are already studying the new situation with which they are now confronted in the Indian Ocean.

## CHAPTER 2

## Aden and South Arabia

Document numbers 36–87

**36** CAB 148/17, OPD(64)16

30 Dec 1964

‘Policy in Aden and the Protectorate of South Arabia’: memorandum  
by Mr Greenwood for Cabinet Defence and Oversea Policy Committee.  
*Annex V*

[In opposition the Labour Party had been critical of the policy of federation adopted by Duncan Sandys, secretary of state for the colonies in the previous Conservative Government (for background, see Hyam & Louis, eds, *The Conservative government and the end of empire 1957–1964*, part I, documents 188–215). George Thomson, as shadow secretary of state for the colonies, and Denis Healey both believed a ‘Singapore solution’ (Thomson’s expression) would have been more appropriate, with Aden developing towards self-government as a separate city state (K Pieragostini, *Britain, Aden and South Arabia: abandoning empire*, London, 1991, p 117). Healey told the House of Commons in June 1964 that once the goodwill of the Adenis had been secured by the grant of self-government, the UK should then ‘have sought to construct some relationship between Aden and its hinterland’ (*H of C Debs*, vol 696, 17 June 1964, col 1302). In his memoirs Healey described Aden as the scene of ‘another misbegotten federation’. By federating Aden with ‘the backward shiekhdoms of its hinterland’, the Conservative government ‘made both its political and military problems more difficult’ (Denis Healey, *The time of my life*, London, 1989, p 231). Once in office, however, Labour ministers took the view the Federation of South Arabia was too far advanced to be unravelled. Instead, after a visit to by Greenwood in November, the policy of the new government was to work towards the creation of a unitary state. Greenwood’s arrival in Aden was greeted by bomb and grenade attacks as the security problem escalated. He travelled with an armed escort and no details of his movements and itinerary were announced.]

*Introduction*

The general objects of my recent visit to South Arabia were to re-establish confidence in the British Government’s intention to bring an independent Arab State into existence there by 1968 at latest and to make direct contact with local opinion. There was a commitment, inherited from the previous administration, to hold a further constitutional conference early in 1965. The purpose of this paper is to inform my colleagues of the outcome of my visit and to outline proposals for future policy, including the line we should take at the conference and the results we should aim to achieve. It has now been agreed with representatives of the Federal and Aden State Governments that it should be held in London in March 1965.

2. In paragraphs 3 to 13 I give a factual description of the situation as I found it, in paragraphs 14 to 18 I describe the problems now to be considered, and paragraph 19 sets out my conclusions.



### *The situation in South Arabia*

#### *The vulnerability of the Aden base*

3. It is not my responsibility to assess the overall strategic importance of Aden. Nevertheless, I was struck by certain disadvantages of the present base as it stands which seemed to me to make a satisfactory political settlement imperative:—

(a) The base employs some 6,000 local civilian workers, drawn from local Adenis and immigrants from the Yemen and the adjacent Protectorate States. Without their labour I cannot see how we could operate the base for more than a very short time without serious loss of operational efficiency, even if key labour were flown out from Britain at great expense.

(b) The installations are not situated in a single compact area but are grouped in four main areas, all within Aden State (where they occupy about one-quarter of the usable land), but widely separated over a road distance of some 25 miles.

(c) The installations are in many cases closely interwoven with civilian activities, as for example in Little Aden where the cantonment is divided by a public road.

(d) The base, like the rest of Aden, draws its water supply from outside Aden State. The pipeline is long and vulnerable. This could only be remedied by the installation of desalination plants, at great expense and over a considerable period of time.

(e) A high proportion of servicemen and their families live in civilian areas side by side with the Adeni population.

These considerations make the base very vulnerable. In Aden itself, the goodwill of the bulk of the population is essential to the base. Nor could it survive if the adjoining States of the Protectorate were in hostile hands. To some extent, of course, the goodwill of the Aden population is largely secured by their realisation of the economic value of the base. Nevertheless I am convinced that it is only through finding a generally acceptable constitutional settlement that we shall provide a sound basis from which to negotiate for its retention after independence.

#### *Constitutional development*

4. In Annex II<sup>1</sup> I set out the main political units of the area with their estimated population, the historical background and the present state of constitutional development in the Federation, Aden and the Protectorate. Apart from Aden the Federated States are organised on a predominantly tribal basis which would make it difficult for representative government through direct elections to be introduced immediately (see paragraph 17 (ix) below). Equally, in certain areas, the formation of political parties would not be immediately practicable. Even in Aden itself, apart from the Peoples' Socialist Party and the South Arabian League,<sup>2</sup> political groupings are personal rather than ideological.

#### *Finance*

5. The cost to Britain of maintaining our present position in South Arabia, but leaving aside the expenditure on the base, has risen considerably in recent years as the following table shows:—

<sup>1</sup> Only annex V is reproduced here.

<sup>2</sup> See 60, para 3 & note 3.

	<i>1962-63</i> <i>£ million</i>	<i>1964-65</i> <i>£ million</i>
Administration and Grants in Aid	3.02	5.78
Military (mainly Federal Army)	3.46	4.88
Development (C.D. & W. grants and Exchequer Loans)	1.15	3.48
Overseas Service Aid Scheme	.30	.50
	<u>7.93</u>	<u>14.64</u>

Additional amounts totalling approximately £1.3 million in a full year are now required for:—

- (a) strengthening the Federal Security Forces;
- (b) pay revision for security forces;
- (c) accession of remaining Western Protectorate States to the Federation;
- (d) television and broadcasting services.

Despite this level of expenditure, over wide areas of the Protectorate the people live in acute poverty, because of the absence of industry or minerals (though prospecting for oil has been in progress for many years), the extremely barren and waterless nature of the country, and the acute difficulty of communications resulting from the terrain and the precarious internal security. Development potential has been found by expert missions to be very limited in most of the country. I was greatly impressed by the good value which the Federal and State Governments get for Colonial Development and Welfare money—17 miles of good motorable road at £1,900 a mile, for instance, and a major dam and weir for £45,000. Half our financial assistance, however, has had to be devoted to the federal forces in order to rescue the country from its endemic disorder and to protect it from invasion and subversion from the Yemen.

### *British powers*

6. *Aden State.* Aden enjoys a very large measure of self-government. The High Commissioner<sup>3</sup> is the head of the administration; he is advised by a Council of Ministers headed by a Chief Minister whom he appoints as enjoying majority support in the Legislative Council. The High Commissioner is responsible for external affairs, defence, internal security, and the Police and is not required to consult the Council in discharging this responsibility. In respect of other matters he normally acts on the Council's advice but he has general reserved executive authority exercisable with my approval. He is also responsible for the public service, with the advice of a Public Service Commission and Police Service Commission.

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<sup>3</sup> Sir Kennedy Trevaskis, high commissioner for Aden and the Protectorate of South Arabia since Aug 1963, was the target of a bomb attack at Aden airport in Dec 1963 also aimed at federal ministers accompanying the high commissioner for talks in London. Two people were killed and over 40 injured and the incident led to the declaration of a state of emergency in Aden. Trevaskis was slightly wounded in the hand but his wife fell victim to an acute anxiety neurosis. Medical advice about her treatment suggested she should not be separated for long periods from her husband and this was one of the reasons why ultimately Trevaskis was recalled. Greenwood also decided that with a change of direction in constitutional policy, it was time to change the high commissioner. He felt Trevaskis was probably 'too committed to the earlier policy to be able to steer the new one through successfully' (CO 967/433, Poynton to Caccia, 16 Dec 1964). Sir Richard Turnbull arrived in Aden as the new high commissioner on 20 Jan 1965.

7. *Protectorate.* In the Protectorate, on the other hand, we do not possess full powers but only such limited jurisdiction as derives from treaties with the Federation or local rulers or as we have assumed. The High Commissioner has no formal powers under the Federal Constitution but may give advice under the Treaty of 1959 which the Federal Government is under an obligation to implement. In practice we could hardly enforce our advice except by sanctions which would destroy our relations with the Protectorate. Our real influence derives from the financial and military aid we provide and the personal influence of the High Commissioner and his British staff with the State and Federal authorities.

*London conference, July 1964*

8. The London Conference in July 1964 was attended by representatives of H.M.G., the Federal Government, and the Aden Government. Opposition parties were not represented at the conference, but a British Minister visited Aden immediately beforehand to sound out local opinion, particularly that of the Opposition. The conference reached broad agreement on the need to democratise the constitution of the Federation, but did not altogether succeed in reconciling the political leaders of Aden State to the form of the proposed constitution or the division of powers between Federation and the State. Whilst accepting the terms of the agreement recorded in the White Paper (Cmnd. 2414), the Aden representatives recorded lengthy reservations for further examination at the conference which it was agreed to hold to discuss the next stage of constitutional development. This, it was agreed, would include the discussion of arrangements for H.M.G.'s giving up sovereignty over Aden State, which would thereafter be a member of the Federation on the same terms as the other Protectorate States. The hope was expressed that the remaining unfederated States of the Western and Eastern Protectorate would join the Federation.

9. Before the conference, agreement had already been reached between the then Secretary of State, Mr. Sandys, and the Federal Rulers that H.M.G. would give up the general advisory powers conferred by the present treaty of friendship with the Federation, except as regards defence, external affairs and the Public Service. My predecessor announced this in a written reply on 31st July, the last working day of the old Parliament, so that there was no opportunity to challenge it. I discuss below (paragraph 17 (xi)) whether it would be practicable to delay its implementation in the hope that it might be a useful bargaining counter at the next conference.

*Scope of visit*

10. My visit consisted of some five days in Aden, four days in the Federation and two days in the Hadhramaut. In Aden I toured the base and had meetings with a wide range of parties and organisations. I visited the prison where I talked to the men detained there under the Emergency Regulations for their connection with the recent terrorist acts. In the Federation I visited units of the British and federal forces and met Rulers, State Councils and unofficial groups. These bodies are listed in Annex III.

11. In these meetings I took the general line that it remains H.M.G.'s intention that South Arabia should become independent not later than 1968; that we should be

glad if it were possible to grant independence earlier, but that stability must not be sacrificed to speed. On defence of the Federation I said that H.M.G. will continue to do everything in their power both through diplomatic channels and defence aid to help the restoration of peace and to prevent interference from outside. On financial support I said that while development aid was being well used and there was an evident need for much more development, I could not enter into any additional commitments because our capacity to provide additional overseas aid was restricted by present financial difficulties.

12. There have been many changes since the London Conference six months ago which were borne in on me during my visit and which have now to be taken into account:—

(a) In the Radfan<sup>4</sup> all but a small section of the tribes have made their submission. But there are still externally inspired groups of dissidents, and the British and Federal troops garrisoning and patrolling the area are still under desultory fire. They have important tasks: (i) preventing the dissidents from re-establishing their hold on this area, where any form of administration or control is anathema; (ii) enabling some development to take place and so to open up the area to the influence of the Federation.

(b) Increases in budgetary and development aid are beginning to show results on the ground. They are also creating an appetite for the benefits of development which is itself an important political change.

(c) The general election held in Aden in October resulted in a Legislative Council in which the previous Chief Minister, Mr. Baharun, has the support of a majority of elected members but allegations that this was only achieved by extensive malpractices with our active connivance were too frequent and vehement to be disregarded.

(d) The opposition politicians in Aden and the nationalist groups I met elsewhere had become deeply suspicious of British intentions and reluctant to accept the good faith of our declared intention to seek a genuinely popular basis for independence. They were at first unwilling to discuss any settlement other than one on the basis of the United Nations resolution 1949 (XVIII) of 1963 (which included a demand that we should at once evacuate the base). Some conceded, however, that our present policy would go some way towards implementing this resolution.

(e) Despite the invitation expressed in the London Conference Report the Hadhramaut States are still hesitant about entering the Federation. This may be partly due to continued uncertainty as to whether or not oil will be found in the area.

(f) The defection during the London Conference of the Fadhli Sultan, and more recently, of the brother of the Audhali Sultan, although prompted by very different motives, were blows to the self-confidence of the Federation.

(g) There are encouraging signs of willingness to proceed, albeit very cautiously and hesitantly, towards constitutional reform in the States, for instance Dathina and Q'aiti. Progress might be more rapid if public order was not so precarious.

(h) The most important change is the agreement between the Federal and Aden Ministers, announced at the end of my visit, on the principle of creating a unitary State to include Aden, the Federation and, if possible, the Hadhramaut States (the

<sup>4</sup> See 41, note 2.

text is in Annex IV). Their minds had obviously been moving in this direction before I arrived, but they had to overcome not only their mutual suspicions but also still graver suspicions about the intentions of a Labour Secretary of State. It is gratifying and significant that they were able to make so much progress in both directions. But they still have a long way to go:—

- (1) The practical implications of the agreement have still to be worked out.
- (2) It reflects general acceptance that there must be rapid progress towards adoption of democratic forms of government in the Protectorate in order to make possible the assimilation of the whole area and to break down existing separatism. But it would be unwise to underestimate the difficulties and dangers of trying to introduce Western democratic processes into parts of the Protectorate in their present condition.
- (3) Opinion in the Hadhramaut is still largely unformed. There is much suspicion of our intentions and understandable reluctance to be involved in the Federation's quarrel with the Yemeni Republic and Egypt.

13. My aim throughout my visit was to listen rather than to speak, but I was able to contact a reasonably representative cross-section of opinion. The most significant criticisms I heard, recurring in many interviews, were these:—

- (a) There had been distrust and uncertainty over Britain's policy, leading to hesitancy and failure to concentrate on long-term planning.
- (b) Because of inadequate development aid in the past, shameful conditions of poverty had been perpetuated leaving the tribes open to subversion.
- (c) The Protectorate States lacked ordered systems of justice and constitutional guarantees of human rights. There were outspoken allegations of brutal dictatorial rule (which, however, contrasted with the apparent popularity of individual Rulers).
- (d) We had failed to provide all the protection from the Yemen which the Rulers feel our treaty guarantee entitles them to expect and had imposed unreasonable restraint upon local retaliation in kind for intrusion from the Yemen.

### *Future policy*

#### *Components of future policy*

14. Between now and the next South Arabian Conference there will have to be intensive study of the problems both in London and in Aden before we can work out the precise lines on which we should aim to steer the negotiations. Paragraph 15 below indicates the lines on which I think we should now work in preparation for the Conference. The following are the main issues on which I shall be seeking advice and help from my colleagues:—

- (i) It should not prove necessary at the stage of the forthcoming Conference to enter into detailed negotiations about the terms on which the base can continue. But if the principle of a new unitary constitution is adopted, or indeed even if a federal constitution is continued, we shall have to surrender sovereignty over Aden as agreed at the last London Conference. This would fundamentally alter the position of the base, which would thereafter be situated in a Protected State in

which the High Commissioner would presumably have no formal powers beyond the right to give mandatory advice on certain matters. It will therefore be essential to know from the Secretary of State for Defence precisely what facilities and safeguards will be required. We may also expect the question of 'rent' for the base to be raised and it will be necessary to have some idea of the order of financial commitment we can contemplate as the *quid pro quo* for our military facilities and to consider whether we should resist the concept of 'rent' and present our aid under another guise.

(ii) The stability of Aden and the Protectorate will remain indispensable to the base. In the Protectorate such stability will rest to a large degree upon the effectiveness of economic development. It will therefore be necessary to decide what assurances can be given about H.M.G.'s willingness to grant further long-term development aid.

(iii) The situation in the Yemen and our relations with the U.A.R. will be important factors in determining the extent of our future defence commitments in South Arabia, and the influence we exert upon the Federation or its successor in respect of their external relations. It may be that we cannot count on any material lessening of Egyptian hostility to South Arabia in the coming months and that we cannot afford to lower our guard, but I hope that the Foreign Secretary will advise on these factors.

(iv) At interviews I held in Aden the future of the Islands was raised. The Islands are briefly discussed in Annex V. It will be noted that Perim and the Kuria Muria Islands are still included in the definition of Aden Colony (as opposed to Aden State). It will thus be for consideration whether in renouncing sovereignty over Aden State we should also do so in regard to Perim and the Kuria Murias. I shall be seeking the advice of the Foreign Secretary on the future of Perim in view of the presence there of the radio relay station; and that of the Secretary of State for Defence in view of our strategic interest in the islands. I shall also be asking their advice on how we should deal with the problem of Kamaran. The present position there is very anomalous.

(v) I found the morale of the expatriate officers at a low ebb; and I shall wish to discuss with the Foreign Secretary and the Minister for Overseas Development what measures can be taken to ensure that, after the introduction of a compensation scheme for members of the public service at the appropriate stage, we are able to retain key personnel on whom our influence in the area ultimately depends.

#### *A future unitary state of South Arabia*

15. It will obviously not be possible before the forthcoming Conference to work out all the details of setting up a unitary State in South Arabia. Time will be needed for local opinion to mature on the subject, possibly reinforced by expert advice, and there will be need for full interchange of ideas between all parts of the Protectorate, Aden and London. What is required, therefore, between now and March, is not a final blueprint but sufficient study to allow us to guide the next Conference to agreement on the outlines of a progressive constitution, the details of which can be fully developed between now and independence. Accordingly I am examining urgently the proposal for a unitary State in consultation with the Acting High Commissioner.

16. There are many fundamental problems to be settled but the proposal for a

unitary State has great advantages. First, it offers an escape from the present constitutional impasse in which Federal protagonists, Adeni interests and the opposition nationalist groups are virtually irreconcilable. It thus makes it possible to bring the opposition groups, increasingly disillusioned with Nasser, back into the political arena and, I hope, to get them to play a constructive part in the next Conference. Secondly, a unitary State has much to offer as a solution of the administrative difficulties involved in the present situation. Where the States vary so widely and where the resources of political and administrative ability are so limited, a federal structure tends to be wasteful and inefficient, and a unitary State may be viewed as a natural development from the experience of co-operation under the Federation. Thirdly, although there will remain much hesitation in the eastern States over becoming involved with their western neighbours, a unitary State may appeal to Hadhramis; their accession would reassure the Adenis who view them as a sophisticated and urbanised counter-poise to the western tribes. Finally, it offers the chance of breaking down the narrow loyalties at present frequently expressed in barren inter-tribal jealousy, and of allowing progressive forces to make their influence felt throughout the area.

### *Immediate steps*

17. Before the Conference we should seek to keep the initiative we have now taken and to satisfy doubters about the sincerity of our intentions. The current wave of terrorism makes it impossible to bring the state of emergency to an early end, but it may be possible to make it less rigorous. I am therefore asking the Acting High Commissioner to consider, in consultation with the Federal or State Ministers, as appropriate, the following measures:—

- (i) Raising the ban on certain opposition newspapers.
- (ii) Restoring, even in a limited degree, the right to hold public meetings in Aden State.
- (iii) Releasing any detainees who can reasonably be given the benefit of the doubt and the transfer of the remainder away from Aden Prison, even if necessary into a tented camp.
- (iv) Permitting the return of any exiles now subject to a ban on their re-entry, who can be readmitted without throwing their States into confusion.
- (v) Adopting a conciliatory attitude towards the trade union movement and allowing it to extend its activities to the Protectorate. The Acting High Commissioner is being asked in this connection to make clear to the Federal and State authorities the importance which H.M.G. attach to amending the present labour legislation in Aden and applying to the Protectorate the International Labour Organisation Convention on Freedom of Association.
- (vi) Analysing the value of the base to the economy of Aden, and Aden's ability to survive as a free port if the base were withdrawn.
- (vii) Reviewing the policy of distributing arms to the Protectorate Rulers.
- (viii) Considering the possibility of instituting in the Western States arrangements similar to those in force in the East where the holding of arms is licensed and subject to police control when tribesmen visit towns.
- (ix) Recognising the importance of guaranteeing fundamental human rights throughout the Protectorate, and discussing between Adeni and Federal Ministers

the liberalisation of the régimes of the Protectorate. (It may be possible to introduce elections in some States in the early future, and in the remaining States to have a transitional period of indirect elections.)

(x) Promoting much-needed 'cross-fertilisation' between Aden, the Federation and the other States, such as more frequent visits to the Protectorate by Adeni politicians, and increasing contact between the leaders of the Eastern and Western States.

(xi) Examining whether it would be possible to defer until after the next Conference the surrender of some of our advisory powers. (Apart from such an attitude being open to objection as constitutionally retrograde, it is likely that the Federation would regard it as a major breach of faith. The practical value of our having such powers is negligible and it might be damaging if we delayed any longer. I am therefore considering implementing the promise of the previous Government.)

#### *Aims of the London conference*

18. If the studies and steps I have outlined above can be successfully carried through I hope that it may be possible for the Conference, to settle:—

- (i) a time-table for independence by 1968—or earlier if practicable;
- (ii) the means of establishing a unitary Government over as much of the territory as possible;
- (iii) a programme for the progressive introduction of universal franchise throughout the territory;
- (iv) in general terms, the basis on which the future of the base can be assured after independence.

#### *Conclusions*

19. I invite the Committee to agree:—

- (a) that the proposal to form a unitary State should be encouraged as affording the prospect of a more liberal régime and the basis for a stable constitutional settlement enjoying a wide measure of popular support;
- (b) that I should seek to implement the measures listed in paragraph 17 to the greatest extent which discussions with the Acting High Commissioner show to be practicable.

### **Annex V to 36: The Islands**

#### *Perim Island*

*Perim* (5 square miles) is situated in the Straits of Bab el Mandeb at the entrance to the Red Sea and is part of the Colony of Aden (but not of Aden State). It was occupied by Britain in 1857 and was used as a coaling station until 1936. It is a desert island of sand and volcanic rock. There is no cultivation and the Arab inhabitants (about 300) are mainly concerned with fishing. Executive and legislative power in Perim was vested by the Order in Council of 1959 in the Governor (now the High Commissioner) of Aden. The island is of some political and strategic value. It has an airfield, suitable only for light aircraft, and there is a very powerful Diplomatic



Wireless Service station there which relays the Arabic service of the B.B.C. (formerly in Somalia).

### *Kamaran Island*

*Kamaran* is the only large island (14 miles by 6 miles approximately) in a group of 10 islands bearing the same collective name, which lie off the coast of the Yemen, 200 miles north of Perim. In 1915 British troops from Aden captured Kamaran from Turkey which renounced all claims to the island by the Treaty of Lausanne in 1923 (though the Treaty did not settle the future sovereignty of the island). In 1949 the Kamaran Order in Council declared that the British Crown had 'power and jurisdiction' over the island. Administration is vested in the High Commissioner of Aden but the island is not linked in any way with the Colony (and *a fortiori* with the State) of Aden. The Yemen has in the past advanced claims to the various islands lying off its coastline including Kamaran, though that island had not been under Yemen rule since the 18th century. These claims have been rejected by Britain. The population of Kamaran (about 1,000) is of mixed blood and includes Arabs, Ethiopians, Indians and Somalis. The inhabitants are largely dependent on financial help from Britain.

### *Kuria Muria*

The Kuria Muria Islands consist of five small and barren islands formed mostly of granite with rocky peaks lying 22 to 25 miles off the mainland of Oman. Hallanyia Island, which is some 8 miles long and 4 miles wide and is the only permanently inhabited unit of the group, has a population of between 50 and 100 backward people whose livelihood is derived from fishing and the cultivation of turtle shell. There are no facilities or airfields and landing from the sea is hazardous. The water supply is very limited. The islands are rarely visited by British Administrators but British naval vessels call there once or twice a year to deliver stores.

Though at present undeveloped, the islands may be of some potential value to us. At present the islands are legally part of Aden Colony (though not of Aden State) and are formally the responsibility of the High Commissioner. In practice any necessary administration is effected by the Political Resident, Persian Gulf.

## **37** PREM 13/112, ff 119–125

1 Feb 1965

'Aden': minute (FS/65/23) by Mr Stewart to Mr Greenwood [Extract]

I was most interested to read your paper on Policy in Aden and the Protectorate of South Arabia (O.P.D. (64)16).<sup>1</sup> I have the following comments on the points in paragraph 14, on which you specifically seek my advice.

### *Paragraph 14 (iii)*

2. The situation in the Yemen is in a state of flux. The Royalists are in a stronger military position than they have been for some time and currently face no risk of defeat; but they still could not win a military victory. Politically, the Yemeni Republican administration has crumbled and Nasser has been compelled to turn to

<sup>1</sup> See 36.

politicians known to be widely unpopular in the Republican area to form some facade of a Government. It is most unlikely that union with the Yemen will have any significant appeal in South Arabia so long as this situation continues. Negotiations between Nasser and King Faisal of Saudi Arabia aimed at a Royalist/Republican political settlement have not been broken off but have made no recent headway and their future is uncertain.

3. Anglo/United Arab Republic relations are a little less tense than they were nine months ago, but there is no sign that Nasser is prepared to take the steps that would be needed for a real and lasting improvement. Recent evidence shows, so far from any reduction, some intensification of Egyptian attacks on the British position in South Arabia. The subversive campaign directed by Egyptian Intelligence Service Officers in the Yemen is separate from the Egyptian military effort against the Royalists and might well be unaffected, even if there were some political compromise in the Yemen involving a genuine cease-fire, so long as the Egyptians retained a position in the country which gave them scope for independent action. For the present, the only safe basis for planning is that for the foreseeable future there will be no lessening of Egyptian hostility and capacity to cause us trouble in South Arabia.

*Paragraph 14 (iv)*

4. There is no doubt that we need to retain control over our facilities on Perim. The question is whether it would be better to do this by retaining sovereignty or by treating Perim on a similar footing to the Base in Aden and negotiating an agreement for our use of it. On the whole, I think it would be preferable to retain sovereignty at least for as long as possible during the pre-independence period, and to take a final decision later when we see how things are going.

5. The Kuria Muria Islands were granted by the Sultan of Muscat and Oman to Queen Victoria in 1854, and before renouncing British sovereignty it would be necessary to consider the interests of the Sultan. The United Nations *ad hoc* Committee on Oman showed some interest in the islands. Subject to the views of the Secretary of State for Defence, I see no advantage in retaining sovereignty there, but again we could perhaps wait until complete independence. I should in any case need to give advance notice to the Sultan of Muscat and Oman, to whose sovereignty they might then well revert.

6. As for the Kamaran Islands, the position, as you say, is very anomalous and I should prefer not to express a definite view at this stage. Again subject to the views of the Secretary of State for Defence, I am inclined to think we should relinquish sovereignty here when South Arabia becomes independent. The Yemen will doubtless claim the islands in view of their proximity to her shores. But the wishes of the inhabitants will have to be considered, even though they are few in number. Subject to that consideration, we might perhaps be able to use the islands as a bargaining counter in any negotiations with a new Yemeni régime when one emerges, over their recognition of a South Arabian Government and a frontier settlement.

*Paragraph 14 (v)*

7. The problem of retaining key personnel in South Arabia was discussed by the then High Commissioner with the Foreign Office last year. It was agreed that, if

officers serving in South Arabia took and passed the Civil Service Commission examination for 'over-age' entry into the Diplomatic Service, they could be seconded back to the Aden Government so as to remain employed there for two or three years further without any fears about their future career. I hope that this will help. We are also already providing a certain number of Diplomatic Service officers for jobs in Aden which require their particular expertise; there are five of them there at the moment. I suppose that the Minister of Overseas Development might be able to arrange that officers with technical qualifications could be held under the aegis of the Middle East Development Division (attached to H.M. Embassy, Beirut) while continuing to serve in South Arabia.

8. There are one or two other points arising from this paper on which I should like to comment. In Annex I, paragraphs 4 and 5 (pages 12–13) concern the treaty arrangements between Her Majesty's Government and the future Government of South Arabia. A treaty by which we are bound to defend the Federation against external attack is already in being and will plainly have to be renewed after independence as a treaty between two sovereign states.

9. I imagine you envisage that an agreement about the tenure of the Base (and possibly Perim) should be signed at the same time with the newly independent government. I think it is of great importance that this should be concluded after independence and in such a way that it will be clear that it has not been negotiated under duress. I realise, however, that, as implied in paragraph 14 (i) of your paper, some temporary agreement will be necessary to secure our tenure over the interim period between the surrender of British sovereignty (whenever that may occur) and the conclusion of the full treaty after independence.

10. On the form of the eventual agreement, a lease looks well internationally, would be easily understood and explained, and would strengthen the South Arabians in facing Nasser's hostility. Financially and politically there might be advantage if the 'rent' took the form of guaranteed aid but I realise that we may have to settle eventually for paying at least part as an outright cash payment for the base facilities. It will be for consideration whether a lease should be for a fixed term or of indefinite duration. A terminable lease raises problems later on, since it means that there are recurrent occasions when opposition elements have the chance to attack the local Government's policy of association with us. On the other hand, an independent South Arabian Government is very unlikely to commit itself indefinitely and we shall probably have to concentrate on securing as long a tenure as possible in the first instance and avoiding unduly restrictive conditions on our use of the facilities. The essential point on which we must decide is whether or not we are to stay in this base with the goodwill of the local Government; if we cannot retain this, no treaty giving us rights in the base will be of much force.

11. There is one procedural point I should like to raise in this connexion. We do not know whether the South Arabian State will wish to remain in the Commonwealth; my Arab experts think this unlikely but the point may not be settled definitely until after independence. Whichever way this goes, I am sure that it is right that the Department which is going to have to make the treaty work should have at least a full say about its contents. I suggest, therefore, that the Foreign Office and Commonwealth Relations Office (and, of course, the Ministry of Defence on defence issues) should be brought fully by your Department into all planning for post-independence South Arabia. . . .

**38 CAB 148/20, OPD(65)42****18 Feb 1965****'Relations with the United Arab Republic': memorandum by Mr Stewart for Cabinet Defence and Oversea Policy Committee reflecting on relations with the UAR in the context of British interests and policy in the Middle East**

One of the foreign policy issues which faced the Government after the Election was that of our relations with the United Arab Republic. These had begun to recover from the setback of Suez but had deteriorated again following the intervention of United Arab Republic forces in the Yemen in the autumn of 1962 and the stirring up by United Arab Republic agents of subversion and dissidence in the South Arabian Federation. In the hope of reducing this tension and exploring the possibility of getting our relations on to a new footing, my predecessor, shortly after the Election, sent a message to President Nasser indicating his desire to improve the contact and understanding between our two countries and our readiness to arrange a visit to Cairo by a representative of the Government.

2. This received a friendly response from President Nasser who said that he would welcome regular contacts between the two countries and that the visit by a United Kingdom Minister would be welcomed at any time that was convenient. As a first step towards improving contacts Mr. Gordon Walker had a series of talks with the United Arab Republic Ambassador in London which covered the main subjects over which we and the Egyptians did not see eye to eye, such as our expressed intention of maintaining friendly relations with Israel, our decision that the Yemeni Republican régime had so far failed to meet our criteria for recognition of a revolutionary Government, the rôle which we play in the affairs of the Persian Gulf, and our retention of bases in the Middle East and Indian Ocean. I have now received a message from the United Arab Republic Government confirming that a visit to Cairo by a British Minister would be welcome.

*British interests in the Middle East*

3. Our overriding interest in the Middle East is the preservation of peace and stability there. These conditions provide the best hope for the steady development and modernisation of the countries of the area, which are the best antidotes to the growth of Communism and so to the containment of Soviet influence in this very important part of the world, which is also the land bridge to Africa; for the spreading of the benefits of the very large and growing oil revenues of the Governments of the oil-producing and transit countries; for the expansion of trade which, given the oil revenues referred to, could make an increasingly important contribution to our own export programme; and for the extraction and transportation of the growing volume of oil products which are of immense importance for the economies of this and other Western European countries. It is primarily for the contribution which we can make to preserving peace and stability, in conjunction with the United States Government and friendly Governments in the area, that our defence establishments in Arabia, Libya and Cyprus are important to us and to the free world. Among these Aden is of special significance because it provides the support needed for the preservation of stability in the Persian Gulf where for historical reasons we have to bear the primary responsibility. It is also necessary to mention our air transit facilities to and through

the Middle East which are needed not only for sustaining these establishments but also for the discharge of our responsibilities further East in Asia.

#### *United Arab Republic aims*

4. Nasser's ultimate aims in the Middle East are to eliminate not only Israel but also the Western influence based on positions in the area (with our own as the first target); to control by some means the policies of all or most other Arab countries; and to get at least enough control of Middle East oil to relieve him of his financial problems and support his policies. In the course of the talks with the United Arab Republic Ambassador it became perfectly clear that an immediate objective of United Arab Republic policy was to expel us from Southern Arabia and thus render untenable our position in the Persian Gulf. It was also made clear that the Egyptians were not prepared to believe that we needed bases in the Middle East in order to fulfil any responsibilities outside the area.

5. These aims are thoroughly incompatible with the preservation of our interests; and so is an extension of Nasser's influence. It should be said, however, that United Arab Republic policies are heavily laced with pragmatism. Nasser's aims are unlikely to change but, given the limitations on his capabilities, this incompatibility does not necessarily make a confrontation inevitable, though it severely limits the possible areas of lasting agreement.

#### *Present position of the United Arab Republic*

6. The United Arab Republic is going through an acute balance-of-payments crisis resulting from undertaking far more, both abroad and at home, than its resources can sustain and from the reduction in some of the forms of external assistance to which it has had access. This over-extension is partly the natural result of attempting to industrialise the country more quickly and over a wider field than is economically prudent coupled with the rapid increase in population (some 700,000 net increase a year), and partly the consequence of the war in the Yemen, which has paid neither economic nor political dividends. Nasser's position is not, however, in danger; we must accept that we shall have to live with him as the leader of the most influential country in the Middle East with a unique personal position in the Arab world.

7. The relative drying up of foreign assistance results from the decreasing credit-worthiness of Egypt because of its economic situation, from the severe treatment of foreign interests in the country, and from Nasser's capacity to antagonise the main potential Western sources of aid. These have been the United States, where even the Government's surplus food aid programme to Egypt (now running at the rate of £60 million equivalent per annum) has been strongly attacked in Congress because of Nasser's anti-United States speech in December and his overt intervention on the rebel side in the Congo; and the German Federal Republic (which has so far provided £20 million of capital aid and about £45 million worth of credits, commodity aid and technical assistance—mostly already used up or irretrievably committed) where the Government has apparently been forced to meet Nasser over the question of West German military assistance to Israel in order to prevent the United Arab Republic Government from recognising the East German régime. Nasser may hope to be able, by a series of stratagems and by forcing his people to tighten their belts, to pull the economy through until it begins to benefit from the current programme of

industrialisation and from the completion of the Aswan High Dam, in the hope that the resulting increase in productivity will extricate him from his difficulties, while relying on aid from the Soviet bloc to keep him afloat. But the latest indications are that he will try to work his passage back into relative favour with the United States and the German Federal Republic, perhaps even with ourselves, in the hope of further international support for Egypt's balance-of-payments. Despite his close relations with the bloc, he probably still values his reputation as a leading member of the non-aligned world and would be loath to fall too deeply into the Soviet pocket. Moreover, the United States Government, which is less exposed to Arab Nationalist pressures in the Middle East than we are because of our positions in Arabia, is traditionally inclined to give Nasser the benefit of the doubt; I think we can take it that, despite the strong opposition in the United States Congress to the propping up of Nasser with United States aid, the Administration will be able and willing to continue to give surplus food to the United Arab Republic, which currently gets about 30% of its food requirements in this way.

8. Nevertheless there have been certain indications of a leftward swing in United Arab Republic policy, shown in the release of Communists from prison, the prominence now given to known left-wing spokesmen in Egypt, who have until recently been under a cloud, and the plan for the Ulbricht<sup>1</sup> visit. It is too soon to judge whether these developments represent temporary phenomena, resulting perhaps from a desire to restore United Arab Republic/U.S.S.R. relations to what they were under Khrushchev,<sup>2</sup> or a more lasting trend. It should be possible to make a better judgment on this point when we can see how President Nasser tackles his economic difficulties which over the next 12 months or so seem likely to become increasingly acute; and whether he will try to safeguard his own position by sacking any of his senior colleagues.

### *Threats to stability in the Middle East*

9. The most serious current threats arise, firstly, from the continuing Arab/Israel deadlock and, secondly, from the Yemen conflict which led to the considerable increase in the campaign of propaganda and subversion being conducted by the United Arab Republic against the South Arabian Federation, which I have referred to in paragraph 13 below.

10. *The Arab/Israel* issue has recently entered a somewhat more dangerous phase, with the formation of the Unified Arab Command (U.A.C.) which is already undertaking ostensibly defensive military planning against Israel, and with the decision by the Arab Governments to start work on the diversion of water from some of the headwaters of the River Jordan (work has already started in Syria), which may provoke some form of Israeli retaliation. Nasser inevitably subscribes to the Arab view that Israel is an agent of the Western Powers and uses the issue both to increase his own influence in the Arab world and to present a picture of Western hostility to the Arabs; he has taken the lead in establishing the Unified Arab Command and in the handling of the Jordan waters dispute. Nevertheless he is very conscious of Israel's military strength and of the risks the Arabs would run if he provoked a show-down. As a result he has persuaded the Arab Governments to pursue a basically defensive

<sup>1</sup> Walter Ulbricht, communist leader of German Democratic Republic (East Germany), 1949–1971.

<sup>2</sup> Nikita Khrushchev, first secretary of the Soviet Communist Party, 1953–1964, and Soviet prime minister, 1958–1964.

policy towards Israel though it is one which may put the Israelis in a situation where they feel they are faced with a choice between a serious political defeat or military action on their part which will be characterized as aggressive; if the Israelis continue to show restraint we may hope that a dangerous confrontation can be avoided. For our part we must aim to prevent the dispute from coming to a head, through close Anglo–United States cooperation and the maximum use of the United Nations, which has large responsibilities in the area. We also of course have to bear in mind that our desire for good relations with Israel must not put at risk the vital interests which the United Kingdom has in the Arab world.

11. Nasser's engagement in the *Yemen*, where he now has some 45,000 troops but where a settlement still eludes him, has led him to conduct a more intensive campaign of propaganda and subversion against the *South Arabian Federation*. Although this campaign may well not have decisive results, it is bound to have a disturbing effect on our efforts to create a unitary State in the area and bring it to early independence. In this situation it is difficult to conceive that Anglo–United Arab Republic relations can easily be put on a basis of friendship and confidence. The best we can hope for is to try and take some of the tension out of our relationship and, if possible, to persuade Nasser to give the South Arabian politicians the chance to bring a unitary State to independence by stopping the more direct kinds of subversion and intimidation which are at present directed towards it. Moreover, stability in Libya and the Persian Gulf remain of continued importance and we do not want to stimulate the United Arab Republic Government to more active subversive steps there.

### *British policy*

12. These are arguments for making a reasonably friendly response to Nasser's stated desire to improve relations and for the avoidance of action by us, other than the proper defence of our positions in Arabia, which might reasonably be taken by Nasser as showing hostility to him or an intention to increase his own difficulties. On the other hand, I do not see a case for our going actively to his economic assistance. If we did so, it would be unlikely to affect his political action on points of importance and any such action would be interpreted throughout the Middle East as evidence of our weakness and inability to stand up for our interests and for our friends. For the same reasons, I would hope that the United States and other Western governments would not raise the aid they are already providing to the United Arab Republic to a higher level. The best course to follow would seem to be that we and the other Western governments should, despite the difficulties of Nasser's creation, keep our lines out to him and avoid a crisis, in the hope that the United Arab Republic's domestic difficulties and Nasser's desire to remain unaligned will convince him of the need to mend his fences with the West and back away somewhat from the points at which he is threatening to confront us.

13. We must also bear in mind that Nasser's influence is resisted by a number of Arab countries who regard their independence as threatened by his policies and who wish to make progress—politically, economically and socially—in their own way. Without taking sides overtly against Nasser we can still help them to deal with their own problems without external pressures from the United Arab Republic. For these reasons, coupled with the importance of our interests in the Arab world, we must keep on good terms with countries such as Jordan—because of its key position and generally moderating influence in the Arab–Israel dispute; Saudi Arabia—because of

its interest in the Yemen, Southern Arabia and the Persian Gulf; Libya and the Sudan because of our need for transit facilities; with Iran because of its interest in the Gulf and the fact that it borders on Russia and is a member of the Central Treaty Organisation; as well as with the South Arabian Federation and the Persian Gulf States themselves. In doing this we must avoid the appearance of ganging up against Nasser but aim at sustaining the confidence of the other Governments to stand up to him. We must also, of course, take into account our desire to remain on good terms with Israel.

14. If therefore we are to maintain our dialogue with the United Arab Republic Government, and decide as part of this dialogue that a Minister should visit Cairo for talks there, we shall have to be careful to explain in advance to the other countries of the area who are suspicious of Nasser the purely exploratory and explanatory nature of our dialogue and the fact that a ministerial visit to Cairo will form a part of it and will not be designed to give rise to the conclusion of agreements on any issues. It would also be desirable for such a ministerial visit to be combined with a visit also to at least one of those countries, in order to keep its significance in perspective. If it is to fulfil its objectives it cannot, however, be combined with a visit to Israel, but we shall have other opportunities for contact with the Israel Government, including the visit to London of the Israel Prime Minister in the last week of March, and the Lord President's visit to Israel during the Easter Recess.

15. I should like to sum up the policy we should follow thus:—

(a) Her Majesty's Government should continue the dialogue with the United Arab Republic Government and should go ahead without undue haste with the idea of a British Minister visiting Cairo. We must accept that for the time being no great results can be expected from the dialogue but some reduction in the tension and in the subversive effort in the South Arabian Federation are worth trying for.

(b) The time for a visit might well be after the conclusion of the coming London Conference on Aden in the first half of March which, if successful, will give us a useful card to play, and after the Israel Prime Minister has visited London. The Easter Recess—when the Lord President will be in Israel—would be a convenient time and convincing parliamentary reasons could be advanced for waiting until then.

(c) We should maintain our position that the attempt to improve relations with Nasser will not be allowed to harm our friendly relationship with Israel. We must, however, try to keep this latter relationship out of the limelight in view of the damage it is capable of doing to our relations with all the Arabs. This means keeping a limit on public statements on the subject and on other manifestations of Anglo-Israel friendship, official visits, etc. and maintaining our public position of non-partisanship on matters where Arabs and Israelis clash. Since this is the issue which, even more than anti-colonialism, enables Nasser to unite Arab opinion in hostility to us, it is particularly important to preserve this posture for self-protection when we are under attack by the United Arab Republic.

(d) We should maintain and foster our relations with the other Arab Governments and with the Government of Iran, which are liable to come under Egyptian attack.

(e) We must continue in all Middle East matters to harmonise our policies as closely as possible with the United States Government which fully shares our interest in peace and stability throughout the area. We may also hope, through contacts with other Western Governments with interests in the area such as the German, French and Canadian, to work with them for the same objective.



**39 DEFE25/190****Feb 1965****'Relations with the United Arab Republic': MoD brief for Mr Healey on OPD(65)42<sup>1</sup>**

We were not consulted in the preparation of this paper. Although we do not strongly dissent from its conclusions, we do not believe that it brings out clearly enough the considerations which ought to govern our relations with the U.A.R. in the immediate future.

2. The statement in paragraph 3 that 'our overriding interest in the Middle East is the preservation of peace and stability there' is an over-simplification. If peace and stability could be achieved on terms satisfactory to us, the statement might be true; but it is not so. Our principal interests are:—

- (a) that no Middle East power should be in a position to deprive us of the financial benefits of our oil interests;
- (b) that our allies, particularly Iran, should remain allies and resist Communist penetration;
- (c) that the 'Middle East barrier' to the Indian Ocean should not become total;
- (d) that we keep, and be able to use, the Aden base so long as we need it to meet our commitments in the Middle and Far East;
- (e) that S.W. Arabia be given a chance to emerge as a viable independent state;
- (f) that Israel should not be destroyed by force.

3. The interests of the U.A.R. are diametrically opposed to these. President Nasser aims at predominant power in the Middle East, based economically on control of oil and politically on 'anti-colonialism', his own variety of Arab nationalism, and the destruction of Israel. It is his stated intention to throw us out of Aden and to bring S.W. Arabia under his control.

4. Whilst he retains these purposes (and he has no reason to change them) the only way to bring about 'peace and stability' in the Middle East is to let him win.

5. Our own interests therefore depend on checking him, which means supporting those who resist his ambitions, even though this must defer the time when a lasting stability in the area is achieved.

6. But it is important that we should not only check him but be seen by our friends to be resolved on that course. This point is made in paragraphs 13 and 14 of the paper, but with insufficient emphasis. If Iran (which already fears the Arabs more than the Russians, and doubts our determination to stand firm) concludes that we are seeking a deal with Nasser, the results for us could be very damaging. (The Shah made it clear recently that if we don't stand firm in Aden, we don't overfly or stage in Iran.) If the Federal authorities in S.W. Arabia reach the same conclusion, all hopes of building a friendly independent state will have gone, and the Federation will be in turmoil and we shall have our work cut out to retain effective use of the Aden base; this case is convincingly made in the recent Penfold/Young report.

7. If Nasser's strength were decisive, or if there were any reason to suppose that he might modify his hostility to our interests, there might be a case for negotiating with him. In fact, there are weaknesses in his position, political, economic and

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<sup>1</sup> See 38.

military, and it is these alone which enforce restraint upon him. It would therefore be suicidal for us or our American allies to help him overcome these weaknesses.

8. You are recommended to agree broadly with the summing-up in paragraph 15 of the paper, but to emphasize:—

- (a) that it is not in Nasser's interest to take the heat off the South Arabian Federation, and he has made it clear that he will not;
- (b) that our whole position East of Suez will be endangered if Iran and S.W. Arabia conclude, despite our disclaimers, that our resistance to Nasser's policies is weakening;
- (c) that, since British and Egyptian interests in the Middle East are at present diametrically opposed, we and our allies should do nothing to strengthen the Egyptian position.

## **40 PREM 13/112**

**31 Mar 1965**

**[Aden]: minute by Mr Healey to Mr Greenwood expressing concern over the establishment of a constitutional commission**

The Deputy Secretary of State for Defence has told me of the discussion at the Defence and Overseas Policy Committee this morning after I had left.

2. All military advice that I have received, from the Chiefs of Staff, the Commander-in-Chief and the Vice-Chief of the General Staff, who has just returned from Aden, is to the effect that the establishment of a Constitutional Commission with the terms of reference and the composition that you have suggested is bound to give local opinion in Aden and the Federation a strong impression that we are seeking to disengage entirely.<sup>1</sup> The consequences of this will be first that those who currently support our position will seek to an even greater extent to re-ensure with those who wish to see us out and second that Egyptian inspired terrorism will increase; the resulting internal security difficulties and reduction in co-operation

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<sup>1</sup> Scheduled to assemble in London Mar 1965, the constitutional conference envisaged by Greenwood was never convened. There were several reasons. The NLF (formed in 1963 by militants from South Arabia who travelled to the Yemen following the republican coup of the previous year, and regarded by Britain as the first avowedly terrorist organisation in the area) threatened to kill anyone attending what it described as a 'conference of treachery'. Rulers of the Hadhramaut States of Qaiti, Kathiri and Mahra were prepared to send observers only. The federal government insisted first that the UK should revise the 1959 Treaty of Friendship and Protection requiring the federal rulers to accept and implement UK advice on matters connected with good government in the Federation. And the Aden government, having called for the implementation of UN resolutions on the evacuation of the base, an end to the state of emergency, and the adoption of universal suffrage, resigned in Feb. The CO then turned to the device of a constitutional commission to be chaired by Sir E Hone, formerly governor of Northern Rhodesia who had also served in South Arabia. Two other members were Muhammad Abu Rannat, formerly chief justice of the Sudan and at the time a member of the UN Sub-Commission on Prevention of Discrimination and Protection of Minorities; and Noel Coulson, reader in Islamic Law in the University of London who was about to take a Chair in Islamic Law at Ahmadu Bello University in Nigeria. After consultation with the governments and peoples of South Arabia, the commission was charged to consider constitutional arrangements on an interim basis leading by 1968 to a sovereign and independent single state. Announced in May 1965, the commission never arrived in Aden. Locally it was viewed as an attempt by the UK to impose a constitution designed to preserve western interests; considerable opposition greeted the announcement. All twenty-four of Aden's Federal Council members resigned, and pressure was put on the Sudan to withdraw Muhammad Abu Rannat.

with Police and other authorities will lead to the need for a large increase in British forces in the area.

3. We are already disturbed because Aden is sucking in forces of all sorts that we badly need elsewhere. I am not satisfied that these possible consequences have been adequately weighed by Ministers and I am therefore reluctant to agree that the suggested terms of reference should be published without some phrase that gives clear reassurance about our defence position.

4. I understand that in accordance with the decision reached this morning officials of your Department and mine have had a discussion and that a proposal has been made that the terms of reference included in your paper should remain as drafted, but that in the preamble to them there should be a reference to HMG's intention to grant independence 'subject to the conclusion of satisfactory arrangements for the continued use of the defence facilities in Aden', and that this preamble should be included with the terms of reference themselves in the initial statement to the House of Commons and in any communication to the Egyptians.

5. If you find it impossible to accept this proposal I suggest that we should seek a meeting with the Prime Minister, as agreed at the meeting this morning.

6. I am sending copies of this minute to the Prime Minister, the Foreign Secretary and the Commonwealth Secretary.

## **41 DEFE 25/191, COS 1491/31/3/65 (Annex) 31 Mar 1965** **'Aden': report by Lt Gen Sir G Baker<sup>1</sup> on his visit to Aden and his view that there will be no improvement until HMG's policy for the Federation and military strategy for the region are made clear**

1. The general situation, both political and military, had deteriorated markedly throughout the Federation since my last visit eleven months ago.

2. I can see no possibility of improvement until HMG's policy for the future of the Federation and our military strategy for that part of the world are made abundantly clear to all.

3. At present one senses everywhere a feeling of uncertainty as to HMG's intentions. Are we really prepared to fight Nasser and all his works or are we going to pull out and leave the Federation to its own fate?

### *The aim*

4. What, in my view, is therefore the first and fundamental requirement is a clear statement of 'The Aim' by HMG. (Presumably this cannot be announced until the current Defence Review has been completed.) If this is agreed, in my view it is most important that the statement should be made unequivocally by Ministers and that tangible assistance must follow on a scale that will convince the Arabs that we mean what we say (see paragraph 5 below).

### *Consequential action*

5. If it is decided that it is in our political and strategic interests to support and sustain the Federation and to retain the necessary military presence to achieve 'The

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<sup>1</sup> Vice chief of the general staff, who visited Aden between 22 and 26 Mar 1965.

Aim', then the consequential and necessary political and military actions would naturally follow. Examples of such actions would be:—

- a. Adoption of 'direct rule' of Aden State by the High Commission until it is capable of achieving a government that is prepared to support 'The Aim'. (The present one is clearly not.)
- b. The tightening up of Emergency Regulations in Aden State and the penalties for their abuse. (Particularly the carriage/possession of arms and explosives.)
- c. Greatly increased assistance for development of the interior.
- d. Agreement to plans for expansion and re-equipment of the FRA and for improvements in the Federal Guard.
- e. A change in the Command set-up (see para 7b(5) below).
- f. Agreement to execute the necessary Works Services—now frozen—for the British Forces.

*Programme of my visit*

6. In addition to several talks with the Commander-in-Chief, I had discussions with the Acting High Commissioner, the Federal Ministers for Defence and Internal Security, the Chief of Intelligence, the Commissioner of Police and the Security Operations Adviser (Brigadier Penfold). I visited all major units in Big Aden and Little Aden, the Aden Intelligence Centre and the HQ of the FRA. I also spent one day up-country, accompanied by Commander FRA, when I visited Dhala, Jebel Jihaf, Habilayn (Thumier) and several Federal and British held 'outposts' in the Radfan.

7. I am reporting separately on the many detailed military points that arose. The main matters of interest (in outline) were:—

- a. *The Federal Minister of Defence* is naturally desperately anxious for approval for expansion and re-equipment plans for the FRA (and the Minister for Internal Security similarly for the Federal Guard).

He regards the Aden Government as not only useless but also positively against the present attempts being made to counter subversion in Aden State.

He considers that the greater the reverses the Egyptian forces suffer in the Yemen, the more will they step up their subversive activities in Aden.

He commented on the greatly increased 'professionalism' of the dissident gangs, who are well led and trained and equipped with radios, 81 mm mortars, automatic rifles, bazookas and machine guns. (This 'professionalism' was confirmed by military commanders up-country.) They constitute a very different enemy to that existing when the Radfan operation started in April 1964.

- b. *The Command set-up.*

(1) The GOC MELF is a member of the newly established 'Security Executive' for IS in Aden State and exercises command through Comd Aden Brigade (for Big Aden) and Comd 24 Brigade (for Little Aden).

(2) Command of Operations in the Federation outside Aden, however, is exercised by Comd FRA through his two subordinate field commanders (Comd FRA/West and Comd FRA/East). British units allotted to operations here are under operational command of the appropriate FRA Area Commander.

(3) In my view, such division of operational responsibility makes for

inefficiency and divided loyalties. It would be far better militarily, I believe, to appoint a Director of Operations (who could be GOC MELF) with responsibility throughout the Federation (including Aden). Military operations, whether 'field' or IS, would then be centrally directed by the same Commander. This would, of course, mean removing operational responsibilities for the FRA from Al Ittihad—in fact, putting the clock back—but I believe this to be the logical and efficient military method of command to meet the current threats.

(4) I sought the Chief of Intelligence's (Brig Cowper) views on such an arrangement, from the Intelligence point of view. He fully supported it and would design the Intelligence organisation accordingly. If the present command system were perpetuated, however, he said it would be essential to establish a suitable Intelligence staff at Al Ittihad: this does not now exist.

(5) As experience has always shown that, unless the Command Set-Up is right—and I believe it to be wrong in present circumstances—failure is likely. I recommend that the whole question should be examined in detail by HQ Middle East, in conjunction with the High Commission. There would be little point, however, in making such a change, with its serious political implications, unless our 'Aim' was to stay and to defeat Nasser in the process.

#### c. *Troops on IS Duties*

(1) I understand that it is likely to be agreed in the near future that offences by troops on duty (and perhaps off duty as well) will in future be handled by military courts, so I will not elaborate on this subject except to confirm that, from talking to many soldiers during my visit, it is quite obvious that the present system—as exemplified particularly by the Trinder case—is having a very serious effect on troops employed on IS duties.

(2) As regards the ultimate military sanction—that of opening fire—I consider that the present orders are not comprehensive enough. I left a copy with the Commander-in-Chief of the orders that were in force in Cyprus during the last emergency, and he is having these examined.

(3) The combination of (1) and (2) above has put the troops in an invidious and unfair position and is preventing them from carrying out their IS duties with the resolution essential for success. Their confidence in 'Higher Authority' must be re-established without delay.

#### d. *Intelligence organisation*

(1) There is no doubt Brig Cowper's appointment as Chief of Intelligence is having a tremendous effect, and he deserves all the support the Colonial Office and MOD can give him.

(2) He has reorganised the Aden Intelligence Centre (which I visited) and the general Intelligence situation is not so depressing as one had been led to believe.

(3) The main points he made were:—

Two of the SB reinforcements required must be Arabic speakers. (He gave me the names of two men who would do admirably—one now in Kenya, the other in England.)

The Aden Intelligence Centre (including SB) is sited in Crater, two to three miles from the High Commission, HQ Middle East and the new Police Station,

in a thoroughly insecure and administratively inconvenient area. He is taking steps to move it.

The Interrogation Centre urgently requires enlargement.

Al Ittihad must have an Intelligence Staff if the present Command Set-Up is to remain (see para 7b(4)).

Provided the two additional Arabic-speaking SB officers arrived in the near future, a distinct improvement in the Intelligence situation should begin to become apparent in about three months time.

e. *Operations in the Radfan/Dhala area*<sup>2</sup>

(1) It was the unanimous view of everyone I talked to (including the Political Officer at Habilayn) that a military presence is required in the Radfan indefinitely. All the tribes are not yet pacified, and those that have been would not long remain so if we pulled out.

(2) The operation recently mounted in the area east of Dhala (Operation PARK) was in progress at the time of my visit. The dissident gangs appeared to be withdrawing out of the proscribed area in the face of our advancing troops. Commander Area West, who is in overall command of the operation, stated that, had any troop-lift helicopters been available, he could have deployed his troops to much greater effect and so probably have forced the gangs to give battle. Commander FRA considered it would probably be necessary to keep some troops deployed in this area for up to three months.

(3) The main weaknesses in our forces reported to me were:—

Lack of helicopters.

Lack of modern equipment in the FRA to match that held by the enemy, eg 81 mm mortars, automatic rifles, efficient wireless.

Lack of guns. At present two batteries of 19 Lt Regt are scattered about in penny-packets in the Beihan/Radfán/Operation PARK Areas. The shortage of officers (particularly for operations) to match such wide dispersion is serious. An additional battery would help enormously.

Lack of 81 mm mortar ammunition for British units. (One Company Commander commented cynically that the enemy appeared to have no shortage.)

No 2" mortar HE. This is urgently wanted by troops manning pickets on mountain tops.

Shortage of VT fuses for the 105 mm guns.

Shortage of sandbags.

## 8. TAER

The Commander-in-Chief considers there is a strong operational case to call up TAER to:—

<sup>2</sup> The NLF began operations in the Radfan area on the border with Yemen in Oct 1963 by blocking the road from Aden to Dhala with land mines. The FRA (Federal Regular Army) was unable to garrison the Radfan and at the same time patrol the border with Yemen. In May 1964, after a visit to South Arabia by Duncan Sandys, an additional battalion of British troops was sent to Aden and stationed in the Radfan. Within weeks of their arrival the force had captured and secured an area of 200 square miles. But instead of the three months originally envisaged, they remained in the area for another two and a half years. Sections of the British press speculated that this commitment might become another North Borneo or even Vietnam.

- a. Permit the R Sussex to form a third Rifle Company.
- b. Improve the poor strength of 4 R Anglian (At present 26 officers and 451 ORs against an establishment of 34 officers and 603 ORs.)
- c. Make good deficiencies in tradesmen in certain units (eg RE (incl Survey) and R Sigs).

GOC MELF will submit a detailed case as soon as possible.

### *Conclusions*

9. The present situation throughout the Federation is thoroughly disturbing.

If the 'Aim' is to support the Federation, to retain a military presence for our strategic needs, and to defeat Nasser, then a fundamental reappraisal of the political and military means to achieve it is urgently required. Time is not on our side.

## **42 PREM 13/113, ff 201–203**

**14 June 1965**

**[Aden base]: minute by Mr Greenwood to Mr Wilson on the decreasing military value of the Aden base**

We spoke on Thursday about the Aden base, and I promised to put in writing my views about it.

2. In my Cabinet paper O.P.D. (64) 16, 30th December, 1964,<sup>1</sup> I drew attention to the vulnerability of the Aden base but did not argue the case for or against staying as it did not come within the scope of the paper. The events of the last few months, and especially the deteriorating security position in South Arabia (particularly in Aden State), and the consequent criticism it attracts in the United Nations and elsewhere, have reinforced me in my view that a decision as to our intentions in Aden is urgent. The decision in my view should be that we abandon the base but, if necessary, seek to retain a garrison on a much smaller scale. (See paragraph 5.)

3. The military value of the base is seriously decreased by:—

- (a) its internal physical limitations, and the fact that it is spread over a number of installations, some widely separated and with a possibly hostile population between;
- (b) its dependence on outside sources for water and sewerage facilities and for labour;
- (c) its reliance on over-flying rights which can easily be withdrawn, thus reducing its effectiveness in enabling us to perform a peace-keeping role either in the Persian Gulf, East Africa or the Indian Ocean.

4. The base also creates serious liabilities for us insofar as it:—

- (i) involves us in refusing to comply with United Nations' resolutions;<sup>2</sup>

<sup>1</sup> See 36.

<sup>2</sup> A UN sub-committee visited South Arabia in 1963 and reported in July of that year. It expressed concern about the UK plan to grant independence to what the committee described as 'a reactionary system of government', and one that would maintain 'foreign influence in a new guise'. It called for early elections in Aden upon the basis of adult suffrage, an end to the emergency and the release of political prisoners, a UN presence before and during the elections, and negotiations between the newly elected government and Britain to determine a date for the transfer of power. It described the Aden base as 'prejudicial' to the security of the region and asserted that its removal was 'desirable'. The UN General Assembly endorsed these findings in a resolution passed on 11 Dec 1963 by seventy-seven votes to ten.

- (ii) prevents our granting internal self-government to Aden State which is well qualified for it;
- (iii) costs us about £15 million a year on civil votes alone to keep South Arabia as a whole well disposed and sustain the local security forces;
- (iv) involves heavy military expenditure of doubtful value;
- (v) necessitates a repressive policy to counter externally inspired, but locally tolerated, terrorist activities.

5. I appreciate that the base is of economic importance to Aden, to South Arabia, and to the Yemen, and it may well be that Arab nationalists who feel obliged to condemn the base would regret any withdrawal of the economic help it brings. I do not believe that that should be an over-riding factor in the situation. I realise, however, that it might be felt that we could not afford to create a vacuum which an independent State would look for some other Power to fill. But a garrison freely negotiated and on a much reduced scale, coupled with some additional non-military aid, would fill the gap more cheaply and at much less cost in international goodwill. It would also provide a probably welcome safeguard for a new State while enabling us to afford immediate help to countries like Kenya and Mauritius without seeming to threaten an area of predominantly Arab interest.

6. Concurrently with any such moves about the base we should seek to reach agreement with the U.A.R., Saudi Arabia, and the Gulf States, for defence on the Middle East against external aggression and for the maintenance of internal stability.

7. I realise that I have not touched on the arguments for retaining the base but I think that the time is now ripe for a discussion and if you agree I will circulate this note to my colleagues on D.O.P.

## **43 DEFE 13/710, no 82**

**6 Aug 1965**

**‘Situation in the Middle East’: minute by Field Marshal Sir R Hull to Mr Healey expressing concern about the military commitment in Aden**

The discussions this week in the Official and Ministerial Defence and Overseas Policy Committees, followed by a talk this morning with Sir Richard Turnbull, have raised considerable worries in my mind about the possible developments of the situation in the Middle East. I feel it might be useful to let you know my thoughts.

2. From what Turnbull tells me, it seems that the tactics of the Adenis, and Makawee<sup>1</sup> and Al Asnag<sup>2</sup> seem to be together in this, are to do all they can to contribute to the destruction of the Federation and to embarrass HMG. Their insistence on the lifting of the emergency and the return of the exiles as pre-requisites to their discussing the agenda for a possible conference, plus their insistence on the presence of Al Jiffri and the ex-Sultan of Lahej in London at this time are indications that this is so.

3. The lifting of the emergency, with the resulting release of such thugs as we

<sup>1</sup> Abd al-Qawi Makkawi, chief minister of Aden from Mar 1965.

<sup>2</sup> Abd Allah al-Asnag, general secretary of the Aden Trades Union Congress and leader of its political wing, the People's Socialist Party (PSP).



now have in custody, might well worsen, rather than alleviate, the situation in Aden itself and compel us sooner, perhaps rather than later, to re-impose emergency regulations. Even more serious perhaps from the military point of view would be insistence on the return of the exiles. This, combined with the lifting of the emergency, might well convince the Federal rulers that the UK had decided to support the Adenis at their expense. This could, I am afraid, result in their returning to their states and, at best, sulking, or, at worst, throwing in their lot with the Egyptians. Charles Harington<sup>3</sup> is seriously worried about this, particularly as either action on their part could result in serious military consequences. At best, we might expect a considerable stepping up of dissident operations in the Federation and, perhaps, at worst, the disintegration of the Federal Regular Army and Federal Guard into separate tribal armies who might, or might not, fight amongst themselves, but would certainly all be opposed to us. We might then be faced with the embarrassing choice of accepting chaos in the Federation or possibly even action by the rulers against Aden or of undertaking military operations on a considerable scale to restore and maintain order. The latter would entail the employment of very considerable forces which, under present conditions, we could find only by major withdrawals from Germany or from the Far East, either of which would obviously present serious problems.

4. It seems to me that, if we are to avoid such serious military difficulties, we must, at all costs, not be manoeuvred into a position where we appear to be supporting the Adenis against the Federation and thus alienating the rulers. It would also seem that there would be considerable merit in our coming to a closer understanding with Saudi Arabia who, by virtue of her geographical position, must inevitably be a major and continuing factor, particularly as regards the position of the Hadramaut States and the Gulf Sheikhdoms.

5. I hope I do not sound alarmist, but I am seriously concerned that, at a time when our resources are already stretched, we may be heading for another major military commitment which, to say the least, we would be very hard-pressed to meet. Perhaps we could discuss this sometime.

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<sup>3</sup> Gen Sir C Harington, commander-in-chief, Middle East.

## **44 CAB 148/18, OPD 41(65)1**

**23 Sept 1965**

### **'South Arabia': minutes of Cabinet Defence and Oversea Policy Committee meeting on the suspension of the Aden constitution**

The Committee had before them a note by the Chairman of the Defence and Oversea Policy (Official) Committee (OPD (65) 133) to which was attached a memorandum on South Arabia by the Committee.

The memorandum reported that the security situation in Aden had been highly unsatisfactory since the previous March and had recently shown a critical deterioration. This had been gravely enhanced by the refusal of the Chief Minister, Mr. Makkawi, to condemn terrorism and by his public support of the National Liberation Front which pursued terrorist activities. Although there had to be a political solution in the long term, this could not anticipate the outcome of the

Defence Review on the possible need for a base in Aden. Nor could it be found by detaching Aden from the South Arabian Federation. If we were not to be expelled from Aden, it seemed inescapable that direct and immediate action should be taken to meet the problem posed by the behaviour of the Aden Ministers, including action against Mr. Makkawi himself.

In that event three courses were open to us:—

(a) To make an Order in Council suspending the operative parts of the Aden Constitution and enabling the High Commissioner to exercise direct rule.

(b) To make an Order in Council empowering the High Commissioner to prorogue the Aden Legislative Council, to terminate the appointments of the Aden Ministers and to govern with nominated Ministers or with none.

(c) To leave Mr. Makkawi in office for the present but to make an Order in Council widening the High Commissioner's reserved powers so as to make it possible for him to nullify any malicious actions by Aden Ministers.

The Committee considered that the time had passed when course (c) would meet the situation, and on balance preferred course (a) to course (b).<sup>1</sup>

*The Secretary of State for Defence* said that the daily number of terrorist incidents in Aden had shown a rapid increase recently. The terrorism was inspired and backed by the United Arab Republic and a broadcast from Cairo on 12th September had exhorted Adenis to shoot the British. Our whole position in Aden was at risk unless we took drastic action and this should be taken before the Minister of State for Foreign Affairs, Mr. Thomson, arrived in Cairo at the end of the week for discussions with President Nasser.

*The Colonial Secretary* said that while he did not underestimate the seriousness of the situation the proposals in the official memorandum were solely negative. The suspension of the Constitution would merely strengthen the terrorists and leave untouched the need for a political answer. A *détente* with President Nasser was essential and the present base in Aden bedevilled all our efforts to achieve this. It would be preferable to appoint a United Kingdom Minister Resident in Aden with the task of speeding up the process of decolonisation and bringing forward the date for independence from our present commitment of 1968. We should also consider the possibility of setting up a confederation of the Western Aden Protectorate, Aden and the Eastern Aden Protectorate. It would be helpful to have a United Nations presence in the territory and for the United Nations to supervise electoral arrangements.

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<sup>1</sup> As well as outlining these three options, OPD(65)133 considered the implications if the UK decided to abandon the Federation. The federal government would either come to terms with Nasser or, more likely, collapse and revert to tribal warfare. In both cases the area would fall under the sway of the UAR. Nor would abandoning the Federation enable the UK to secure the co-operation of the Aden government because it too was 'wholly subservient to U.A.R. policy'. The consequences beyond South Arabia would be serious. Confidence in the UK throughout the Gulf would be lost and Saudi Arabia would be embittered. If, having abandoned the Federation, the UK then found itself in difficulties in Aden, 'our whole position in the Middle East might well be undermined'. The chances of the UK being able to conduct a 'coherent and reasonable' policy in the Gulf especially 'would virtually disappear' (CAB 148/22).

Briefing Wilson on OPD(65)133, Trend explained: 'Ideally, we should suspend action until we have completed the Defence Review and have decided whether we wish to maintain a position in Aden, and, if so, on what scale. But circumstances will not allow us to wait so long. Moreover, military opinion in the Ministry of Defence is steadily hardening in favour of the view that we shall need to retain some military facilities in Aden indefinitely, if our Middle East policy as a whole is to make sense' (PREM 13/113, minute, 23 Sept 1965).

Meanwhile more could be done under the High Commissioner's existing powers to improve security.

In discussion it was recognised that the deterioration of the security situation in Aden presented a critical and dangerous problem. In the long run this could only be dealt with by a political solution and there might be advantage at some stage in the appointment of a United Kingdom political representative in Aden. Furthermore, drastic action of the kind proposed would be liable to have widespread political repercussions and to cause us serious embarrassment at the United Nations. In these circumstances it was suggested that in the first instance it would be preferable to explore the possibility of a political *détente* through the forthcoming discussion between the Minister of State for Foreign Affairs and President Nasser.

It was, however, the general view of the Committee that such discussions offered no prospect of an early relief to the situation in Aden and that the political difficulties of drastic action would have to be accepted as the price of retaining our control in face of mounting terrorism. There was general agreement that if this action were taken it should be as soon as possible and in any event by the time the Minister of State for Foreign Affairs saw President Nasser. As part of this action it would be obviously desirable that Mr. Makkawi should be prevented from leaving Aden in accordance with his current proposal to go to New York to present his case to the United Nations. It was recognised that the action contemplated would indeed almost inevitably make it necessary to intern him and that the High Commissioner must be empowered to do so.

In further discussion it was suggested that the suspension of the Constitution should be accompanied by the evacuation of the wives and families of the armed forces, and where necessary of other United Kingdom personnel serving in South Arabia and that it might be necessary, at some stage, to reinforce the garrison.

Summing up the discussion *the Prime Minister* said that the balance of opinion in the Committee was in favour of an immediate suspension of the Constitution enabling the High Commissioner to exercise direct rule. The necessary measures should be put in hand to take effect before the Minister of State for Foreign Affairs saw President Nasser at the end of the week.<sup>2</sup> Meanwhile, the Commander-in-Chief should be urged to consider the desirability of evacuating the wives and families of United Kingdom Armed Forces and it should be made clear to him that he must ask for reinforcements if he thought these were necessary to enable him to deal with the situation. In making this decision public it would be necessary to emphasise that the United Kingdom Government maintained its intention of bringing South Arabia to independence by 1968 and everything possible should be done to mitigate the political repercussions in the United Nations and elsewhere.

The Committee:—

- (1) Agreed that an Order in Council should be submitted to Her Majesty in Council for approval which would suspend the operative part of the Aden Constitution and enable the High Commissioner to exercise direct rule.
- (2) Invited the Secretary of State for the Colonies to inform the High

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<sup>2</sup> The minister of state, Thomson, arrived in Cairo on 24 September to discuss several aspects of Anglo-Egyptian relations and not just South Arabia. His arrival coincided with the suspension of the Aden constitution and Nasser declined to see him.

Commissioner for South Arabia in the sense of Conclusion (1) and to be guided thereafter by the general sense of the Committee's discussion.

(3) Invited the Secretary of State for Defence to consult the Commander-in-Chief, Middle East, on the desirability of evacuating service wives and families and the possible need to reinforce the garrison in the sense indicated in discussion.

(4) Took note that the Prime Minister, in consultation with the Foreign Secretary, the Commonwealth Secretary and the Colonial Secretary, would consider how best to mitigate the political repercussions of the suspension of the Aden Constitution.

## **45** FO 371/185180, no 3

7 Jan 1966

### **'Aden': minutes by Sir B Burrows<sup>1</sup> and Sir R Allen<sup>2</sup> on the problems involved in disengagement from Aden and the South Arabian Federation**

As a result of meetings which I have attended with the High Commissioner in the last few days at the Chiefs of Staff and the J.I.C., and talks with the Ministry of Defence and in our own meetings, I venture to put down the following thoughts on the problems involved in disengagement from Aden and the South Arabian Federation, and some of the action which seems to be urgently required. The High Commissioner's views may be summarised as follows:—

(a) If we simply announce that we are not going to remain in Aden after independence without at the same time offering to continue financial support and a large measure of technical and administrative aid the Federation will start to disintegrate almost immediately, with the eastern states offering themselves to Saudi Arabia and the Adeni politicians and some of the other states to Egypt, and the Federal regular army defecting to the Egyptians in the Yemen. We would then be faced with the need for increased military effort both to maintain ourselves for the remaining period up to independence and to ensure an orderly evacuation more or less under fire;

(b) In the light of the above Sir R. Turnbull is recommending most strongly that at the same time as we announce that we do not wish to retain military facilities after independence we should also announce that we are prepared to continue for a period, say at least five years, budgetary support for the successor state at about the same level as now, i.e. £12½ million per annum, and that we should be prepared to leave behind a significant number of administrators in the service of the successor government and our own technical aid administrators and consular officers in several places throughout the Federation, also a fair sized military mission to train the armed forces of the new state. Even with all this the successor state will lose the financial benefits it now derives from our military presence amounting to, say, another £12 million;

(c) in support of these propositions Sir R. Turnbull points to the entirely artificial nature of the Federation which we have created and obliged to adopt an attitude

<sup>1</sup> Deputy under-secretary of state, FO, 1963–1966, formerly (1953–1958), political Resident in the Persian Gulf.

<sup>2</sup> Deputy under-secretary of state, FO, 1965–1967, formerly (1961–1965) ambassador to Iraq.

which separates them from the rest of the Arab world. We have also enabled them, or particularly the Rulers and their friends, to live at a standard of living far higher than they have been accustomed to and which the resources of the Federation without our financial help are entirely unable to support;

(d) as regards timing Sir R. Turnbull feels that this is not quite so important as the content of our announcement (i.e. financial support) but that his relations with the Federal Rulers and Ministers are such that he cannot continue to prevaricate as regards our ultimate intentions longer than say the end of March, though he appreciates that apart from this it would be in many ways better to delay our announcement until the Egyptians had at least begun leaving the Yemen and until our arrangements for the Federation had made some progress.

2. The Defence Secretary feels very strongly that the Defence White Paper must contain some reference to our intention not to retain a military base in Aden after independence. Drafts are at present under discussion between us and the Ministry of Defence at departmental level and we are adopting the line that references to this step should be as fuzzy as possible and should at the most talk of the possibility of thinning out our military presence in the period leading up to independence which we believe might give sufficient cover to the non-renewal of administrative contracts etc., which must take place almost immediately. But it seems most unlikely that Mr. Healey will accept this point unless it is effectively contested by his colleagues and the Prime Minister rules against him. He appears to feel that the proposed departure from Aden is one of the few concrete signs that can be given that the Defence Review really means something in terms of a reduction of commitments and that in any case even if the White Paper is fuzzy on the point it is going to be virtually impossible to refuse significant clarifications in the lengthy Parliamentary discussions which follow its publication. This section of the White Paper has to be approved for publication at the very latest in the first half of February.

3. The Chiefs of Staff are likely to support Sir R. Turnbull's views, particularly as regards financial support after independence and indeed the discussion which they had with Sir R. Turnbull led to some expression of doubt about the whole policy of withdrawing from Aden, though I do not expect this to be pressed.

4. The problems for us seem to be as follows:—

(1) While we should no doubt continue to oppose the idea of an early announcement of our intention to withdraw, I would personally assume that with both the Defence Secretary and the High Commissioner for different reasons strongly in favour of an early announcement we shall not be successful in securing significant delay. If this is so we have extremely little time left for preparing and taking the necessary action with the Gulf Rulers to obtain alternative facilities and to reassure them that we intend to retain our commitments towards them. In particular we have to consider urgently what is to be said to Kuwait in the light of the fact that while we are still in Aden we can maintain the existing Kuwait commitment in full but that from a date between now and independence we shall be unable to do so, and will only be able to carry it out in a modified form (assuming that Ministers accept that this is one of the necessary consequences of the Defence Review and of the political advice given by the Political Resident that it is unacceptable to secure the introduction into the Gulf of the full military resources necessary to maintain the full commitment indefinitely);

(ii) If we wish to maintain that £12 million can be better spent elsewhere and that we can avoid leaving chaos behind us or at least responsibility for chaos breaking out by handing over responsibility before or at independence to the United Nations, we again have extremely little time to develop this proposal and, if we think fit, to get it to Ministers before the vital decisions are taken;

(iii) Particularly since after independence Aden will be a Foreign Office post we ought to be considering soon how we see the future of British interests there and what is necessary in the way of representation, including the question of military and technical aid etc., in order to preserve these interests. I suspect there is a latent disagreement between the Colonial Office view, which is unconsciously based on all the previous precedents of colonial territories becoming members of the Commonwealth, and what may turn out to be our view that we shall have no interests in South Arabia other than its possible use against us by the Egyptians in relation to our position in the Gulf, but with the reservation of this the Egyptians can make difficulties for us in the Gulf perfectly well without passing through Aden.

B.A.B.B.

7.1.66

Sir B. Burrows' minute of 7 January on Aden underlines the difficulties which we have all along foreseen about the policy of announcing in the near future our intention not to retain a base at Aden, and points to other difficulties which half seen before, now emerge more clearly. These difficulties relate largely to timing. Since the Haradh Conference<sup>3</sup> has broken down and the Egyptians have made no start to withdraw, contrary to their obligations under the Jeddah Agreement, we must expect at the very least that their withdrawal and the establishment of a Yemeni Government more favourably disposed towards us will be delayed. Moreover, the delay in deciding exactly what additional facilities we need in the Persian Gulf will make it even harder for us to meet the Defence White Paper deadline. In fact I think it is quite impossible for us to have progressed far enough with our negotiations in the Persian Gulf by the first half of February. It may well be therefore that we shall be faced with the following situation:—

- (a) the publication of the news about the base in some form during February, either through leakage, White Paper or Parliamentary statement;
- (b) redoubled activities by Nasserite terrorists in Aden coupled with Nasserite blandishments to various South Arabian politicians. General dismay among our friends in South Arabia and some disintegration of the police and Federal Army;
- (c) a desperate effort by us to bring the South Arabians to some constitutional agreement under our aegis. This may well fail and we might have to consider scuttling ourselves and trying to bring in the United Nations on some basis. (If the Egyptians pressed to be made the administering power of a U.N. Trust Territory should we be able to resist?);

<sup>3</sup> The Haradh conference, held in north Yemen in Nov 1965, was an attempt by Saudi Arabia and the UAR to end the civil war between royalists and republicans in Yemen. King Faisal and President Nasser had signed an agreement at Jeddah in Aug 1965 providing for a cease-fire, the withdrawal of Egyptian troops from Yemen, the formation of an interim government, and a plebiscite on the future of Yemen. The Haradh conference was intended to be a peace conference to implement these terms, but it broke down over the issues of the place of royalists within the interim government and the continued presence of some 45,000 Egyptian troops in the Yemen that Nasser had pledged to withdraw by the end of Sept.

(d) failure of confidence among the Gulf Rulers and unwillingness (for fear of the Egyptians) to give us any new facilities (the Minister of Defence has always felt that we should not get any new facilities in the Gulf once we had announced our decision to leave Aden: this is, in his view, an additional reason for leaving Aden).

2. I have been wondering whether there is any way of minimizing these dangers, apart from delaying indefinitely the announcement about the Aden base, which seems rather hopeless at the moment. The only thought that occurs to me is this: it is not the *base* on which the confidence of our friends in the Middle East depends, so much as British *presence* in the area. It may be that the Federalis in South Arabia fear the armed forces of the Egyptians in the Yemen, if there were not the backing of British troops in Aden; but they have seen how the Royalists in the Yemen have maintained themselves in the face of very large Egyptian forces and they see a kind of uneasy balance of power between Saudi Arabia and the U.A.R. in this part of the world. I would think that they are less frightened of military attack than of political undermining. If so it might be that they would see in a continued British commitment of the kind envisaged by the High Commissioner a guarantee of continued British presence and influence. This might apply not only in South Arabia, but also in the Gulf to some extent. Thus if only we can play down a little the abandonment of the base and play up the fact that we intend (whether or not we carry out our intention will inevitably depend largely on circumstances which cannot now be foreseen) to maintain a British interest in the eventual South Arabian State, the Arabs might consider that this did not amount to a British scuttle.

3. The moral of this is that we should perhaps support the High Commissioner in his efforts to secure a continuing commitment at this stage, even though in our hearts we may doubt the wisdom, and indeed the eventual feasibility, of such a commitment to a ramshackle, disunited and probable unviable South Arabian state. Such a commitment might, in short, enable us to turn an awkward corner as regards the Gulf. The corollary might be that we should not for the moment do anything to involve the United Nations, although it might suit us to do so at some subsequent stage if it became apparent that we could not carry things through by ourselves. The main thing, from our point of view, is to avoid, or minimize Nasser's triumph and the extent to which he can exploit the announcement of our withdrawal.<sup>4</sup>

R.A.  
7.1.66

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<sup>4</sup> Healey informed the House of Commons on 22 Feb that the UK would leave the Aden base when South Arabia became independent in 1968 *H of C Debs*, vol 725, cols 239–254. Lord Beswick, parliamentary under-secretary of state for the colonies and Commonwealth relations, had conveyed the decision to the federal government when he visited Aden on 15 Feb. Further parliamentary announcements on 10 May 1966 explained that the UK did not intend to have a defence treaty with the Federation after independence; the withdrawal of British forces would be completed by a date not later than 1968. *ibid*, vol 728, cols 217–220.

**46** FO 371/185180, no 3

17 Jan 1966

[UN Mission to South Arabia]: minute by Sir R Allen opposing a proposal to send a special UN Mission to South Arabia

The United Nations has done nothing so far except make our task in Aden very much harder. They have concentrated on trying to bring about a British withdrawal as

rapidly as possible, regardless of the consequences and of the facts of the situation, and have indeed acted as an instrument of U.A.R. policy. I do not say this merely in order to complain, but because it seems to me very optimistic to believe that they will suddenly switch over to a policy of genuine cooperation with us in solving the constitutional difficulties in South Arabia, reconciling the various conflicting parties and helping us to ensure an orderly progress towards true independence for the Federation. It seems much more likely that, whatever announcement we make, the United Nations will continue to back only Nasser's friends, and do their best to cover Nasser's defeat in the Yemen by contributing to a disorderly British withdrawal. Naturally, not all the members of the United Nations are hell-bent on this course, but I am afraid I think that the majority would still be prepared to follow the lead of the extremists for their own reasons, and that the extremists would be unlikely to modify their policies significantly, at any rate at this stage.

2. I do not therefore think that we should be wise to announce that we would welcome the assistance of the United Nations at the same time as we make any announcement regarding the Base. To bring in the United Nations at this time in the way suggested would complicate our task enormously, and destroy whatever slender chances there may be that we can bring about constitutional progress. If we can make some constitutional progress, then it may be that we could minimize United Nations criticism by associating them with us: we could only judge the risks involved in the light of the circumstances then prevailing. On the other hand, if we fail to make constitutional progress, then at some stage, when we have nothing more left to lose, we might consider bringing in the United Nations.

3. This view is reinforced by the difficulties in which we may well find ourselves in the Gulf. If we were to bring in the United Nations before we have obtained the additional military facilities in the Gulf which we need, and satisfied South Arabian and Iranian opinion (so far as we can) that we are not abandoning all our positions in the Middle East, we should be likely to confirm the fears of our friends in the Middle East that we were simply scuttling out. I simply cannot believe that this would result in a change of heart by the United Nations, and a kind of idyllic period of peace and cooperation instead of vituperation and trouble-making. Indeed, in paragraph 3 of my minute<sup>1</sup> attached behind, I suggested that we should not for the moment do anything to involve the United Nations, and I believe that we cannot escape from this conclusion, unless we are prepared forthwith:—

- (a) to hand over responsibility for South Arabia to the United Nations, and
- (b) to abandon in the comparatively near future our existing positions in the Gulf.

Neither of these is in accordance with present Ministerial policy.

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<sup>1</sup> See 45.

## **47 DEFE 13/574**

**29 June 1966**

**[UN Mission to South Arabia]: minute by Mr Lee to Mr Wilson  
opposing a proposal to send a special UN Mission to South Arabia**

I understand that a proposal is coming to you from the Foreign Office that we should announce that we welcome United Nations participation in achieving our policy of



bringing South Arabia to independence by 1968, and that, subject to certain conditions, we would be glad to receive in South Arabia a Special Mission appointed by the Secretary General of the U.N.

2. While I recognise the difficulties of our position in South Arabia, I believe that acceptance of a Special Mission appointed by the Secretary General could have serious repercussions for us in other dependencies.

3. Ever since the establishment of the United Nations we have resisted constant efforts to send Special U.N. Missions of one kind or another to our dependent territories (other than those we used to administer under trusteeship). Had we not done so our task of decolonisation would have been infinitely more complicated, since any political party in a dependent territory unwilling to accept our decisions would at once have sought support with the United Nations, and a specially the Committee of 24.<sup>1</sup> Some of them have of course tried this, but by and large only half-heartedly because they well know that we did not recognise that the United Nations, and the Committee of 24 in particular, had any role to play in these matters. For them therefore appeals to the U.N. have tended to be gestures rather than serious efforts to upset decisions.

4. If we accept the proposal that the Secretary General should appoint a special U.N. Mission to South Arabia, we shall thus be breaching one of our basic principles in our relations with the U.N. over Colonial issues. I have no doubt that to do so could land us in serious consequences elsewhere. Immediately I would expect it to encourage the Paramount Chief of Basutoland and the Opposition parties there to demand United Nations intervention in Basutoland. Such encouragement would gravely complicate our problems in that territory. I consider there is also a serious risk that it would encourage the present Government of Mauritius to appeal through the Committee of 24 for United Nations intervention over the local dispute about the electoral system and the Banwell Commission's recommendations.<sup>2</sup> (We know that the Premier of Mauritius has already communicated with the Secretary General, though probably without much faith that the Secretary General will be able to help; but his assessment could change at once if he thought we were abandoning a principle in our relations with the U.N. to which he knows we have long been committed.) In both these territories there are distinct security implications.

5. I should have thought there might also be certain difficulties for us in this proposal in relation to Rhodesia.

6. Looking further ahead, it could lead to substantial internal difficulties in Fiji, and could raise appreciable complications for us in those territories like Gibraltar which are the subject of territorial claims by foreign Governments.

7. I strongly urge therefore that we should not abandon what I regard as a basic matter of principles; and that we should reject the idea of a U.N. Special Mission to South Arabia.

8. I am copying this minute to George Thompson, Arthur Bottomley and Denis Healey.

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<sup>1</sup> The UN Special Committee of 24 dealt with questions concerning colonialism.

<sup>2</sup> *Mauritius: Report of the Banwell Commission on the Electoral System* (Colonial No 362, HMSO: London, 1966).

**48 CAB 148/29, OPD(66)128, Annex B 1 Dec 1966**  
**‘South Arabia: Bowen Report’ on the handling of detainees in Aden’:**  
**memorandum by Mr Brown for Cabinet Defence and Oversea Policy**  
**Committee on the introduction to the Bowen Report**

On 24 October, 1966, I requested Mr. Roderic Bowen, Q.C.—former Liberal M.P. for Cardigan and Deputy Speaker of the House of Commons—‘to examine the procedures current in Aden for the arrest, interrogation and detention of persons suspected of terrorist activities; and to advise me whether there are any ways in which these procedures can be improved, having in mind on the one hand the rights of the individual and on the other the duties of the authorities to safeguard the community as a whole from lawless acts.’

2. Mr. Bowen visited Aden from 27 October to 8 November. He has now sent me his report which is published herewith in full, together with an account of the action already taken on his recommendations.

*Background—the State of Emergency*

3. In considering Mr. Bowen’s report it is necessary to bear constantly in mind the background of the exceptional State of Emergency in the Protectorate of South Arabia and more especially in Aden. Since 1963 a systematic campaign of terrorism, directed against British and local Forces, police and civilians, has been mounted in South Arabia by front organisations organised, trained, financed and supplied with arms by the UAR working from the Yemen. It takes the form of aimed or indiscriminate throwing of bombs, often in public places, the mining of public roads, and attacks by gunmen on chosen individuals who are members of or cooperate with the Government and with the forces of law and order. It is accompanied by a campaign of vilification from Cairo and Sana’s<sup>2</sup> radios which daily boasts of the achievements of the terrorists and incites the local population to violence, both general and against individuals.

4. The State of Emergency in the Federation of South Arabia was declared by the Supreme Council of the Federation on 10 December, 1963, after a bomb had been thrown at Aden Airport when the High Commissioner was leaving for London with Federal Ministers. The bomb killed the British Assistant High Commissioner and an Indian woman and wounded forty-three people.

*Casualties*

5. Since then, up to 31 October this year, 266 people have been killed and 1348 people wounded in South Arabia as a result of terrorist activity. 163 of those killed and 590 of those wounded were civilians, and 103 of those killed and 758 of those wounded were members of the British and local Security Forces. 42 killed and 464 wounded were members of the British Forces and 8 killed and 25 wounded were British civilians.

*The security situation in Aden*

6. In Aden itself the casualty figures (included in those given above) are as follows:

<sup>1</sup> Report by Mr Roderic Bowen, QC, on *Procedures for the Arrest, Interrogation and Detention of Suspected Terrorists in Aden* (Cmnd 3165, 1966).

<sup>2</sup> Sanaa (or Sana’a), capital of Yemen.

- 1964 4 killed (1 member of local security forces, 2 British forces, 1 British civilian)  
32 wounded (2 local civilians, 25 British forces, 5 British civilians)
- 1965 33 killed (9 local security forces, 17 local civilians, 5 British forces and 2 British civilians)  
173 wounded (10 local security forces, 80 local civilians, 74 British Forces and 9 British civilians)
- 1966—31 October  
34 killed (2 local security forces, 24 local civilians, 4 British Forces and 4 British civilians)  
372 wounded (5 local security forces, 209 local civilians, 147 members of the British Forces and 11 British civilians).

Details of terrorist attacks in Aden during 1965 and 1966 are as follows:

- 1965 144 Grenades: 60 Explosive charges: 50 Shootings: 19 Rockets: 5 Mines:  
1 Mortar attack on airfield.
- 1966 (to 31 October). 301 Grenades: 33 Explosive charges; 36 Shootings: 4 Rockets: 6 Mines.

7. During the summer of 1965 the Speaker of the Legislative Council, Sir Arthur Charles, and a number of Arab police officers were assassinated by trained gunmen sent from the Yemen for the purpose. The then Ministers of Aden State were not prepared to condemn these terrorist attacks and their attitude was precipitating a complete breakdown of the administration of Aden State. The Aden Constitution having in effect become unworkable, HMG issued an Order in Council on 25 September, 1965, replacing the authority of the Aden Council of Ministers and Legislative Council by the single authority of the British High Commissioner, H.M.G. issued a statement on the same day to emphasise that the sole purpose of this step was to restore stability in the area and thus facilitate its political progress, and that it remained Britain's unaltered aim to bring South Arabia to independence as a unified sovereign state not later than 1968.

#### *The preservation of order in Aden*

8. The preservation of order in Aden is the responsibility of the British High Commissioner. We are here concerned with the measures which have had to be taken in relation to the arrest, interrogation and detention of those suspected of having been concerned with terrorist activities. These are described in detail in Mr. Bowen's report. The chief aim of the terrorists is so to intimidate the local population as to prevent all cooperation with the Government of Aden, the Police and the Courts of Law; to inhibit all normal political activity and constitutional progress; and at the same time to cause the maximum damage to the British forces who are preserving law and order.

9. The problem is to protect the resident population of Aden, estimated at about 230,000 (including about 7,000 European civilians and about 15,000 members of the British forces, together with over 8,000 of their wives and children), with relatively slender resources. Troops on internal security duties thus have a heavy task, and for considerable periods officers and men can count on only two full nights in bed each week. In the Maalla Straight area of Aden, where the majority of the families live, additional guard duties are undertaken by husbands on a warden-roster basis.

*The Interrogation Centre*

10. In order to combat terrorism, the prime need is to obtain information about terrorist plans, personalities, and arms supplies. Owing to intimidation and the knowledge that our protection will soon be withdrawn, it has understandably become virtually impossible to obtain information about terrorists from members of the public. The systematic assassination of members of the Arab Section of the Special Branch of the Aden Police in the summer of 1965 resulted in the elimination of the Section as an effective force. This created an urgent need for the Interrogation Centre to be rapidly expanded as the main means of acquiring the necessary information. It is situated in Fort Morbut in the security zone near to the High Commission and Military Headquarters and has become a vital part of the counter-terrorist apparatus. It has operated with considerable success, having provided information leading to the discovery of numerous arms caches and to the arrest of a large number of terrorists. The average number of interrogators employed has been six and the average tour of duty six months. In all twenty-two interrogators have worked at the Centre at different times.

11. Some criticism has been made of the fact that, except for one civilian, the Centre has been manned by Army personnel. Mr. Bowen has made clear, in a letter attached to his report, that his recommendation that the interrogators should be civilians implies no reflection whatever on the Army interrogators but is prompted solely by his feeling that difficulties may have arisen from the element of divided control which the arrangement entails. The Army has rendered an indispensable service by making these interrogators available to the civil authority at short notice at a time when they could not have been found from any other source.

*The Detention Centre*

12. This was built to modern standards as the Civil Prison in 1965 and the detainees were its first occupants. It is about twelve miles from the Interrogation Centre, on the other side of Aden to the military zone and near the State boundary.

13. The interests of the dependants of the detainees are looked after by Welfare Department, Aden State Ministry of Labour and Welfare. Allowances are paid to the families of detainees, in accordance with a resolution of the former Aden State Council of Ministers. With effect from 7 March, 1965, they range from an allowance of 10/- per day for an unmarried detainee with one dependant to allowances for detainees with three children or over from 25/- to 50/- per day. Detainees without dependants receive £5 per month. Expenditure on detainees allowances is at present running at approximately £3,000 per month.

14. The arrest, interrogation and detention of people without trial are of course measures which no British Government undertakes save with great reluctance and for compelling reasons. Where such measures are necessary in the interests of public order HMG recognise that they must be operated both humanely and efficiently. This requires, among other things, the taking of precautions both against the abuse of special powers and against unjustified criticism of those concerned. It is for this reason that HMG agreed that a representative of the International Red Cross should pay regular visits to Aden. This representative has now been to Aden on five occasions at intervals of about two months. He has reported to his Headquarters in Geneva and has given copies of his reports on a personal basis to the High Commissioner. The International Red Cross representative has been given all facilities to visit persons in

custody both in the Interrogation and Detention Centres. Matters mentioned in his reports receive intensive investigation.

*Mr. Bowen's Mission*

15. It was in order to reassure myself directly that the necessary special procedures in Aden were being carried out to the best advantage and that those responsible for them would be protected from uninformed criticism that I asked Mr. Bowen to undertake his mission as my personal representative. He has written a most useful report and I am very grateful to him for it. He has made a considerable number of recommendations, the majority of which, as will be seen later in this paper, have now been acted upon.

16. I now turn to the main criticisms contained in Mr. Bowen's report. These relate to the handling by the Administration of allegations of cruelty to prisoners. I must emphasise here that Mr. Bowen's criticism relates to a short period in the past and centres on the activities of three of the interrogators at that time employed in the Interrogation Centre and the control exercised over their activities. That is to say his anxiety is not so much about the present position, although his recommendations provide for additional safeguards, as about what may have happened in the early days of the Interrogation Centre when the procedures and personnel were new and tension was in any case understandably high.

17. So far as the handling of allegations is concerned, it will be seen that Mr. Bowen has made a number of recommendations for dealing with complaints in the future and that they have generally been accepted. The allegations referred to in paragraph 16<sup>3</sup> were not investigated by Mr. Bowen—as he remarks in the report, he did not regard such an investigation as being part of his task. Investigations into them will now be pursued to a conclusion. While these investigations take place I think it right that nothing should be said publicly to prejudice the position of any persons who may be implicated, before they have had an opportunity of giving their own account of what took place to the appropriate authorities.

18. Mr. Bowen states in his report 'It is clear that the life and limb of the population as a whole are in constant danger from the indiscriminate throwing of hand grenades and other activities'. I was accordingly gratified to read the following two passages from Mr. Bowen's report:—

'The main strain of protecting the population and dealing with the terrorist falls upon Military personnel and the police. I certainly gained the impression that speaking generally they discharge their onerous duties with great restraint', and

'I gained the impression that those responsible for arrests, the making of holding orders and detention orders carry out their duties with a sense of responsibility and a high regard for the necessity of acting only when public safety requires it.'

19. Finally, I should like to take this opportunity of expressing my own admiration for the way in which all those concerned in the preservation of order in Aden, both civil and military, are carrying out their duties, often under difficult circumstances.

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<sup>3</sup> A reference to the handling by the administration of allegations of cruelty and torture. The allegations were made by Amnesty International.

They are conscious, as I am, of the need to do so with restraint and humanity. At the same time HMG recognise their obligation to ensure that the British Forces in South Arabia and their dependants are protected during their remaining time in the territory and during their subsequent withdrawal, and also that everything possible is done to enable the civilian population of Aden to live their daily lives in freedom from fear.<sup>4</sup>

<sup>4</sup> The DOPC considered the Bowen Report on 2 Dec and decided that, although Cairo Radio and 'our enemies elsewhere' might misrepresent the findings 'with some damage to our interests', the report should be published in full (CAB 148/25, OPD 47(66)1).

## **49** FO 371/185260, no 48

8 Dec 1966

### **'Constitutional advance to independence in South Arabia': letter from Mr Brown to Sir R Turnbull. *Annex A***

In consultation with my colleagues, I have recently had under consideration the further constitutional steps which it would be desirable to take before South Arabia becomes independent. I am now able to inform your Excellency of our conclusions on these matters. You yourself have commented upon the Department's preliminary ideas and it is my understanding that this despatch contains nothing which is not consonant with your views.

#### *Date of independence*

2. The only public pronouncements so far regarding the date for the attainment of independence by South Arabia have been to the effect that it is Her Majesty's Government's policy that South Arabia should attain independence by 1968. Nor has anything more detailed yet been said to the Federal Government—although we have reason to believe that the latter would prefer a date late rather than early in 1968. Meanwhile, by agreement at the official level, the Ministry of Defence have prepared their plans for the withdrawal of the base—and have begun to execute them—on a timetable which would permit the date for independence to be as early as the 1st of January, 1968, if it were so decided.

3. The prime remaining United Kingdom objective in South Arabia is to get our military forces, their dependants and their property out of Aden in good order. Her Majesty's Government have therefore decided that planning, constitutional as well as military, should now proceed on the assumption that South Arabia will be made independent on the 1st of January, 1968.

4. Since the Federal Government are likely to press for the latest possible date for independence it would seem tactically wise to confront them with the date of the 1st of January, 1968, and then, if they dispute the possibility of completing the proceedings for independence so soon, to ask them to comment specifically on a detailed timetable. Only if it were shown that a few weeks' delay was really necessary to permit the conclusion of some essential process or to avoid (not merely to postpone) a potentially chaotic situation would I feel inclined to accept that there was a case for considering a delay beyond this date.

5. As seen from here, our best hope of ensuring an orderly transition to independence in the time available lies in the continued co-operation of the Federal Government. If there is a sensible and helpful United Nations mission there may be

some possibility of making progress towards a more broadly-based representative Government for a unified South Arabia. If the mission does not materialise, however, or is ineffective, we shall still have to do what we can to make the Federal Government more effective and more 'respectable', with provision for Aden State to have greater representation in it, and at the same time try to steer the Federal Government in directions consistent with the United Nations resolutions to which they pay lip-service. This would at least enable us to leave behind a transitional Government which had some chance of survival and in which Aden State had a fair voice; and it would enable the South Arabians to work out the eventual Constitution in their own way after we had left. Our bargaining power with the Federal Government is our sovereignty over Aden State and our promise of continued financial support. Finally if there is a United Nations mission which proves to be hostile, we must recognise that there would be a danger that the Federal Government might disintegrate. In that case we should have to limit our objective to the orderly withdrawal of our own troops and civilians.

#### *Consultation with the Federal Government*

6. I should therefore be grateful if your Excellency would take an early opportunity to inform the Federal Government that it is the considered view of Her Majesty's Government that South Arabia should become independent on the 1st of January, 1968, and seek their agreement to this date. It would be for consideration whether there would be advantage in announcing the date of independence before the United Nations mission arrives and I should be glad to have your and the Federal Government's views on this point. You should also pursue the consultations you have already begun with them with regard to necessary pre-independence measures, whether or not the United Nations mission shows signs of materialising. It is clear that a United Nations mission cannot now be expected to reach Aden before mid-January at the earliest and some action must be put in hand before then. To begin with, this must take the form of bilateral consultations with the Federal Government on the steps to be taken before independence, with particular attention directed towards those which are crucial for the achievement of orderly independence on the 1st of January, 1968. A provisional timetable of action on the constitutional front designed to accord with an independence date of the 1st of January, 1968, is attached at Annex A. If a helpful United Nations mission materialises it should be possible to adjust the consultations with the Federal Government to fit in with its recommendations since the consultations would tend in the direction of the United Nations Resolutions which both Her Majesty's Government and the Federal Government have accepted. At a later stage, at least one conference, which the political parties and the unfederated states should no doubt also be invited to attend, will be desirable to settle formally the arrangements for independence.

#### *Termination of treaties*

7. It will be important to make it quite clear that the Treaties of Protection with the Federation of South Arabia and the individual states of the Protectorate (including the unfederated states) will terminate on the date chosen for independence. None of these treaties, as you know, contains any provision for termination. Her Majesty's Government, therefore, to conform with what they consider to be the proper international practice in such circumstances, will wish to

give the other parties reasonable notice (in this case not less than 12 months' notice) of termination. Action must therefore be taken not later than the 1st of January, 1967, and you will receive a separate communication on this point. This step may well provoke a repetition of the request from the Federal Government for a defence arrangement after independence; if so, it will be necessary to repeat the refusal already given to them.

#### *Civil aid*

8. Her Majesty's Government have considered also the question of civil aid after independence and have decided to make a specific offer to the Federal Government of budgetary aid for three years after independence on a declining scale, together with some capital aid for development and assistance towards meeting the cost of retirement benefits and compensation for non-South Arabian public service officers. The Minister of Overseas Development is currently considering the amount of civil aid to be offered to South Arabia after independence and I shall communicate with you further on this point.

9. You will no doubt agree that it would be as well not to be too specific in mentioning to the Federal Government at this stage the prospect of continuing civil aid. As I have already mentioned, it is one of the few weapons of coercion we still possess for use in the bargaining which will take place before independence and we need to time its use with some care. On the other hand it would be unfair to delay our offer so long that the Federal Authorities are unable to make proper budgetary plans. We do not propose to hold out any hope of continued aid in respect of the three eastern states of the Protectorate unless these states decide to join with the states already federated to form a single State on independence, nor should we give any subsidies direct to the individual member states either of the Federation or of a united South Arabia. Our offer of civil aid, like the offer already made of military aid, will be subject to the proviso that there is no change in political conditions in South Arabia which might make its continuance inappropriate.

#### *Public service*

10. The matter of the Public Service Commission is more complex. Ideally, the Public Service Commission should become executive on, say, the 1st of July, 1967, although, in order to minimise the risk of administrative breakdown through the more or less simultaneous departure of most of the remaining officers, a later date might in any case have had to be chosen. Your Excellency, I know, considers that it is not likely to prove possible to introduce an executive Public Service Commission at all owing to Federal predilections for control of the public service by the Head of State (in which case the commission would remain advisory as at present). If therefore it proves impossible to introduce an executive Public Service Commission, special arrangements will have to be made for safeguarding the interests of all public service officers in the matter of compensation and retirement benefits. The Department will be discussing with the Treasury the details of such an arrangement.

#### *The future of the islands*

11. A decision on this matter has been deferred until the prospects of a United Nations mission to South Arabia are clearer or until, in its absence, we have begun our constitutional discussions with the Federal Government. I am inclined to think,



however, that the only sensible course for Perim would be to attach it to South Arabia on independence; that the Kuria Murias be disposed of according to whatever the wishes of their inhabitants may be (which will presumably mean returning the islands to the Sultan of Muscat); and that Kamaran be left a part of South Arabia, perhaps subject to some process to confirm that this is the wish of the islanders. This is a subject on which I shall have to address you again.

### *Aden State*

12. The future relationship of Aden State to the rest of the Federation and eventually to the independent South Arabian State will clearly be a key issue in the constitutional arrangements for independence. I accept that, so long as the present campaign of terrorism and intimidation continues, it will be impossible to hold elections to the (now suspended) Aden Legislative Council. In these circumstances, the most hopeful course seems to be, as you have suggested, that you should try to persuade Federal Ministers to increase the proportion of Adeni Ministers in the Federal Government from the present four out of sixteen, so as to compensate the Adenis for the loss of powers at present exercised by Aden State which will need to be held by the Central Government if it is to function properly when we leave.

13. This action would pave the way for Aden State, together with the present Federal capital of Al Ittihad, to become the capital territory of the new South Arabia, as was recommended in the constitutional proposals of Sir Ralph Hone and Sir Gawain Bell.<sup>1</sup> We can reasonably hope that this would remove much of the present friction between Aden and the rest of the Federation, though only if there were strong Adeni representation in the Central Government. You have suggested that the Prime Minister should always be selected from Aden, that a minimum of one-third of the Ministers should be from Aden and that certain key portfolios should be held by Adeni Ministers. I am glad to be able to endorse these suggestions and you should accordingly seek the present Federal Minister's agreement to them.

14. I am not at present able to say when Her Majesty's Government will be prepared to surrender British sovereignty over the Colony of Aden. I shall wish to consider this further in the light of your discussions with the Federal Government and also of the recommendations of the United Nations mission, if these are forthcoming fairly soon.

### *Conclusion*

15. The time which we have to bring South Arabia to independence is short and we face many obstacles: a campaign of terror organised from outside South Arabia against the very measures we are attempting to promote; the mistrust which exists between Adenis, Federal Rulers and the Eastern Sultans; political interference from many quarters abroad; and the centrifugal nature of internal South Arabian politics. We shall be lucky to achieve completely even our main aim, that of withdrawing our forces and their dependents from Aden smoothly. The chances of our being able to set up a lasting, unified and viable State in South Arabia after 1968 are, as we must recognise, small. But we must do all we can in these last months to bring to independence a State which has a potential of self-reliance even though it may not at that stage have been able to develop that potential fully.

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<sup>1</sup> See 60, note 4.

## Annex A to 49: Provisional timetable

1966

*December*

Bilateral talks between the High Commission and the Federal Government.

1967

*1 January (or earlier)*

Formal notice of termination of treaties on independence (date unspecified) given to Federation and individual states.

*Mid-January*

United Nations mission begins work in South Arabia(?).

*February/March (or later if United Nations mission so recommends)*

Constitutional Conference.

*March*

Consultation with the peoples of the Kuria Muria islands (and perhaps of Kamaran).

*1 July*

Aden to be made the capital territory of South Arabia (with no future need for a State Government). Perim (and probably Kamaran) become part of the Federation.

*October/December*

Surrender of sovereignty over Aden State, Perim and the Kuria Muria islands.

*31 December/1 January, 1968*

Abrogation of all Treaties of Protection.

**50 DEFE 13/574****10 Jan 1967**

**'Withdrawal from Aden': minute by F Cooper<sup>1</sup> to P D Nairne<sup>2</sup> explaining why the planned independence date should not be postponed**

We spoke last week about the timetable for our withdrawal from Aden and whether we should start thinking about contingency plans to cover the possibility of postponement of independence from the currently planned date of 1st January, 1968. I have given more thought to this but hold to my view that it would be unwise to countenance by contingency planning the possibility of a set-back in our programme.

<sup>1</sup> Assistant under-secretary of state (political), MoD, 1964–1968; deputy under-secretary of state, 1968–1970.

<sup>2</sup> Private secretary to Healey, 1965–1967; assistant under secretary of state, MoD, 1967–1970.

2. Ministers agreed in the OPD on 2nd December (OPD(66)47th Meeting) that, irrespective of progress in setting up the United Nations mission, we should start at once on a determined programme to force through the preliminaries essential to Independence at the beginning of 1968. The main considerations before Ministers were:—

- (a) given that we are not prepared to maintain a presence in South Arabia long enough to outstay the Egyptian forces in the Yemen, it is unlikely that any postponement of Independence would significantly increase the chances of South Arabia's achieving a durable independence;
- (b) the longer we stay in South Arabia the greater our problems, both locally and with the United Nations, are likely to become;
- (c) there could in any case be no guarantee of a satisfactory political or military outcome;
- (d) any postponement beyond a few weeks might make it more difficult to resist requests for further delays and the choice could be between withdrawal in early 1968, notwithstanding the very unpleasant consequences which might entail, and being ensnared in South Arabia for an indefinite period.

3. Nothing has happened since the OPD discussion to invalidate its conclusions. The Aden High Commissioner has approached the Federal Leaders and confronted them with our time-table. Predictably the date of 1st January for Independence was not well received and further consultations will be necessary before there can be any public announcement; the High Commissioner has not, however, been given any discretion in instructions sent to him in the light of the Federalis' reactions, to hold out any hope that Ministers will change their minds. It would be unfortunate for the Ministry of Defence to do anything which would deter the Foreign Office from their commendably robust stand. I attach the High Commissioner's instructions and some correspondence between him and the Foreign Office.<sup>3</sup> The general view of the latter is that we are moving into a position of 'growling acquiescence' by the Federalis on an Independence date.

4. The withdrawal programme drawn up by the Commander-in-Chief, Middle East is, of course, geared to Independence on 1st January, 1968. He requires final confirmation of this date by 1st May, 1967 so we have a few months to play with before the C-in-C is fully committed to carrying out his present plan. I can see no advantage in asking him at this stage to draw up contingency plans for a later withdrawal: this would serve only to raise doubts about the firmness of Ministerial intentions and to deflect planning effort from the main task of preparing for an orderly withdrawal under the present timetable.

5. In short, I recommend strongly against setting in hand now any planning for the later withdrawal. Unless there is a radical change in the situation I would suggest that this does not need to be looked at again until March/April when it ought to be considered. The Foreign Office agree with this view.<sup>4</sup>

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<sup>3</sup> Not printed.

<sup>4</sup> Healey commented: 'I agree—and never intended to delay our withdrawal. What I am concerned about is that we should think through the possible consequences of our withdrawal (cf. JIC paper) and consider whether there are steps we can take now (eg MI6) which make it less likely that at the last moment we should be asked to stay on or return.' Entitled 'The security threat in South Arabia up to the date of British withdrawal', the JIC paper began with the argument that virtually all terrorist activity in Aden and the greater part of dissident activity were the direct result of UAR policy and propaganda and of Egyptian

Intelligence Service activities in Yemen, none of which were likely to moderate during the period under review. It then proceeded with an accurate forecast of how events eventually unfolded. Because of terrorist activity and the attitude of the South Arabian League (see 60, note 3), it was doubtful a more broadly-based government could be established before independence; without this and in the absence of a defence agreement, the federal government might disintegrate and with it the bulk of the federal security forces. A UN mission would add to the security problems, especially if it recommended elections. Without a breakthrough by the security forces, terrorism was likely to increase, and the situation would become still more difficult when the time came to share responsibility for security in Aden with federal security forces. The situation 'up country' would probably not deteriorate until the last few months before independence, and in the EAP the situation was expected to hold, although with some risk to British lives if terrorism flared (CAB 158/64, JIC(66)74(Final), 29 Dec 1966).

## **51 FCO 8/153, no 32(c)**

**25 Jan 1967**

**'Note on the security situation in Aden in December 1965': note by Sir R Turnbull justifying his decision not to appoint a judicial enquiry into allegations of ill-treatment of detainees<sup>1</sup>**

The primary reason for my disinclination to accept the Legal Adviser's recommendation put to me in December 1965, that the allegations of ill-treatment made by certain detainees should be made the subject of a Judicial Enquiry, was that I feared that the effect of such an enquiry would inevitably be to bring the work of the Interrogation Centre to a halt and thus to remove from our hands the only effective instrument left to us for combating terrorist activities. Nevertheless, as soon as it was established that there was, in fact, medical evidence of some detainees having suffered physical violence steps were at once taken to have the matter pursued by the Criminal Investigation Department of the Aden Police.

2. There were at that time, and indeed still are, only two instruments at the disposal of the Government for the prosecution, in the field of Intelligence, of the fight against terrorism; that is to say, for detecting and identifying individual terrorists, for penetrating the organisation of N.L.F. and FLOSY,<sup>2</sup> for learning of its structure and for discovering its techniques, its policies, and its plans. The first of these instruments was Special Branch; the second was the Interrogation Centre. Both these organisations were, not unexpectedly, special targets for terrorist attack, the weapon used being, in the first case, a deliberate campaign of assassination by shooting, and, in the second, a sustained attack by radio and Press intended so to discredit interrogators and the whole process of interrogation that the Centre could no longer operate effectively.

3. By Christmas 1965, as a result of the success of the measures used by the terrorists, Special Branch had virtually ceased to exist; and the only, and I must emphasise that it was in fact the only, instrument available to the Government, by which the Government could make itself aware of terrorist intentions, was the

<sup>1</sup> This note was written in response to the Bowen Report, see 48.

<sup>2</sup> FLOSY had been formed on Egyptian initiative in Jan 1966 and it was based in the Egyptian capital. It was meant to unite the NLF and the more extreme elements of the PSP. The leading light was Abd al-Qawi Makkawi (see 43, note 1) but the union was an uneasy one and there was continual infighting over the leadership. FLOSY's support came mainly from the large population of dissident Yemeni workers in Aden, estimated at about 90,000. The NLF, with more support in the Federation, including elements within the federal army, broke away from FLOSY at the beginning of 1967.

Interrogation Centre. It was therefore of overriding importance that nothing should be done that might hamper the operations of the Centre or impair its efficiency. Many lives might depend on the ability of the Government to keep itself informed of the disposition and plans of its opponents.

4. In what might be described as a conventional Emergency both sides, that is to say the Government on the one hand and the insurgents, nationalists or freedom fighters on the other, are well aware that when normal conditions are restored the Government will still be in authority; it is true that certain concessions are likely to be made, or promised, to the insurgents, but the basic administration of the country will continue much as before. This being so the Civil Service is not seriously affected; the Police and Prison Services continue to be reliable; and members of the public not directly concerned in the Emergency although reluctant to make a public appearance in the courts, can be counted upon to support the Government by the supply of information and background intelligence. In brief, all the parties concerned, the Government, the insurgents and the public have confidence in a stable future in which the Government will continue to be responsible for the conduct of the affairs of the country.

5. The circumstances of Aden in December 1965 were very far removed from the picture I have drawn in the last preceding paragraph. Instead of being able to depend on a Police Force that was well found in the present and confident of the future, and on a Special Branch that could, without much difficulty, secure information from the sources that are normally open to that Branch, the Government had, as its only civilian means of dealing with the Emergency—apart, of course, from the Interrogation Centre—Police and Prison Services so subverted and so intimidated and so fearful for their future that they could no longer be regarded as in any sense reliable insofar as acts of terrorism were concerned, and a Special Branch that existed in name only. As for the public of Aden, they fully recognised that independence would come to South Arabia in 1968 and that whoever the successor authority might be it would not be the British; and in fear of subsequent reprisals they were not prepared to support the Government with services or with information; indeed the flow tended to be in the reverse direction for while our movements and intentions were being conveyed to the opposition by a thousand willing tongues, no news was being brought to us. It is scarcely necessary to add that the knowledge that within a couple of years or so the Government would have surrendered its authority and left the scene was immensely reassuring to the opposition; and, coupled with direction, supply and financial support from outside the Territory, and easy access to safe retreats in the Yemen, placed it in a formidably strong position.

6. I have described the Special Branch as existing, by December 1965, in name only. The facts are that a force which in December 1963 contained twenty-five local officers was reduced in the subsequent two years to a total of three such officers. This reduction was brought about over the period in question by the assassination of five Special Branch officers, (supplemented by one more in March 1966) and of two former Special Branch officers. A Special Branch agent was also murdered, and another in March 1966. During the same period there were four attempted assassinations of Special Branch officers, all of them happily unsuccessful. These killings were not indiscriminate, nor were the victims of them mere opportunity targets. They were planned selective murders carried out on the instructions of the

terrorist leadership in pursuance of an obvious and understandable policy aimed at the total elimination of Special Branch. This policy was successful; for although Special Branch has now been to some extent resuscitated, but with personnel that is almost entirely European, in December 1965 it had wholly ceased to be an effective organisation.

7. Reverting to the part played by the Interrogation Centre, it should be noted that the Centre did not come into full operation until mid-September 1965, shortly after the murder of Superintendent Barrie, Sir Arthur Charles and Special Branch Constable Mohamed Mohamed Hussein. Once the Centre had been brought up to its present strength an early improvement was noticeable. Thirty N.L.F. members were arrested in late September 1965, to be followed in late October by the capture of the Head of the N.L.F. in Aden, five of his followers and a quantity of arms and documents. In spite of widespread industrial unrest in November and December of that year and a general air of malaise, terrorism was not permitted to gain the ascendancy.

8. Throughout 1964 and 1965 allegations of torture of detainees were a regular feature of the broadcasts directed at Aden from the radio stations at Cairo, Sanaa and Taiz; indeed they were such a commonplace and the propaganda motive behind them so obvious that they aroused little attention or comment. It would be of interest to conduct an analysis of the Egyptian and Yemeni broadcasts of this period and to equate their frequency and the type of allegation made against the success or otherwise of the operations of the Interrogation Centre. But no study of this sort is needed to demonstrate the determination of the terrorist leadership to eliminate the Interrogation Centre just as, using a different weapon, they had already eliminated the Special Branch and its network of agents.

9. These arguments, although not perhaps in so detailed a form, were examined by the Deputy High Commissioner, the Legal Adviser and myself when, on the 24th December, 1965, we considered whether or not a Judicial Enquiry should be instituted to examine the report made by the Director of Health Services that a number of detainees showed signs of physical violence. The factors which had to be weighed were, on the one hand, the need to establish when, where and in what circumstances these injuries had been sustained and whether a criminal offence had been committed in the course of the arrest of the detainees, in transit from the place of arrest to Fort Morbut, or at Fort Morbut during interrogation, or in some other way, and, on the other, the need to keep the Interrogation Centre in operation. I had at that time, and still have, no reason to doubt the frequent assurances given me by the Chief of Intelligence and the Head of Special Branch that in the conduct of interrogation at Fort Morbut the requirements of the Directive on Military Interrogation in Internal Security Operations Overseas were being scrupulously observed. Nevertheless the conclusion was reached that an enquiry of some sort was necessary if only to place us in a position to rebut the stream of highly coloured accusations that was being directed at us from Egypt and the Yemen; and it was accordingly agreed that the Commissioner of Police should be instructed to make an officer of the Criminal Investigation Department available for the special duty of recording statements from each of the detainees concerned. It was our intention that if offences were disclosed, the case files would be submitted to the Attorney General; it was, however, recognized that in view of the provisions of the United Kingdom Forces (Jurisdiction of Colonial Courts) Order of 1965, the next step would be for the Attorney General to pass the

papers to the Office of the Army Legal Service in Headquarters Middle East Command. The Legal Adviser observed that, in his opinion, in default of a Judicial Enquiry, the procedure proposed could be regarded as an acceptable alternative.

## **52** FCO 8/183, no 1

26 Jan 1967

**‘Southern Arabia’: minute by Mr Wilson to Mr Brown expressing concern about the situation and calling for an appreciation by a committee of officials**

I am becoming rather concerned about the way in which things seem to be going in this part of the world; and I am very conscious of the difficulties which we still have to overcome if we are to succeed in withdrawing by January 1, 1968 in good order—not least the question of the forthcoming constitutional conference and the problem of the mechanics of our surrender of sovereignty in Aden. The JIC assessment on ‘The Security Threat in South Arabia up to the Date of British Withdrawal (JIC (66) 74)’<sup>1</sup> makes pretty gloomy reading!

I think that OPD should have a careful look at the whole problem fairly soon; and I should therefore like the Official Committee to prepare the kind of appreciation which would enable us to assess the problems which are going to arise during the rest of this year, indicate how we propose to deal with them and suggest what more (if anything) might be done to enable us to carry out our policy with the minimum of damage and discredit. I hope that the Official Committee could produce a report of this kind during the next three or four weeks and that we ourselves could consider it in OPD well before Easter.

I am sending copies of this minute to the Commonwealth Secretary, the Secretary of State for Defence and Sir Burke Trend.

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<sup>1</sup> See 50, note 3.

## **53** FCO 8/152, no 24

12 Feb 1967

**[Internal security]: minutes of the sixth meeting of the Aden Security Policy Committee held at Government House on 7 Feb<sup>1</sup>**

*The Chairman* welcomed Sultan Saleh and Mr Girgirah. He was glad that they had asked for a meeting of the Policy Committee for it provided an opportunity to discuss the High Commission and Middle East Command plans for dealing with any disturbances which might arise as a result of the strikes and demonstration called for the 11th February.

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<sup>1</sup> Present: Sir R Turnbull (chair), Sultan Saleh bin Hussein (federal minister of internal security), Maj-Gen Sir J Willoughby (GOC Land Forces Middle East Command, inspector-general of Federal Regular Army of South Arabia and security commander, Aden, 1965–1967), Brig R C Gibbs (representing the C-in-C), Lt Col P J C Trousdell (security secretariat). In attendance: A R Girgirah (federal minister of national guidance and information), T Oates (deputy high commissioner), P G Owen (commissioner of police), J V Prendegast (director of intelligence), R H Daly (permanent secretary, Ministry of Internal Security), Brig P E Crook (security operations adviser).

2. *Sultan Saleh* thanked the Chairman for agreeing to call the meeting. He said that the Federal Supreme Council was very worried indeed about the security situation in Aden State; the strikes and demonstrations that had taken place on the 19th January had been characterised by a series of the most deplorable incidents that had ever occurred in Aden; the situation on the 11th February was likely to be a good deal worse; the strikes and demonstrations called for that day were aimed at the Federal Government and the British Government; there was no question of their having any industrial background. He said that the Council recognized that the High Commissioner was responsible for internal security in Aden; the High Commissioner must, however, exercise that responsibility against the background of the strike being a political demonstration against the authority of the Federal Government; in addition there were many citizens of the Federation of South Arabia living in Aden, and the Federal Government was very concerned about their safety; the Federal Government could not acquiesce in a situation in which shops were robbed, property damaged or set fire to and people went in danger of their lives. He said that it was the opinion of the Federal Supreme Council that through lack of adequate security measures the disturbances of the 19th January were far worse than they need have been; the Supreme Council considered that the maximum force possible should be used on the 11th February to maintain law and order in Aden. He was glad of this opportunity to hear the Security Commander's plans for controlling any situation which might arise on the 11th; if he considered that they were inadequate he would report back to the Supreme Council. The Council would then wish to see the High Commissioner.

3. *The Security Commander* explained that generally speaking the Army's role in internal security operations was to be in support of the Police; in some circumstances it might be necessary for this supporting role to be subject to certain adjustments. In his opinion the 11th February would be a day of many disturbances; his information was that simultaneous disorders were planned for various parts of Aden; there was no doubt that the Police would need a lot of help.

*The Security Commander* went on to say that the arrangements he was making to prevent trouble spreading included the following measures:—

- a. the positioning of strong forces in as many places as possible during Friday night.
- b. the provision of adequate reserves of transport to remove trouble makers well away (eg to Little Aden) from the scene of the disturbance as soon as they had been arrested.
- c. keeping roads open so that those arrested could be moved quickly. In particular he intended to keep the roads to Al Ittihad open.

If trouble started on Friday he would put his plans into operation earlier.

He realised that certain Government buildings were in danger. He proposed to discuss with the Commander FRA what extra precautions were required to guard them.

4. *Sultan Saleh* had the following comments on the Security Commander's plans:—

- a. The police in Aden had not got the power to stand up to the population since many of the people were armed. This was a fact which must be accepted.



- b. He would like further details on how the plan was to be operated; it appeared to him to be impracticable. He considered that it would not be possible to arrest large numbers of people and transport them away.

*Sultan Saleh* suggested that in addition to the measures proposed by the Security Commander a twenty-four hour curfew should be imposed; if this were done the Security Commander could be quite confident that those taking part in demonstrations and processions were trouble-makers; and if by any unhappy combination of circumstances the security forces were compelled to open fire they could be certain that they were not shooting at decent law-abiding citizens; if innocent people were killed the Egyptians would be provided with strong propaganda for use against us.

The advantages of a curfew were, *Sultan Saleh* said, as follows:—

- a. It made control of the situation easier for the Security Forces.
- b. Innocent people and those who had no wish to take part in demonstrations, but who otherwise might be forced to do so, would have a strong excuse for remaining in their houses.
- c. The Security Forces could see who were the trouble makers as they would be the curfew breakers. Such persons should then be dealt with severely.
- d. Property could be protected. Without a curfew it would not be possible to prevent damage to important buildings and shops.

5. At the request of the Chairman the *Commissioner of Police* then expressed his views. He said that the information available to him indicated that very thorough preparations were being made to make the strike and the accompanying demonstration fully effective. He agreed that the aim of the opposition was to discredit the Government of the Federation. He also agreed with *Sultan Saleh's* assessment of the advantages of imposing a curfew; there were, however, certain disadvantages; it would be necessary for those in charge of security measures to weigh advantages against disadvantages and come to an agreed conclusion. The disadvantages could, he said, be summarised thus:—

- a. To impose a curfew on a public holiday would tend to antagonise law-abiding citizens and might cause them to break it as an act of protest.
- b. It would be necessary to issue a large number of curfew passes to essential workers. This was administratively very difficult.
- c. The support for the strikes appeared to be so strong that it seemed inevitable that the curfew order would be defied; if this happened the Police would be put in a very embarrassing situation; they could not arrest, say, one thousand curfew breakers and channel them away to magistrates courts without clogging the whole machine.

6. *Sultan Saleh* broke in and speaking with some vigour made the point that arresting people would have no proper deterrent effect. He said that in the past law breakers had escaped without punishment; now, unless the Government showed strength by actually shooting those who broke the law and disturbed the peace, the whole structure of law and order would collapse; the Federal Government would then be so badly discredited that it might as well resign. He said that although it was the High Commissioner who was responsible for the maintenance of security in Aden

it was the Federal Government that was constantly criticised for not taking sufficiently firm action; there was no hope for the future of the Federal Government if they could not use, or cause to be used, a rod of iron in Aden State. He concluded by saying that if the ideas of the Federal Supreme Council were not acceptable, Council could only draw the conclusion that the British were not in support of the Federal Government.

7. *Mr. Girgirah* then spoke in support of Sultan Saleh. The strikes and disorders were, he said, being planned by the Egyptians against the authority of the Federal Government; it was, in addition, a rehearsal for the demonstrations which would be organised to greet the proposed United Nations Mission. He then referred to the occasion of the N.L.F. strike of the 19th January. Law abiding Aden citizens were completely unprotected; his own mother had had her house broken into and had suffered insult from N.L.F. hooligans. He said that although the Armed Police carried rifles they had been unable to take effective action with their weapons against men who were armed with grenades and pistols. He understood from what he had been told that the Armed Police had instructions not to shoot—not even if they were shot at. The solution to this problem, he said, was to impose a curfew and to make certain that those breaking the curfew were shot. This, he said, was the only way; blood must flow. He said he knew the Adeni people and that if one or two were shot the rest would soon disperse and retreat to their homes; but if the matter were not firmly handled it would be the end of the Federal Government.

*Mr. Girgirah* said that his information was that disturbances would start on Friday on which day plans had been laid for two mock funerals.

8. *The Chairman* said that although he recognised that the continued attacks by terrorist gunmen and grenade throwers was depressing and alarming for the Federal Government he must make it clear that Aden was still a British Colony and was still subject to the requirements of the British law; ultimately the High Commissioner was responsible to the Foreign Secretary and the Foreign Secretary to the British Parliament. This might appear to be a thoroughly unsatisfactory state of affairs but it was an inescapable one; the doctrine of the use of minimum force in dealing with the public, even when the public were behaving unlawfully was a principle that could not be abandoned. This doctrine, he said, meant that a man could not be shot merely because he had broken the curfew; there was a proper remedy against curfew breakers and that was to arrest them and to bring them before a magistrate. This did not mean that in no circumstances could the security forces open fire; the Police and military were justified in using firearms to prevent serious crimes such as murder and arson from being committed, but only if such crimes could not be prevented by the use of any lesser force. As for the expected disorders on the 11th February, soldiers and Police would certainly be able to use their weapons against rioting mobs in order to prevent crimes from being committed.

9. *The Security Commander* endorsed the observations made by the Chairman. He said that it was the duty of the security forces to prevent crimes from being committed and to arrest offenders in order that they might be brought to justice. He emphasised that it was not the function of soldiers or of the Police to punish citizens; the infliction of punishment was the responsibility of the courts; the part played by security forces was to bring offenders before the magistrates in order that proper court proceedings could take place. The Security Commander then detailed the precise circumstances in which the security forces were authorised to use their

weapons, emphasising that they might only shoot when any other means of preventing a crime or of arresting a person who had committed a crime were not possible.

10. *Sultan Saleh* expressed great indignation; he said that if the security forces could not shoot murderers, persons committing arson and those who throw grenades, the Government might as well abdicate all its responsibilities.

The Chairman intervened to point out that he had not said that murderers, arsonists and grenade throwers could not be shot; what he had said was that a man could not be shot merely because he had broken a curfew order; there were circumstances in which security forces were justified in using firearms.

11. Both *Sultan Saleh* and *Mr. Girgirah* expressed the view that in these circumstances there was no point in their continuing the discussion; Sultan Saleh asked that the Chairman would be good enough to attend a meeting of the Federal Supreme Council as early as possible on the morning of Wednesday 8th February.

12. The Chairman undertook to be there at 9.0 a.m.

## **54 FCO 8/183, no 25**

**16 Feb 1967**

### **‘Middle East policy’: minute by Sir D Allen to Mr Brown on the impact of Aden policy on Britain’s objectives in the Middle East**

Herewith some first personal thoughts, as a basis for discussion.

1. We are involved in a continuing process of military disengagement and our ultimate objective should be no troops on the mainland of Asia and withdrawal to Indian Ocean islands and Australia.

2. But we have an overriding interest in stability in the Middle East and the timing and method of successive withdrawals must be such as not to undermine local confidence to the point where serious disorder prevails.

3. We need to develop as good relations as we can with the Arab ‘revolutionaries’ but not at the serious expense of our relations with the rest of the Arab world or with Israel. We must continue to keep out of inter-Arab squabbles.

4. Our commitments to the Gulf rulers can only be shed gradually if confidence and stability are to be maintained.

5. We must be prepared for an increase of terrorism in the Gulf and all expert opinion is agreed that after withdrawal from Aden two battalions are the minimum needed to carry out our security rôle.

6. So long as we have troops in the Far East we need to keep and protect our RAF staging posts in the Gulf.

7. These arguments justify our relatively modest build up at Bahrain and Sharjah, contrary though it may appear to our eventual aim of disengagement.

8. But the decisive argument is that our build up has been helpful in reconciling the Shah, King Feisal and Gulf Rulers to our withdrawal from Aden. We cannot go back on it now.

9. We shall need to form a clear idea of the shape of things we wish to leave behind when eventually we go from the Gulf and of the means whereby we achieve it. As a first step studies are in hand of our commitments to Kuwait and to CENTO.

10. But we must get Aden behind us before we begin discussing our Gulf aims with others. The shock to confidence created by Aden is already great and we cannot afford to add to it.

11. On the main policy of withdrawal from Aden we have little leeway. To stay on into next year would only prolong the agony. To go earlier would call for a crash programme of military withdrawal and constitutional change for which the time is already short.

12. The immediate problem in South Arabia is to keep the Federal Government in being and sustain their morale. This problem is already serious (Aden telegram 151 Personal) and a more hurried departure might precipitate a collapse of confidence.

13. We need early agreement on a clear phased programme of both military withdrawal and constitutional change—e.g. consultation on the islands, introduction of a new constitution, compensation for British officials, transfer of sovereignty, termination of Treaties of Protection and final grant of independence. Inter-departmental work on this is already well advanced and a paper with recommendations is being prepared for the Defence and Oversea Policy Committee.

14. We shall also need to be ready with measures over a wide front to combat terrorism. Work has already been done on detailed security and other counter-measures and the matter will be referred to in the proposed D.O.P. paper. At the same time we should continue to use any available opportunity for pressure and persuasion on those responsible for the terrorism from Nasser downwards.

15. A United Nations presence in Southern Arabia would be helpful in the long run but only if the composition of the Special Mission is such as to provide some assurance that it will not make highly damaging recommendations in the shorter term.

16. In presentation of our case we shall need to make what use we can in South Arabia, in Parliament and elsewhere of the substantial aid, both military and economic, which we shall be giving to South Arabia before and after independence. Figures are now agreed inter-departmentally and could be used as appropriate to counter criticism that we are leaving South Arabia in the lurch.

17. We must continue to explain our actions to our friends, especially those in the area. Opportunities for doing this will arise during the CENTO meeting in April and King Feisal's visit in May.

## **55 FCO 8/301, no 3**

**17 Feb 1967**

### **'Factors involved in a crash withdrawal from South Arabia': minute by T F Brenchley<sup>1</sup> to Sir D Allen**

I am obviously not competent to assess all these, but it may be convenient if I list the factors which immediately occur to me in advance of our discussion of the South Arabian problem with Ministers on Monday.

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<sup>1</sup> Chargé d'affaires, Jedda, 1963; head of Arabian Dept, FO, 1963–1967; assistant under-secretary of state, 1967–1968.

### *Ministry of Defence factors*

2. (a) The deployment problems involved in what would inevitably be a withdrawal without the cooperation of the local government and against the background of a final fling by exultant terrorists: would reinforcements have to be brought in temporarily to hold the ring while the evacuation got under way?
- (b) The logistic problems of transporting the forces and their dependants at short notice: this might involve emergency measures such as charter liners, which would have to face lines of jeering Egyptians all the way up the Suez Canal.
- (c) Problems of re-housing troops and families in the U.K. if they are brought back ahead of the present schedule.
- (d) Other welfare problems such as interruption of education in the middle of a school year.
- (e) The financial implications of writing off the value of military assets which could not be got out at short notice.
- (f) The morale effects on British forces elsewhere, especially in the Persian Gulf.

### *South Arabian factors*

3. (a) The chaotic situation which would be created in South Arabia on the inevitable assumption that the Federal Government, and with it the Federal Regular Army, would disintegrate.
- (b) The danger to British Subjects other than members of the armed forces.
- (c) The danger to British property, especially the B.P. refinery in Little Aden.
- (d) The political and administrative problems involved in the fact that the bulk of the population of Aden State would still be citizens of the United Kingdom and Colonies, in the absence of any South Arabian Nationality Law.
- (e) The host of minor administrative problems such as pensions for ex-patriate officials.

### *International factors*

4. (a) The consequences in the United Nations of our withdrawing without giving the United Nations time to arrange what they would consider a satisfactory succession to us.
  - (b) The factor of our standing in the area, particularly the repercussions on the attitudes of the Shah, King Faisal, the Persian Gulf Shaikhs and the Amir of Kuwait; would it in fact still be possible for us to retain a foothold in the Persian Gulf and what would be the consequences if we could not do so?
  - (c) Wider implications for our international standing, particularly in our relations with the Americans.
5. There would obviously be financial implications for the budget and balance of payments: some of these would be favourable and others unfavourable. My guess is that in the purely South Arabian context, the balance between them would be on our side, as the extra costs of a crash evacuation would very soon be more than offset by the savings in military and civil aid to South Arabia over the next four years. But the wider repercussions, e.g. if we could not hold on in the Persian Gulf, would be likely to be far more important and seem to me to be bound to be extremely unfavourable.<sup>2</sup>

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<sup>2</sup> Brenchley subsequently noted (27 Feb) about his minute: 'This was mainly directed to showing the Planning Staff that we had practical considerations to take into account in deciding the independence date for Aden and could not pluck dates like 1 July 1967 out of the air. It has served its purpose I think.'

**56** FCO 8/183, no 16

21 Feb 1967

[Aden]: COS Committee minutes (COS 14(67)1, Confidential Annex)  
of a meeting with Sir R Turnbull reviewing the situation in Aden

*Sir Charles Elworthy* (Acting Chief of the Defence Staff) welcomed Sir Richard Turnbull (United Kingdom High Commissioner in Aden) to their meeting and said that they were very grateful to him for finding sufficient time in his busy programme to visit them. He explained that as a result of a JIC paper, which made gloomy reading, the Prime Minister had set in hand the preparation of a paper<sup>1</sup> reviewing our policy in South Arabia of which the High Commissioner had already seen a draft. He said that the High Commissioner's telegrams of 14th and 17th February set out many of the problems facing him of which probably the most serious was the strong possibility that the Federal Government might break down. He invited the High Commissioner to review the situation in South Arabia.

*Sir Richard Turnbull* said that he had, since arriving in London, felt that there was a tiresome air of guilt about our activities in Aden, and that the Services in Aden felt it as well. The morale of the Services in Aden was high despite the fact that London often seemed to find it necessary to apologise for them. He felt that Amnesty International's accusations were not always based on fact and that this point should, whenever possible, be drawn to the attention of those who were liable to take them at face value. Furthermore, a number of people seemed to forget that FLOSY was an organisation paid for, directed, armed and equipped by Egypt and was a direct instrument of Egyptian policy. There was nothing patriotic about it. The National Liberation Front was not at present dominated by the Egyptians and claimed to be an independent nationalist organisation. It had, however, received Egyptian support in the past and might well do so again in the future provided its activities suited Egyptian needs.

He explained that one of the most difficult problems concerned the date of the surrender of Sovereignty. The date for Independence was planned for 1st January 1968 but this had not been announced yet. The problem was to determine on what date we should surrender Sovereignty to the Federal Government. The date could either be made to coincide with a formation of a new Government, which is what the Federal Ministers would like, since they wanted a six months period after we have given up Sovereignty in which the new Government could find its feet, in particular in relation to internal security, while we looked after the external threat. Another possible date was that at which the new Federal Guard units were in all respects ready to take over IS duties in Aden; this for reasons connected with the expansion programme of the Federal Regular Army would not be before 1st November 1967. Under this alternative it was not possible for the Federal Government to have a period of six months for running themselves in. The third suggestion was that we should surrender Sovereignty on the same date as Independence. This would be inconvenient, but would remove some of the objections to the other two suggestions, which were that in any interim period the local forces might fail to get a proper grip on the situation; excessive measures involving an inexcusable number of deaths were as unlikely as serious subversion and wholesale corruption; but there was a danger of general incompetence and casualness; and once sovereignty had been surrendered it could not be restored. If the interim period degenerated into chaotic conditions it would be very hard indeed

<sup>1</sup> See 50, note 4, and 52.

to put matters right again. It was possible that some date around the 1st November for the surrender of Sovereignty might provide a solution; it would be acceptable to us but not particularly agreeable to the Federal Government.

In discussion, the following points were made:—

- a. With regard to the situation after Independence the position of those British people who would stay on in Aden had to be considered; any undignified scramble could have an adverse effect on their future. From the point of view of those British subjects who had to remain behind it might be better for British troops to remain for up to about three weeks after the date of Independence than to leave in a hurry within seven days.
- b. If it were decided that the date of surrender of Sovereignty should coincide with that of Independence it might be found advantageous to put the date back to, say, 1st October and to maintain a military presence in Aden until 1st January 1968. This would not be in accord with HMG's current policy as it would necessitate some form of Defence Agreement being drawn up for three months. The advantage would lie in British forces being present when the Federal Guard first became responsible for the Internal Security of Aden; British forces left behind in such circumstances would not be available for Internal Security duties; they could however be called upon to assist the Federal forces in combating any serious external threat.
- c. The Federal authorities were reluctant to allow Federal forces to operate on Internal Security duties in Aden at a time when such forces would still be subject to Parliamentary control, and obliged to adopt British methods. Nevertheless after the surrender of Sovereignty they would have to assume responsibility, and would need to receive training in the special techniques involved; it was the hope of the British military authorities that one ingredient in the training programme would be joint patrols with British Internal Security forces.
- d. In the comments on the draft Defence and Overseas Policy (Official) Committee paper it was suggested that we should make a contingency plan for a crash evacuation. An evacuation before final Independence would mean the abdication of all our obligations under the Treaty; it could not therefore be lightly considered; it would not in any case be required unless the Federal Government fell, and with [sic] local Federal forces clashed on an organised basis with our forces. Under these conditions it was conceivable that an emergency evacuation of British subjects might have to take place.
- e. Acceptance of the view that it would be wrong to abolish Trial by Jury did not conflict with the High Commissioner's requirement that he must be free to exercise his right to detain if he is satisfied that control should be exercised over the person concerned. The task of presenting the position to the Services in Aden would not be easy.
- f. The Hadhrami Bedouin Legion in the East Aden Protectorate presented a considerable problem since they could not be disarmed, and were paid from British funds. It seemed that one possible solution might be to pay them off at some suitable time with six months salary and let them depart to their homes. It did not seem likely that the East Aden Protectorate would join the Federation of South Arabia unless advised to do so by any United Nations Mission that might be sent to South Arabia.
- g. The composition of the United Nations Mission had now been agreed by U Thant<sup>2</sup>

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<sup>2</sup> UN secretary-general.

and although it did not entirely meet our requirements neither did it meet those of the opposing faction. The presence of this mission, which might arrive during March, would probably be advantageous in the long term although it was likely to be a nuisance in the next few months.

Summing up, *Sir Charles Elworthy* thanked the High Commissioner for coming to discuss the problems of the Federation of South Arabia with them, assured him of their support and wished him every success in his most difficult task.

The Committee:—

Warmly endorsed the remarks of the Acting Chief of the Defence Staff in his summing up.

## **57** FCO 8/183, no 20

27 Feb 1967

**‘Problems of preparing South Arabia for independence’: minute by F Cooper (MoD) to H L Lawrence-Wilson<sup>1</sup> expressing the concerns of the Chiefs of Staff**

I would like to be certain that you are aware of the Chiefs of Staff views on the paper being prepared on Problems of Preparing South Arabia for Independence. They regard H.M.G.’s policy towards the UAR as the crucial factor and believe that we must adopt a firm and robust attitude to counter the UAR inspired and directed terrorist campaign in South Arabia, if the Federal Government is to survive and we are to achieve our objective of an orderly withdrawal. They regard the proposal for some form of defence agreement as a step in the right direction, and as you know we are examining the implications. But by itself they do not consider this to be enough.

Strong political support is needed if we are to carry out a counter offensive against the UAR. This must include:—

- a. Political action.
- b. Propaganda and counter-propaganda action.
- c. Psychological operations.
- d. Covert action.

Although all these methods are in use at present, their effect is stifled by lack of a co-ordinated policy for implementing them and the defensive rules under which they operate individually. HMG has got to ease the pressure on our security forces in South Arabia by all possible means, even though it may involve facing up to strong reactions in the UN from the UAR and internationally. As important, is the need for this overall support to be seen and felt by our security forces in Aden which is not entirely the case at present.

These views have been given to the Foreign Office by the Ministry of Defence representatives on the OPDO Sub Committee but I would be grateful if you would ensure they are fully expressed in the final edition of the paper.

A copy goes to Frank Brenchley.

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<sup>1</sup> Under-secretary, Cabinet Office.



**58 FCO 73/125****3 Mar 1967****'High commissioner': minute by Mr Thomson to Mr Brown on the question of replacing Sir R Turnbull**

You asked me to give consideration to the question of replacing the High Commissioner in Aden. I think it is important to be clear what kind of change we wish to make and what rôle we expect the new man to fill. I think we must seek someone who might be described as 'distinguished tough'. The purpose of the appointment would be:—

- (i) to reassure opinion here and in Aden that we were acting to maintain control of events.
- (ii) to provide ourselves with a man with the necessary political qualities to carry the Federal Leaders with him, and to explore the possibilities, limited though they may be, of bringing the nationalists back into the act.
- (iii) a man with the necessary toughness of fibre to demand and to get the necessary authority from London to contain terrorism in Aden, and to act on it.

2. One possibility would be to appoint a resident Minister. I thought first of all of Patrick Gordon-Walker. The Office have also suggested him. My doubt is whether he would be willing to take it on and whether in fact he now has the necessary cutting edge to tackle this job. Another Ministerial possibility would be Lord Shackleton. He has a famous name and the authority of a Defence Minister.

3. A second possibility is a military appointment. The name of Sam Elsworthy [sic: Elworthy], the Acting Chief of the Defence Staff, was suggested by the Office. I consulted Denis Healey who has talked with Elsworthy about this. He is not willing to take it on. Denis Healey would not wish to press him. The question has been discussed by the Chiefs of Staff. Neither Denis nor the Chiefs of Staff have any other name to suggest, nor are they apparently convinced that a 'Templer type'<sup>1</sup> of appointment is the right solution. There are apparently security problems in that the Commander-in-Chief Middle East, Admiral Sir Michael Le Fanu, who is responsible for the whole of the Middle East Command, is a particularly senior officer and it would be very difficult to put him under any other serving officer. One particular problem here is that General Willoughby, the General Officer Commanding Land Forces, Middle East Command, who is directly responsible for the troops in Aden is due to retire in May. The question of his successor is vital to the Security situation in Aden. I have raised this with Denis Healey. He is not satisfied with the successor proposed and is looking further into it. One suggestion is that Willoughby, who is well regarded by Denis Healey, but not of High Commissioner calibre, might be asked to carry on until the point of departure.

4. Another possibility is the appointment of a Foreign Office official with the necessary Middle Eastern experience. I rule out any serving official since a sideways change between Sir Richard Turnbull and someone else in the Foreign Office would be unlikely to have the necessary impact, either on public opinion, or inside the Services in South Arabia. I suggest, however, that we should consider Sir Humphrey

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<sup>1</sup> A reference to Sir G Templer, high commissioner and director of operations in Malaya, 1952–1954, at the time of the Emergency.

Trevelyan, who is also suggested by Denis Healey. Before being Ambassador in Moscow he was Ambassador in both Cairo and Baghdad. He is a man of great decisiveness, energy and toughness of fibre. If he were to be considered I think we would have to make him Lord Trevelyan as part of the impact on public opinion.

5. Finally one comes back to the inevitable suggestion of Lord Mountbatten. This is open to the charge that whenever the Government gets into trouble whether it is prisons or colonies, it calls in Mountbatten. It would also lead to references to Indian independence. But the real test of any appointment will not be the official reaction to it, but the results that flow from it.

## **59 CAB 148/31, OPD(67)18**

**8 Mar 1967**

**‘South Arabia’: memorandum by Mr Brown for Cabinet Defence and Oversea Policy Committee supporting the recommendation to advance the date of independence to 1 November 1967 and outlining new security proposals**

### *Problem*

The situation in Aden is bad and getting worse. The House is worried. There is growing concern and some criticism in the press and other news channels. Two weeks of consultation with the High Commissioner and South Arabian Federal Ministers convince me that fresh measures are required if we are to hold government together till we have completed most of our redeployment from Aden and reached the point of independence. If we cannot check the deterioration we shall have increasing difficulty in getting our forces out in good order, and virtually no chance of leaving a stable situation behind. We must also do something to help the United Nations Mission due to go to Aden in two or three weeks, which is threatened with boycott and even violence by the two terrorist groups.

2. OPD(67)19 analyses the problem.<sup>1</sup> We cannot put right past mistakes or remedy all present ills. But we can and must face these issues:—

(a) Further efforts are needed to bring more political elements into cooperation over the future, to secure the United Nations Mission fair conditions to work in, and to get the Federation international recognition and backing.

(b) The need to strengthen local confidence that the Federation can survive after independence. The Federal Government are pressing us to change our policy decision to the extent of giving them a defence commitment and a ‘token force’ till the Egyptians leave the Yemen, or at least for two years or so. They argue that independence in 1968 and a defence commitment were, in 1964, a package, and that they have never agreed to the former in isolation.

(c) The need to contain terrorism in Aden Colony, which has been effective in intimidating the population against cooperation and creating the impression that the authorities cannot defeat it. The Federal Government ask us to turn over internal security to them six or eight months before independence so that they can grip the situation.

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<sup>1</sup> See 60.

(d) The need, irrespective of the foregoing, to make our own conduct of the situation more effective.

### *Recommendations*

3. On (a), I am attempting to get in direct touch with the self-exiled opponents of the Federation, particularly al-Asnag of the Front for the Liberation of Occupied South Yemen (FLOS), to try to persuade them to give the United Nations Mission a fair run and to drop violence. I am also doing all I can to ensure the cooperation of the United Nations Mission and South Arabian cooperation with it. The Federal Government are playing their part with sensible plans for reforms of the Federal constitution.

4. On (b), we cannot reverse the defence review decisions and there are practical difficulties over (c). But I recommend adoption of the compromise proposals in paragraphs 35 to 40 of the official report. These would give the Federal Government some grasp of the situation in Aden before independence and a deterrent against external aggression for a few months immediately after an accelerated independence. This should encourage the Federal Government to hold together till independence. Under our present planning (OPD (66)111 (Revised) of 29th November, 1966) there would be a month or more before independence on 1st January, 1968, during which we should have surrendered sovereignty and control of internal security in Aden State but would still remain answerable internationally for what went on there. Under the new proposal we should surrender sovereignty in Aden and declare the independence of the entire territory simultaneously on 1st November, 1967. We should thus end our international responsibility for domestic affairs; for three months thereafter we should merely hold the ring by deterring external aggression, and offer air support alone for a further three months after that. Our forces on land would still leave the territory within the timescale originally envisaged.

5. Our external defence function for the short period after 1st November, 1967, would be closely defined and under British control only. Our forces would keep out of domestic strife except in the immediate vicinity of their own positions. I recognise the proposal carries the risk that we could be sucked back into local problems. I should guard against this by devising a form of agreement limiting commitment against greatly changed circumstances or chaos. If there were chaos, any forces still present would cover the evacuation of British subjects. A plan for this would be required in any case, and it would be more difficult if there were not troops on the spot.

6. (d) is a matter of both men and measures. On men, I am considering urgently how to strengthen the overloaded civil administration for the very difficult months ahead.

7. On measures, I am determined to keep faith with the House over the Bowen Report;<sup>2</sup> and I am considering reinforcing the recent improvements in procedures where detainees in British custody are concerned by sending one of my own legal advisers out to Aden for a few days each month to supervise the processing of the revised reports. Our measures will remain humane. But I have decided that they will have to be more far reaching. My colleagues should know that I wish to authorise measures such as the following:—

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<sup>2</sup> See 48.

- (i) Wider preventive detentions, inevitably without trial, to save Arab and British life in circumstances where usable evidence is lacking and normal procedures have proved inadequate. This could involve detaining trade union leaders organising purely political strikes for subversive purposes. We shall have to be ready to defend this in Parliament.
- (ii) Jamming UAR controlled radio, particularly that at Taiz in the Yemen. In recent disorders the Taiz station has acted as a tactical command post for the subversives and largely defeated the calming intent of curfew. We have refrained from jamming despite the three year campaign of propaganda and specific incitement to murder, but cannot refrain further in present circumstances. I shall consider means and any explanation necessary carefully. The jamming would be selective, and I hope only occasional.
- (iii) Irrespective of the main proposal above I shall try to bring Federal forces into more effective cooperation with our forces within Aden even while we retain responsibility for internal security. They need the training for the future, and might progressively take over the Arab areas of Aden. In such a transitional period, and while our redeployment is in full swing, they would be under the operational control of the British Security Commander. But we should have to take the risk of some of their actions appearing arbitrary by normal British standards.
- (iv) Closer cooperation on operational planning and exchanges of security intelligence with the Federal authorities.
- (v) The closer integration of governmental functions between the Federal Government and the administration in Aden State, which though a colony is also part of the Federation.

## 60 CAB 148/31, OPD(67)19

8 Mar 1967

### ‘South Arabia: problems of preparing for independence’: memorandum by officials for Cabinet Defence and Oversea Policy Committee<sup>1</sup>

This report is in response to the Prime Minister’s directive that officials should prepare an appreciation of the problems involved in withdrawing from South Arabia in good order by 1st January 1968 which would enable Ministers to assess the problems likely to arise during the rest of this year, indicate how we should deal with them and suggest what more (if anything) might be done to enable us to carry out our policy with the minimum of damage and discredit.

#### *Background*

##### *Political and constitutional*

2. It is the declared hope and intention of Her Majesty’s Government that South Arabia shall come to independence as a unified State and that it shall comprise the

<sup>1</sup> This was the outcome of the review of South Arabian policy requested by the prime minister (see 52). A covering note explained that some late changes, made to take account of the views of the COS, had not been cleared with all departments. They concerned paras 35–39 and recommendation (v) in para 59.

present Federation of South Arabia (made up of the Colony of Aden and sixteen Protected States), the three unfederated States of the East (now forming the Eastern Aden Protectorate (EAP)) and the single unfederated State in the West, Upper Yafa, which is now showing signs of joining the existing Federation; the new State should also include the islands of Perim and Kamaran but probably not the Kuria Murias (see Map at Annex A).<sup>2</sup> In the absence of any clearly expressed wishes by the Eastern States, it seems improbable that they are prepared to join with the Federation to form a single state; the Federal Government favours Eastern participation and a strong central government. In any event the Federation must be the foundation of the new State by virtue of its more developed administration, its population (three-quarters of the total of rather over one million) and the port and commercial centre of Aden.

3. The Federal Government is fully representative of the hierarchial structure of the tribal system in the Federal States outside Aden, but is not organised into a political party or parties; in Aden the Federal Government is supported by one of the political parties, the United National Party (UNP), the President and Secretary-General of which are Federal Ministers. The South Arabian League (SAL)<sup>3</sup> constitutes theoretically the 'loyal opposition' to the Federal Government, is Saudi-orientated, originated with the older generation of nationalists and is active in the EAP as well as the Federation, including Aden. The Front for the Liberation of the Occupied South Yemen (FLOSY) is an instrument of Egyptian policy and takes credit for the terrorist campaign although the more active terrorists belong to the National Liberation Front (NLF) which was supposed to have amalgamated with FLOSY a year ago but which now seems engaged in a trial of strength with the political wing of FLOSY led by Makkawi and Asnag.

4. The dominating factor in the South Arabian situation is the Egyptian presence in the Yemen. This is the major cause of nearly all the security problems in the area. Combined with Egyptian organised intimidation, it is also inhibiting the normal political development of the South Arabian Federation. The lack of confidence in the prospects of security after independence is resulting in the almost complete absence of Arab co-operation in the suppression of terrorism in Aden.

### *Federal forces*

5. The Federal Forces, at present five battalions of infantry and supporting units, are being expanded into a small navy, a ten battalion army, and a very small air force of ground attack, reconnaissance and transport aircraft. Although this limited force may be adequate for normal internal security duties, it would be totally inadequate to protect the Federation from external aggression by the UAR forces at present in the

<sup>2</sup> Only Annex D, the statement of casualties, is reproduced here.

<sup>3</sup> South Arabian League, formed in 1951 as a party of middle-class Adeni merchants, though including a large number of Protectorate members. It came under UAR influence and was used by Egypt to smuggle arms to dissidents, with the result that its leaders were exiled in 1958. Abandoned by the UAR in the sixties, the SAL turned to King Faisal for support and became Saudi-orientated. In Mar 1966 the federal government agreed to the return of its exiled leaders, and there was at the time a hope that SAL might work with the federal authorities towards the creation of a more broadly-based administration. But SAL was branded as Faisal's tool by the NLF and FLOSY. It was unable to compete with the federal authorities or the NLF and FLOSY, in part because it never declared its hand on political matters, preferring to keep its options open for independence. It was, however, opposed to the idea of incorporating Aden into the Yemen at independence and it denounced terrorism as a means of achieving independence. For both reasons the UK wanted SAL represented in the federal government (PREM 13/1296, FO and Commonwealth Office intel no 19 to certain missions, 20 June 1967).

Yemen. A particular weakness of the Federal forces will be a lack of any air defence capability, either in the form of fighter aircraft or anti-aircraft artillery. They will also be dependent, entirely in the case of the air force, on contract personnel who may not remain in the event of increased terrorism.

6. The training and expansion programme of the Federal Forces is an important requirement for the success of the British withdrawal plan. It is planned for completion by 1st January 1968. If they are unable to take over any part of security responsibilities on planned dates, the ability to achieve a stable withdrawal will be jeopardised. The Army expansion to ten battalions is being achieved by converting four Federal Guard (gendarmierie-type) units into infantry battalions and by raising a further one through normal recruitment. Lack of funds has delayed the raising of this last unit, which will not be available until November 1967. In addition, small artillery and armoured car units are being raised. The future Federal Air Force will not be operational before October 1967 at the earliest. The Federal Forces have already taken over responsibility for internal security in the Western Aden Protectorate with British military background support. This support will be withdrawn by June/July 1967.

#### *British forces*

7. The British Forces in Aden currently consist of some 15,000 servicemen of the three armed services with 8,000 dependants. The Royal Navy maintains limited repair facilities at Steamer Point (see map at Annex B) and a small coastal patrol force. The Army consists of the Aden brigade, responsible for internal security in Aden State, and a brigade at Little Aden which supports the Federal Army up-country and the Aden Brigade when necessary. The Royal Air Force, with a balanced force of about six squadrons of ground attack, strike maritime patrol and transport aircraft, provides extensive air support for both the British and Federal Forces throughout the Protectorate.

8. By June/July 1967, all British land forces in the Protectorate, less small specialist detachments, will have been withdrawn to Aden State, although they will have the capability to return to the Protectorate with a small mobile force in the event of a security emergency. From that date, the Federal Forces will be responsible, in the first instance, for both the external defence and internal security of the Protectorate, instead of for internal security only as at present, but with continuing British background support. Although the strength of the RAF in South Arabia is planned to taper off from June, it will continue to provide air support for the Federal Forces in the Protectorate until the new Federal Air Force takes over as planned at the end of the year.

#### *British defence and aid commitments*

9. Her Majesty's Government have declared publicly that they do not intend to enter into any defence commitment towards the independent South Arabia. The Treaties of Protection with the individual States and with the Federation will terminate on independence.

10. In 1967-68 we are giving military and civil aid to South Arabia totalling £20.5 million, equivalent to £18 10s per head of population. Provided that political circumstances do not change, we have agreed to give the Federal Government military aid amounting to £5.5 million capital, with in addition up to £10.25 million a year recurrent until three years after independence. We have also promised budgetary aid to the Federal Government in the three years after independence of

£4 million, £3 million and £2 million a year in successive years. These sums are the most that the Ministry of Overseas Development can find within the aid ceiling, or indeed that are considered to be justified by the real needs of the Federal Government. In addition we propose to offer interest-free loans for development: a total of not less than £3 million is in mind. This compares with an estimated saving by closing the base of £7.5 million in overseas defence expenditure in 1967–68 and £18.5 million annually thereafter.

### *Objectives and ministerial decisions*

11. Our objectives, in descending order of priority, are assumed to be:—

- (i) to withdraw our troops, their families and their equipment in good order;
- (ii) to keep the existing governments in South Arabia functioning effectively until they can be replaced legally by something better;
- (iii) to leave behind a stable and viable government on independence, preferably covering the whole of South Arabia.

Failure to realise these objectives, particularly the first, could well damage our intended position in the Persian Gulf.

12. When Ministers last considered the problems of South Arabia's constitutional advance to independence on 2nd December 1966 (OPD(66) 47th Meeting, Item 2), they decided that:—

- (i) planning (constitutional and military) should proceed on the assumption that South Arabia would be made independent on 1st January 1968;
- (ii) whether or not the United Nations mission showed signs of materialising, we should as soon as possible begin consultations with the Federal Government with regard to necessary pre-independence measures;
- (iii) notice of termination of the Treaties with the Federation and the individual States on independence should be given by 1st January 1967;
- (iv) we should recognise the need to give the Federal Government undertakings regarding the amount and duration of civil aid after independence.

13. Ministers also decided that the Departments concerned should further consider the questions of the future of the Islands, the time for the surrender of sovereignty over Aden (so converting it from a Crown Colony to a Protectorate like the other twenty states in South Arabia—see Annex C) and the amounts of civil aid to be given after independence and should refer them to Ministers for decision at the appropriate time.

### *Progress towards objectives*

14. Planning has been proceeding on the basis of (i) above. The High Commissioner has been able to make some progress with the consultations at (ii) above. Notice of termination of Treaties was given by 1st January 1967 (iii) above. The Ministers concerned (Foreign Secretary, Minister of Overseas Development and Chief Secretary to the Treasury) have agreed the amounts of civil aid to be given to the Federation during 1967–68 and the amount of budgetary aid for the three years after independence. The remaining two questions (the future of the islands and the date of the surrender of sovereignty over Aden) are discussed in this report.

*Military withdrawal programme*

15. Under the existing plan, British forces would be withdrawn into Aden State from the Protectorate by June/July 1967 and one of two fighter/ground attack squadrons would have left South Arabia. The first of the six battalions in South Arabia would withdraw from the theatre in August. In September, a further two battalions would be withdrawn and the brigade at Little Aden would become non-operational. Plans for the final evacuation of non-essential military stores and equipment and the implications for our build-up in the Gulf are under review. A further infantry battalion, leaving two, would withdraw in November. In December, the RAF would complete evacuation of all units less a small transport element to cover the final withdrawal. Up to independence, a small British mobile land/air force will be available to support the Federation Government up-country if requested. Hitherto, the intention has been for final withdrawal by 1st March 1968, i.e. two months after independence, of the remaining British forces supported by a naval amphibious and strike carrier force, but the latest military view is that this period should be as short as possible.

*Constitutional timetable*

16. Subject to the outcome of the United Nations Mission, our constitutional timetable envisages the holding of a constitutional conference in May/June (preferably with the participation of the EAP and the opposition parties in the Federation). If the EAP States do not participate, we shall have to decide then whether we should continue to make any effort to bring them into a single State on independence. The new Federal constitution would be introduced on 1st October 1967. On present planning, sovereignty over Aden would be surrendered on 1st October and all treaties of protection would terminate on 31st December.

*Current situation**Terrorism and dissidence*

17. The problems confronting us in South Arabia must be viewed against the background of the terrorist campaign in Aden. The casualty rate, to British and Arabs alike, in Aden due to terrorism and in the Protectorate to dissidence, has been heavy over the last two years and is increasing steadily, and in the recent past sharply. A detailed table of casualties is at Annex D.

18. The terrorist campaign has made immensely more difficult the problems in the South Arabian situation of bringing about some form of co-operation and sense of identity between Aden townsmen and the tribal societies, themselves deeply divided between neighbours and between East and West. *Pax Britannica* up-country is relatively recent and has shallow roots. The Federal Government certainly intends at present to maintain control and security in the West but it is itself a recent creation and subject to strong centrifugal tendencies. It cannot be taken for granted that it will survive or even that its individual members will wish it to. There is a danger of increased dissidence in the Western Protectorate as the British forces withdraw; the FRA should be able to control this but its continued existence as a coherent force is dependent upon the survival of the Federal Government.

19. Terrorism in Aden and dissidence up-country are inspired and organised by the UAR. The presence of Egyptian troops in the Yemen and the likelihood that this will



continue up to and beyond the end of the year, together with the absence of any prospect of support from elsewhere, leads many people in South Arabia to expect an Egyptian takeover on independence. This is making them unwilling to expose themselves by co-operating with the British and Federal authorities, whether in preserving security or in preparing their country for independence, and anxious to identify themselves, if necessary by imprisonment or detention, as supporters of Egyptian policies.

20. The major threat, which is likely to become progressively worse, will be the UAR organised and supported attempts by FLOSY and the NLF to bring down the Federal Government and humiliate the British. Their efforts can be expected to reach a peak in November/December when South Arabian membership of the United Nations is proposed in order to demonstrate the inability of the Federal Government to control the situation. By this time, the terrorists will be helped by labour redundancy, and trained reinforcements. At the same time, the pressure up country is likely to intensify in order to stretch the Federal Forces to the limit.

### *Military problems*

21. The progressive withdrawal from Aden State has been planned on the assumption that the background will be one of civil unrest on at least the same scale as at present. Although the Commander-in-Chief is satisfied that control in Aden can be retained with the British troops that will be available, he is concerned that the Federal Forces will not be ready to take over internal security duties in Aden State, in addition to their internal security commitment in the Protectorate, by 1st October 1967, the present planning date. The reorganisation and re-equipment of the Federal Forces is running more or less to schedule, but there are possible bottlenecks ahead and the Federal Army needs as much experience as possible in internal security work in Aden. It would be a difficult operation for British forces to regain control of a situation which had got out of hand and this could call for reinforcements from the United Kingdom.

### *Governmental structure*

22. The Federal Government had now prepared suggestions, on the basis of the constitutional proposals prepared for it a year ago by Sir Ralph Hone and Sir Gawain Bell, for reforming its structure so as to make it more efficient and suitable for an independent country in conformity with the principles of the United Nations Resolutions.<sup>4</sup> An essential element in this is the full integration of Aden as the capital

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<sup>4</sup> Following the collapse of proposals for a constitutional conference and constitutional commission in 1965 (see 40, note 1), Greenwood visited Aden in July of that year. Upon his return he unveiled plans to hold a 'representative working party' in London at the beginning of Aug to prepare an agenda for a constitutional conference. The NLF continued to oppose talks held under UK initiative. Abd al-Qawi Makkawi and Abd Allah al-Asnag attended but then insisted that the UN resolution of Dec 1963 (see *ibid*) should form the basis of the talks. With the British government refusing to accept either the lifting of the emergency restrictions in Aden or an early withdrawal from the Aden base, the talks broke down. The federal government then requested the assistance of constitutional experts in drawing up a new constitution. Two former colonial governors, Sir Ralph Hone and Sir Gawain Bell, were enlisted. They presented their report in Feb 1966. Arguing that Aden's future welfare and prosperity could not be assured if the conduct of its affairs continued to be split between two independent authorities (its own state government and the federal government), the report recommended elevating Aden above the other states; its prestige and importance should be underlined by its incorporation as the capital of the territory. *Federation of South Arabia: Constitutional Proposals for South Arabia, 1966, presented by Sir Ralph Hone and Sir Gawain Bell* (London, 1966).

territory of the new state, with one-third of Cabinet posts, including some key Ministries, held by Adenis. The Federal Government's constitutional proposals will have to be reviewed in the light of the United Nations Mission's recommendations.

### *Eastern Aden Protectorate*

23. In the EAP the new eighteen-year-old Qaiti Sultan, ruler of the largest state, is floating the idea of a federation of the Eastern states to negotiate on equal terms with the Federation and perhaps form a confederation with the West on independence; but the general attitude seems to be a mixture of apathy and a feeling that the United Nations mission will tell them what arrangements to make.

### *United Nations Mission<sup>5</sup>*

24. The Secretary-General of the United Nations has now announced the appointment of Senor Guerrero of Venezuela as the Chairman of the United Nations Special Mission to South Arabia with Mr. Abdul Satar Shalizi of Afghanistan and M. Keita of Mali as members. We shall press for the Mission to arrive in South Arabia as early as possible in March despite the likely deterioration in the security situation which their arrival and presence would cause. The terrorist organisation have already declared their intention of stepping up activity to coincide with the arrival of the Mission. The Federal Government realises the importance of co-operation with the Mission if it is to receive general recognition on independence, and will play a full part in discussions with it, provided the Mission is prepared on its side to deal with the Federal Government. Failure of the Mission to recognise the existence of the Federal Government could provoke a clash which would probably result in the Mission having to leave the Federation.

### *Economic position*

25. The economy of Aden is now beginning to feel the effects of the forthcoming closure of the base. Expenditure by the Services generated directly about 19 per cent of the Gross Domestic Product and indirectly perhaps a further 10 per cent, mostly in Aden itself. The United Kingdom Services directly employ about 8,000 men (of whom about 3,000 are Yemenis) and a further 4,000–5,000 are employed by United Kingdom Services personnel (of whom probably 95 per cent are Yemenis or Somalis). The total of 12,000–13,000 is 15 per cent of the Aden labour force.

26. The fall in Services' expenditure will lead to a substantial drop in imports. Import trade is already slumping and commercial firms are beginning to cut down their overheads and some of them to withdraw their expatriate staff. Including side-effects of our withdrawal, total redundancies may amount to 20–25 per cent of the labour force in Aden of about 80,000. The redundancies will start in May/June when

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<sup>5</sup> A UN Mission visited Aden in early Apr 1967 but it got off to a bad start first in Cairo at the end of Mar when the leaders of FLOSY refused to meet it. The Mission arrived in Aden in a hostile atmosphere (FLOSY had called a general strike) on 2 Apr. Having spent two days isolated in a heavily guarded hotel, members then emerged to visit political detainees in Mansoura prison. Outside a bazooka and small arms battle was being waged. They flew back to their hotel by helicopter. Arrangements were made for the Mission to make a television broadcast on the federal government's Aden station but the broadcast was cancelled when ministers realised the Mission would neither meet them nor grant them recognition. The Mission left Aden on 7 Apr, members complaining about intrigues by the British as well as the federal authorities.

Services' families begin to leave. The ensuing level of unemployment will depend on the extent to which immigrant workers return to their homes. The political situation in the Yemen is a discouraging factor but lump sum terminal benefits may induce a number to leave Aden, at any rate for the time being.

27. If potential growth in other sections of the economy (e.g. agriculture and fisheries) is ignored, the closure of the Base will therefore lead to a 30 per cent fall in the Gross Domestic Product and to a reduction in employment in Aden by 20–25 per cent. It will also cause a decline in local tax revenues as a result of the reduction in incomes, unless the substantial opportunities which are reported to exist for increasing tax revenues are exploited. The level of United Kingdom aid in 1965 (approximately £14.5 million) was greater than the total level of United Kingdom Government expenditure in South Arabia in 1960. The rundown of the base should not therefore lead to a lower level of incomes and activity than in 1960 if aid is maintained at roughly this level. Indeed there has been growth in other sectors of the economy which should increase incomes above the 1960 level.

### *UAR and Saudi Arabian attitude and policies*

#### *UAR activity*

28. Behind the activities of the terrorists lies the question of the intentions of the UAR in South Arabia. It seems unlikely that the UAR would attempt an armed invasion of South Arabia while our troops are there, but their aim is to make us leave Aden in the greatest possible disorder and dishonour. They are however quite explicit that they want the Federal Government dissolved without delay—preferably before the United Nations Mission goes to South Arabia—and replaced by an interim government subservient to them. They also want the state of emergency ended and all detainees released before the United Nations Mission arrives. This is clearly intended to help the installation of a pro-UAR government. If the UAR are unsuccessful in this in the immediate context of the United Nations Mission we must expect them to continue to try to engineer an anti-British government even while we are there, either as a direct result of the United Nations Mission's recommendations or by a continuation of terrorism and public disorders using the additional weapon of unemployed labour, which we would expect to rise to a peak at the final stages of the withdrawal. Thereafter, a state of instability is foreseen in which neither the Federal Government nor its opponents would gain the upper hand, and in which Egyptian-inspired terrorism would continue. In the event of a breakdown in Government and the establishment of a FLOSY 'Government' which appealed for Egyptian military and political support, the UAR would probably find itself obliged, however reluctantly, to intervene.

#### *Saudi Arabia*

29. There is no reason to believe that Saudi Arabia either wishes, or would be able, to take over South Arabia to thwart UAR designs on the territory. King Faisal cannot give effective military support to South Arabia although he has given a little economic help and, more important, has given the Federal Government the political and moral support it needs if it is to succeed. He has urged the Federal Government to accept the United Nations Resolutions in the first place and is in favour of a

'United Nations solution' (provided it does not throw up an Egyptian-controlled government). Any such settlement acceptable to the Federal Government would have the support of Saudi Arabia.

### *Prospects of success*

30. It is essential to the orderly withdrawal of our forces from Aden that, between now and their departure, the internal security situation should at least be contained. This will depend partly on our attitude to terrorism in the months ahead and to its instigators, but mainly on the continued existence in an organised form of the Federal Government and on its expectation of survival when our forces have left. Our prospects of success depend on our ability to make clear to the Federal Government, and to our opponents, that these conditions will be ensured. If we cannot do this the Federal Government will almost certainly disintegrate.

31. The main inhibiting factor in this situation is the lack of a defence agreement on which the Federal Government can count after independence. This is ruled out by Government decision. If, however, some arrangement short of a full defence agreement cannot be made so as to demonstrate clearly to the Federal Government that they will have the opportunity to bring the internal security situation under control before British forces finally leave Aden, there is little prospect either of an orderly or relatively bloodless withdrawal of them from Aden or of the survival of the Federal Government. But any such arrangement would have to be short-term only if our general defence review plans are not to be prejudiced.

### *Effect of United Nations Mission*

32. Our prospects of success are not very bright. They will increase if the United Nations Mission proves to be helpful, or at least not hostile, and makes without delay recommendations which the Federal Government and we can accept. But, having regard to the hostile character of the Committee of Twenty-Four we should delude ourselves if we thought there was more than a faint hope of that body endorsing any recommendations which would be acceptable to the Federal Government. Probably in the case of a United Nations Mission's recommendations acceptable to us and certainly in the event of an ineffectual United Nations Mission or unacceptable recommendations, we should have to face the opposition of FLOSY/UAR to every constitutional change we or the Federal Government initiate. We must expect this to take the form of increased terrorism and intimidation as independence approaches, probably with greater emphasis on the assassination of public figures opposing UAR policy in South Arabia.

### *Main problems and suggested solutions*

#### *Internal security and defence*

33. The most serious threat to our main objective (the orderly withdrawal of our forces) is that the Federal Government may disintegrate or cease to function. This is most likely to happen if they are not given a chance to assert their control of security in Aden before our forces leave. The Federal Government regards this as fundamental

to its chance of survival; it has pressed us, and will continue to press us, for an early transfer of responsibility for internal security in Aden. We must therefore seek some way satisfactory to us of meeting this requirement.

34. There would be strong political objection to transferring responsibility for internal security in Aden while Her Majesty's Government remain answerable, in Parliament and internationally, for what happens in Aden. Although Federal forces must be brought in to share responsibility with us as early as possible, there would be military objection to transferring full responsibility while our troops are engaged in a difficult withdrawal. For this reason, the time between surrender of sovereignty and granting of independence should be as short as possible.

35. The Federal Government's wishes could however be met without giving rise to these objections if:—

- (a) the grant of independence for South Arabia were to be advanced to 1st November 1967 with British sovereignty and protection ended on that date;
- (b) all British forces were withdrawn by that date except for one brigade and one fighter squadron with perhaps a few reconnaissance and light communications aircraft;
- (c) a brigade remained until 31st January 1968 for the external defence of the Federation and the protection of Khormaksar airfield;
- (d) the air component remained in support until 30th April 1968. It should be land-based until 31st January 1968 but thereafter would have to be carrier-borne. Further details are at Annex E.

36. However, the Commander-in-Chief, Middle East, has stressed that considerable military risks are involved in implementing these proposals. The Federal Forces are unlikely to be capable of handling the external defence and internal security situation by November without British support. The military view is that British forces must be available to support up to 1st January 1968 to provide a deterrent to external aggression and to ease the load on internal security to some extent. August is the earliest date by which the FRA would be capable of phasing into internal security in Aden using one battalion. A further battalion might be made available in September when day-to-day control in Aden could be handed to the British Commander of the FRA, subordinate to the GOC. The latter officer would report both to the Federal Government and the High Commission. A newly formed and inexperienced battalion should be available during November. A Federal Guard Battalion arrives in December at which time the Aden State armed police will redeploy to Al Ittihad. It is at this stage that the Federal Forces should be strong enough to control the internal security situation on their own.

37. Whilst acknowledging these risks, the High Commissioner considers that the earlier transfer of responsibility by [?to] the Federal Forces is acceptable, provided the defence of Khormaksar is reserved to British troops. The Chiefs of Staff agree that at this stage the risks should be accepted subject to certain provisos. The brigade and the air component would provide a deterrent against external aggression but they would not have a great capability for defence of the Federation in the unlikely event of determined UAR attack. They would have to be based at Khormaksar so that a major airfield were available for reinforcement and as an operational base. The whole Khormaksar complex would be required including the ammunition depot to the South. This in its turn would entail the brigade being stationed there to both protect

the aircraft and ground installations and to operate from it. Land protection of the base would involve the need for the brigade to cover the internal security threat up to, say, Sheikh Othman in the north and for an appropriate distance to the south. Defence of Khormaksar area would relieve the Federal Forces of one of the major internal security tasks in Aden and so ease the overall task in handling the major threat. If the air component is to provide an effective air deterrent to the UARAF, it may need early warning radar up-country which would require protection. The Chiefs of Staff further advise that contingency plans which might involve reinforcement, should be prepared against the need to evacuate British nationals in the event of a breakdown of law and order, and against the possibility of the force being significantly involved in countering external aggression.

38. It would have to be agreed with the South Arabian Government that the brigade was not to be involved in internal security duties other than those required for its own protection but that the latter would involve some freedom of movement outside the perimeter of the Khormaksar complex, to be defined. The role of the force in countering external aggression both on land and in the air, would likewise have to be covered by agreement, and the force would only undertake such action on the direct order of Her Majesty's Government. British troops would have to serve under British command.

39. Although carrier-borne aircraft could provide air cover without the necessity of ground forces to guard them, and an embarked commando group provide the means of guarding Khormaksar airfield for subsequent reinforcements, such aircraft could not provide the same degree of air defence because of the lack of permanently deployed early warning. However, carrier-borne aircraft would take over the air deterrent role when the brigade and air component left at the end of January, until 30th April 1968. It should also be noted that the retention of a RAF Fighter/Ground Attack squadron after December would involve postponing the planned disbandment of one of the two squadrons now in Aden or delaying the redployment of one second squadron to the Persian Gulf, and thereby accepting a temporary reduction in our air capability in the Gulf. It will also be necessary to advance the date for the establishment of the Headquarters British Forces Gulf from its provisional date of 1st October; and to accelerate the acceptance of stores from Aden if greater abandonment is to be avoided.

40. This new timetable would give the independent South Arabia the assurance of support against external aggression for six months, particularly in air defence which will be all-important. This should assure the Federal Government that the UAR would not launch a military invasion during this time. This would in turn give the independent government a fair chance to consolidate its position internally and internationally. It would also meet the criticism that South Arabia is being left without proper air defence, at least for the crucial period immediately following independence. The brigade remaining until 31st January would still leave Aden as early as it would under the provisional timetable in the plan for withdrawal approved by Ministers last December. The earlier date for independence would also enable us to try to arrange the Federation's admittance to the United Nations during the 1967 session of the General Assembly which will be meeting as usual during the autumn. A 1st January 1968 independence date would mean waiting until the following September before South Arabia could seek to become a member. There can of course be no assurance that the Federation would escape Soviet veto in the Security Council

and get the General Assembly's favourable vote whether on the old plan or under that now proposed.

### *Diplomatic action*

41. We must take positive action to enable South Arabia to gain international acceptance and survive as an independent state during the first crucial months of its existence. To this end we should undertake an active and continuing diplomatic campaign to explain our policies and to persuade other countries, especially those in the area, to give the new state their support in the United Nations and elsewhere.

### *Constitutional*

42. The Federal Government has now agreed on the changes it wishes to make in its constitution to prepare for independence. The next step would logically be to reach agreement with Her Majesty's Government on these in a formal conference to decide the constitution of the independent state but this can hardly be done when the United Nations Mission is about to arrive in South Arabia to formulate recommendations for the transition of South Arabia to independence. The difficulty will be to get the Mission to make, without undue delay, recommendations which we and the Federal Government can accept (whether or not the Committee of Twenty-Four will approve these) so that we can press ahead with our timetable for independence.

43. The Federal Government should, with our support, submit to the Mission a draft constitution emerging from the current discussions. The Mission would no doubt receive other ideas from other political groupings. If as is likely the differences of opinion prove serious, we might suggest the establishment of an executive body of twelve South Arabians (four from Aden, four from the rest of the Federation, and four from the EAP) to reconcile the proposals. This would prepare the way for a constitutional conference to be held in May/June, ideally with the assistance of the United Nations. If the United Nations Mission for any reason fails to function effectively, there would be little alternative but to go direct to a constitutional conference and to try to produce a solution consonant with the terms of the United Nations Resolutions as we interpret them.

### *Eastern Aden Protectorate*

44. If the Eastern States do not participate in the constitutional conference and show no sign of wishing to co-operate with the Federal Government we must decide when to accept that the EAP will not form a united state within the Federation on independence. This decision should be taken immediately following the constitutional conference and the expatriate civil servants and experts in the East should be withdrawn as rapidly as possible thereafter. The Residency at Mukalla should remain for as long as the security situation permits. Security generally, and, of Europeans in particular, depends largely on the Hadhrami Bedouin Legion and the maintenance of the morale of this small force is all important. Its pay has been guaranteed up to October 1968.

### *Countering UAR activity and threat*

45. The chief obstacle to our plans for South Arabia is the terrorist campaign in Aden which not only places a great strain on our armed forces while preparing for withdrawal but also strikes at the root of normal political activity by placing in jeopardy

those who co-operate with the regime and by making it impossible to carry out the normal democratic procedures such as elections. Terrorism is likely to be used to influence the United Nations Mission in the direction desired by the UAR and to try to ensure that any consequent government is of a complexion favourable to her. In accordance with the myth that liberation must be effected by blood the 'liberation fighters' of South Arabia want to ensure that our departure from their territory is as bloody as possible and, if we are to have any hope of meeting our principal aim of a smooth withdrawal, we must take positive action to contain terrorism.

46. It is therefore essential that we should do what we can to frustrate the aims of the UAR. Even though nothing that we can do is likely to reduce materially the UAR threat to our plans, it is essential to the morale of our forces and to that of the Federal Government that on every front—military, psychological, propaganda and political—our attitude should be one of strong support for them even when, as is bound to happen, this gives rise to difficulties for us in the United Nations and elsewhere. It is not possible to specify in advance precisely what problems will arise or what action will be appropriate. What is important is that we should adopt a positive attitude to these problems as a matter of policy and publicly. Although in the longer term it must be the hope that the current phase of our relationship with the UAR will prove to have been transient, it is clear that in the months ahead their policies in South Arabia will be completely opposed to our own and must be firmly resisted.

### *Other problems*

#### *The islands*

47. The future of the islands (Kamaran, Perim and the Kuria Murias) has not yet been decided, although the United Nations resolution described them as part of the 'territory of Aden' which is to become independent. The problem is set out in paragraphs 11–13 of OPD(66) 111(Revise). As it is virtually certain that the Kuria Muria islanders will wish to revert to the Sultan of Muscat and Oman, contrary to the wishes of the Federal Government and no doubt to those of the United Nations, it would be well to get the consultation of them completed before the constitutional conference meets or, if possible, before the United Nations Mission reports. In the interest of consistency, the consultation of the peoples of Kamaran and Perim should be carried out at the same time. We expect them to opt for South Arabia so this should lessen the blow of the Kuria Murias' departure.

#### *Public service*

48. Although there has been considerable progress with the replacement of British by local officials in the public services in South Arabia, the Federation is still appreciably dependent on the services of non-South Arabian officials, particularly in the professional and some senior executive grades. At present, approximately 350 British officers (75 pensionable, 275 contract) and 250 other non-South Arabian officials (mostly of Asian origin) are employed. When the Foreign Secretary's control of the public service, exercised through the High Commissioner, is relinquished at independence or shortly before, serving pensionable non-South Arabian officers must, in pursuance of past undertakings given by Her Majesty's Government, be



permitted to retire if they so wish. It is probable that special arrangements may also need to be made to enable contract officers to terminate their contract's without penalty.

49. It is expected that the great majority of British staff will wish to retire at independence. The rate of departure of the remainder, particularly the non-British non-South Arabians, will depend on the security situation and general conditions after independence. A large scale exodus would cause difficulties for the Federation in maintaining the standard of its services. The present Federal Government has expressed a wish to continue to employ British staff after independence; but the decision whether it would be right to encourage the recruitment of British staff for continued employment by the independent Government must depend on our assessment of the likely political and administrative viability of the future Government and of the security situation after independence.

50. The officer cadre of the Federal defence and security forces is almost entirely Arabised, but there is still considerable reliance on British seconded military personnel in the administrative and technical echelons. At present 55 British army officers and 165 British NCOs are seconded to the Federal forces. These must be withdrawn by independence and replaced by civilian contract staff recruited direct, not necessarily from the United Kingdom. In addition, there will be a need for expatriate contract personnel to operate the South Arabian Air Force and the naval element. Recruitment of contract staff may well prove difficult, especially owing to the effect on them of the internal security situation.

### *Persian Gulf*

51. The fact that we are withdrawing from South Arabia in 1968 is not likely in itself to make for any problems for us in the Persian Gulf this year unless the success of the terrorist campaign in Aden encourages the Egyptian Intelligence Service to develop similar activities in the Gulf. If we fail to carry out a smooth withdrawal and to leave behind a stable Federal Government, confidence in our ability to hold our position in the Persian Gulf will be jeopardised. Repercussions could take the form of pressure on us to commit ourselves more firmly to staying in the Gulf or of the local Rulers seeking to reinsure with an Arab power (United Arab Republic or Saudi) depending on the individual Ruler's personality and circumstances.

### *Horn of Africa*

52. The establishment of a pro-United Arab Republic government in South Arabia might whet the United Arab Republic's appetite for some similar success in the Horn of Africa. If French Somaliland were to become independent this year and remain so because of the rival claims of Somalia and Ethiopia the United Arab Republic might try to move in, but this is unlikely to raise any direct problems for us. Kenya and Ethiopia are, however, showing signs of concern at the effect which our withdrawal may have on their interests.

### *Parliamentary legislation*

53. It will be necessary to pass a Bill through both Houses of Parliament before the summer Recess to provide for the surrender of sovereignty over Aden, Perim and

the Kuria Murias. It need not specify the date of independence, but clearly it would be prudent to introduce it soon, since its passage through Parliament is likely to be controversial.

### *Financial*

54. Until detailed planning is done, it is not possible to estimate the cost of the proposed timetable of withdrawal set out in paragraph 35 compared with the original plan in paragraph 15. For this reason the Treasury have reserved their position. The effect of these measures on the foreign exchange saving in 1967–68 from the closure of the Aden base would be slight, and there should be no effect in 1968–69. However, on either timetable there is a risk of additional emergency expenditure and financial loss should the situation deteriorate; this reinforces the need to adopt the most effective course designed to minimise the risk and so achieve an orderly withdrawal. Certain minor expenditure on security equipment needs to be incurred from time to time at short notice, and the provision of a small contingency fund of about £20,000 for this purpose is being examined by officials of the Departments concerned.

### *Summary*

55. We are faced, on any assumption, with an extremely difficult military and political problem in South Arabia during the rest of this year. If we adhere rigidly to our present timetable for the withdrawal of our forces and the grant of sovereignty and independence to South Arabia, it seems very unlikely that we shall achieve even our main objective of withdrawing our forces in good order, simply because the situation in South Arabia will not permit this. The major bar to success lies in the doubts in South Arabia, and in the Federal Government in particular, about the continued existence after the departure of our forces of a South Arabian State on the lines that we are working for. This uncertainty is due mainly to our failure to root out UAR-backed terrorism and to our declared unwillingness to give South Arabia a defence guarantee after independence. Morale among favourably disposed South Arabians is low and for very obvious reasons. The crucial question for decision is, therefore, whether we can (and are willing to) change our plans in order to give ourselves and the Federal Government a better prospect of success.

56. If we are we must so arrange matters that, as soon as they have the military capability, the Federal Government also have the opportunity to come to grips with the internal security situation in Aden, and that they are able to do this while there are still sufficient British forces in Aden to deter external attack, particularly from the air. We believe that this can be done by advancing the date of independence for South Arabia from 1st January 1968 to 1st November 1967, while leaving in Aden a brigade, responsible strictly for external defence only, until 31st January 1968, and air support by land-based or sea-based aircraft until the brigade leaves and then for the succeeding three months, by sea-based aircraft, again against external aggression only. We must make it clear, however, that our support could not go beyond this, since otherwise the Defence Review assumptions would be falsified. It must also be recognised that this course involves a considerable military risk in view of the

prospect that the Federal forces by themselves will not be competent, as early as 1st November 1967, to deal with the internal security situation as well as having to meet the threat of external aggression. The advice of the Chiefs of Staff is, however, that the risk is acceptable, assuming that the provisos on the role of British forces and their right of self-protection (which are more fully set out in paragraph 37) are accepted.

57. A plan on these lines appears to offer the best, and so far as can be seen the only, prospect of achieving our main objective. If it is to have a reasonable chance of succeeding it will need to be backed during the rest of our stay in Aden by resolute action against terrorism, by overt and covert resistance to the UAR and by firm support for the Federal Government. It is not necessary or indeed possible to point specifically to a series of measures to these ends; rather it is a matter of the way in which particular problems are handled as they arise. If we are not ready to act firmly as the need arises and, if necessary, to accept the international repercussions of so doing, we must be prepared to fail in all our objectives. In particular there must be a very grave danger that we shall not be able to ensure the safety of our forces as the year moves on and, if we cannot, the effect on our international standing and reputation for handling withdrawals from imperial commitments with reasonable success will be severe.

58. There can of course be no guarantee that these revised plans will succeed or that we shall not in the event have to remove our forces and 'United Kingdom belongers' from South Arabia earlier and perhaps at short notice. Contingency plans should be made to cover this possibility; these might involve reinforcement.

### *Recommendations*

59. It is recommended that:—

- (i) The grant of independence to South Arabia should be advanced to 1st November 1967 and on this date all rights of sovereignty and protection in South Arabia should cease. The necessary legislation required should be prepared and passed if possible before the summer recess.
- (ii) We should agree with the Federal Government to leave in Aden a brigade with a land-based air component for three months after independence and to give carrier-borne air support for three months thereafter.
- (iii) It should be made absolutely clear that this military force remaining after independence was to deter or deal with external aggression against South Arabia only, and not for internal security duties except to protect itself. It would have to be recognised that the duties of this force might in emergency have to cover the removal of British civilians who remained in South Arabia.
- (iv) Contingency planning including any reinforcement requirements should take place against the possibility that between now and independence it might prove necessary to withdraw our forces earlier than planned and at short notice if the situation in Aden were for any reason to deteriorate sharply.
- (v) Ministers should consider whether contingency planning should also cover the possibility that it might prove necessary to send reinforcements as a result of external aggression against South Arabia.

(vi) We should press ahead with constitutional discussions with the Federal Government and consultations with the islanders, co-operating so far as proves possible with the United Nations Mission, but consistently with the timetable for independence in (i) above.

(vii) Diplomatic action aimed at securing international acceptance, including United Nations recognition, of the proposed South Arabian State should be initiated at the appropriate time.

(viii) We should adopt a strong attitude, backed as necessary by overt and covert action, to match the increasing threat from UAR-inspired terrorism and propaganda, making clear our firm support for our forces and the Federal Government and be prepared to withstand any criticism that this may arouse.

#### Annex D to 60: Comparative table of casualties

	<i>British Forces</i>		<i>Local Forces</i>		<i>Civilians</i>		<i>Terrorists</i>	
	<i>Killed</i>	<i>Wounded</i>	<i>Killed</i>	<i>Wounded</i>	<i>Killed</i>	<i>Wounded</i>	<i>Killed</i>	<i>Wounded</i>
<i>Aden State</i>								
1964	2	25	1	—	1	7	649 (Killed and Wounded)	
1965	5	74	9	10	19	89		
1966	5	216	2	11	33	315		2
1967 to 27th February	1	91	3	50	36	149	1	—
<i>Federation</i>								
1964	11	57	25	88	25	42	474 (Killed and Wounded)	
1965	10	61	14	99	57	109		
1966	9	102	13	93	46	91		119
1967 to 27th February	—	11	2	12	5	35	3	18
<i>Total Aden and Federation</i>	43	637	69	363	222	837	1,347 (Killed and Wounded)	

## 61 CAB 148/30, OPD 11(67)1

10 Mar 1967

‘South Arabia’: minutes of Cabinet Defence and Oversea Policy

Committee meeting approving the recommendation to advance the date of independence to 1 November 1967

[Extract]

The Committee considered a memorandum by the Foreign Secretary (OPD(67)18) and a note by the Secretaries (OPD(67)19) covering a report by officials on the problems involved in preparing for the independence of South Arabia. . . .<sup>1</sup>

<sup>1</sup> See 59 and 60.

*The Defence Secretary* said that he supported the proposals of the Foreign Secretary on the date of independence and surrender of sovereignty over Aden. It was necessary to avoid the total collapse of Government in South Arabia, while our troops remained there. There were great advantages in bringing forward the date of independence to coincide with the date when we handed over responsibility for Aden. However, the particular proposals for a military presence after independence posed considerable difficulties. The Commander-in-Chief, Middle East, was not confident that the Federal forces would be able to control the internal security situation in Aden on 1st November. There were doubts about the loyalty as well as the efficiency of the Federal regular army. If our forces were to have the capability of resisting external aggression, they would have to be located on Khormaksar airfield, which could not be protected from mortar fire unless security in the surrounding area, which included the isthmus separating Aden itself from the mainland was assured. If the Federal forces were unable to establish the necessary control in this area, British forces would have to move in for their own protection and, in these circumstances, we could hardly avoid being implicated in the actions of the Federal Government in countering the internal security situation. Our presence in Khormaksar could also prejudice acceptance of the newly independent state by the United Nations. Furthermore, it would be difficult to withdraw our forces at the time stipulated if the area were then in chaos. The independent state would never be capable of defending itself adequately against external aggression by the Egyptian forces in the Yemen, and we should be pressed to retain our forces there beyond the agreed date if, as was likely, the threat were not removed. Also, if we were to implement our obligation to defend the Federation against external aggression with forces stationed on its territory we should require a base on land and should have to negotiate some form of defence agreement. The only way of avoiding the need to establish a base of this sort appeared to be to decide to meet external aggression not defensively but by retaliation through air attacks on targets in the Yemen or Egyptian supply ships. The military implications of the Foreign Secretary's proposals therefore needed further study.

In discussion there was general agreement that the best hope of achieving our objective of an orderly withdrawal lay in the proposals for the timing of independence made by the Foreign Secretary. While we had no vital interests in the area, and we might not necessarily be damaged if eventually South Arabia fell under Egyptian domination, it was certainly not in our interests or consistent with our responsibilities either to leave chaos behind when we withdrew or to allow the United Arab Republic to take South Arabia over immediately on independence. Still less should we seek to make arrangements with the United Arab Republic to this end in advance. Our friends elsewhere in the Middle East, particularly Saudi Arabia and Iran, would be gravely disturbed if we were to follow such a course, and our standing in the world generally would suffer. Since we had no alternative to supporting the present Federal Government, we must do all that we could to keep them together, while attempting to broaden their base, and for this reason alone we should agree to give South Arabia some military support against external aggression for a period after independence. While it was by no means certain that the independent state would be accepted into the United Nations or for that matter it would survive, the new timetable provided the best chance of achieving this.

On the question of the nature, duration and purpose of our military presence after independence, the point was made that the latest intelligence assessment was that the United Arab Republic certainly would not launch a military invasion of South Arabia so long as we remained there; although she was unlikely to do so willingly even after our departure, she might find it politically impossible to avoid intervening, particularly if invited by a faction from inside South Arabia. The main purpose of our forces should be deterrence and to this end we should be able to pose a credible threat of retaliation. In view of the very great difficulties involved in stationing forces at Khormaksar, further consideration should be given to maintaining our presence with naval forces off shore, possibly including a commando carrier and an aircraft carrier.

In discussion of the possibility of persuading the President of the United Arab Republic, President Nasser, to end the Egyptian-inspired and supported terrorist campaign in South Arabia, it was suggested that there might be advantage in arranging a meeting with President Nasser, provided that he agreed first to end the terrorist campaign. On the other hand it was argued that he was most unlikely, in view of his wider ambitions in the area, to agree to end the terrorist campaign as a pre-condition to talks on South Arabia, or perhaps even to carry out any such agreement subsequently; in any event extreme care should be taken about any approach to him while terrorism continued in South Arabia. Any public statement of the intention to have discussions with President Nasser would have a disastrous effect, not only on the Federal Government in South Arabia and other friendly Governments in the Middle East, but also on the morale of our forces and the civil administration in Aden. Greater prospects of success lay in persuading one or more of the nationalist groups in Aden to co-operate with us. Meanwhile we should adopt the measures proposed by the Foreign Secretary in paragraph 7 of OPD(67)18 for dealing with the terrorist threat. The point was however made that the proposed jamming of the Egyptian-controlled radio was a departure from our normal policy of not jamming hostile broadcasts; on the other hand, the Egyptian broadcasts that would be jammed were being used not only for propaganda but also to direct subversive operations in South Arabia and it would not be necessary to make use of BBC facilities for jamming in this case.

The Committee:—

- (1) Agreed that the granting of independence to South Arabia should be advanced to 1st November 1967 and that on this date all rights of sovereignty and protection in South Arabia should cease; the necessary legislation should be prepared and passed before the Summer Recess.
- (2) Invited the Foreign Secretary to proceed with constitutional discussions to this and with the Federal Government and other necessary consultations, in co-operation, if possible, with the United Nations Mission.
- (3) Agreed in principle that we should provide military support for the South Arabian state against external aggression for a limited period after independence.
- (4) Invited the Defence Secretary, in consultation with the Foreign Secretary, to consider further the nature, duration and purpose of the support to be provided under (3) above.
- (5) Approved the measures for countering terrorism in South Arabia set out in paragraph 7 of OPD(67)18.

**62 CAB 148/30, OPD 14(67)1****22 Mar 1967****'South Arabia': minutes of Cabinet Defence and Oversea Policy Committee meeting on the response of the federal rulers to an earlier date of independence**

*The Minister of State for Foreign Affairs (Lord Chalfont)* recalled that the Cabinet had agreed that we should offer to the Federal Government of South Arabia independence on 1st November with six months protective air support thereafter from carrier-based forces.<sup>1</sup> The proposal had been put to the Federal Government by the Minister of State for Foreign Affairs (Mr. Thomson) on 18th March, but they had insisted on being given further time to consider it. The main objection of the Federal Rulers was to the earlier date of independence, since they said that their forces would not be sufficiently trained to take over responsibility for internal security by then. They also objected that the time limit on our air support would constitute an invitation to aggression thereafter, and to a lesser extent they took exception to the absence of any land based forces. They felt that they were being asked to give a hurried decision on the eve of the arrival in Aden of the United Nations Mission, and stated that they wished to discuss the date of independence with the Mission and subsequently with us. They asked us not to announce our proposals; the United Kingdom Representative at the United Nations (Lord Caradon) had given the same advice, on the grounds that offence might be caused to the United Nations Mission if we announced the proposed date of independence before their arrival. Some publicity had, however, occurred in Aden as a result of a leakage of information on the Federal Government side. In the light of the Federal Government's position and the advice of Lord Caradon, the statement which the Foreign Secretary had intended to make to the House of Commons had been deferred, and in the debate on 20th March Government spokesmen had described Mr. Thomson's visit as a further stage in the discussions with the Federal Government which had begun in London. Reference had also been made in the debate to the failure of the President of the United Arab Republic, President Nasser, to respond to the overtures made to him but no mention was made of the proposed discussions with the Adeni nationalist leader Al Asnag. A further debate after the Easter recess was envisaged. Discussions with the Federal Government would be resumed after the end of the visit to South Arabia by the United Nations Mission.

*The Foreign Secretary* said that he had just come from discussions with the United Nations Mission earlier that afternoon in London. His impression was that the Mission would favour an earlier rather than a later date for independence. They were also likely, when they visited Cairo on their way to Aden, to try to persuade President Nasser and the South Arabian nationalists to make a public appeal to call off terrorism. The Mission appeared to accept the sincerity of our intention to withdraw from Aden. They did not consider that the present Federal Government was sufficiently representative but they would be prepared to accept a federal state in South Arabia, including Aden, if the Federal Government were more broadly based.

In discussion it was suggested that the disappointing response of the Federal Government to our proposals had reduced the advantages of the earlier

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<sup>1</sup> See 61.

independence date of 1st November. It might be advisable to revert to the original date of 1st January 1968, offering maritime and air support for four months instead of six months, to end on the same date (30th April 1968). The Federal Government had asked that the delivery date of Jet Provost aircraft should be brought forward to bridge the gap between the ending of our air cover and the date when the Federal Air Force would on present plans be up to complement. We could probably meet their wishes without unacceptable consequences for the Royal Air Force by supplying them with Jet Provosts on temporary loan. The point was also made that to prolong the period of uncertainty about the date on which the last British troops would leave South Arabia was creating considerable difficulties for the Services and was complicating the planning of the withdrawal. The Commanders concerned should be told the new timetable as soon as possible.

The Committee:—

- (1) Took note of the statements by the Minister of State for Foreign Affairs and the Foreign Secretary.
- (2) Took note that the Prime Minister would arrange for the position to be reported to the Cabinet on the following day.

## **63 FC08/184, no 45**

**3 Apr 1967**

### **‘South Arabia’: inward telegram no 206 from M C G Man<sup>1</sup> to Mr Brown on King Faisal’s response to the proposals for South Arabia**

King Faisal received me yesterday evening and I spoke to him in accordance with your instruction. Dr. Rashad Faraoun<sup>2</sup> was also present. This was not helpful since Faraoun provides the gallery to which Faisal likes to play.

2. The King thoroughly dislikes our proposals. Having started off by saying that it was not for him to comment he proceeded to try and shoot them down. Speaking forcibly, and finally bitterly, Faisal maintained that our new plan made matters much worse for South Arabia. By bringing the date of Independence so near we were giving the South Arabian Government no time to put their house in order and to create reasonably stable conditions on which their future could be built. We were playing straight into the hands of the terrorists who had received tremendous encouragement by being led to believe that they could soon have South Arabia at their mercy. The date of Independence should be postponed until at least March of 1968 in order to give the Federal Government time to deal with the security situation, without which there could be no hope of survival for the new State.

3. Faisal went on to stress that the South Arabian Government would need all their strength to dominate the security situation and the sooner we handed over to them responsibility for the maintenance of law and order the better. Even so the authorities would still look to us to help them in case of need. Our formula by which the British Military Authorities would play no role in internal security was as good as

<sup>1</sup> Ambassador to Saudi Arabia, 1964–1968.

<sup>2</sup> Dr Rashad Pharaon, a Syrian physician who joined the court of Ibn Saud, the Saudi king, in the 1930s. He subsequently acted as personal adviser and secretary to King Faisal, and later King Khalid (1975–1982), and was one of the most influential non-Saudi figures at court. The editors are grateful for this information to Dr Spencer Mawby.



useless. When I argued that until Britain handed over Sovereignty on Aden it was we who were responsible for security, Faisal replied that surely a method could be devised by which the Federal Government could be given this authority before actual Independence. There should be joint South Arabian/British co-operation to maintain order before Independence because the security situation was crucial for the future. I maintained that we could not cede this responsibility before Independence and I pointed out that Federal Forces were already to a certain extent co-operating with our own in dealing with the security situation in Aden.

4. At a new point Faisal went so far as to say that Britain was always acting against Saudi Arabia's interests and he instanced Palestine, Buraimi and now South Arabia. He said that our new plan for South Arabia could only mean a serious increase in the threat against his own country from Nasser whose position in the Yemen would be greatly strengthened by the lack of stability in South Arabia. Which he would exploit for his 'Imperialist' designs. Faisal asked me why we wanted to bring forward the date for Independence to November of this year and I said that we had very much in mind the need for South Arabia to join the United Nations as soon as possible. He retorted that there was no guarantee that there would be a viable Government in South Arabia if we insisted on rushing things and that the United Nations might well want to take a hard look at any application for membership from a 'State' which might be based on such rickety foundations as seemed likely to be the case in South Arabia as of 1 November, 1967. In any case Faisal maintained, why all this desire to get South Arabia into the United Nations? The United Nations was a pretty useless organisation and Saudi Arabia for her part had received nothing but disappointment at the hands of the world organisation. I took him to task on this, but these prejudices of his are too deeply engrained.

6. [sic] We argued to and fro—the temperature was mounting fairly rapidly by now—and I finally said to him with some force that it was a great pity that in his opinion we never seemed to do anything right for Saudi Arabia, but I could not accept that others were always infallible. The trouble with the Arabs as a whole was that they never admitted that they could make mistakes. We had given careful consideration to the new proposals which had been put by Mr. George Thomson to the South Arabian Government and they were not idly conceived. On the contrary, we were trying to do our best under difficult circumstances for South Arabia and we had Anglo/Saudi Arabian co-operation in the interests of stability in the Arabian peninsula very much in mind the whole time. Nothing could be perfect—although His Majesty was inclined to expect perfection from us—and we had suggested the new plan to the South Arabian Government with all good will. They had asked for time to consider the proposals and they would certainly be giving us their views. I promised to keep His Majesty informed of developments as and when I received your instructions.

7. Faisal calmed down by the end of our discussion, but there is no doubt that he is deeply worried about what may happen in South Arabia and his anxiety is, I feel pretty sure, based on the conviction that without British bayonets the Federal Government cannot survive. In other words, he has little confidence in the Federal Ministers. He must however back them up because he cannot contemplate what to him is the only other alternative, namely a takeover by the pro-Nasser Nationalists. He did not question the ability of our proposed composite Military Force to defend South Arabia against aggression from outside and all his remarks were directed to the role we should play inside South Arabia to sustain the Federal Government.

8. Our parting was friendly enough and Faisal said that he was looking forward to his State Visit and to the opportunity to discuss these matters in London.

9. As you know, Girgirah<sup>3</sup> arrived with his family last week, but Faisal told me that Girgirah had not yet made any move to see him.

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<sup>3</sup> See 53, note 1.

## **64 PREM 13/1295**

**10 Apr 1967**

**[Aden]: note by Mr Gordon Walker to Mr Wilson on the 'crisis' in  
Aden and the position of Sir R Turnbull**

**[Extract]**

... The crisis in Aden is one of trust. Every Arab with the capacity to think believes that the Constitution was suspended in order that the Federal Supreme Council could have its way through the two-man Commission to produce a Constitution that suited the Federal Government and that on the day we depart, leaving the Federal Government in complete control, those Adenis who have been struggling against the autocratic rule of the Sheikdoms will have their throats cut. In the circumstances, can it be wondered that they seek every method, legitimate or otherwise, of protesting against the Federation.

The question of trust now centres on the person of the High Commissioner to the Federation and the Governor of Aden, Sir Richard Turnbull,<sup>1</sup> who took up his duties early in 1965 in succession to Sir Kennedy Trevaskis, his appointment having been announced on 21st December, 1964. Sir Richard was then 55 and the new appointment, coming so soon after the Labour Government came into power, was taken as a sign of impending policy changes. Sir Richard has proved 'plus Royalist que le roi' in carrying out the Tory policy of submerging the Aden people in the Federal proposals and has never shown in his statements or actions the slightest sympathy with or understanding of the special position of Aden or the fundamental clash in the Arab world between Shia and Sunni which in modern terms appears as feudal regimes fighting for survival against the surging tide of Arab xenophobic nationalism.

Sir Richard has become identified with the pro-Federal, pro-Rulers group in Aden. He has consistently followed the line sold to successive Governments by the Chief Information Officer, [Anthony] Ashworth, the line being that they were primarily acting for the Rulers as against the Adenis. Sir Richard rarely appears without Ashworth at his side and Ashworth frequently answers questions put to the Governor in his presence. In other words, Sir Richard has shown no initiative or new thinking on the problem. He has been a loyal servant of the Foreign Office. Perhaps it was too much to ask of him after 32 years in East Africa and many years of dealing with Mau Mau; in any case I am the last person to blame a man for carrying out the orders and wishes, as he understands them, of those who appoint him. In other words, Sir Richard is a failure because the policy he has been instructed to pursue is a failure and it must be recognised that he is one of the factors ensuring that the Labour Government has slavishly followed the policies laid down by the Tories for dealing with the Arab world. The result is that we are distrusted as perhaps never before in

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<sup>1</sup> Turnbull (like Trevaskis) was high commissioner to Aden and the Protectorate of South Arabia.

our history because they believed, poor darlings, that October, 1964 would herald a change; they expected nothing from the Tories but they expected a lot from us.

Sir Richard carried his opposition to U.N. intervention into his dealings with the U.N.O. Mission when it actually went to Aden and showed himself incapable of taking effective action in admittedly difficult circumstances.<sup>2</sup> For example, to tell the world that he had three times telephoned to the Mission on the evening before their departure and had been unable to contact them is a measure of his failure. He is incompetent, for surely if the telephone would not work there was such a thing as direct communication. His departure, if it had taken place three weeks or a month ago, would have given us the chance of a fresh start in Aden but this, of course, has now become impossible. There are, however, one or two things that ought to be done in order to establish the facts. I would like an enquiry to be undertaken, if necessary by somebody being sent out from Britain, to see just what did happen in the dialogue which took place between the U.N. members and the Press. My information is that bits of it were picked out and publicised in order to inflame public opinion. It is not for me to defend the members of the U.N. but I am gravely concerned that our efforts, ostensibly taken in connection with the Defence Review, have landed us in an imbroglio which before long will resemble the Congo in which in order to save money and save men we shall be forced to reinforce Aden, for we shall have got into the classic position of neither being able to stay nor get out. This seems the destiny that the Almighty has cast for us.

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<sup>2</sup> On the collapse of the UN Mission, see 60, note 5.

## **65 FCO 8/184, no 49**

**11 Apr 1967**

### **'Aden': letter from Sir C Johnston<sup>1</sup> to Sir P Gore-Booth expressing concern over recent developments**

I am very much disturbed at the way things are going in Aden and South Arabia, and, after a lot of thought, have wound myself up to write to you on the subject.

2. Since leaving Aden in 1963 I have not attempted to follow developments there at all closely and have written no minutes or letters on the subject. I have had other jobs to do, and have been completely absorbed in them. In any case it is wrong as a general rule to volunteer advice about jobs that one has left. But, for reasons which will emerge from this letter, I think the present case is quite exceptional, and that it would be unforgivable of me not to try to express a view.

3. By way of clearing the ground let me say that I am not questioning our decision to get out. I never thought that we could stay there after the late 1960s. Quite apart from financial and political considerations, the base has lost the military value which it had in the early part of this decade.<sup>2</sup>

4. It is the manner of our getting out which concerns me. By that I do not mean that I am going to argue whether or not we have an obligation to defend the Federation after we leave. This controversy relates to things that happened since I left Aden and of which

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<sup>1</sup> UK high commissioner in Australia, 1965–1971; governor of Aden, 1960–1963.

<sup>2</sup> D J McCarthy (counsellor, High Commission, Aden and political adviser to c-in-c, Middle East, 1964–1967, head of Aden Dept, FO, 1967–1968, of Arabian Dept, FCO, 1968–1970) commented on 11 May: 'Sir Charles first explains that he never thought that we could keep the base after the late 1960's. This increases my bewilderment over policy in 1962.'

I have no knowledge. What does worry me is the more general point that we seem to be heading for the sort of departure which will leave bloodshed and confusion behind us.

5. I am going to express myself frankly but also, I hope, dispassionately, and certainly with respect. You will be familiar with the argument which says that we must not let down the people, in Aden as well as in the interior, who have trusted us in the past, and believed in the seriousness of our intention to build up the Federation. This is the sort of argument that weighs with individuals—it does with me—but not necessarily with Governments. I will not develop it further here. Instead I should like to use a very down-to-earth and politically relevant consideration: the need to get out of South Arabia with credit if we still can. At present we seem to be trying to leave behind us in South Arabia a government which will be both representative and reasonably stable. In fact, from my knowledge of the area, I am sure that it will not get a government that is either representative or stable for years after independence, if then. What we need, I suggest, is a government that is presentable enough, and steady enough in present circumstances, for us to be able to hand over to it and get out with credit. If we try to dot the 'i's and cross the 't's, the usual fissiparous Arab characteristic will take over and we shall find ourselves left with nobody at all to hand over to. The truth is I am sure that after our departure the Arabs will sort their situation out without any tuition from us.

6. I realise all the advantages of getting the United Nations to take over responsibility after we leave, as in Cyprus. But I assume that, especially after the behaviour of the United Nations Special Mission, the possibility of this must be held to have receded. We seem now to be faced with a definite choice, between the Federation including its supporters in Aden, and the FLOSY/NLF/Yemeni element (however divided against itself). For us to try to bring all these parties together in a sort of government of all the talents before we leave—'the Federal Government participating with all other elements in an interim government for South Arabia' (your telegram Guidance No. 54 of 29 March)—is I think to pursue a dream.

7. I agree that the Federation is far from perfect. The entry of Aden into it—which was the main event of my stewardship—ought to have been effected much earlier. It should have been done in the 1950s, not left to the 1960s. In emphasising to the British Government of that day the difficulty of the merger operation, I said that it was like bringing modern Glasgow into a federation with the 18th century Highlands of Scotland.<sup>3</sup> In reply I was asked, won't Glasgow dominate the Highlands? The answer of course was, and is: certainly it will. Old-fashioned tribal regimes are on the way out throughout Arabia, and membership of a federation containing a modern industrial city like Aden is bound to accelerate the process. Even in my time the more intelligent Federal Ministers like Saleh<sup>4</sup> and Mohammed Farid<sup>5</sup> realised this perfectly well. The whole thing is a natural process which in my view we can safely leave to the Arabs. That they themselves think on the same lines was indicated by certain subterranean and typically Arabian contacts which existed in my time, e.g. a direct line between Saleh and Asnag.

<sup>3</sup> cf Hyam & Louis, eds, *The Conservative government and the end of empire 1957–1964*, part 1, 199.

<sup>4</sup> See 53, note 1.

<sup>5</sup> Mohammed Farid was a member of the ruling house in the Upper Aulaqi sheikhdom. He was a prominent member of the Federal Council of South Arabia, acting as minister of foreign affairs. His ambition to become prime minister of a post-independence South Arabia was thwarted by the collapse of the Federation. The editors are grateful for this information to Dr Spencer Mawby.

8. What I tried to do, on instructions from Mr. Macleod,<sup>6</sup> the Colonial Secretary who appointed me, was to build up the Federation, while bringing Aden into it and giving Aden the maximum degree of constitutional advance; to get the whole area to grow together so that it would have an adequate degree of unity when independence came.

9. Since I left, events have torn these plans to shreds. The moderate Adenis, who through Hassan Bayoomi<sup>7</sup> were the originators of the idea that Aden should enter the Federation, and who held a key central position in the whole structure, have been squeezed out between the right and the left, between the Rulers and Asnag. I like Asnag personally, and when I arrived in Aden did what I could to get on close terms with him. He is however a highly elusive gentleman, and in my experience is more likely to be scared off than anything else if he thinks the British are trying to jump on his band-wagon. Nor is he in my view really representative of the people of Aden. He represents the transient Yemeni element, certainly. But the real Adenis never wanted their future to be determined by the Yemenis. After all, why should they? Suppose that Ireland was five times as big as Great Britain and that at any moment we had with us several million Irish people working in temporary jobs and returning home at the end of a few months with their earnings. We would not feel that these Irish people (saving your respect!) ought to have the vote in our country, or that our future fate should be decided by their demonstrations, their strikes and their grenade-throwing.

10. There are I agree a number of younger Adeni nationalists who support Asnag. The majority of Adenis did not do so in 1963, however, as was made clear by the support which they gave for Aden's entry into the Federation. That this is still true is suggested by Aden's continued membership of the Federation, and by the fact that despite all intimidation the representatives of Aden still belong to the Federal Council.

11. I should perhaps add that I have not been in touch with anyone in Aden or with any of the people who worked under me while I was there. I have written this letter very much out of my own head. The job that I was instructed to do in Aden—and myself believe to have been right and necessary—namely the merger of Aden with the Federation, has been much criticised at the time and since, both locally and in England. The radical nationalists in Aden thought that I was trying to put Aden in indefinite bondage to the Sultans. The Federal Rulers thought that in the arrangements which I recommended to London I was altogether too much inclined to favour Aden against them. The people who used to believe that Nasser represented the wave of the future criticised the merger policy just as much as the school of Lawrence, the experts who think that federation for the Arabs is a lot of bunk, and that their institutions should be left as they are. The middle path is always the one that attracts the most brickbats.

12. What conclusion do I suggest from all this? Simply, that if it is not already too late, we should give the Federation the maximum build-up before we go—and do this in a whole-hearted way. It seems puzzling at present that we should be trying to do this with one hand, e.g. by increasing the FRA and putting pressure on the EAP to join the Federation, while with the other hand trying to get the Federation to sit at a Round Table Conference with the terrorist organisations who are their sworn

<sup>6</sup> Secretary of state for the colonies, 1959–1961.

<sup>7</sup> See 73, note 2.

enemies. There is a basic South Arabian word 'KEENI MEENI' connoting intrigue and compromise and 'fixing'. Left to themselves, Southern Arabs much prefer to settle their affairs by *Keeni Meeni* rather than by bloodshed. But they won't do this with us still in the chair. Also, there must be some basis of Arab authority before *Keeni Meeni* can operate. Therefore let us concentrate all our efforts on leaving the Federal Government as strong as possible at the moment of independence. We can be certain that after our departure the Arabs will work out their own solution.

13. Forgive me for adding to your burdens, and also if I have presumed on friendship and expressed myself too frankly.

14. I am sending a copy of this letter marked Personal to Joe Garner, and enclose another one in case you would like to send it to Burke Trend, who I know is interested in the subject.

## 66 PREM 13/1296

18 Apr 1967

### 'Aden': letter from Lord Beswick to Mr Wilson on a missed opportunity in Aden

You were good enough to ask me the other day whether at any time since we inherited the Aden problem a constructive solution would have been applicable.

I have since given your question a good deal of thought. I am entitled, I think, to refer to the Report I made after my visit to South Arabia from the 5th to 23rd November, 1965.<sup>1</sup>

I said then that a 'fresh initiative towards a political settlement is essential and could be fruitful'. The kind of initiative I indicated involved setting up a 'representative organ' composed of elements from the 16 Federated States, the Eastern Aden Protectorates and Aden. This representative organ would have had the responsibility of drawing up a new Constitution for a Federated Republic of South Arabia. I believe that it might have been possible to have secured sufficient co-operation from the Nationalists in Aden if we could have included an undertaking to hold elections and if we could have given a firm date for the closing down of the Aden military base. When the decision to close the base was made by H.M.G. I wanted to move on to an intensive propaganda offensive in Aden Colony emphasising the new political opportunities open to them, including the opportunity of choosing their leaders by process of elections.

The direct answer to your question, therefore, is that I believe there was a chance of securing a solution at the beginning of last year. We missed our opportunity.

You may ask why the views I advocated were not adopted; they were indeed accepted in principle by two Secretaries of State, but for different periods from December 1965 to April 1966 there were responsible for this problem no fewer than three Secretaries of State for the Colonies and then the Secretary of State for Foreign Affairs took over on 1st May, 1966. Probably because of this division of political

<sup>1</sup> Lord Beswick's visit was a further attempt to bridge the constitutional gap between Aden and the Federation. His report is in PREM 13/704. In retrospect Beswick was critical of the CO and British officials in Aden. He maintained he was denied the opportunity during his visit to sound out the full range of Adeni views. He also argued the CO was 'completely unreal' in assuming that feelings in Aden could be by-passed and power handed over to the federal rulers (Pieragostini, *Britain, Aden and South Arabia*, pp149–150).

responsibility the fact is that the then official opinion prevailed. (Incidentally we should also have saved ourselves later trouble if in December 1965 we had accepted my recommendation to 'hold an enquiry by a suitable lawyer' into allegations of torture of detainees.)

The prospects are now more doubtful; feelings in Aden are more soured by terrorism and the necessary counter-activities, whilst the Federal Government have become more possessive over Aden Colony. Nevertheless, I still believe that something very near the proposals I then advocated presents a possible way of moving forward with minimum bloodshed. The Federal Government will need to accept Aden Colony more as a partner to work with than as a richer neighbour to annex.

I shall be surprised if the U.N. Mission does not recommend something similar to the 'representative organ'. But Eddie Shackleton's up-to-date account will be more valuable than mine and I shall look forward to hearing of his conclusions.<sup>2</sup> Meanwhile I thought it worthwhile restating mine.

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<sup>2</sup> Following the collapse of the UN Mission, Lord Shackleton (see 19, note 3), visited South Arabia in April 1967 in a yet further attempt to assemble a government of all talents by bringing in representatives from FLOSY and the NLF. His findings also touched on the issue of morale among expatriate staff and the economic problems that would face Aden (said to be more extreme than those experienced by Malta) after the run-down of the Aden base (FCO 8/187, no 216). Shackleton confirmed the feeling (see 58 and 64) it was time to overhaul the administration, and after consultation between Wilson and Brown at the beginning of May (PREM 13/1296), Sir H Trevelyan was appointed to replace Sir R Turnbull.

## **67 PREM 13/1296**

**18 Apr 1967**

### **'South Arabia: handing over to the UN': FO minute**

[Mr Wilson asked FO officials to consider the possibility of handing over the problem of South Arabia to the FO. Upon receipt of the minute below, the prime minister's response was reported thus: 'He accepts the force of the arguments in the minute. But he has commented that while the minute deals with practical aspects of the question, it does not really dispose of what is perhaps a more political or public relations point which he had in mind when he first threw out the idea of a hand over to the United Nations. This is to assess what value we might derive from making an offer to the United Nations to hand over to them full responsibility for protecting the security of the South Arabian Federation on the understanding that they could equally have a free hand in the eventual constitutional settlement there. As the minute implies, this would not be acceptable to the United Nations. But the Prime Minister wonders whether if such an offer, which could be presented as eminently reasonable in terms of the views put forward at the UN, were rejected there, we would not then be able to argue with greater conviction than at present that the United Nations should "belt up" ' (PREM 13/1296, Palliser to Parsons, 18 Apr 1967).]

The only conditions in which the United Nations would be likely to agree to take-over would be if there were an immediate withdrawal of British forces and the dissolution of the Federal Government.

2. If these pre-conditions did not lead to a complete breakdown in the territory, they would mean in effect handing over to the U.A.R. The U.S.S.R. would almost certainly veto any proposal in the Security Council which did not meet the wishes of the U.A.R., and the Communists and the Arabs between them would be able to prevent any action by the Assembly unacceptable to the U.A.R.

3. Agreement by the U.N. to give an international cover to British forces in South

Arabia, or to send a force of their own without British participation to hold the ring between the Federal Government and the other groups in the territory, would be impossible to secure.

4. Action which constituted in effect handing over by H.M.G. to the U.A.R. would lower our prestige internationally and have adverse repercussions on our position in the Gulf and elsewhere in the Middle East.

5. Even if we were prepared to hand over in this way the U.N. would be unlikely to move quickly, and the interval of uncertainty would probably lead to a breakdown in the territory.

6. Handing over to the U.N. would not therefore appear to be a practicable proposition at this stage. The matter is likely to come to the Security Council, but there would seem to be no advantage in our taking any initiative to raise it there now.

## **68 FCO 8/250, no 1**

**6 May 1967**

**[Aden]: FO record of a meeting between Mr Brown and Sir H Trevelyan and officials on the conditions under which the UK will withdraw**

(Note: the substance of the discussion resulted in a series of decisions relating to the drafting of a Cabinet paper and the drafting of a statement on Aden to be made in the House of Commons. This part of the discussion, which filled most of the time, was not recorded in detail. The section recorded below came at the beginning of the meeting and resulted from Sir Humphrey Trevelyan's opening remarks).

*Sir Humphrey Trevelyan* said that before things went any further he wanted to clarify his own position. He was concerned to have assurances on three points. In the first place, he would not want to be associated with a scuttle on Palestine lines. He had been a great admirer of Bevin<sup>1</sup> but he thought that his decision on Palestine had been disastrous. He therefore wished to make it clear that if there were no prospect of leaving a stable government behind us in South Arabia he thought it would be better to carry on with Sir Richard Turnbull. Secondly, he thought he would be placed in a very difficult position if a date for independence were announced now and no sort of flexibility was left to him. Thirdly, he asked for an assurance that Mr. Brown did not exclude some flexibility about defence arrangements after independence.

2. *Mr. Brown* replied that it was true that complete disintegration was just a possibility. He simply did not know what we would do if when the date came, we were faced with chaos. The present intention of the Government was to get out by 1968. The question was how successful Sir Humphrey and the Government would be in bringing together the disparate elements. If the Federals were reinforced by the N.L.F. for example the chances of a breakdown would be reduced. His own belief was that in fact the Federals would not throw in their hand.

3. *Sir Humphrey* said that he was not concerned with, for instance, the possibility of a *coup d'état* after independence. But in no circumstances should we just abdicate. *Mr Brown* said he did not wish to be pushed into a position of saying that we would stay for ever. The most he could say was that if, when the moment

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<sup>1</sup> See 72, note 3.



came, we were faced with chaos it would be for Sir Humphrey and for the Government to consider what should be done.

4. *Sir Denis Allen* pointed out that our objectives had always been firstly to get our forces out, secondly to leave a stable government behind and thirdly to work in close collaboration with the United Nations. *Sir Humphrey Trevelyan* said that if objective number one had absolute priority he would see great difficulty. *Mr. Brown* said that he could not say that it did have absolute priority. It arose from the decisions of the Defence Review. Our objective was to leave behind something stable. The something stable we left behind we believed must be consistent with the U.N. Resolutions. What we left behind had to be able to stand up to terrorism.

5. *Sir Humphrey Trevelyan* said that he agreed with all that, but we could not be sure that there would not be a collapse. Consequently we needed flexibility. He wanted to feel that he would never be called upon to hand over to nothing. *Mr. Brown* said that there was no dispute about our aims and intentions. If, when the time came, there was nothing for Sir Humphrey to hand over to there would be serious deliberation, but it would be difficult to say, as of now, that Sir Humphrey would definitely not leave with nothing left behind. *Sir Humphrey Trevelyan* said that he could not expect to receive an undertaking on a hypothetical basis. All he asked was that if by then no government existed which could have a reasonable chance of carrying on, then the most serious reconsideration would be given to the previously announced intention.

6. *Mr. Brown* replied that of course this would be the case. If this came about we would have failed in all our policies. He had no authority from his colleagues to say anything at this stage except that their present decision should be carried out. However, speaking personally, he could not see how, in these circumstances, we would not reconsider. He could say no more than that. He added that a factor to remember was that meanwhile the troops would be run down.

7. *Sir Humphrey Trevelyan* said that what *Mr. Brown* had said was quite good enough. He then made a second point, to the effect that he would wish for some flexibility particularly with regard to troops. He would like to have some room for negotiations, both about retaining an R.A.F. contingent on the ground, and to leave room for a Kenya-type operation afterwards. All he asked was that nothing should be said meanwhile that would exclude these possibilities. *Mr. Brown* said that Lord Shackleton was in favour of the R.A.F. staying at Khormaksar, but that both he and the Defence Secretary were against it. The matter would now be considered by the Cabinet. The objections were that this would result in a continuing military presence in the country, and secondly that our forces might get sucked into internal security operations. *Lord Shackleton* said that the R.A.F. contingent could only operate in Aden if there were stable conditions. *Sir Humphrey Trevelyan* asked why this possibility should be ruled out now and *Mr Brown* then set out the arguments against it in some detail. *Sir Humphrey* accepted the arguments but asked that nothing be said at this stage which ruled out this possibility.

8. *Mr. Brown* said that this raised the question of whether a statement should be made about policy before Sir Humphrey had time to report. *Sir Humphrey Trevelyan* said he would naturally prefer the latter. *Lord Shackleton* wondered if the way out was not to delete any reference to the exclusion of forces on the ground, and in practice to offer strike capability from aircraft based on Masirah. Such an offer would be consistent with what we had said about getting troops out of Aden and about there

being no defence agreement with the successor state. *Mr. Brown* said that provided there was no defence agreement, and the position could be covered by an assignment of aircraft based on carriers and/or on Masirah, that would be consistent with previous declarations. So if the carrier-based force was not enough, we could consider offering aeroplanes based elsewhere. *Sir Humphrey Trevelyan* said his concern was to have some small additional point to offer to the Federals. *Mr. Brown* said that six months was all we could probably offer in respect of the carriers; but if the crux of the matter turned out to be an extension, and if the Masirah proposal turned out to be feasible, we could consider it. *Mr. Brenchley* intervened to point out that an extension from six months to, say, two years would obviously affect U.A.R. reactions. *Sir Humphrey Trevelyan* said that his concern was only to obtain a degree of flexibility.

9. *Lord Caradon* said that an extension of defence cover beyond six months would make Egyptian sabotage of *rapprochement* with FLOSY inevitable. He stressed the advantages of not announcing the date for independence at least until June if we wished to keep the U.N. in play. The announcement of a new defence commitment would entirely change what we had previously said in the U.N. It could well be the sign for the U.N. Mission to pack up and write a critical report with all the consequences this could have for us.

10. *Mr. Brown* suggested that we left over the question of a statement in Parliament until we had considered what should be said to Cabinet.

11. *Sir Humphrey Trevelyan* asked whether there would be arrangements for evacuating British subjects if necessary for a period after independence. *Mr. Brown* confirmed that this was planned for.

12. *Sir Humphrey Trevelyan* said that if no other way could be found to get a government which would stand up, he thought that Aden and Federation should be separated. *Mr. Brown* said that he had never said more on this than that he thought Sandys's decision to create the Federation had been wrong, but he did not see how Aden could now be separated from the Federation. *Mr. Brenchley* intervened to say that the Aden Independence Bill was being drafted so as to make the separation of Aden from the Federation possible if we wanted.

## 69 FCO 8/184, no 78

9 May 1967

'South Arabia': Cabinet memorandum (C(67)78) by Mr Brown recommending January 1968 as a new independence date

### *Introduction*

My colleagues agreed on 16th March (CC(67) 13th Conclusions, Minute 3) that Her Majesty's Government should put proposals for South Arabian independence by 1968 to the Federal Government.<sup>1</sup> The essentials were:—

(a) The Federal Government should be told that we wished to arrange independence on 1st November, 1967.

(b) They should also be told that we could not (as they had asked) surrender sovereignty in Aden Colony, or the control of internal security there, before

<sup>1</sup> cf 61.

independence. We recognised, however, that the Government of independent South Arabia would face very difficult problems if it secured control of Aden and full independence on the same day, at the time of subversive attack on them supported from the Yemen, where major Egyptian forces would remain. We would be ready to meet their most acute apprehensions on this by—

(c) stationing a composite naval force off South Arabia for up to six months after independence on 1st November. This would be to deter external aggression and to counter attack of [if] organised foreign military aggression nevertheless occurred. We were not however prepared to play any role over internal security after independence or to station forces on-shore.

2. The following developments, in chronological order, have taken place since:—

(a) On 17th and 18th March, Mr. Thomson put the proposals to the Federal Supreme Council. The spirit of the offer was welcomed, but its content was not.<sup>2</sup> The Federation did not think a purely naval deterrent would be credible; clearly doubted whether we would in the event commit it against actual aggression; and considered that a six months commitment would in any case only postpone the evil day by too short a time to solve their problem. Mr. Thomson pressed the Federal Government to think hard about an offer which constituted, for us, a difficult modification of our defence review decision that there should be no defence commitment of any kind after independence. The Federal Government eventually agreed to think it over for one month.

(b) The United Nations Mission went to Aden on 2nd April. The terrorist organisations demonstrated their ability to dictate a complete strike, to mount a maximum effort of violence, and to ensure that their boycott of the Mission was widely observed. The Mission, as my colleagues know, achieved nothing and left after less than five days.<sup>3</sup> In subsequent discussion at Dorneywood<sup>4</sup> it emerged that the Mission expected us to stay in South Arabia for as long as required to ensure that the United Nations resolutions were made effective. This could easily mean years rather than months. We must continue to keep the United Nations in play, but this particular Mission will not in fact help much.

(c) We have made repeated efforts, at Ministerial as well as official level, to get the 'Front for the Liberation of Occupied South Yemen' (FLOSY), particularly Al Asnag, first to give at least minimum co-operation to the United Nations Mission, and secondly to talk with us about the future.

(d) For reasons and in circumstances the Cabinet know, Lord Shackleton went to Aden.<sup>5</sup> He reinforced our efforts over FLOSY and eventually made approaches to both Makkawee and Asnag. The only response to these (after an initial expression of willingness on Asnag's part but not Makkawee's) has been a blank refusal to talk on any basis short of recognition of FLOSY as the sole organ representative of South Arabia. This is neither true nor possible to pretend. The United Arab Republic (UAR) Government have professed to regret FLOSY's extreme attitude. This is probably true where FLOSY's boycott of the United Nations is concerned, but there is no sign that the UAR is trying to call off violence; on the contrary, it continues to support FLOSY and to supply the terrorists. There are current indications that the more extreme FLOSY leaders like Basendwah stand highest in Egyptian favour.

<sup>2</sup> See 62.

<sup>3</sup> See 60, note 5.

<sup>4</sup> See 275, note 2.

<sup>5</sup> See 66, note 2.

(e) On 27th April the Federal Government replied in writing to our proposals at 2(a) above. They reject independence on 1st November, 1967. They now say that their ground forces will not be ready for their full assumption of internal security responsibility until 1st March, 1968, and (accurately) that their naval and air arms will be ready only months after that. They say that they will accept independence on 1st September, 1968, but provided that:—

- (i) we turn over internal security in Aden State fully to them on 1st March, 1968;
- (ii) British forces remain in support in Aden State until 1st September, 1968;
- (iii) we extend them a Defence Guarantee for up to three years after 1st September, 1968;
- (iv) we can get a new constitution in force well before 1st September, 1968.

This package is unacceptable to me and, I imagine, to my colleagues.

3. Lord Shackleton returned here to report on 27th April. I should like at this point to pay tribute to the energy and resource which Lord Shackleton and his officials have shown in achieving so much in the very few weeks in which they have been in South Arabia. Apart from the efforts over FLOSYP mentioned above, they have been in touch with the Federal Government and other political groups and with extremist elements other than FLOSYP. In all this they have of course had the full support of the High Commissioner.

### *Problem*

4. Lord Shackleton's report confirms the impressions I had formed from other reports from Aden. The pressures on the Federal Government are such that its chances of survival after our departure are very shaky unless it can somehow attract effective support from outside its ranks. The public estimate of its chances is a major factor in getting such support, and the degree of foreign backing it is thought to have in turn affects that estimate. More than two years of intensive intimidation have, as we knew, paralysed political life in Aden. In the last lap towards independence, the contrast between our impending departure and the continued Egyptian presence in the Yemen is further sapping confidence and resolution. The success of the strike and disorders over the United Nations Mission has made matters worse, despite the marked achievement of our forces in controlling them with the minimum loss of life on either side. The fact that the terrorist groups are now assassinating one another does not restore the confidence of Arab politicians and officials who risk being shot by either side. There is deepening demoralisation in the Arab and even the British public service, and senior Arab officials have shown an increasing tendency to go on indefinite leave or resign. The starkest alternatives would be either to cut our losses and get out as quickly as possible whatever the consequences; or to undertake to stay until the Egyptians leave the Yemen. Our decisions over the Defence Review rule out the latter alternative. The former, and its consequences locally, would bring such discredit upon us that I am reluctant to contemplate it. We must therefore make further efforts to improve matters. Lord Shackleton entirely agrees.

5. In practical terms, this means further efforts towards the two objectives we decided in December. The first is to ensure that there is an effective government in the territory while we complete our military withdrawal. From this point of view Lord Shackleton argues that on his return to Aden it would be difficult to tell the Federal Government that they must take or leave our offer in March as it stands. We

have admittedly warned them that if we cannot agree with them on the date of independence we have, and must exercise, the power to declare one. But to face them with 1st November, 1967, despite their radical dissent might take much of the remaining heart out of them. They might disintegrate or at best fall into passive sullen resentment. Their forces might then deteriorate if not turn hostile. Our withdrawal would be impeded if that happened and, of course, the ensuing situation after independence would be disorderly, to our discredit. There is, therefore, a case for going back to the date of January, 1968, on which my colleagues decided in December,<sup>6</sup> or even a little later (the High Commissioner has mentioned 1st February as a date which would both give the transformed Federal forces a little more time to shake down, and a little more time for any constitutional processes we may be able to promote).

6. It can be argued that deterioration has gone so far that a short extension of this kind would not be of any real advantage to the Federal Government. But, in the main for no fault of theirs, over two months have gone by without progress since my colleagues last considered the matter. Our forces would also find it a little easier to get out in good order if they had two additional months to complete the process. And if there is any chance that short extension will help over the political prospects we should not lose it. On this basis I recommend that we should revert to an independence date for South Arabia of January, 1968, which for practical purposes would mean a date between 1st January and 15th January; and that we should inform the Federal Government that we shall be prepared to use our legal powers to impose this if they cannot agree to it.

7. I understand that the composite naval force which we offered for six months from 1st November could, though with greater difficulty, be available and fully effective for six months from the beginning of January. For the same first reason of trying to hold things together until we go, I recommend that it should be offered accordingly to the Federal Government, on the same conditions as before (paragraph 1(c) above).

8. The Secretary of State for Defence and I are considering whether we could also offer a strike capability by bomber aircraft based on Masirah and Sharjah, perhaps for a rather longer period. This offer might serve to clinch the deal if the Federal Government were already disposed to accept it, and it will be examined further.

9. Neither Lord Shackleton nor I think that these measures could at best achieve more than the first object of holding things together while we get out. Our second objective, which is to give the new State a chance of survival after our departure, requires more. The essential here is political improvement. The possible courses seem to me to be:—

(a) A real broadening of the Federal Government into an all-embracing caretaker government including FLOSY, the National Liberation Front (NLF), the South Arabian League and the Eastern Aden Protectorate (EAP) States. I am seeking to arrange round table discussions in a final effort to achieve this and are [sic] trying to get the United Nations to help and participate, and even better, take an initiative themselves. I must however warn my colleagues that the chances are slim in the extreme. FLOSY seems to be obdurate against it. The UAR have no obvious interest

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<sup>6</sup> cf 49

in promoting it. The other political parties are afraid of anything which will bring terrorist attention to them. The United Nations Mission spoke unrealistically of 'dissolving' the Federal Government before any central caretaker government could be formed; we have no legal power to do this. The Mission also suggested that if we failed to bring the EAP States into the caretaker government they could not look at any less comprehensive solution, however good in itself. This is equally unrealistic: the best must not be the enemy of the good, and the EAP states seem likely to remain on the fence for much the same reason as the political parties. Yet such United Nations views could again inhibit the *rapprochement* the situation requires.

(b) *Rapprochement* between the Federal Government and FLOSY. The Federal Government have said they would play: FLOSY have said they would not, but bilateral talks, which I am continuing to pursue, might still bring them round. As within course (a), we should be dealing with a future power reality, inasmuch as FLOSY has Egyptian backing which is going to remain a powerful factor. FLOSY support is however mainly Adeni, and largely Yemeni in Aden at that: it cannot carry the whole territory. Resistance to FLOSY after independence might involve civil conflict.

(c) *Rapprochement* of all concerned except FLOSY. This would give us a wider based government especially if it could include representatives of the EAP states, but would carry the disadvantage (unless the Egyptians changed their course) that Egyptian-supported terrorism would still operate from its base in the Yemen.

(d) *Rapprochement* between leading elements in the Federal Government and FLOSY's rival terrorist organisation, the National Liberation Front. The NLF has few well known leaders and none of international stature. But in the internecine struggle recently it has shown signs of getting the upper hand over FLOSY in Aden. It is opposed to Egyptian domination, which in political terms, like Yemeni association, is a handicap to FLOSY within South Arabia. There is some evidence that elements of the Federal forces and the NLF see common ground. We have had clear indications from some Federal Ministers that they are in touch with the NLF, and the latter have also spoken of these contacts. This is not a development we should promote, but it may come about naturally, and then win wider support. If it does come about, and if the other courses above have failed, we could live with it as helping to keep a semblance of authority together until our withdrawal is complete. Just conceivably, evolution of this kind could go so far as to offer a chance that the new State could survive after independence. Given the unpromising prospects of the other courses, I recommend that we should do nothing to impede this evolution and should where possible and desirable facilitate it if it develops by itself; for example by some relaxation of emergency measures after the Services' families have left.

(e) To continue backing the Federal Government. This we are inevitably doing till something better emerges. But neither the population nor the Federal Government themselves find it credible enough for the future to be decisive. And our declarations in favour of broader government have made the Federal Government seem provisional only.

10. Lord Shackleton has argued that, if we are to hold a government together till independence, and if we are to give South Arabia a real chance of independent

survival thereafter, we should be prepared to go further. He thinks that there would be a case, if internal security could first be improved, for land-based RAF fighter aircraft rotating to Khormaksar (Aden) airfield after independence, because of their great psychological effect on the morale of the South Arabian Government; and for surrendering control of internal security in Aden itself a few months before independence, because of the chance it would give the South Arabian Government to tackle its own problems. But in his view both these proposals must be contingent on the establishment of a much broader-based government which in our judgment was likely to survive and so be able to maintain effective control. I do not however recommend these courses. We are accountable internationally for our declared intention to remove the base on independence, and to Parliament for internal security in Aden Colony until independence. Moreover, Lord Shackleton would attach less importance to this proposal if it proved possible to make the offer of land-based bomber aircraft from Sharjah and Masirah.

11. I should add that Lord Caradon came over on 5th May to talk to me and to Lord Shackleton about the problem from the United Nations point of view, and that he concurs in my reasoning about the United Nations aspects.

12. I have also had to consider, and have now taken, a difficult decision over personalities. The High Commissioner, Sir Richard Turnbull, has held his post for over two years. He has had a very difficult time. He has brought imagination, hard work and a wealth of administrative experience to his task. None of it has been to much avail against the background of terrorism and that of our impending departure. He is now a tired man, yet the months ahead are likely to be the most difficult yet, when different qualities of international experience and flexibility also seem required. I have had this in mind since the end of February but there could be no question of a change on the eve of the United Nations Mission, whose arrival was then expected at any time. Since then Lord Shackleton's report has confirmed my feeling that a change is needed. I have therefore recalled Turnbull and arranged for Sir Humphrey Trevelyan to take his place. Trevelyan, as my colleagues will know, has the ability for the job and experience varying from the Indian Civil Service to being H. M. Ambassador in Moscow, Baghdad, and—far from least—Cairo at the time of Suez. I shall inform Parliament after our meeting on Thursday but am trying to keep the change secret until then.

13. In summary, I should like my colleagues:—

(a) to agree to the suggested change in our plan since March: independence in January, 1968 instead of 1st November, 1967. This would have the consequence that the naval deterrent force would be offered for six months from January, not November;

(b) to agree that the Federal Government must be told that this is our firm decision;

(c) to note that the courses before us are those at paragraph 9 above and that the first we must try is the convening of a round-table conference, if possible with United Nations help, in a final effort to secure the co-operation of all political elements in the territory;

(d) to note that I propose to introduce an Independence Bill in June, for enactment before the Summer Recess; and that we must be ready to announce our policy fully in the debate on the Second Reading of that Bill, probably in the second half of June.<sup>7</sup>

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<sup>7</sup> Cabinet decided on 11 May 1967 that South Arabia would become independent early in January 1968; the UK would offer to defend South Arabia against external aggression for six months thereafter by means of a carrier-borne force (CAB 128/42/2, CC 30(67)3).

**70 FCO 8/185, no 90****15 May 1967****‘South Arabia’: letter (reply) from Sir P Gore Booth to Sir C Johnston explaining the British position**

It was very good of you to write to me on 11 April<sup>1</sup> setting out your views on the way things are going in South Arabia. I am sorry you have not had an earlier reply, but this does not mean that we did not find your letter both welcome and stimulating. You need not worry at all about whether you were right or not to send it. It is always useful when one is so close to the problem to get a view from someone who knows the background so well, but is not currently involved. I was all the more pleased to have your letter as it told me that we were fundamentally looking at the problem in the same light and had the same assessment of the principal *dramatis personae*.

2. I must, in fairness to all concerned, say that we recognise that the prospects of an interim government comprising the Federal Government and *all* other elements or of FLOSY agreeing to sit down at a table with the Federalis are so slight as to be virtually non-existent. With the same frankness I would say that we also recognised that the chances of something helpful coming out of the UN Mission to South Arabia were extremely slight, but, like the attempts to establish Ministerial contact with the FLOSY leaders, this was something which had to be done to show that we had left no proverbial stone unturned. It is important that our posts abroad should support us in projecting this public image—hence the Guidance to which you referred.

3. Our thinking now concentrates on independence early in 1968 and making the best we can of the Federalis and any allies they can muster. If we can still get discussions going on a wider basis so much the better. With this you would, I think, agree. We differ, however, about leaving the future to *keeni meeni*. This is attractive in theory, but the way in which the rival terrorist groups have been settling their differences recently suggests that the Southern Arabs in the present situation of tension can no longer be relied upon to prefer *keeni meeni* to bloodshed. Everything from blood feud onwards is now involved in a fight over the succession, with the continued Egyptian occupation of the Yemen a baleful factor. I don’t think that the removal of our presence will by itself stop this. There are however signs of a development which may surprise you and which would radically change the situation, and that is a possible working arrangement between important elements of the Federal Government and the NLF, who are now anti-Egyptian and have sympathisers in the FRA.

4. The only possible way, as we see it, of strengthening the Federal Government (or of attaining the objective which you have in mind when speaking of this) is to try to broaden the basis of government in South Arabia as a whole by working for a caretaker government embracing not only the Federal Government but also the EAP States and as many western opposition parties as will come in. If FLOSY won’t, it will be too bad, but at least we shall have tried—and be seen to have tried. The key to this however remains the Federal Government, if only because it is the only at all effective government in existence or likely to be created.

I am sending a copy of this letter to Burke Trend who has asked me to thank you for having suggested that he should receive a copy of your letter. I am also sending a copy to Joe Garner.<sup>2</sup>

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<sup>1</sup> See 65.



<sup>2</sup> Johnston replied on 29 May: 'Obviously it is a good thing to broaden the base of the Federal Government as far as possible in practice. I am all in favour of this. Nor would I quarrel with what you say about *keeni meeni*. Here my worry was, frankly, that you might be taking too much of a perfectionist line and trying so hard to make South Arabia safe for democracy that in the event it would not even have been safe for *keeni meeni*. On this score I was deeply interested by what you say about the NLF' (FCO 8/185, no 105).

## 71 FCO 8/186, no 160

9 June 1967

### 'Departure from South Arabia': despatch from Sir H Trevelyan to Mr Brown on the defence agreement Britain might offer South Arabia

[Trevelyan sent a covering letter with this despatch to the effect it represented the completion of his initial assessments and recommendations. The letter continued: 'I am not despondent; we shall have many difficulties and setbacks. But if we are continuously active on all fronts and can make the Ministers feel that we are behind them and thinking of their future, not only of an evacuation, I am hopeful we can make a go of it. We cannot expect the other parties or the E.A.P. to come in yet, but if we can get more confidence here, they will be likely to come in. The American angle is important. There are signs that they will take a greater interest after Abdul Nasser's latest exploit.']

We clearly cannot now go back on our decision to leave South Arabia in 1968. We could still decide to postpone our departure until late in the year. Apart from the powerful financial arguments against this course, I consider that this would be unwise for other reasons. I have no reason to suppose that the South Arabian Government would be in a better position at the end of the year than at the beginning to hold out against Egyptian attempts to overthrow it. Their Forces will be ready by October gradually to take over security in Aden. It would be unwise to prolong the period of joint control for more than three or four months. If the Egyptians decide, after their defeat in Sinai,<sup>1</sup> to stay in the Yemen, we shall not be able to sit them out. The longer we take in leaving, the longer the Egyptians will have to recover themselves and stiffen their Yemen base for any South Arabian adventure Nasser may have in mind to assist him in recovering his battered prestige. There is no certainty that the internal situation will improve in time. On the contrary, it may deteriorate, in which case Federal Ministers may decide to retire to their castles or run to Cairo, thus cutting the ground from under our feet. Finally, we have already given far too long notice of our impending withdrawal. When a Colonial Power turns its back, it presents its bottom to be kicked. I conclude that we should go as early as possible. Owing to the state of training of the South Arabian Forces, we cannot advance the date, unless a complete change in the political situation ensures the survival of the South Arabian Government without risk. On present showing therefore the date should be as early as possible in January, 1968.

2. I believe that we should evacuate our Forces from the country at the time of independence. We are asked to leave Ground Forces for a period with an undertaking that they, with air support, will defend the country from external aggression. Were we sure that the South Arabian Government would be able to control internal security and that the danger they would face would be open Egyptian aggression, we might consider it. But neither assumption can be made. The Egyptian tactics are more likely to be through unattributable infiltration, the stimulation of dissidence in the States and revolution in Aden. British Forces left on the ground would be liable

<sup>1</sup> A reference to the Six-Day War in the Middle East in June 1967.

to find themselves drawn into internal security action either for their own protection, since the [Khormaksar] airfield is within mortar distance of the most turbulent part of Aden, or because of the impossibility of sitting idly by while the Government which we had put into power was being subverted and needed help. It might well be difficult to disengage, or if the subversive movement were successful, we should be ignominiously ordered out. The same considerations apply to the proposal to leave a squadron of RAF Hunters on the ground. Since we could not be sure that internal security would be maintained, they would require two battalions and an RAF Squadron to guard the large airfield, which would be subject to the same hazards as a contingent of ground troops only.

3. What sort of defence agreement can we then give South Arabia without leaving Forces on the ground? Our unlimited undertaking to defend Kuwait by the use of air and ground troops given in 1961 was fulfilled within a few weeks and succeeded with the aid of a stroke of luck which upset the Iraqis' plans. But, as the Americans have found in Vietnam and the Egyptians in the Yemen, it is much easier to get your troops into an Asian country than to get them out again. This was possible in Kuwait, since neither the U.A.R. nor Saudi Arabia were prepared to see Iraq swallow Kuwait, whose defence was and remains basically the existence of a delicate political equilibrium. It would be much less easy in South Arabia. Further, geography, the independence of East Africa and the reduction of our position in the Middle East to a transitory toe-hold in the Gulf, make it impracticable to give a Kuwait-type agreement to South Arabia. Even were we to decide to keep sufficient forces in the Gulf for this purpose, to do so would be greatly to complicate politically our position there and would reduce our abandonment of Aden to an absurdity, since, instead of keeping Forces in Aden to protect our position in the Gulf, we should find ourselves keeping Forces in the Gulf to carry out our obligations in Aden.

4. It follows that the only form of defence agreement that we can offer the South Arabians is the temporary off-shore support based on aircraft and commando carriers and possibly some backing with bombers from Masira, to counter open attack from the Yemen. We have twice offered the carrier support to the Federal Ministers, and whatever the difficulties in its operation we cannot go back on those offers unless the Federal Ministers formally reject the package offered to them. This offer of support is really a kind of confidence trick, in the sense that its principal effect will be to boost the morale of the Federal Ministers in the uncertain months before independence and encourage them to remain to take on the heavy task of protecting South Arabia from Egyptian designs after independence, and diminish the freedom of action of the Egyptians while it remains. I have supported Sheikh Muhammed Farid's<sup>2</sup> suggestion that, to give our offer its real effect, the period for which we commit ourselves to give this support should not be publicly announced. I hope that the strength of the South Arabian Forces, with the deterrent effect of the Carrier Force remaining temporarily in the background and perhaps some contingent off-shore support for a longer period, will be enough to make South Arabia stand up. Even in offering this support we have to face some risks. The threat, as I have suggested, is more likely to be from infiltration and internal revolution, and if it materialises, however carefully the Carrier Force's tasks are defined, we must expect disputes and accusations that we have failed to give the aid which we promised. If the Egyptian pressure succeeds and

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<sup>2</sup> See 65, note 5.

a Government is established depending on them, we can at least sail away, though admittedly looking father foolish. But we cannot do less than offer this type of support if we are not going to give up altogether and, as I have said, cannot now withdraw what we have offered. The risks are small compared with those which we would face if we left ground troops behind.

5. This leads us to the point which forms the subject of my Despatch No. 3. If we cannot guarantee to defend the South Arabians, we must strain ourselves to make their own defence more credible in the face of the real threat from the Yemen. I have made my recommendations for the further strengthening of the South Arabian Forces in that despatch.

6. I am examining separately what we should do if the Federal Government broke up, which would compel us to abrogate unilaterally the Treaties with the States and give independence to Aden. To this contingency I shall revert in another despatch.

7. Finally, I must admit that the future is very speculative and we may find that equipment to the value of several million pounds of the British taxpayers' money will end up in the hands of a regime generally hostile to our interests. It will not be the first time that this has happened. But I believe that the course on which we are now embarked, at this point of time, is the least objectionable of all the courses which lie open to us. By the time we reach independence, the position may have completely changed, and, in the light of recent events, we may be able to induce others to share the burden and the responsibilities of supporting this little State.

## **72 FCO 8/186, no 169**

**20 June 1967**

**[Aden and Parliament]: letter from D J McCarthy to Sir H Trevelyan on the Aden debate in the House of Commons**

The physical atmosphere of the House is overheated and foetid at the best of times, and my head has still not cleared from twelve solid hours of it yesterday. But I had better let you have some immediate impressions and suggestions.<sup>1</sup>

2. Ministers knew that the announcement of our limited defence guarantees were bound to provoke left wing outcry. It was inevitable that the other measures announced would increase this. Even allowing for this, they had a very rough ride. The left wing, full time professionals were as ever in force. The less committed middle-of-the-road Labour members were either not present or silent. Francis Noel Baker,<sup>2</sup> to misappropriate Bevin's<sup>3</sup> crack about Lansbury,<sup>4</sup> brought his conscience

<sup>1</sup> During the debate on Aden in the House of Commons on 19 June, Brown announced a plan involving the offer to the federal government of some £10 million in weapons, vehicles and ammunition; the finance for eight Hunter aircraft with training for crews; a military mission after independence; and an aircraft carrier and a V-bomber force on Masirah island for six months after independence. He also announced that 1 January 1968 would be the date of independence, by which time the UK would have completed its withdrawal. An invitation was extended to the NLF and FLOSY to enter talks about a new government (*H of C Debs*, vol 748, cols 1126–1262).

<sup>2</sup> Veteran Labour MP, 1929–1931, 1936–1970; former S of S for Commonwealth relations, 1947–1950; campaigner for colonial freedom and disarmament.

<sup>3</sup> Ernest Bevin, S of S for foreign affairs, 1945–1951.

<sup>4</sup> This is a reference to Bevin's attack on the Labour Party leader, George Lansbury, at the 1935 Margate Party Conference, when, with an Italian invasion of Abyssinia imminent, he suggested Lansbury had to choose between his pacifist views and continuing as party leader.

along. As the Foreign Secretary advanced through his statement, he had growing rumbles of cheers from the Opposition and absolute silence from his rear, which degenerated into criticism after criticism as the debate went on. A lot of this was predictable. But Mayhew was particularly unhelpful in saving Cairo radio's script writers the trouble of making it up. Shackleton did some work with the Whips and with the press and there was no immediate revolt. But we are sure to have a left wing motion today or tomorrow criticising the whole thing.

3. I suppose that there were three main points on which the unofficial Opposition are likely to fasten. The V-bombers (which excited far more reaction than the naval force); the new constitution without prior electoral test in Aden; and the alleged by-passing of the U.N. Other points should be easier to deal with; for example, the imagined parallel with Vietnam which is really no parallel at all.

4. It will obviously help if the Federal Government can be stimulated into doing the right things. I suppose there are arguments for and against asking people like Mohammed Farid . . . to read 'Hansard' and to realise that our warnings of parliamentary difficulty over the constitution were by no means exaggerated—we are going to have a difficult time over the Committee stage of the Bill on this, I think, with a lot more quotes for Cairo Radio to beam. At all events, it is rather important that the Federalis now act the right way over noises in favour of U.N. assistance, the fullest possible concessions to the Adeni interest over the new constitution, the form of transformation of their Government which they may be able to work out, and their general conduct in domestic affairs. Where the E.A.P. is concerned, the ball has been in their court for a good year now. We have lowered the net a bit, and I hope they will now be prepared to play even at the risk of the odd double fault.

5. It would probably do no harm on the public relations side if the Federalis were to treat our additional military backing as a regrettable necessity that they would be glad to dispense with as soon as their neighbours showed readiness to leave them alone. But this is second nature to Tony Ashworth and I need not waste paper on it.

6. You will see from 'Hansard', that the Second Reading of the Aden Bill led to a fair amount of emphasis on the need to consult the populations of the islands, and that George Thomson said that we were quite prepared to look at the internationalisation of Perim. I do not know how the U.N. Mission or the Committee of 24 will react to this. But it seems to me that a parliamentary basis has now been laid for dealing pragmatically with the islands on the basis of the islanders' own wishes—always on the clear understanding that one choice not open to them is to stay with Britain. At the next stage, we shall no doubt be pressed to say exactly how we are prepared to go about consultation. We can probably make a bob towards the U.N. on this for a while, but will have to come up with some clear ideas. The obvious way is for us to consult the inhabitants, but none will then believe the result. If you have any useful ideas other than this and getting the U.N. to have a go, we should be glad to have them.

7. If it's any comfort to you, while buried in problems, we are buried in paper. P.S. Since I wrote this we have received your telegram about the mutinies,<sup>5</sup> which will obviously complicate the proposals here.

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<sup>5</sup> A reference to a mutiny in the federal army on 20 June which spread to the police in the Crater and had to be suppressed by UK troops at the request of federal ministers at a cost of about 30 British lives.

**73 FCO 8/186, no 183****27 June 1967**

**[South Arabia]: inward telegram no 855 from Sir H Trevelyan to Mr Brown on the urgent need to reconstitute the government on as broad a basis as possible**

Situation in South Arabia.

1. Radical measures are necessary.<sup>1</sup> The Federal Government in its present form will never be able to govern nor control its armed forces. We cannot take firm measures to control security because, if we do, there will be a mutiny in the South Arabian forces. It is essential that there should be a Government which can control its forces and to which those forces can be loyal.

2. The Federal Government in its present form will never be able to get the Opposition parties to negotiate with it for the formation of a Caretaker Government. It should therefore, if possible, be reconstituted now in the form provided for by the new Constitution. This can be done by resolution of the Supreme Council under the existing Constitution, so that there is no gap in authority. Even if this were not so, the change should be made in anticipation of the new Constitution. Most of the Sultans and their representatives should go home.

3. A new Government should be formed on as broad a basis as possible, and an opportunity may now have presented itself. It should contain a few members of the existing Government and representatives, if possible, of the South Arabian forces, the Aden Civil Service, the Trade Unions, N.L.F. and S.A.L. It seems already widely accepted in the South Arabian forces that Ali Bin Ahmad, head of the South Arabian armed police, should be Minister of Defence. Bayoomi,<sup>2</sup> whom I have privately consulted, will try and get into touch with the N.L.F. Faisal al Shaabi. Contacts with FLOSY are not to hand as their leaders are all out of the country.

4. This will be a difficult operation, but it is in accordance with our declared policy. Brigadier Dye<sup>3</sup> considers that it is the one way to avert further deterioration in the morale of the South Arabian forces and would be welcomed by the large majority of the army. If we do nothing, we shall be faced with a worsening situation and unless we re-establish confidence within the South Arabian army we risk simultaneous FLOSY/NLF terrorism and collapse of the South Arabian forces.

5. If we pull this off, the consequences will be those which would face us in any case on formation of a Caretaker Government. If NLF were to take part, we should try and negotiate an agreement that they would stop violence and we would cancel the emergency regulations and release the detainees. Early removal of all families would make it much easier to take this risk. We are pressing the Federal Government to put the Public Security law into force at once. This would give us all necessary powers except detention for more than twenty eight days. We could re-negotiate our defence aid. News from the Yemen suggests that the pressure from there will be diminished. We could get South Arabian forces in control of Aden security much earlier if we could secure an abatement of terrorism. Our evacuation would be easier and quicker.

<sup>1</sup> A reference to the new situation created by the mutiny in the federal army, see 72, note 5.

<sup>2</sup> Husayn Ali Bayoomi, federal minister of information, was the leading pro-British politician in Aden and represented Aden on the Federal Council. In July 1967 he launched an abortive attempt to form a caretaker government in South Arabia. The editors are grateful for this information to Dr Spencer Mawby.

<sup>3</sup> Maj-Gen J B Dye, commander, South Arabian Army, 1966–1967.

6. We must of course avoid the danger of destroying the Federal Government without getting another in its place. Careful tactical approaches will be required. But I am anxious to work on these lines immediately, otherwise we shall lose the opportunity. I request your general agreement urgently.

7. Acting Commander-in-Chief and G.O.C. welcome this line of action and are convinced that we must create a Government to which the South Arabian forces will be loyal.

## **74 FCO 8/193, no 191**

**28 June 1967**

**[South Arabia]: inward telegram no 860 from Sir H Trevelyan to Mr Brown on the new security situation as a result of the mutiny in the federal army on 20 June**

Your telegram No. Personal 1052.

South Arabian Policy.

Following is my assessment. My immediately following telegram contains my suggestions for your statement. You will have since seen my telegram of yesterday<sup>1</sup> giving my proposals for an attempt to get the Federal Government reformed.

2. The situation was transformed on 20 June, when the South Arabian Forces which it had been hoped would hold at least until we left, were shown to be an unreliable force liable to turn against each other for tribal reasons or against us in the atmosphere left by the Israeli war, and that the British Commander as a result was no longer in effective command. This meant that they might at any time be excited by some incident and the efforts of political dissidents to turn them against us. We should then be facing at the same time the terrorists, up to nine battalions of the South Arabian Forces with British armoured cars and heavy weapons, a half-trained force of South Arabian armed police, our own Aden armed police who were also excited into dissident action on 20 June and a hinterland in which law and order would have broken down. In the light of this situation, HQMEC decided first to postpone and then to put off indefinitely a military operation to recover control of Crater and to ask for one battalion as reinforcements. The Federal Ministers who are weak and divided, were able to restore the situation only by ordering back to duty the officers who had caused the original trouble and had been suspended. This enabled the senior officers of the Army, and principally Szharif Haidar, the prime instigator of the original dispute and Ali Bin Uahmad, the Commander of the Armed Police, to restore the situation. Abdul Hadi, a senior officer of the Aden Armed Police, was also able to go some way towards restoring their discipline. Some battalions up-country are still highly uncertain, though it is hoped that morale will gradually improve. The Army is however now run by a caucus of officers on different sides of the main tribal split and no one can confidently predict how firm the South Arabian forces and Aden police will remain until independence. The Federal Government has lost control of its own forces, and can never again count on their loyalty.

3. Meanwhile, though there has been no further deterioration in the already bad internal security situation in Aden, we are out of control of Crater, but are containing

<sup>1</sup> See 73.

it, a situation which causes hardship to the many respectable families in Crater, including families of the South Arabian Forces, and of many who work for us, and at least temporary suspension of foreign businesses and banks, though they might be able to restart business soon under armed police protection. In Crater the dissidents have not yet formed a rival administration, since they are principally engaged in killing and kidnapping each other, but if one side gets on top, we must expect this.

4. The British forces are naturally feeling frustrated, after the mutilation of their comrades' bodies and their inability to avenge what they must feel to be a defeat. But their morale, self-control and discipline remains very high. Relations between the forces and the population inevitably have deteriorated, particularly as a result of incidents at the check-points round Crater, though the GOC is doing all in his power to restore the situation.

5. The GOC having decided to bring in one more battalion, extra places became available in RAF transport aircraft for the return journey, and it was decided that they should be used as far as possible to remove families, the programme for completion of service families' removal being advanced from 29 July to 14 July. Meanwhile, civilian morale has become very low and they badly need a direction about families. This is made even more necessary by the speed up in the evacuation of service families. Although we hope the general situation can be held, it must remain highly uncertain and since the Israeli war, the internal security situation has in any case sharply deteriorated. Moreover, we may find ourselves with a Government including the NLF which would entail the removal of the emergency regulations. For all these reasons, it has become necessary to order the removal of families of our own officials and advise other British civilians to remove their families, providing the means for them to do so. The removal of civil and service families cannot be simultaneous, as the service families are better prepared to move, but civilian families must not lag far behind. We also propose to remove non-essential personnel. This category comprises persons such as PWD officials who are theoretically to stay on in Federal service after independence and who, owing to disturbed conditions, are less and less willing to do so and at present unable to do serious work. They are selected in consultation with the Federal Government. We are also very concerned about the British working for the Federal Government in Al Ittihad and up-country, who must, if possible, stay. After the disturbances in Abyan, etc., many of them were demoralised by the break-down of discipline of the South Arabian Armed Police at Al Ittihad and most families are now living in Aden. We have worked out a warning system and arrangements for their withdrawal in case of danger. With families they number at present about 200 in Al Ittihad and 100 up-country.

6. Morale of the Federal Ministers is low, but varies from day to day. They are however, at the moment discussing getting rid of some of the Sultans. The story about the resignation of the Aden Ministers was an off-the-cuff pronouncement by Girgirah<sup>2</sup> to a correspondent. He was immediately sat on by the other Adeni Ministers. At the moment, the less said about the Federal Ministers the better. Subject to your general agreement, I shall start my discussions with them on the lines of my telegram of yesterday, with Muhammad Farid<sup>3</sup> and Sultan Salih,<sup>4</sup> both of whom should be in any new Government formed.

<sup>2</sup> See 53, note 1.

<sup>3</sup> See 65, note 5.

<sup>4</sup> See 53, note 1.

7. We are all in good heart and do not feel harassed.
8. It is particularly important that nothing should come out about the morale of the Federal Forces and Federal Government.
9. Acting C-in-C and GOC agree.

## **75 FCO 8/188, no 252**

**6 Aug 1967**

**[Internal security]: inward telegram no 1100 from Sir H Trevelyan to Mr Brown on proposals to hand over internal security in Aden to the South Arabian army, and to bring forward the date of independence to early December**

Internal Security, Aden.

The Plan of the order and the dates for handing over internal security of the various areas of Aden to the South Arabian Army, which has been accepted as militarily correct by the Commander, South Arabian Army, is as follows (map follows by bag):—

- (a) Little Aden: Mid-September.
- (b) Hiswa. Followed by Shaikh Othman/Mansoura: Early October.
- (c) Crater: Early November.
- (d) Maalla/Tawahi: Late November.

2. There will probably be pressure from the Federal Government for the South Arabian Army to take over Crater first. However, we consider that the above Plan is to be preferred as tactically sound and as more adaptable to the various contingencies which we may have to face. Our reasons are:—

- (a) Outlying areas are given up first so that a sound defensive position can be taken up at any time from which the British community can be protected.
- (b) These positions will be taken up before Crater is handed over. When this happens, there will be greater opportunity for arms to be brought in Federal vehicles into the centre of Aden though Khormaksar and a mutiny of South Arabian troops would be more difficult to deal with. We do not want to hand over Crater earlier than necessary.
- (c) The Commander, South Arabian Army, will use two Battalions to establish his position in Shaikh Othman/Mansoura and will then move one of these Battalions to Crater. The reverse procedure would require the withdrawal of one Battalion for internal security duties from up country at a time when the situation up country may be very difficult.

3. Co-ordinated planning between HQMEC and South Arabian Army has enabled the Commander, South Arabian Army, to start forming his tenth and last Battalion on 15 August instead of 15 September. This means that he will be able to take over Tawahi/Maalla in the middle of November. However, HQMEC do not want to hand over this area until late November when despatch of stores by sea is completed. But final evacuation can be undertaken immediately on handover of Tawahi/Maalla and completed in seven to ten days and Commander, South Arabian Navy, would agree to this timetable.



4. There are strong reasons for final evacuation not being delayed beyond first week of December:—

- (a) We do not want for longer than is necessary to be holding the ends of the dumb-bell Steamer Point/ Khormaksar without our control in the middle.
- (b) We do not want the forces to have to sit around for a month with nothing to do in a possible deteriorating situation and having little control over Aden.
- (c) We want to reduce to as short a period as possible the time between the enactment of the new constitution and independence, during which legislative anomalies and possible friction over the division of powers in Aden will be unavoidable.
- (d) We want to reduce to as short as possible a period the time when we are still required by Treaty to assist the Federal Government in internal security in the States but will be unable to intervene.
- (e) This is the crux of the matter.

After 20 June the feelings between British and South Arabian forces have radically changed. It is now virtually certain that the South Arabian forces will not call on British land forces for help if they get into difficulties, particularly after recent friction between our forces and the population. They are more likely in such circumstances to do a deal with the terrorists. In the words of the Commander-in-Chief, 'We now have a potentially hostile South Arabian force who pose a very real threat to our forces, particularly in the final month when we are reduced to two Battalions and an afloat commando. We are now therefore operating on almost the totally reverse principle to that which guided us before, namely, we wish to reduce to the absolute minimum the interval between handing over to the S.A.A. and our own withdrawal.'

5. We have also to consider the effect of an earlier withdrawal on the South Arabian Air Force and the risks involved during the period 9 December to 9 January.

- (a) Hunters and Radar will not be in operational use until about March, 1968. But we are assuming that defence against external attack will be carried out during the intervening period by our off-shore support.
- (b) Dakota and Beaver flights should be operational by 9 December unless there are unforeseen delays in the delivery of aircraft.
- (c) There is no certainty that seven Sioux helicopter pilots can be trained by 9 January, let alone 9 December. But AOC does not consider this difference significant in the general operational capability of the force.
- (d) BAC's forecast is that four jet Provosts will be here in October and a second four in December. There is a reasonable hope that they will be fit for operations by 9 January, but by 9 December only half the aircraft will be here and only half the pilots fully trained. This would not matter if the operational situation up country was as quiet during December as it is now, but it would be serious if active operations were going on.
- (e) It is AOC's considered opinion that the risks to South Arabia and to ourselves in delaying independence far outweigh any that might arise through the temporary inadequacies of the South Arabian Air Force fighter ground attack force. He therefore considers that this factor should not be allowed to influence our choice of the independence date, but that we should do all we can to see that

the South Arabian Air Force had as much operational capability on its own as possible by early December. (A copy of his Memorandum follows by bag.)

6. I think we might be able to convince the Federal Government that an earlier date for independence is in their own interest on the ground that when their forces have taken over internal security in Aden, the presence of British forces will be an embarrassment rather than a help.

7. There can be no question that the final withdrawal of British forces and independence must be at the same moment. We cannot retain sovereignty without the backing of our forces. Therefore if we are to advance withdrawal of forces by one month we must advance independence also.

8. After careful consideration, I strongly recommend that we should advance the planning date for independence to a date in the first ten days of December. A very quick decision is necessary. I want to put this to the Federal Ministers before they all disperse on the way to Geneva. Moreover, the Commander-in-Chief advises me that the Military Plan is complex and that if the date is altered it will need early and delicate adjustment.

9. I recommend that we tell the Federal Government, without asking for their agreement, that our planning date has been advanced by one month. I shall give as the reasons that:—

(a) The Tenth Battalion of the South Arabian Army can now be formed a month earlier than had been expected.

(b) We believe that it is not in the Federal Government's interest that British troops should remain in South Arabia after their forces have taken over all the principal areas of Aden.

(c) It is in their interest that they should be able to exercise full sovereignty over Aden as soon as possible after the enactment of their new constitution.

(d) They may well have a better chance of maintaining their position with independence in early December rather than in early January.

10. We should not of course make any announcement until I have spoken to the Federal Government. As things are going, I cannot guarantee that we shall want to hold on until 9 December if, as is possible, the South Arabian forces move towards the terrorists and become hopelessly unreliable we may have to go earlier. We shall in any case be faced with propaganda that the revolution is pushing us out. We do not want to help this propaganda. So I think we should not announce a new definite date but should say that owing to the progress in the formation and training of the South Arabian Army and a review of our own plans, which shows that we can complete our final evacuation sooner than had been expected.

11. This telegram of course presupposes that there is no political solution by which a more representative Government is established. If there is such a solution, I would expect a demand for the withdrawal of British troops and immediate independence.

12. Commander-in-Chief fully concurs.<sup>1</sup>

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<sup>1</sup> The reaction in the FO to the proposal to bring forward the date of independence was mixed. Thomson, the minister of state, was in favour, arguing that the various political factions would more readily enter constructive talks about a new government if they realised independence was rapidly approaching (FCO 8/188, no 243, minute, 8 Aug 1967). Officials were less certain. McCarthy minuted (8 Aug): 'Aden Personal

No. 1100 is, frankly, an unsatisfactory telegram. I would not have been surprised by a “game’s up” recommendation. But this, explicitly, is something else, with arguments that do not satisfy me for presentation to the Secretary of State (still less the Cabinet and Parliament) after the strong recommendations from Sir Humphrey and Lord Shackleton on which we acted less than two months ago’ (*ibid*, no 244). Sir D Allen agreed. There were arguments both ways but ‘a decision to make yet another change, after much chopping and changing already, would raise serious political and Parliamentary as well as practical difficulties’ (*ibid*, minute by Allen, 8 Aug). These considerations were telegraphed to Trevelyan. For his response to them, see 76.

## **76 FCO 8/188, no 252**

10 Aug 1967

**[Withdrawal from Aden]: inward telegram no 1130 from Sir H Trevelyan to Sir P Gore-Booth justifying his recommendation to bring forward the date of independence**

Exclusive for Permanent Under-Secretary.

Your telegram No. Personal 1328: Withdrawal from Aden.

As you know, I have throughout been in favour of keeping some flexibility in the date for Independence and had recommended before 19 June<sup>1</sup> that the date to be announced should be ‘not later than the middle of January’. We cannot foresee developments in the situation and must periodically review our plans in the light of them. We do not want to make it unnecessarily easy for the Opposition parties to declare that they have thrown us out. I believe we should get ourselves on to a more flexible basis as soon as possible.

2. We have now reviewed our plans in the light of the very different situation now emerging after the events of 20 June, after which the South Arabian forces have emerged as a more important factor in the situation. It is becoming increasingly doubtful whether we can influence the political situation in the country, though we shall not stop trying to do so until the end. Our primary objective is the orderly withdrawal of our Government and Forces and we must not compromise this aim. But we do not think that our present proposal diminishes our chances of achieving our second objective. They might even improve them.

3. The main features of the situation as affecting our own position are as follows:—

(a) Our 19 June policy has not been invalidated. Since we are not going to leave troops on the ground or give a full defence guarantee, we had the obligation to build up the country’s forces and to provide some temporary help against outside aggression. That policy is still right and we have reserved our position if whatever Government emerges is hostile to us. Our policy has always been explicitly to try and form a new Government in which the Opposition parties should take part and not to rely exclusively on the Federal Government if we can patch up something more representative.

(b) The relationship between British and South Arabian forces has radically altered. We have growing doubts about the South Arabian forces’ loyalty and expect them to get progressively closer to the terrorists as time goes on. In particular, we would expect them to make an accommodation with the terrorists

<sup>1</sup> The date of the parliamentary debate on Aden, see 72, note 1.

in each area in which they take over internal security responsibility in Aden. At a meeting of some Federal Ministers with me on 9 August Naib Salih of Upper Aulaqi remarked that the South Arabian forces sympathised with the fronts. When they took over internal security in Aden, it would be possible to find out to whom they were really loyal. We do not now expect them to ask for British Forces to come back and help them in any circumstances nor to regard themselves as the instrument of the British or even perhaps of the Federal Government. It is more likely that they will seek an alliance with some of the terrorists and perhaps some of the Sultans to consolidate their own position with a view to putting their own Government into power as soon as we leave or even perhaps as soon as we are no longer in a position to intervene effectively. The premises underlying the choice of January as the date for Independence have therefore changed.

(c) In the circumstances, the concept that we remain as a back stop for the South Arabian forces is no longer a realistic basis for our planning for Independence.

(d) We are under considerable pressure to advance the dates when the South Arabian forces take over internal security particularly in Crater, which the Federal Government want their forces to take over first. We shall resist this pressure, but there can be no question of delaying the present programme, particularly since the last Battalion can now begin to be formed a month earlier than was formerly expected. The hazards to our chances of withdrawing in good order will arise from our programme of handing over internal security in Aden, which cannot now easily be delayed after the dates proposed in the programme.

(e) The planned coordinated rundown of our Forces ends in any case with the retention of teeth forces only. We should not be able to spare the remaining two Battalions in the last month in case of emergency from protection of our remaining occupied areas. Even if we brought in extra Forces from the United Kingdom (which we must try to avoid), it would be difficult to supply them owing to the rundown of warlike stores.

(f) Our pressure to get the Constitution into force as soon as possible was to get a better type of Government in position. During the detailed examination of the arrangements for Aden after the new Constitution has come into force, it has emerged that we shall only retain powers in Aden for maintenance of law and order, other powers being exercised by the Federal Government. When the South Arabian forces are in charge of internal security, we shall have little effective authority left in Aden.

(g) Since the Federal Government sabotaged their own proposal made on my suggestion to establish the new form of Government in advance of the Constitution, I have little belief that they will do anything effective, [and] do not therefore propose to press for the Constitution to be put into force soon (early October is the earliest possible date anyway). In the circumstances, I have no desire to issue them any ultimatum, nor to threaten withdrawal of aid unless there is a major issue directly affecting our interests on which they have the power to do something effective.

(h) We now find we shall, for administrative reasons, have to let all the detainees out by the beginning of December. In the new atmosphere we are fairly sure the Federal Government will not hold them in the absence of a political settlement, the less time we have here after their release, the better.

4. With this background, I foresee the following consequences if we stay for the month after we are in a position to withdraw in good order:—

- (a) We shall then have no effective authority in Aden, while remaining responsible to Parliament for it. We may have to sit and watch the battle being fought out, while we are still responsible for what is happening.
- (b) We shall have no real control over our communications between Khormaksar and Steamer Point.
- (c) We do not expect to be called in to help the South Arabian forces in any circumstances. Even if we were, we should find it difficult to do so at this late stage. In any case, we do not want to get sucked in again. We shall still be responsible for helping the Federal Government up-country, but could only do so by air support or by jeopardising our withdrawal plan.
- (d) We might therefore get into an impossible position during this month in a number of ways and our orderly withdrawal might well be compromised by developments during it.

5. From the Federal Government's point of view:—

- (a) They will probably be better placed to hold the situation without our presence and if they have full sovereignty over Aden.
- (b) The longer we stay, the more the Federal structure is likely to be weakened and the more the struggle for power is likely to be intensified. Any prospects of the formation of a new Government are not likely to be improved by our retention of a nominal authority for the last month.
- (c) We believe the South Arabian Forces will not ask for our help on the ground.
- (d) The South Arabian Air Force will suffer some temporary shortage for one month of air to ground capability for internal security. The offshore support will take care of the external threat.

6. I maintain my strong recommendation that we alter our planning date to the first week of December, while framing our announcement in such a way as to make it easy for us to make a further change if circumstances compel us to do so. We can say that the programme for rundown of our Forces and for the formation of the South Arabian Army has gone better than expected and enables us to give Independence earlier than had been planned in circumstances which we believe will not diminish the chances of a political solution.

7. We see no objection to postponing our announcement to the Federal Government for a few weeks while we see the results of the Geneva effort. But we need to make our decision public by about the end of the month. C-in-C agrees.<sup>2</sup>

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<sup>2</sup> In response to this assessment, the FO decided (a) to authorise Trevelyan to plan for departure by 10 December, but to plan also to retain the military capacity to remain until 9 Jan 1968; (b) to inform the high commissioner that provided secrecy could be maintained, federal ministers should not be informed of the change in the date of independence before the end of Sept (unlike Trevelyan, the FO feared if news of the change leaked it might encourage the federal forces to make common cause with the 'extremists' in a way which would make an orderly withdrawal impossible); and (c) to invite the MoD to concur (FCO 8/188, no 248, McCarthy minute to Allen, 11 Aug 1967).

Healey responded: 'As regards the wider question, the way in which events have unfolded since you announced your policy in the House of Commons on 19th June has radically altered its basis: we seem now on the High Commissioner's own prognosis likely to be faced with a military/terrorist alliance soon after or even just before independence, with a Federal army that is hostile to us instead of, as we hoped, a

broadly based Government backed by a loyal army and in general friendly disposed. In the changed circumstances the question of our continued assistance will arise, and I consider that we must be prepared to look at the whole of our package as well as its individual components' (*ibid*, no 250, Healey minute to Brown, 16 Aug 1967).

## **77 FCO 8/189, no 253**

**21 Aug 1967**

**[South Arabia]: inward telegram no 1233 from Sir H Trevelyan to Mr Brown assessing the rapidly changing political situation**

### **South Arabia**

The following is my assessment of the present situation in South Arabia. The situation changes continually and rapidly. No assessment can be guaranteed to remain valid.

2. South Arabian life is so disorganized that reliable information is difficult to obtain. There is probably no group which is not divided and uncertain.

3. The situation is deteriorating rapidly on a steepening curve. Without a sudden transformation of the political situation, which is most unlikely, we must expect this to continue and to force us continually to reappraise our plans.

4. Our general policy declared on 19 June holds good. The main points are:—

(a) We leave as soon as our redeployment is complete and we can transfer internal security in Aden to the South Arabian forces.

(b) We leave no forces on the ground and give no defence guarantee, but offer off-shore support against external attack.

(c) It is therefore our obligation to give military aid to give the South Arabian forces a reasonable chance of defeating external attack and maintaining internal security.

(d) Our aid is not tied to any particular Government. Indeed, it is our declared purpose to help to form a Government which will probably give our present enemies effective control of it. This aid is however subject to the Government receiving it not being hostile to United Kingdom interests.

5. The situation has radically changed since 20 June. The Federal Government has shown itself unable to control its own forces or to take action to strengthen its composition. Practically no one in the country, certainly no one in the Armed Forces, believes that it will remain in power for long.

6. The South Arabian Army remains a coherent organization, capable of action against trouble-makers and dissidents in the States, if closely controlled by its Senior Officers. But its temper is most uncertain. The tribal split is endemic. The immediate cause of the mutiny has not yet been removed. It is not basically loyal to the Federal Government in which it has no confidence and therefore has nothing specific to fight for. Senior Officers are already contemplating political action. Reliable Arab opinion is that since 20 June the infiltration of the political groups has markedly increased.

7. If the South Arabian Army should hold together (which is by no means certain) we should no longer expect them to call on British troops for support in Aden. We should expect them to establish an understanding with the dissident groups in any area in Aden which they take over. This would enable the terrorists to use those areas as safe bases and concentrate on the remaining areas under British

control. This does not mean that the South Arabian Army would become basically anti-British. They would probably not be strong enough to dominate the terrorists and would naturally not wish to prejudice their own future by opposing them for the sake of British interests. Threats to withhold aid would not be effective against political pressures.

8. Until a few days ago there has been a strong pressure from the Federal Government for the South Arabian forces to take over in Aden soon, first in Crater. The situation in the States has now removed this pressure, at least for the moment. A new danger is that the whole Army will be pinned down in the States which is their home ground and will be unable or unwilling to take over in Aden under the programme for our progressive withdrawal.

9. The South Arabian police have shown themselves incapable of any serious action against dissidents. They are neither loyal nor firm. They hover on the brink of disintegration.

10. This assessment of the South Arabian forces would be largely invalidated if there were a political settlement, an effective take-over of Government by Senior Officers or a complete disintegration of the Federal Government. In the first two cases the Army could again become more reliable. In the third case they would probably first try to take over, but if they failed to do so, they would probably disintegrate too.

11. The Aden police will not act against political terrorism. Individual members of the South Arabian forces and the Aden police are with the terrorists. The vehicles of the Federal Forces and Aden police are undoubtedly used to carry illegal arms. There is now no prospect of stopping this.

12. Prosecutions under the arrangements announced on 19 June have been begun, and will be pursued as vigorously as possible, but it would be illusory to suppose that at this stage this will have any effect on terrorism.

13. In the meantime, both the major political groups are stirring up dissidents in the States. For the present the South Arabian Army is able to control the basic security situation there but will not necessarily be able or wish to restore the administration of the Sultans where it has broken down. We must therefore expect the local understandings between the Army and one or other of the political groups to develop, particularly if the Army fails to control the situation effectively, though they, like ourselves, say it is difficult to find anyone to negotiate with. In any case, we must expect the political groups to be able to strengthen their hold on the weaker States. The situation in the Eastern part of the Western Protectorate is as yet unaffected.

14. In Aden, terrorist activity against the British is progressively increasing and there are signs that it is now better directed and controlled. For the present it is concentrated in Sheikh Othman and Mansoura, apart from the street murders in Maalla and Tawahi, Crater is being spared, perhaps with a view to conciliating the inhabitants in the most important sector of Aden.

15. The Federal Government, having sabotaged its own proposal for strengthening its organization, is in disarray and no effective action from it is now likely. I see no prospect of broadening its base. The introduction of the Constitution cannot be expected to have any material effect on the situation.

16. There are no significant signs of the NLF and FLOSY coming together. The NLF have still not developed a coherent political organization here. The FLOSY

leaders are engaged in frontier forays to keep their end up and perhaps to instil some spirit into the Liberation Army before it dissolves from inaction and internal squabbles.

17. This assessment has the concurrence of the Acting Commander in Chief.

## **78 FCO 8/189, no 255**

**22 Aug 1967**

**[South Arabia]: inward telegram no 1243 from Sir H Trevelyan to Mr Brown now suggesting the date of independence should be determined in the light of withdrawal plans and other developments but should be no later than 9 January**

Your telegram No. PERSONAL 1408: Timing of Independence and evacuation. This and my three immediately following telegrams summarise our views in the light of your telegram under reference and reply to specific points which you raise. They should be read with the assessment in my telegram number PERSONAL 1233.<sup>1</sup> All telegrams have been drafted in consultation with Acting CINC who concurs.

2. In the light of the situation which is now developing, our principles for withdrawal should be:—

(a) British Forces should not stay in Aden for any longer than is necessary for the completion of redeployment, removal of valuable stores and an orderly take-over of internal security by the South Arabian Forces if that is feasible in the conditions then prevailing. We should be seriously at fault and should expose ourselves to justified public criticism if we departed from this principle. We must not ask British Forces to continue their present unpleasant task beyond the point at which their presence no longer serves British interests. There would be some difficulty in maintaining the morale of troops during December. It would be clear to them that they were serving no real purpose.

(b) The situation is so fluid and so liable to unexpected and unfavourable developments that we must aim to get ourselves out as soon as we reasonably can. This will not in my opinion affect the internal situation adversely. On the contrary, in the absence of a political settlement or an army take-over, there will be no chance of peace in South Arabia while we are here.

(c) We see no virtue but only disadvantage in fixing any precise date now, but should like to get ourselves publicly on to a flexible basis as soon as possible. Even though we have to adopt fixed planning dates.

3. There have already been public demands that we should withdraw as early as possible and correspondents have already been suggesting that British troops are being kept here solely to meet a Whitehall time-table. Pressure of this kind is bound to increase. In the present obviously deteriorating situation, it would not now be credible for us to take the line that we have already fixed 9 January and are not making plans for various eventualities, and the longer we wait before we say anything, the more we shall be exposed to cries of triumph from the political parties. I still urge therefore that we should take an early opportunity to say to the Federal

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<sup>1</sup> See 77.



Government and publicly that the situation in South Arabia is confused and is changing from day to day. We are keeping the situation under constant review. The date proposed for Independence will in no circumstances be later than 9 January, but the actual date of our withdrawal will be fixed in the light of the progress of our redeployment plans and of other developments. This will give notice that the parties had better hurry up if they want to make some political accommodation beforehand. We do not think that it will have the effect of increasing pressures against us. The longer we stay, the more they will increase. What we are in effect saying is that we do not propose to be pushed around indefinitely and lose more British lives just to suit the convenience of a bunch of squabbling factions.

4. We should explain the situation to the U.N. Mission at the same time. I should be prepared to do this and take the opportunity to discuss with them how we proceed towards a political solution in the light of developments or the lack of them at Geneva. Before I did so, I should want to discuss the position in London and could, if necessary, go over points arising out of this telegram with the assistance of the CINC or his representative. Please see my immediate following telegram.

## **79 FCO 8/189, no 268**

**24 Aug 1967**

**[South Arabia]: minute by Sir R Beaumont<sup>1</sup> to Sir D Allen on points of disagreement between the FO and Sir H Trevelyan**

Sir D. Allen and I spoke.

2. One cannot fault Sir H. Trevelyan on his assessment of the local scene which is no doubt correct. It is rather when he talks of decisions at this end that he overlooks Ministerial difficulties.

3. Sir H. Trevelyan has modified his earlier suggestion that we should announce 10 December as the Independence date for Aden in favour of the more flexible formula contained in paragraph 3 of his telegram No. 1243,<sup>2</sup> to the effect that 'we should take an early opportunity to say to the Federal Government and publicly that the situation in South Arabia is confused and changing from day to day. We are keeping the situation under constant review. The date proposed for Independence will in no circumstances be later than 9 January but the actual date of our withdrawal will be fixed in the light of the progress of our re-deployment plans and of other developments'.

4. The points at issue now boil down to three:—

- (a) Would an announcement to this effect now be beneficial or harmful here, in South Arabia or to the work of the U.N. Mission?
- (b) Could we make such an announcement without going to Cabinet?
- (c) Would the Cabinet and Parliament wear the 'flexible' formula suggested by Sir H. Trevelyan?

5. On (a), Sir H. Trevelyan asserts that early withdrawal will not affect the internal situation adversely. Beyond this he does not really reply to the question

<sup>1</sup> Head of Arabian Dept, FO, 1959; ambassador to Morocco, 1961–1965, to Iraq, 1965–1967; deputy under-secretary of state, FO, 1967–1969.

<sup>2</sup> See 78.

about the effects of making an announcement now, i.e. some 3½–4½ months before any withdrawal.

6. On (b), the date 'early in January, 1968' is a Cabinet decision (Cabinet Conclusions 67, 30th meeting, May 11).<sup>3</sup> Any change of date should therefore go to Cabinet. Indeed both [sic] the Secretary of State's minute of 12 August stated that a substantive change of date would 'of course' be presented to his colleagues afresh together with the whole problem, i.e. our future aid to South Arabia.

7. On (c), our earlier briefing to the Secretary of State for the Defence and Oversea Policy Committee on 15 June included the observation that 'the House would take it very badly if . . . we remained vague about the timing of Independence'. It is true that circumstances have changed since then but I would judge that this is still correct and that at least one section of the House would take the advancing of the date of Independence very badly, particularly if we were unable to show that we had done all we could to put the South Arabian forces on to a proper footing.

8. It is not evident that Sir H. Trevelyan has really appreciated points (b) and (c) while point (a) is open to much argument. I, therefore, concur with Sir D. Allen's oral suggestion that rather than continue this by telegram, we get Sir H. Trevelyan back here, pointing out at the same time, however, that a decision on this subject, in view of Ministerial movements, is unlikely to be made before the middle of September. (In our telegram No. 1408 to Aden, paragraph 5 (c), and in the Secretary of State's minute to the Secretary of Defence we had suggested late September.)

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<sup>3</sup> See 69, note 7.

## **80 FCO 8/189, no 264**

**25 Aug 1967**

**[South Arabia]: inward telegram no 1265 from Sir H Trevelyan to Mr Brown completing his assessment of a deteriorating situation**

Your telegram No. PERSONAL 1408: Withdrawal from South Arabia.

I have dealt with the military aspects in my telegrams Nos. PERSONAL 1243–6.<sup>1</sup> The following covers other relevant points.

2. In present conditions in the States, it is very unlikely that the Federal Government will be able to introduce the new constitution. We are examining the legal consequences.

3. The Federal Government are now so weak that the question of using political leverage in our own interests is hardly likely to arise.

4. It is increasingly difficult for British officials to continue working for Federal Departments. A number in non-essential jobs are being allowed to leave on security grounds. Many others want to leave as soon as possible; those who have to move about to do their jobs are exposing themselves to security risks. Those in Al Ittihad are in an exposed position. We are taking special security measures where practicable, but do not expect that more than a handful will remain working at Al Ittihad after the South Arabian army take over in Shaikh Othman. With many Arab officials heavily intimidated, it will be increasingly difficult to keep the Central Administration running with any semblance of efficiency, and parts of it may break down.

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<sup>1</sup> Only tel no 1243 is reproduced here, see 78.

**81 CAB 148/33, OPD(67)66****4 Sept 1967****'South Arabia: political situation': memorandum by Mr Brown for Cabinet Defence and Oversea Policy Committee recommending Britain should negotiate only with the NLF**

The present position in South Arabia is that the Federal Government has ceased to exist in any practical sense and that the National Liberation Front (NLF) has taken over in all except one or two of the states of the Federation outside Aden. This of course has the incidental advantage of removing the big headache which Sandys left us and which has so complicated our affairs meanwhile.

2. The Front for the Liberation of Occupied South Yemen (FLOSY) only has pretensions to political influence in a few districts up-country and in the Sheikh Othman area of Aden. There is some FLOSY influence in the South Arabian Army but the S.A.A. appears to be overwhelmingly sympathetic to the NLF. The political realities of the situation require us to accept that the NLF is the strongest group in the country and the only one able to form an effective Government.

3. I have had discussions over the weekend with the High Commissioner, Sir Humphrey Trevelyan, in which Lord Shackleton and the Minister of Defence (Administration) have joined. We are all agreed that Her Majesty's Government must take a clear initiative immediately to seize the opportunity now presented—which is unlikely to recur—to bring into power in South Arabia a government which will be clearly representative of the real power pattern and almost certainly of the wishes of the majority of the people. To be effective our initiative must be clear and unqualified, and show that we are prepared to negotiate purposefully with the nationalist forces. In practice we all believe this will involve the High Commissioner in dealing with the NLF and discarding FLOSY and the SAL. It would not be wise however to say this publicly at this moment and a statement by the High Commissioner has therefore been carefully worded having this problem very much in mind. An unqualified initiative is in our interests too, as only by showing a forthcoming attitude now can we hope to be sure of a smooth withdrawal of our forces from Aden. If we provoke the hostility of both the South Arabian Army and the NLF we shall be faced with the very real prospect of a fighting withdrawal.

4. I have therefore arranged with the High Commissioner that he should return to Aden tonight, 4 September, and broadcast tomorrow the statement which forms the annex to this memorandum.<sup>1</sup> Lord Shackleton, Mr. Reynolds and I are convinced that this offers the best hope of a realistic settlement in South Arabia.<sup>2</sup>

**Annex to 81: Broadcast statement by Sir Humphrey Trevelyan of 5 Sept 1967**

The British are leaving South Arabia and wish to leave the country at peace. On a number of occasions I have publicly stated that I hope to have discussions with leaders of political

<sup>1</sup> Sir H Trevelyan broadcast this statement on 5 Sept.

<sup>2</sup> Cabinet discussed Aden on 7 Sept. Brown explained that the situation had deteriorated rapidly: the Federal Supreme Council had virtually disintegrated. This at least had the advantage of releasing the UK from earlier commitments made to the Council. Trevelyan had broadcast on 5 Sept to the effect he was ready to negotiate with nationalist forces with a view to recognition of a new South Arabian government. The initial response had not been encouraging, but senior officers from the South Arabian army had called upon the NLF and FLOSY to stop fighting and negotiate (CAB 128/42/3, CC 54(67)2, 7 Sept 1967).

groups with a view to the formation of a government fully representative of the people of South Arabia, which would replace the Federal Government. A new situation has now arisen, since the Federal Government has ceased to function and no longer exercises control in the Federation. It is urgently necessary that a new government should take over. I recognise the nationalist forces as representatives of the people and am ready to enter into discussions immediately with them. These discussions will include: Recognition by Her Majesty's Government of an effective Government formed by the nationalist forces in place of the Federal Government: Internal security in Aden: Withdrawal of British forces: Carrying out of the United Nations Resolutions: and Independence for South Arabia. I wish to begin these discussions at the earliest possible moment. In this connection I am glad to note the readiness of leaders of the NLF to meet me to discuss these questions as reported after a press conference on 2 September. I shall be glad to meet them and I am ready to cooperate in arranging such a meeting. I sincerely hope that these discussions will lead to a peaceful, independent South Arabia.

**82 FCO 8/261, no 65**

**13 Sept 1967**

**[Saudi Arabia]: inward telegram no 611 from M C G Man to Mr Brown on King Faisal's reaction to British plans for South Arabia**

Your telegram No. 1389: South Arabia.

King Feisal received me in Taif this morning. I had a rough passage and the King did not mince his words. Only Pharaon<sup>1</sup> was present (Adham<sup>2</sup> is in Cairo).

2. It took me the best part of an hour to speak to Feisal in accordance with your instructions since he constantly interrupted me to repeat points he had made to Lord Shackleton on 7 September. He was particularly insistent about the following:—

(i) NLF. Even if Britain had not created, and was not supporting, the NLF, we were responsible for the developments which had resulted in the NLF gaining predominance over other rivals in the political field in South Arabia. The evidence might be circumstantial, but Feisal remains convinced that there has been collusion between the British and the NLF.

(ii) Prospects for a broad-based Government. By allowing the NLF to have things their own way we had made it virtually impossible for others to join a broad-based Government, since the NLF had kept and would keep other parties from sharing their monopoly by sheer force of terrorism.

(iii) Communism. The Saudis had definite information that the NLF were linked to the Left Wing Baathists and if the NLF were to take over the Government of South Arabia after Independence, this would mean that the British had provided Communism with a foothold in the southern part of the Arabian Peninsula. What good was it then to speak of cooperation between Britain and Saudi Arabia in the interests of the stability and security of the Arabian Peninsula?

(iv) Letting Ones Friends Down. We had let down those who could have provided a stable Government for South Arabia. We had sent the Sultans packing. When I

<sup>1</sup> See 63, note 2.

<sup>2</sup> Kamal Adham was the half-brother of King Faisal's wife, Iffat. He ran Saudi intelligence operations in Yemen. The editors are grateful for this information to Dr Spencer Mawby.

demurred strongly at this statement, Feisal admitted that we might not have told the Sultans in so many words to get out, but we had certainly created conditions which had left them no alternative but to do so. The Federal Minister of Defence, Fadhl Bin Ali, had told the King that the British had advised him strongly to resign and to leave his State, but he had refused to resign.

3. Time and again Feisal said to me that everything I was telling him only reinforced his conviction that we had put our money on the NLF because we thought this would enable us to get out of South Arabia as soon as possible.

4. On this and on all the other points he raised I argued strongly, but it is well-nigh impossible to make any impression on Feisal once he has these 'ideas fixes' in his mind.

5. Noting our readiness to do what we can to help to bring about the establishment of a broad-based Government, Feisal asked whether this meant that Britain would ensure the safety of parties other than the NLF who might wish to enter Aden for negotiations. In his view, to stay outside South Arabia and attempt to form a Government from afar was quite unrealistic. Negotiations between all the parties must be held in Aden. Would Britain oblige the NLF to accept this, prevent them from terrorizing the others and get them to sit down at the same table? I said that I was sure that we were not prepared to do this and it seemed to me that it was up to the South Arabian Army to hold the ring and bring all parties together, if this was in fact also the wish of the Army. Feisal said that, on the contrary, it was up to us; we were responsible and we could do the job if we wanted to. In any case the SAA was unreliable being predominantly pro-NLF.

6. In reply to my question, Feisal said that he felt sure that the NLF would not respond even to an Arab League call to join in negotiations with others. The NLF had refused to cooperate with the United Nations Mission and he saw no prospect of their heeding an Arab League appeal. (Feisal may be more realistic than Adham on this point.)

7. At one stage Feisal said that he wished to make it crystal clear that he had no territorial designs whatever in South Arabia. The Sultan of Mahra had written to him asking that the State of Mahra should be joined to Saudi Arabia, but Feisal had firmly declined.

8. More than once, Feisal made the point that he just could not understand our policy and that it was difficult to continue to have faith in Britain's word. We must realize what a serious effect all this was having on the Gulf Rulers. I countered strongly, but although he backed down realizing that he had gone too far, he is hearing it from all sides now that Taif and Jedda are rapidly filling up with refugees, Sultans and their families.

9. To sum up: I am sure that Feisal derived no comfort at all from what I had to say and remained deeply suspicious of our behaviour which has left a bad taste in his mouth.

10. See my immediately following telegram about Yemen.

**83** FCO 8/261, no 81

3 Oct 1967

**[South Arabian refugees]: outward telegram no 1772 from Mr Brown to Sir H Trevelyan on the question of compensating federal ministers**

[The question of compensation for federal ministers arose because large numbers of refugees had arrived in Saudi Arabia and King Faisal refused to take any more unless the

UK accepted financial responsibility for them. The FO enquired of the Commonwealth Office if there were possible parallels with what had happened in the cases of the Sultan of Zanzibar, the Kabaka of Buganda in Uganda, and perhaps the Indian Princes (FCO 8/261, no 65, H J Arbuthnott to D Macleod, 20 Sept 1967). The Commonwealth Office replied that the Sultan of Zanzibar had been admitted to the UK, not as a political refugee but as a Zanzibari national who was (at the time) entitled to reside in the UK as a Commonwealth citizen. A Trust Fund of £100,000 had been established in his favour in recognition of his past ties with Britain, and as personal compensation for the loss of sovereignty by the Sultans of Zanzibar over the coastal strip of Kenya. Provision had been made to withhold payments to the Sultan 'if he gets up to political mischief in relation to Zanzibar'. Sir E Mutesa, ex-Kabaka of Buganda, was similarly allowed entry to the UK as a Commonwealth citizen. He received no financial assistance from the UK government. Britain felt no moral or legal obligation towards him and ministers took the view that to afford assistance would endanger a recent improvement in relations with President Obote's Ugandan government. The British government did nothing for the Indian Princes. They were guaranteed privy purses by the Government of India when most of them agreed to incorporation in India (*ibid*, J D H Watson to Arbuthnott, 21 Sept 1967). The Indian government ended privy purse payments to the Indian Princes in 1971.]

After a very thorough examination we have concluded that there are no adequate grounds for accepting liability, or for an ex-gratia arrangement which might establish a precedent. We have not compensated in comparable past cases (e.g. the Kabaka or the Sultan of Zanzibar, whose payment was in respect of his earlier surrender of coastal land). We do not compensate BPP's or even citizens of the UK and Colonies expelled, e.g. from Arab countries. Our protectorate treaties were against external threat, not domestic revolt. Our recognition of the Federal Government similarly could not guarantee its members against overthrow from within. The argument of moral obligation comes up against the former Rulers' measure of responsibility for their own collapse. We doubt whether such numbers had to leave and certainly the Sharif's Party did not have to. There is also a contrary argument. Some of the refugees have done well from British (and Saudi) support in the past and should have reserves from which to tide over the less fortunate.

2. On the other hand there is a political case for showing that we did not drop federal ministers overnight without a second thought. Given para 1 above, there is not much that we can do. The only idea we have come up with is that we might go a little way to meeting the position by ensuring the continued payment of ministerial salaries. It is our understanding that these have ceased. If so, would you consider that there is a case for our arranging for those federal ministers who have not resigned to receive their salaries from the end of August until a successor authority takes over or, failing that, independence? This period could be assessed at three months and they would then be due £750 each.

3. Arguments in favour of this course are:—

- (a) Such an arrangement accords with the legal and constitutional position in so far as we have not formally withdrawn recognition from the Federal Government and those federal ministers in question have neither resigned nor been dismissed.
- (b) The amount involved (a total of some £12,000 at most) would be insignificant in terms of our subventions to South Arabia and is intended merely to relieve hardship.
- (c) Although the intention of our treaties with the State Rulers was to protect them against external influences rather than to maintain them against the will of their peoples, it is arguable that we could have done more to assist the Rulers against events which were engineered from outside their States. Precedent makes

it difficult for us to compensate the former Rulers as such, but we would be going some way to honouring any moral commitment of this kind by ensuring that the ministers were paid their salaries.

(d) It would be damaging to our image in the Gulf, and to our relations with Faisal, and we might have difficulty in Parliament if we did nothing at all about these people.

4. Counter arguments to this suggestion are that it conflicts to some extent with our recognition of nationalists and with the fact that the Federal Government has ceased to function; that others than federal ministers may be deserving and in need; and that some ministers who have exercised a disruptive influence (and who have brought the present situation on themselves) would benefit along with deserving cases. Notable examples of this are Fadhl, Faisal bin Surur, the Fadhli Sultan (who released terrorists before leaving for Geneva) and the Sharif (who did nothing in return for his salary for two years, has done very well in recent years in other ways and who left without adequate reason). But the basis of our suggestion and the difficulties of assessment would prevent discrimination.

5. We recognise that a sum of £750 may be regarded by federal ministers and Saudis alike as derisory and no more in any case than earned entitlement. But we see no other basis for any gesture which could if necessary be defended publicly in line with our wider practice.

6. Since the Eastern Protectorate rulers have never assisted our policy over unification and independence and are otherwise ineligible for the reasons at paragraph 1, we do not consider there is even a moral argument for paying them.

7. We should be grateful for your views on this proposal, including whether payment to the federal ministers could be effected through the Federal Ministry of Finance. We have not yet sought ministerial approval here and will only do so if you see real advantage in our making a small gesture of this kind.

8. Can you say whether the Rulers/ministers and others have any funds in Aden banks, whether any of these are blocked at present and, if so, whether anything can be done to ensure the release and transfer of their accounts?<sup>1</sup>

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<sup>1</sup> No further action was taken on this proposal and no compensation was paid.

## **84 CAB 129/33/2, C(67)169**

**26 Oct 1967**

**'South Arabia': Cabinet memorandum by Mr Brown on the arrangements for a UK withdrawal. *Annex***

**[Extract]**

The Annex to this paper sets out for my colleagues the present situation in South Arabia. The synopsis of recent events in its first eight paragraphs shows that the ramchackle arrangements inherited from our predecessors have collapsed, despite our efforts to make them work and to improve them. The territory has since early September been held together precariously by the South Arabian Forces. They themselves however feel the strain of continued divisions among the factions; there has been marked deterioration in the position in this respect over the last ten days.

2. My colleagues will recall that our previous decisions on the date of independence were taken on finely balanced calculations of maintaining the

confidence of the South Arabians in the face of the United Arab Republic (UAR)'s occupation in the Yemen, and getting the Federal forces ready to cope with a situation affected by that. The situation in the Yemen has changed. The UAR are firmly committed to withdrawal: they have evacuated Taiz and Sana and expect to have withdrawn entirely by mid-December. Simultaneously the nature of political conflict in South Arabia has been transformed by the collapse of the Federal Government. That collapse has not however been followed by the emergence of an administration ready to deal with us as yet. The continued absence of such an administration, and the failure so far of the revolutionary factions to agree on one in their belated talks in Cairo, are creating a progressively more dangerous situation. In these circumstances, the High Commissioner and the Commander-in-Chief have now strongly recommended that we must declare independence and evacuate our forces in November and not wait till January. Even if things get better rather than worse meanwhile, the risk of renewed conflict involving our forces outweighs what small chance there might otherwise be, if we waited till January, of a political settlement embodying some of the arrangements normal to our decolonisation. We must I think concentrate on completing our military withdrawal and disengaging in the least onerous fashion possible. Our power to impose solutions was always slight. Only in Aden State, and in some islands with a total population of less than 400, have we had sovereignty. We have never had legal or other power to impose patterns or solutions elsewhere in South Arabia. And in present circumstances there is neither possibility of, nor vital interest in, doing this. The only course we can follow is to leave the Arabs to settle their own differences, while supporting and seeking to maintain influence with the South Arabian forces, and to assume responsibility for terminal matters only where we both can and must.

3. Correspondingly all previous decisions are open to review. These are the date of independence and final withdrawal of 9th January and the offer of deterrent forces (C(67)78);<sup>1</sup> our basic decisions in 1966 on military and economic assistance after independence and our supplementary offers of June, 1967.<sup>2</sup> Our aid programmes have kept South Arabia viable and her forces together and have thus so far avoided a breakdown which would hamper our withdrawal; the logistic withdrawal will be over by mid-November. It is too soon to say if they will succeed in the second objective (over which we were always less optimistic) of leaving behind a viable stability. This will depend on political developments and also on South Arabia's ability to raise or borrow money over and above whatever assistance we decide to provide (which at its previous level was to be considerably less than the resources which have been available to her in recent years).

4. The UAR's withdrawal from the Yemen reduces our major concern about future stability. But we still need to minimise the damage because of possible repercussions in the Persian Gulf and our relations with King Faisal. The King always considered that the Defence Review decisions and all that followed amounted to the abandonment of friends and the prejudice of his interests. He is highly critical now.<sup>3</sup> We want to reduce this damage, and also to reduce the danger that his own inclinations and the urgings of former Federal leaders in South Arabia could lead him to act in ways that would increase the difficulties there. I am acting with the Saudis to make the position and our approach to it absolutely clear.

<sup>1</sup> See 69.

<sup>2</sup> See 72, note 1.

<sup>3</sup> See 82.



5. I summarise below some recommendations and conclusions which are fully set out at Annex.<sup>4</sup>

(a) I recommend that my colleagues should leave me discretion, in consultation as necessary and according to developments, to decide on any date of independence and withdrawal after mid-November, 1967 (which may be as early as 22nd November); and to announce next week that we are leaving in the second half of November (paragraphs 9 and 16–18). I deal with public presentation below. We should have to accept the likelihood that we might be unable to promote a political settlement before our departure (paragraphs 23 and 24).

(b) I recommend that the offer of deterrent naval and air forces made in June, 1967 should be cancelled (paragraph 19). The High Commissioner agrees that this is right and I am consulting him on the terms of the announcement.

(c) I recommend that I be allowed latitude to decide later whether we should adhere to our decision to offer Hunter aircraft and associated radar to increase the strength originally planned for the South Arabian Air Force (paragraphs 20–22); and to authorise the High Commissioner to attempt to secure the agreement of the South Arabian forces to the withdrawal of the Hunters on the basis that we should instead build the South Arabian Air Force to a total strength of 12 Jet Provosts/ BAC 167 aircraft rather than eight in partial compensation. The High Commissioner is against cancelling the Hunters, at least at this point, but suggests he could attempt to secure agreement if we can make this substitute offer. The Secretary of State for Defence would also be concerned at the effect on the security of our final evacuation if we were, against the South Arabian Army's wishes, to remove the Hunter aircraft.

(d) Because it is unlikely that any successor government will before independence bring into force the satisfactory Nationality Law the Federal Government had enacted but not brought into force, I recommend that an Order in Council should be made bringing that Nationality Law into force for the inhabitants of the whole country. This may enable (but would not oblige) the Home Secretary to make an Order depriving up to 80,000 people in Aden who have no connection with the United Kingdom of the citizenship of the United Kingdom and Colonies and of the exemption from the Commonwealth Immigrants Act with which they might otherwise be left (paragraphs 29 and 30).

(e) I recommend that, if no better arrangement can be made, we should assume responsibility for the pensions and other terminal benefits which would normally be the responsibility of the successor government for expatriate public servants, both British and others, provided that the others do not come under the 'indigenous' classification in the existing Public Service Regulations which distinguishes purely local civil servants of various races from expatriates (paragraphs 31–36).

(f) I ask my colleagues to take note that supplies of military equipment arranged under the programme of June, 1966 continue, and that I have not suggested a decision now against provision of any of the supplementary equipment, except as indicated above Hunter aircraft and radar, which was offered in June, 1967 (paragraphs 10 and 11). The reason in both cases is that it is essential not at

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<sup>4</sup> Only paras 23–24 of the Annex are reproduced here.

present further to disturb the South Arabian forces on whom the present precarious stability depends. Delivery of the supplementary items of June, 1967 is not imminent. Decisions will have to be taken later (paragraph 11).

(g) I suggest to my colleagues that we cannot at present, again because of the effect on the South Arabian forces, take and announce decisions on the financial subventions for military and civil purposes after independence which we had decided upon earlier, or on the Military Advisory and Training Mission which we offered in June, 1967. I think the main party of the latter will have to remain at notice to proceed, as now planned, from early November even if we are doubtful whether it will prove appropriate. Our public line should be that such matters are for discussion with the successor regime (paragraphs 25–27).

(h) I ask my colleagues to note that I am doing what is possible to impose close control on current expenditure (paragraph 12).

(i) I ask my colleagues to take note that there is virtually no chance of the United Nations agreeing to the internationalisation of Perim under their auspices while we remain responsible; and to take note of my decisions on the islands, including the retrocession of the Kuria Muria islands to the Sultanate of Muscat and Oman (paragraphs 13–15).<sup>5</sup>

6. We may have a difficult passage in Parliament. The main attack will doubtless be that the course of events was precipitated by the decisions in the Defence Review and that our subsequent measures were inadequate to compensate for this. I propose to take the general line foreshadowed in the first half of my speech of 19th June. I included it as a precaution against the kind of situation we now face. We can argue that we made it plain enough at that time that the proposals announced that day were designed to redress a deteriorating situation arising above all from the unsound basis of British policy in South Arabia before we took office. They also took account of the position as I have sketched it at the beginning of paragraph 2 above. We can take the line that the position has entirely changed, but (assuming no collapse meanwhile) that our support of the forces has been amply justified because these have prevented disintegration, and have in any case held things together over much of the last phase of our withdrawal. So far as matters nevertheless remain difficult and unpredictable, this however only emphasises that the logic of our basic analysis on 19th June should now be followed, and that we should as soon as possible leave the Arabs to sort out their own problems without the complication of our military presence. We can justify an advanced date of independence, should we decide on this, on three main grounds. First, the revolutionary upheaval has transformed the context in which we must deal. Secondly, there is no evidence that we could achieve anything useful, to the Arabs or ourselves, by staying longer. Thirdly, the problem has relapsed to local proportions with the departure of the Egyptians from the Yemen, and is no longer one in which outside powers should remain to play a part. Where Parliamentary replies or statements have to be made before final decisions are announced, we should take the line that we await discussions with the emergent regime.

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<sup>5</sup> At independence the small population of the island of Perim voted to join the People's Republic of South Yemen. The Kuria Muria islands reverted to Oman.

## Annex to 84

... *Political*

23. The best arrangement conceivable in present circumstances is an agreement with a representative group, if possible including elements other than the NLF and FLOSY and with the backing of the South Arabian forces, under which they would assume responsibility for the entire territory. There is no chance of bringing into effect the revised constitution which the Federal Government had been about to introduce. The best we can hope for on the constitutional side is that the participants should undertake to respect the essential safeguards of human rights and laws provided to Aden in the present Aden State constitution or the abortive draft Federal constitution until such time as more durable arrangements can be worked out (perhaps with United Nations assistance). An indication of respect for the Universal Declaration on Human Rights could also be sought. I have it in mind, as soon as a relatively favourable outcome of this kind emerges, to act to secure international recognition and United Nations membership for the new régime. This of course would also lay some basis for economic aid, whether bilateral or multilateral and from the Specialised Agencies which, in due course, might ease decisions on reducing or ending our own subventions.

24. The worst likely outcome is an unresolved or even chaotic situation in which we had to leave the territory to the de facto authorities even if divided among themselves, perhaps handing over Aden State to the military authorities immediately controlling it or, if they refuse responsibility, simply leaving. We have after all no responsibility for regulating the Federation except in so far as our responsibility for Aden has become involved with this. It would be a difficult matter simply to abandon our responsibilities in the colonial territory. But I see no alternative. The basic logic of merging Aden with the Federation was that it could not survive in independence on its own and at odds with the Protectorate. That remains true. It is true that we could make some effort to establish Aden as a separate state, i.e. taken out of the Federation, with a separate though republican constitution similar to that partially suspended in September 1965. But this would not work. There would be accusations within the territory and at the United Nations that we were dismembering the country in violation of the United Nations resolutions. This would antagonise the Forces, the NLF and the Sultans alike and probably precipitate immediate chaos within Aden as the factions resorted to arms. The civil services are inextricably intermixed, and so are the government machines. For similar reasons it would not be practicable to refuse to terminate British sovereignty in Aden and stay on in the hope that something satisfactory could be arranged if we did. The task would be impossible, and a de facto resolution of the problem would be delayed rather than assisted. . . .

**85** FCO 8/41, no 30

20 Nov 1967

**'Lessons from South Arabia': memorandum by D J McCarthy for Sir R Beaumont**

Over 10 days' ago I promised you what would be an over-simplified, personal and doubtless distorted view of how we had got to where we were in South Arabia. With apologies for the delay, here it is.

2. In 1839 we acquired the ruins of earlier ports of Aden, degenerated into two fishing villages with a population of less than 1,000. Over the years, for reasons of commerce and imperial communications, it built up into a seedy but reasonably well administered colony. It was always a deficit territory, but acquired the normal administrative and welfare appurtenances with that limitation. Its population built up by 1950 to round about 100,000 by immigration from the Protectorate, the Yemen, Somaliland, and India in particular. The Arab elements, as they became Adenised, came to think themselves superior to the people of the hinterland. In terms of literary and modern ways they were, but not to the extent that they thought. The Indian and other foreign interest was largely to make money. It followed from this that no sense of national identity in the full sense could develop. Any separatist feeling in Aden was something less than Adeni patriotism.

3. The hinterland consisted of various Shaikhdoms and Sultanates on which the dominant external influences, at any one time, were the extent of British interest from Aden: and the extent of Turkish/Yemeni assertiveness. This last fluctuated according to the power first of the Turks, and later of the Zaidi Imams of Northern Yemen. At times their influence and domination extended to the outskirts of Aden itself. At other times the Shaikhdoms and Sultanates enjoyed a kind of anarchic independence and autonomy. As late as the 1930s, much of Dhala and Audhali was occupied by the Yemenis, who never accepted the boundary which the Turks and the British had negotiated before World War I. The Yemenis regarded South Arabia as a natural part of Yemen, or at least as a sphere of Yemeni influence, the character of which had been wrongly distorted by British power.

4. In earlier years, the latter was exercised distantly. Though there were Protectorate treaties designed to prevent interference with Aden in particular, the general attitude of the Government of India was to confine itself to so much involvement, and no more, in the Protectorate as to keep the territory quiet enough for Aden to get along in peace. (The main instrument after World War I was air power. It was supplemented by the RAF-run Aden Protectorate Levies, though these were never a reliable force, being mercenary, composed of venal tribesmen and not always well officered.)

5. The situation was more or less stabilised in the 1930s in two ways:—

(a) In the Western Aden Protectorate we succeeded by a combination of ground action by local forces and the use of air power in expelling the Yemenis from territories into which they had encroached. This established the territory of the Protectorate, very approximately, as what was thought to have been the position at the time of the Anglo-Turkish boundary agreement before World War I, and is what appears on current maps. From then to the 1950s, there was little more activity in the Western Aden Protectorate. The Government of India and those brought up under it, conscious of the lessons of the Afghan War and comparable incidents, and conscious too of Yemeni reactions to anything which appeared to disturb the general truce of the 1934 arrangements, avoided a forward policy. They had no domestic power in the Protectorate and little more interest. Financial subventions and other subventions consisted mainly of *douceurs* to local rulers, etc. carefully gauged to keep things quiet. A certain amount of assistance was given in rudimentary development, varying very largely according to the exiguous resources available and the enthusiasms of political officers up-country. Where a

local State was reasonably prosperous some development of considerable scale took place, notably the Abyan cotton scheme started during the last war and cotton and other development in Lahej. But in general the Protectorate, naturally backward, was not brought forward by us.

(b) In the Eastern Aden Protectorate, 'Ingrams'<sup>1</sup> 'Peace' signed by literally thousands of tribal and other leaders, ended a state of anarchy in the Hadhramaut which had left land untillied because the cultivators would get shot if they tried to till it. Basically the Hadhramaut was wealthier than the Western Aden Protectorate, thanks largely to remittances from the Far East, and revenants from the Far East brought back with them ideas of reasonable development. These favourable factors and the enthusiasm of individual Britons meant that Ingrams' Peace was followed by fair development of agriculture, local government, cooperatives in the agricultural field and so on. Again however there was no attempt at forceful political involvement. We conceived our rôle as keeping the peace. The Hadhrami Beduin Legion was formed for this purpose as a purely British mercenary gendarmerie force.

6. In the 1950s—mainly, paradoxically, after the advent of Nasser, the evacuation of the Canal Zone, and eventually after Suez—there was an energetic British reversal of earlier policy of non-involvement in the hinterland of the Western Aden Protectorate—though not in the Eastern Aden Protectorate. A forward policy developed, abortively at the beginning of the decade and more energetically and successfully at the end of the decade, despite tribal and Yemeni reactions against it. Some Protectorate treaties were signed as recently as this period.

7. The misgivings of old hands, such as Ingrams and Sir Bernard Reilly,<sup>2</sup> about Yemeni reactions to this were disregarded. A forward policy in this epoch was bound to be a major effort against regional trends. It had started much later than it should have for really good chances of success, and it was bound to require consistent resolution, determination and support on the part of British Governments if it were to be carried through.

8. Why, despite the late hour and the difficulties, was it attempted?

(a) We knew that decolonisation was imminent. We did not want to leave fragmentation. It was untidy. It represented a poor Colonial legacy. Some of the better Federal Rulers, though anxious not to proceed without assurance of continued British backing, thought the time for greater unity had come.

(b) There was a strong social and economic case for abolishing divisions within the Protectorate. The more sophisticated realised that worthwhile investment could only be attracted on any normal basis if the unit were larger than any contemporary individual State.

(c) There was the enthusiasm of highly intelligent, but limited and nineteenth century-type, individuals like Trevaskis, who thought that their mission in life included bringing about good government and development, recognised again that wider unity was necessary for these, and calculated that only a bigger show could enforce the disbursement of more governmental money by Britain which would clearly be necessary if anything were to be achieved. In the later 1950s,

<sup>1</sup> H Ingrams, political adviser, Aden, 1934; resident adviser to Kathiri and Qaiti Sultans, 1937.

<sup>2</sup> Chief commissioner of Aden, 1932–1937; governor of Aden, 1937–1940.

these latter-day imperialists also saw themselves as building a barrier against Nasser. Inevitably, immersed in parishes within what was itself a small parish, their perspective was often distorted.

This thinking was all right for the small Federation set up in 1958 (excluding Aden), despite the strife and difficulties which attended the efforts to form it and its eventual formation. There was and is no doubt too that it was right to aim at Aden's inclusion despite the resistance from Aden which its different character and selfishness was bound to involve. But the difficulties were major, and both time and peace were required. For example, Sir William Luce<sup>3</sup> always thought that Aden would have to join in, but thought also that a long period of education on both sides would be necessary, so that realisation of complementary interests might come to overcome the divisive instincts. But there was, perhaps almost inevitably, a fatal acceleration of pace and a crudity and arbitrariness of method after about 1960. Some reasons for this were these:—

(d) The previously small Aden base acquired a growing importance—with a natural military tendency to exaggerate this—when a defensive commitment developed towards Kuwait and involved acute military timing factors should Iraq attack. Since the Gulf States including Kuwait herself would not have a bigger military build-up in the Gulf, units ear-marked for Kuwait had to be held with short notice arrangements at Aden.

(e) Adeni 'nationalism' and the post-Suez situation generated emotions which together meant an intensification of 'nationalist' pressures. If the place was to be pulled together before independence became inescapable, integration of the whole territory must be accelerated and the problem of Aden within it must be tackled willy nilly. Because Aden was more 'nationalist' than the Protectorate, too many people thought that the answer was to deliver Aden to the State Rulers, who of course were 'our friends' (many of them, installed or sustained by us, had to be). The Rulers were by no means averse from this. The Adenis felt growing misgivings accordingly.

(f) The pro-Nasser posture of the largely Yemeni population of Aden (which was to grow to a maximum of about 230,000 by 1965) seemed a particular threat to the base. This was another factor in thinking that the Protectorate Rulers should be made top dogs. Instead of an organic growth between the urban Aden and the backward hinterland, the Federation developed into something dependent on the existing authorities in the Protectorate. These were a mixed bunch. Their one common factor was that they were backward. The merger of Aden in the Federation was seen as arranging a *cordon sanitaire* for the base. As I wrote to Mr. Brenchley this proved more like a chastity belt: uncomfortable but not proof against impregnation.

(g) Sir William Luce had seen the dangers. Under the growing pressure of events, one of his last acts was to recommend that Aden must be brought into the Federation fairly soon, but he made the important reservation that it must first advance to the point at which it ceased to be a British colonial territory and could acquire Protectorate status with (presumably—the relevant letter is apparently lost) full internal self-government before it was merged. Otherwise he thought we

<sup>3</sup> Governor of Aden, 1956–1960 (see 117, note 1).

should have much of the trouble over merger which, in the event, we were to have. When however Luce was replaced by Sir Charles Johnston, the latter was pressed both by Trevaskis and his supporters and by the then Colonial Secretary to get Aden in. Unlike Luce these did not, for whatever reason, see the essentials as he had done. Eventually Aden came in on a take-it-or-leave-it basis. In effect she was forced to take the choice of no constitutional advance at all; or coming towards independence at the price of swallowing immediate merger. There was only a single vote majority of an unrepresentative legislature, and eight I think of the elected members of that legislature even then abstained.

9. All this was facilitated, in my purely personal view, by two things. First, and very generally speaking, the non-Arabist, frequently changing and largely administrative Colonial Service in Aden did not match the limited but active intelligence and the drive of most of the Protectorate Service up-country. Secondly, there was practically no interchange between the Colonial Service in the field and the Colonial Office at home, and little or no first-hand knowledge of the Protectorate among politicians and public here. In the absence of basic knowledge in London, the flaws which were with other factors to prove fatal—the unrepresentative and lethargic character of many Protectorate Rulers, the factional hostilities and jealousies, the hostile Yemeni reaction and its ability to make itself effective, the mercenary nature of many Protectorate Arabs, the deep resentment of Adenis, the power of Yemenis in Aden to disrupt and so on—were so little known here that the confident asseverations of Trevaskis and others both dominated consideration and fooled policy makers in London.

10. If HMG had kept up the pressure and money, and above all its own resolution, and if nothing else had happened, we might nevertheless have made all this work. But something else did happen in the form of the Yemeni Revolution. Overnight the regional balance of power appeared to have changed. The new dawn seemed over the horizon. Nasser became not only miasmic, but very close. Equally important, the 'nationalists' in Aden with their strong Yemeni component could agitate for unity with the Yemen or close cooperation with the Nasserite Yemen in an aura of respectability. Thus the domestic pressures sharply increased. Within a year Qahtan al Shaabi had started up the NLF and had made his first attempts at disrupting the Federation. These were efforts with the support of Egyptian arms and influence to exploit tribal and sectional resentments up-country and turn them into a major revolt. With considerable British military assistance, the Federal Government were able to put this down. But the trouble continued. Venal tribesmen had ever larger offers of arms from over the frontier. We went further down the slippery slope of trying to outbribe the opposition with the same commodity. The terrorists, principally the NLF throughout, switched tactics to terrorism in Aden where, against a background of dislike of the Protectorate and of no political conviction among the population, the campaign was immediately much more effective than the fomenting of revolt had been up-country.

11. The deepening troubles, becoming apparent to the British public chiefly as a mysterious war up-country and what propaganda said was the suppression of Aden, began to cause growing disquiet in England. Asnag, whose political base was unsound inasmuch as it consisted mainly of the disfranchised Yemenis, appeared in left wing eyes here to be a true democrat and a true representative of, the people who

was being smothered by reactionary Tory policies. I think Mr. Brenchley will agree that the Government of the day (1963–64), while never giving way to this kind of pressure, began to have its own serious doubts about the conduct of affairs in the territory itself. My own view, though one could never prove this, is that even if the Conservatives had won the election in 1964 they would have considered radical changes in due course, though perhaps not so radical as Her Majesty's present Ministers eventually decided on. We were confronted by a polarising situation, in which we appeared to be backing out of date elements of power, in which we appeared to be cutting ourselves off or boycotted by representatives of the more fashionable forces in Arab nationalism, and in which we were called upon to spend more and more for, apparently, less and less useful results.

12. When Mr. Greenwood became Colonial Secretary in 1964, it was widely known among both 'our friends' and the radical nationalists in South Arabia that he was sympathetic towards the latter. It was widely spread in Aden, with what truth I do not know, that the PSP representative in London had ready access to him. It was widely assumed by the Federalis, even before they had met him, that he was hostile to them and that they were faced with an administration in Britain which did not approve of them. In this, the Federalis did Mr. Greenwood less than justice, but he nevertheless left them with the impression, through his manifest interest in free elections and so on, that they were dealing with a government which either did not understand, or was not prepared to work within, what they regarded as the power realities in South Arabia. The Federation's opponents were ready to reinforce such feelings.

13. This in itself could have been a useful corrective had a workable alternative to the Federal leaders existed. Unfortunately it did not. Had the NLF, then contained up-country and not yet very active in Aden, been prepared to talk rather than fight; or had the PSP under Asnag been prepared to deal realistically rather than posturise; perhaps the British Government might have been able to consider a shift of policy under which they could use the hinterland's need for Aden to work for a Federation in which Aden had a fair rather than a suppressed say. But neither nationalist group was prepared to deal with the British Government on terms which the British Government would have felt possible. They felt they could not afford to wait—or could not afford to do otherwise. Mr. Sandys had in 1964 set a deadline of 1968 for independence. This is the circumstances was a gift to the enemy, who knew how long they had to keep it up. Egyptian organisation of subversion from the Yemen continued. The PSP leaders, notably Asnag, were better at talking than leading or taking responsibility, knowing that their support was Yemeni rather than South Arabian. And the obscure but terrorist NLF could not be talked to at all. At the same time it was known that the Defence Review was in train. And it may have been known or suspected by the 'nationalists', long before it was a real fear to the Federalis, that a major change of policy impended. Under these influences and the growing paralysis induced by terrorists in Aden, the Makkawi Government and Asnag in the wings followed a policy of obstruction and of growing alignment with the extremists which ended in the reversion to direct rule in Aden in September, 1965.

14. The Defence Review was of course the *coup de grace*. It is worth recalling, in considering recent events, that before its outcome was given to the Federalis the only question in the minds of the British in Aden was whether the Federalis would lose heart right away (in February 1966) or a little later. It is perhaps surprising that they



lasted till August 1967. The whole Federation had been built on British policy, British assurances and British subvention. These were now taken away. The Federalis were moreover given no time to adjust. They had some five days between the confidential communication and the public announcement; they had no time in which to mend their fences with Egypt or adopt the anti-British posture which might just have made them respectable. The childish illusion in London that our decision would concentrate minds on constitutional reform and somehow make things better was soon dispelled; and the British Government did much in subsequent months to ensure the Federation of financial and military support after independence. The fact remains however, that the foundations, which had never been anything but weak, were fatally undermined. The rest followed almost automatically. And it is sheer luck that Israeli action precipitated a comparable debacle of Egyptian policy in the Yemen, and that what has now emerged is demonstrable as South Arabian nationalism and not an extension of UAR Pan-Arabism in the peninsula. The ironic consolation is in one thing: with the NLF's capture of the EAP there is a unity we could not achieve earlier. This justifies much of our motives (paragraphs 8 and 9 above). But we can hardly claim credit for our methods.

15. To draw useful lessons from this is not easy. We are not starting from scratch with the Gulf, but have to operate within the position in which we are already. We agree that many factors are very different. But I have the following suggestions:—

- (a) A structure over-dependent on British participation and support is no good. A structure, even if sounder, which appears to be bound to follow the political and administrative pattern which British practice normally involves is little better.
- (b) The financing or promotion of local Arab armies and apparatus is a cheap and satisfactory way of maintaining general order in a protected territory, but only so long as the forces and people go along with the basic proposition. When they cease to do so, the creation can be a weapon in the hands of the other side.
- (c) A Federation is formed when there are good reasons for uniting but too many obstacles for real unity. It thus has a conceptual weakness. Each failure of a Federation, moreover, weakens the next. There is no future in federating the Gulf States in a political sense.
- (d) In a position of responsibility without effective power, modern conditions usually inhibit the increase of our power. For one thing governments have qualms and worry about the UN, while the Great British Public tends to want out. The only alternative, when pressure develops or is clearly to be anticipated, is consciously to work for the diminution of our responsibility so far as this is consistent with our interests.
- (e) In the Gulf, where we have not yet found a way of securing our interests without retaining a position, we might at least lose no opportunity of getting rid of responsibility for inessentials. And in this we should not have any neo-colonial notions about our responsibility for doing good. In my view, such things as the retention of jurisdiction only give the local states an excuse for not doing better themselves, and devolution should occur whether they want it or not.
- (f) If we have concluded that things in general, but particularly South Arabia, have set a term on our tenure in the Gulf, we do not have to advertise this. Indeed, as Mr. Weir<sup>4</sup> has often argued, we must try to stop people assuming deadlines. But

<sup>4</sup> M S Weir, head of Arabian Dept, FO, 1966; deputy political resident, Persian Gulf (Bahrain), 1968–1971.

in our own thinking we should pursue the logical consequences so far as we can. We should where we have the choice influence things towards that outcome of our eventual disengagement which would suit us; i.e. association with Saudi Arabia.

(g) We have as yet found no way out of the old dilemma that it would be desirable to get on terms with 'nationalism'; but that the latter is not interested in terms that are consistent with our interests. Despite our current dealings with the NLF, South Arabia is unlikely to change this.

(h) Like local forces, local rulers' administrators and police forces can, when the going gets rough, prove very broken reeds. They are likely to crack as soon as serious political or terrorist opposition develops. When that opposition becomes determined and violent, the first victims are those that collaborate with us, and particularly Arabs on the security side. We should, as Sir Denis Greenhill has recently written to the Political Resident, be very careful about the British we choose to operate in this field to make sure that there are no avoidable weaknesses among our own people. It is very difficult however to provide against the pressures on the Arabs also involved. The only additional protection I can suggest is that we might develop and nourish a deep cover reserve security net which would build up contacts etc. who would not be employed (and therefore become targets) before the going got rough. This might be able to take over if the more obvious security bodies were weakened or destroyed by attacks on their Arab components.

16. I argued, as you will remember, that a final saving contribution from South Arabia would be not to appear to buttress up a revolutionary regime there. Various exigencies, and notably the need to get our forces out in good order, are causing us to depart from that thinking in the forthcoming negotiations with the NLF in Geneva. If, in the event, we have to depart from it, the only remedy is to ensure that the Saudis, the Gulf State rulers and others are given clearly to understand why we are doing what we are.

## **86 FCO 8/2384, no 1**

**5 Jan 1968**

**'South Arabian independence': despatch from Sir H Trevelyan to Mr Brown on events leading to the final withdrawal of British forces from Aden on 29 November 1967**

I enclose a narrative<sup>1</sup> of events in South Arabia from the 20th of May, 1967, when I arrived in Aden, until the final withdrawal of British Forces on the 29th of November, 1967.

2. No one can be satisfied at the way in which we handed over the Colony of Aden without elections, to a party which had fought its way to power and had only started to negotiate with us at the last moment, after we had had to withdraw virtually all the British civil servants of the South Arabian Government. But, given the situation in May 1967 (to go no further back than my arrival), the end might have been very much worse, and I do not believe that any action by us in the last months could have made it any better. At any time, we might have been faced with a fighting withdrawal and left anarchy behind. But in the end we went in peace and with

<sup>1</sup> Not printed.

dignity, and left behind a Government which, however doubtful its antecedents, had relied principally on local support and has as good a chance as any South Arabian Government could have of administering the country in relative peace. South Arabia had its revolution while we were still in Aden, and our presence made it almost certainly less bloody and disruptive than it would have been if the Sultans had managed to hang on until we had gone and the real pressure against them had been delayed until independence. As the situation had developed by the middle of 1967, the Sultans could not have given the country a stable Government but we could not get rid of them, having nothing to put in their place. But they virtually got rid of themselves and the country just survived the period with no Government owing to our continued presence and still existing though waning influence.

3. We had bad luck in that an irrelevant tribal dispute in the Arab Armed Forces in June at a time of tension heightened by the Arab-Israeli war, nearly caused complete collapse, but disaster was just averted. We had good luck in that as a result of the war, the Egyptians had to leave the Yemen, thus removing the power base of the group dependent on them and paving the way for the victory of the other. We also had good luck in that no nationalist group managed to take power before we had completed our orderly withdrawal. For although we had the strong card of continued aid, which the country could not do without, we should have faced much greater difficulty in the final phase of withdrawal if the timetable had worked out differently. It is fruitless to 'log back' and explore the reasons for the mess we got into. In the end, our withdrawal was no success, but no humiliation either; for it was the result not of military or political pressure, but of our own decision to leave, and, if we failed to hand over our colony in the manner which we would have wished, it was principally because the South Arabians were unable to produce in time a responsible political party having the support of the majority of the people and prepared to negotiate a more civilised approach to independence.

4. Now the base is gone, the searchlight is turned off Aden and the Republic of South Yemen is in existence; another little Arab country; with few resources and probably destined to follow the pattern of political instability set by Iraq and Syria. For us the question of 'aid' remains. But it is not a question of aid in the usual sense. We have to consider it not only by balancing the protection of our continuing interests in the country against our financial stringency, but in the light of our interest in being seen to have met our obligation to the people who have been for so long in our charge, arising from the fact that we have left their economy wholly unviable, having been paying about 70 per cent of their civil and military expenditure. Provided therefore the new Government is not hostile to our interests, we cannot allow the economy to collapse and must continue to support it, until the new rulers have had a reasonable time to adjust themselves to the new conditions and to find other internal and external sources of revenue which will enable them, at least, to pay their way, if not to support the standard of administration to which we have accustomed them. They cannot remain indefinitely our pensioners on the present scale, and will not want to, and if the Russians or Chinese fill the gap, it will at least relieve us of an obligation which we cannot easily afford, though at some cost to our remaining local interests. The best solution will be aid from other Western or Arab sources, but that may be wishful thinking. If they can manage to achieve a permanent basis of solvency, they should be able to manage their country in an Arab way, provided no outside Power chooses to pay the tribes and make trouble. In the

immediate future the stability of the country will be largely dependent on its relations with Saudi Arabia, deeply suspicious of the new Government and subject to strong pressure from the exiled Sultans to support their return by force. It is surely in the Saudi interests, if they would only see it, to make the best rather than the worst of the NLF in its new role, but the NLF's close connections with Republican Yemen will not help. At the moment, the old Yemen is so disturbed that union with the new State can hardly be a practical proposition; but in the long term, although the desire to retain the fruits of office may prevent it, the union of the two countries appears to be the best answer to South Yemen's intractable economic problems. But no one can foresee the future of this little country with its long tradition of violence, which throughout its history has so consistently rejected the foreigner, which has taken the British imprint only lightly, and which has now come to independence in so strange a fashion.

5. In the last six months we have been conducting a politico-military operation of withdrawal. Co-operation between the High Commission and the Headquarters, Middle East Command, could not have been closer. I must express my thanks to the Commander-in-Chief, Admiral Sir Michael Le Fanu, and to the officers of his command. Especial credit is due to Brigadier J. B. Dye, without whose understanding, persistence and patience the Arab Army would time and again have disintegrated. To the British Forces, the members of the High Commission, the British servants of the Federal Government, the British business community and the Arab civil servants I have already paid public tribute for their fine conduct in difficult and dangerous conditions. I should also like to express my personal appreciation of all that Lord Shackleton and Lord Caradon did to help towards a solution of this difficult problem. Finally, Sir, I must express my thanks to you for your understanding of the ever changing situation and for your guidance and support.

## **87 FCO 8/284, no 11**

**9 Feb 1968**

**'First impressions of Southern Yemen': despatch from R W J Hooper<sup>1</sup> to Mr Brown**

Though it might have been wiser in some ways to wait until I had had more experience of the Southern Yemeni scene, and in particular had had more opportunities of travelling outside Aden, the present is so critical a moment for relations between the United Kingdom and the People's Republic of Southern Yemen that I feel I cannot further delay the account of my first impressions which I now have the honour to submit.

2. The physical setting—once one can overcome the overwhelming impression of living on a king-size edition of the Mappin terraces<sup>2</sup>—is impressive. Two vast, jagged, and almost totally barren complexes of extinct volcanoes mount guard over a fine natural harbour—all this in a climate which, whatever the summer months may bring, is for the present a welcome change from the snows and fogs of Geneva and London. But if the works of nature are on the grand scale, the same cannot be said for the works of man. Though British rule may have brought private affluence to

<sup>1</sup> UK ambassador, People's Republic of South Yemen, 1967–1968.

<sup>2</sup> A reference to the imposing facade of the Mappin Art Gallery in Sheffield.

Aden, it did little to alleviate public squalor; and it is regrettable but true that in four generations we have left behind few man-made objects on which the eye can rest with pleasure. It is curious to contrast the relative modesty and apparent impermanence of buildings in which the Raj housed itself at the height of its power and self-confidence with the ponderous solidity of those built in the last decade, to be abandoned almost before they were completed. No doubt Professor Parkinson would have a law for it.

3. To outward appearance, post-independence Aden is a strange mixture of back to what one must I suppose now call normal and ghost town. Though there are occasional incidents, public order has been effectively restored. In and around Aden itself, and, as far as we can judge from the limited opportunities we have had of seeing for ourselves up-country, conditions are on the whole quieter than they have been for years. Except for the few road-blocks and checkpoints, of which many in recent weeks have been either abolished or taken over by the police, the army are little in evidence on the streets. In Aden itself one sees little of the NLF commandos—or as some of them have now been renamed, the ‘People’s Guard’—though they are more active in the country. The haphazard requisitioning and exactions which were still frequent soon after independence seem to have been brought under control, though there is probably still a good deal of pressure on the wealthy to make ‘voluntary’ contributions to party funds. Some of our Adeni friends tell us that they have been warned that social contacts with foreigners are not approved of by the party. However, Europeans walk the streets freely, and the sight of my aged Princess limousine lumbering about its official occasions with the British flag flying from its radiator cap seems to excite no emotion stronger than casual curiosity or mild hilarity.

4. But though Aden goes about what remains of its business in what appears to be almost complete calm, it is a shadow of its former self. Many of the shops that used to tempt troops and tourists with transistor radios, tape-recorders and the like have closed down, and the rest are running down their stocks. The port is working at about 25 per cent of capacity and bunkering is down to a fraction of the pre-5th of June level. The scars of the troubles are still very evident. The empty barracks stretch for mile after melancholy and already decaying mile. The vast jerry-built blocks of flats run up by enterprising shaikhs and merchants along the ‘Ma’alla Straight’ to house Service families stand crumbling and untenanted, though one need spare little sympathy for their owners, who all, it is said, got their money back plus a handsome profit in less than five years. There is unemployment in Aden—official figures admit to 25,000 out of a working population of some 80,000. But beyond such indications as the constant stream of applicants for jobs at this Embassy, there are few external signs of distress, possibly because until now the fall in the number of available jobs has to some extent been balanced by large-scale departures of immigrants and because many of those who have been thrown out of work are still living on their savings and the golden handshakes of one kind or another which they received when the British left. By Arab standards, though perhaps not by the standards to which Aden itself has become accustomed, this is still a prosperous community, though it is hard to see how it can remain so for long with the port in a state of suspended animation and the continuance of British aid a looming question mark.

5. Politically, it is difficult to see far into the future. What principally strikes me is what has not happened since independence rather than what has. After the

forebodings of last year it would be surprising if the Southern Yemen had a good Government. It is almost as surprising that it has one at all. The Government does not yet function very efficiently, though its Ministers strike those who are in a position to draw comparisons as on the whole far more effective and decisive than any of their predecessors. It depends for its continued existence on a precarious alliance between the National Liberation Front and the military and police which is subjected to constant strain by pressure from the Left wing of the NLF. Its financial and economic future is dubious in the extreme. Its methods are not those of parliamentary democracy. Its attitude over such matters as political trials, and the Minister of Defence's recent, though hastily suppressed, outburst about supplies for the forces being under the control of 'our enemies' show a curious blindness to the unwisdom of biting the hand which it presumably hopes will feed it. Nevertheless, the Government is there. It has dealt drastically and to all appearances effectively with its internal enemies. Though it has made bellicose noises in support of the North Yemeni Republicans, and the true extent of its involvement is difficult to assess, it has so far avoided any real commitment in any direction. It has got rid, probably to the ultimate benefit of the country, of the tangle of outdated jurisdictions which made rational administration and progress in the up-country regions so difficult. After a fashion, it does work. It has made at least a start on some of the immense problems which confront it; and there are grounds for hoping that it will continue to function if it is given the means of doing so.

6. This inevitably leads to a consideration of whether it is in the interests of Her Majesty's Government to provide these means, or at any rate some of them. We have a substantial economic stake in this country, though I know it can be argued that to preserve it might cost, in the long run, more than it is worth. We have strong interests in the maintenance of stability in the area generally, at least until something has emerged to fill the vacuum which will result from our impending withdrawal from the Persian Gulf; and we do not want the NLF to be tempted by economic difficulties at home into subversive activities further afield. Though we may not feel any particular sense of obligation to the gunmen to whose conduct over the past few years the present predicament of Southern Yemen is largely due, we cannot escape some degree of responsibility for the overblown state in which we left the country's economy: and we shall incur odium both here and *vis-à-vis* world opinion if we do not continue to help in easing the transition to something more in keeping with the country's real resources. Though we cannot accept the NLF's argument that they should succeed automatically to the commitments we made to the preceding Government, we must be prepared for criticism if we appear to be refusing to 'progressives' what we were prepared to grant to 'reactionaries'. Finally, it is neither our fault nor that of the Southern Yemenis that an already difficult situation has been made even worse by the closing of the Suez Canal.

7. From a more specifically political point of view, one has learnt to become sceptical of the extent to which aid furthers the policies of him who gives or influences those of him who takes. The Southern Yemenis are as keen as the next undeveloped country on 'aid without strings'—*i.e.*, the sacred right to abuse your benefactor, injure his interests, and frustrate his objectives while taking his money. One has learnt, too, to be slightly cynical about 'you must give us aid, as otherwise we shall be forced to go to the Communists'. The political argument for aid rests on neither of these discredited theses. It would be wrong to argue too closely from

European analogies, but the NLF is essentially a resistance movement. Like resistance movements elsewhere, it attracted to itself during its clandestine period disparate and incongruous elements which may fly apart once the immediate objective has been achieved. There are indeed signs that this may be happening already. However, there is no doubt that the basis and core of the movement is independent revolutionary 'Arab Socialism' and that this will remain its driving force now that independence has been attained. We should be under no illusions about this. On the other hand, the movement is not as yet a monolithic one. It is arguable that, if in the struggle for power which we believe to be going on behind the scenes between the advocates of a relatively moderate 'third world' policy and those of a Communist-oriented 'positive neutralism', the former came out on top, there is a chance—one can put it no higher than that—that the Southern Yemen which will emerge will be more tolerant, more liberal, less inimical to British political and economic interests and more stable than it would otherwise be. The 'moderates' have on the whole put their money on the British horse. One of the most powerful arguments at their disposal has been the necessity to avoid antagonising the West in general and the British in particular. Their position will be weakened, if not destroyed, if this attitude fails to pay off.

8. The arguments for aid to Southern Yemen thus look convincing from here: but I realise, Sir, that in London they have to struggle for survival in a climate in which—to put it bluntly—we have seriously to consider whether Southern Yemen and the British political and economic stake in it are expendable in the interests of our own national solvency. If therefore one is to justify the substantial expenditure which will be necessary even if we confine ourselves to the barest minimum required to ease the transition from artificial boom to a modestly viable economy, one must demonstrate that we gain more than we lose by not letting Southern Yemen go hang. What will happen if we do so?

9. Though they have not yet got to the point of overtly admitting it, the Government and, to some extent, the public appear to have realised that there is a real prospect that aid from the United Kingdom will come to an end on the 31st of May. Should this prove to be the case, the consequences, in terms of both the internal political and economic situation and of Anglo-Southern Yemeni relations, are likely to be serious. But although anything may happen in a country where violence is endemic, I should not expect it to result in a situation in which public order and the safety of British subjects would be in immediate danger. In the struggle for power referred to earlier, the moderates would be weakened and the extremists strengthened, even if there were no immediate prospect of aid from the East. The régime would be tempted to recoup themselves for a refusal of aid by helping themselves to British assets. British trade would be gradually frozen out. The march towards 'Arab Socialism' or something more extreme would be accelerated. Southern Yemen would become more than ever a police State. However, I would expect the process to be gradual rather than explosive; and though a point might be reached at which it might be impossible to carry on a normal British community life or indeed normal diplomatic relations as these are understood in the Western or uncommitted worlds, I would not expect this to happen violently or all at once. How far these considerations can be adduced as arguments in favour of aid depends on how much importance is attached to the preservation of British economic interests here and to keeping a political toe-hold in the country; and it must be recognised

that however desirable in themselves these objectives may be, we may have to admit that we no longer have the economic capability to achieve them.<sup>3</sup>

10. The view from Steamer Point is, then, not a very cheering one at the moment, and the way ahead is far from clear. Twenty-five or so years ago, I was flying a Halifax over a particularly insalubrious corner of Europe. There was a bang and a silence. Over the inter-com came the agitated voice of the navigator: 'The radar's packed up, Skip: we'll have to use navigation.' But somehow or other, we got home. Perhaps we will this time, too.

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<sup>3</sup> The UK had promised £60 million over three years to the defunct South Arabian Federation. In May 1968 Britain agreed to provide £1.8 million in aid, effectively £1.25 million after the deduction of South Yemen's financial obligations to the UK. Effectively bankrupt at birth, the People's Republic of South Yemen, renamed the People's Democratic Republic of the Yemen in November 1970, turned to China and the eastern bloc for aid. And in the first year of independence, having overcome revolts from its own extreme left-wing and faced continued opposition (backed, it was believed, by Saudi Arabia) from its former opponents in FLOSY and SAL, the NLF government of President Qahtan as-Shaabi turned to the Soviet Union for arms. In 1990 North and South Yemen merged to become the Republic of Yemen.





## CHAPTER 3

## South-East Asia

Document numbers 88–115

**88** PREM 13/428, pp 174–17915 Oct 1964<sup>1</sup>**‘Malaysia: the first year’: despatch from Lord Head to Mr Bottomley**

During the past year Britain has expended a great deal of manpower, money and material in support of Malaysia. It therefore seems worth taking a hard look at the problems and prospects of this new Federation which we may well have to continue to support for a very long time.

*Confrontation*

2. I do not think that Sukarno’s policy of confrontation has at any time been a serious threat to Malaysia’s survival. On the contrary, in some ways it has probably had a cohesive effect during the early and rather critical months after Malaysia’s difficult birth.

3. On the military side Sukarno’s efforts have been almost wholly unsuccessful. In Borneo he has met with very little success and, although the landings in the Peninsula of Malaya caused some alarm when they started, the successful way in which the guerillas have been rounded up has produced confidence and satisfaction throughout Malaya.

4. Only where Sukarno has indulged in covert activities designed to stir up latent communal antagonisms has he achieved some success or created any serious threat to Malaysia’s stability.

5. I do not therefore propose to examine in any detail the problem of confrontation or its effect on Malaysia. With an unpredictable man like Sukarno and a bad economic situation which tends to create the need for some external threat to draw attention away from difficulties at home, it would be a bold man who predicted how long confrontation is likely to last; but I am of the opinion that we should plan and be prepared for the possibility of another two or three years of confrontation. Nevertheless there is no doubt that Sukarno’s position to-day has deteriorated and his lack of success at the Security Council and at the Cairo Conference, and his military failures, have heightened Malaysia’s morale and put Sukarno’s prestige abroad and, I hope, at home, at a low ebb.

*Malaysia’s internal problems*

6. Malaysia’s future is dependent much less on the external threat than on her ability to cope with and eventually resolve certain internal problems.

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<sup>1</sup> 15 Oct was the date of the general election in the UK; Mr Bottomley was secretary of state at the CRO when this despatch arrived.

7. Colonialism often leaves behind it situations and consequences which provide serious difficulties for the newly independent country concerned. This is certainly the case in Malaysia where the British supported the Malays and the general governmental and administrative structure of the Sultans. Industry, commerce, rubber, tin and the whole of the commercial field was run by the British and Chinese. The Malays, indolent by nature and by their religious faith not encouraged to enter into commerce, ran the army, the police and the Civil Service. Beyond that they have played and now play practically no part, nor is there much future prospect of any considerable change in this respect. In the University of Malaya only 28 per cent of the students are Malays, the remainder are Chinese and Indians. Of this 28 per cent as many as 25 per cent do Malay or Islamic studies; practically no young Malays are studying science, engineering or those degrees which lead to a career outside the Civil Service.

8. On the other hand, the Chinese, whose numbers have increased very considerably since the war, now very slightly outnumber the Malays in the new Federation. They are clever, intelligent, hard working and have considerable drive and judgment. The Malays know that they are no match for the Chinese and for this reason only one in four of the Civil Servants is allowed to be Chinese. They are kept out of most of the army and only limited numbers are in the police.

9. While the British were here this rather peculiar division of responsibility and more or less tolerant co-existence between Malay and Chinese worked reasonably well. The Malays felt confident that the British would ensure that the Chinese did not get on top of them through their zeal, energy and ability; and the Chinese felt confident that the British would not allow the Malays to bully them or treat them too unfairly and that they would have a reasonably square deal and stable conditions in which to indulge in their favourite activity, making money.

10. When the British went these latent communal fears, bereft of the reassurance of the British presence, became aroused.

### *Politics*

11. The Malays first serious apprehensions probably started when Lee Kuan Yew's party, the People's Action Party, won six Malay seats in the Singapore elections which were held in September 1963. The P.A.P. is a multi-racial party with the declared aim of spreading its influence and attracting members of all races from all over the Federation. The fact that it had succeeded in getting a number of Malays in Singapore to vote for it was a political red light for the Malays.

12. Why? Because the Malays are well aware that when it comes to expounding political ideologies and indeed in the vigorous and effective practice of Government, the Chinese are far and away superior. In order to retain political and administrative control of their own country, the Malays rely on a purely communal vote. 'Vote Malay to keep the Malays in power' is U.M.N.O.'s main attraction and appeal to their supporters. It can therefore be seen that the prospect of Lee Kuan Yew's party, the P.A.P., spreading into Malaya as a progressive Socialist party who would provide a better deal for the have-nots and then, judging by its performance in Singapore, attracting a considerable number of Malay supporters, seriously worried the Malay U.M.N.O. leaders. The possibility of having their solid communal U.M.N.O. vote eroded by the P.A.P. is the basic cause of Malaya's major problem to-day, mutual fear and tension between Malay and Chinese.

*Personalities*

13. Although this situation would under any circumstances constitute a formidable problem for a new Federation, it would be less serious if it were not for the personal antagonisms which obtain between the Tunku, Prime Minister of the Federation, and Lee Kuan Yew, Prime Minister of Singapore. Relations between these two men have added, and are likely to continue to add, considerably to Malaysia's racial problem.

14. Lee Kuan Yew is highly intelligent, a skilled and ruthless politician driven by boundless ambition and more or less incapable of restraint, certainly in what he says in private and off the platform.

15. The Tunku is by contrast a somewhat old-world aristocrat with little or no brains who has hardly read a book and who relies on intuition and his general standing in the country for both his influence and his method of governing. This system has not stood up well to the circumstances which have obtained in the past year.

16. Relations between these two men have steadily deteriorated during the first year of independence. At present there is a lull; a sort of political armistice, because when relations looked like getting critically bad they fortunately met together and arranged a three-month truce. The problem is far from solved and its solution will be far from easy.

17. Because of latent racial tensions and smouldering resentments, and because there is always a possibility of one or other of these men making a speech which will fan the flames, the Federation is disquietingly vulnerable to outbreaks of widespread communal rioting or disorder.

18. Fortunately Malaysia has an experienced and efficient police force of 28,000 armed men, and fortunately the Chief of Police, Fenner, is an able and experienced man, and is British. If Head of the Police were, at this moment, to be taken over by a Malay, the Chinese would probably feel much more apprehensive than they do now. I have done my best to ensure that Fenner will stay.

*Other problems*

19. What I have described above is in my view the central core of Malaysia's difficulties. There are, of course, other problems.

20. In Singapore there is a strong Communist party which operates under the front of the 'Barisan Socialis'. Even at the time of Lee Kuan Yew's overwhelming victory in Singapore, which surprised everyone at the time, the Barisan Socialis attained nearly a third of the total votes. If Lee gets into trouble during his quarrels with Kuala Lumpur, or falters in some way, the Communists are waiting in the wings and are quite formidable contenders for power in Singapore. In fact there are those who maintain that some of the more chauvinistic Malays would welcome such a situation because it would get rid of Lee Kuan Yew and the Malays could then close down with their very large police force on the Communists and sort things out. Neither eventuality would be helpful to Malaysia's stability.

21. Another potential danger is a segment of U.M.N.O. supporters who are strongly chauvinistic and often violently anti-Chinese and Lee Kuan Yew. There is no doubt that this extreme element of U.M.N.O. played a considerable part in stirring up the first communal riots which took place in Singapore. It is probable that this more extreme element has some considerable following in the country, and if, through fear and tension, their influence should increase they could constitute a serious threat to

wise and balanced Government and a reasonably liberal attitude towards the Chinese. Furthermore there is, among some of these men, a line of thought which runs somewhat as follows. 'We do not want to have the British here for ever. How are we going to be sure of controlling and keeping on top of the Chinese after the British have gone? The only people who can really help us to do that and who therefore we must have as friends are the Indonesians, who are close to us racially and many of them related to us. We must therefore as soon as possible make friends with the Indonesians.' Most of the men who think on these lines are at present keeping fairly quiet about it.

### *The good old days*

22. It has become increasingly evident to me that many of the leading Malays in the country have a pronounced nostalgia if not a downright wish that the good old days could come back again. They sigh for the time of independent Malaya without any of these troublesome problems such as confrontation, Lee Kuan Yew and the unfriendly and somewhat unco-operative Borneo territories. There are even some who think that it might be possible to get rid of these tiresome encumbrances and go back to the past; but to be fair the majority probably realise that such a course is now well nigh impossible.

### *External relations*

23. Another cause for anxiety is Malaysia's present isolation from virtually all the other Afro-Asian countries. Some sort of tenuous relationship has been started up with Nigeria and the Tunku has promised to invite Abubakar<sup>2</sup> to come here and says he is willing to go there himself; but with this one exception the Tunku regards the principal Afro-Asian countries with mistrust mingled with contempt. External relations for him comprises visits to England, America, Canada, Australia or New Zealand. Beyond that he is not interested. He has virtually no knowledge of the problems, policies, aims and aspirations of the numerous newly independent countries which form the bulk of the Afro-Asian group. The Tunku is flagrantly aligned and quite unashamed of the fact. He is apt to justify Malaysia through its anti-Communist potential in South-East Asia and cannot understand why he is not more loved by the non-aligned Afro-Asians.

24. Malaysia's position in the world, whereby she at present constitutes a kind of near white closely aligned dominion, must gradually alter if she is to take her place and stand on her own feet in the world when the British presence and influence diminishes. It is not at all easy to get this into the Tunku's head. Some of the younger Malays and Lee Kuan Yew, however, see it clearly.

### *Future prospects*

25. What is going to happen? Will Malaysia be torn apart by communal disputes and bitterness or will some *modus vivendi* be worked out? If Lee Kuan Yew were to give a solemn undertaking that he would not allow the P.A.P. to operate politically either in the Borneo territories or in Malaya the problem would be enormously reduced and Malayan fears and apprehensions considerably lulled; but how can he? The general view of his P.A.P. supporters is that either the non-communal policies of

<sup>2</sup> Sir Abubakar Tafawa Balewa, prime minister of Nigeria, who was killed in Jan 1966 when his government was overthrown in a military coup (see 207, note 6).

the P.A.P. must spread throughout Malaysia or else the P.A.P. will be beaten by communal policies in Singapore. If Lee Kuan Yew abandoned his own belief in non-communal politics throughout the Federation to please the Tunku, his supporters would be disillusioned and would probably kick him out.

26. Will the P.A.P. eventually win control of Malaysia? Lee has the ability and the dynamism to spread his ideology over the Federation and by his performance in governing Singapore to convince the have-nots, and especially the urban have-nots, that they will get the best deal from him. It is by no means impossible for him eventually to win a majority in the Federal Parliament; but the point to remember, and Lee Kuan Yew himself is of this opinion, is that if the Malays foresaw political defeat in the air and a largely Chinese Government run by Lee Kuan Yew—then, rather than put up with such a situation, they might well close down on the P.A.P. with their large and almost entirely Malay Police Force and suspend democratic methods.

27. It will therefore be seen that at present Lee's prospects are pretty dim either way. He knows this and feels extremely frustrated.

28. What is likely to happen if U.M.N.O., with its obedient Right-wing supporters the M.C.A. Chinese, continues to rule the country? The Government at present is old fashioned, fairly corrupt and not very efficient, certainly in comparison to the Singapore Government. It is not easy to find very many up-and-coming progressive young Malays with some fire in their bellies. All the same, I do not see how the present Government can go on indefinitely being re-elected; and if democratic methods are persisted in, I think some sort of change is bound to evolve. One must hope therefore that they will somehow find the ability to become more progressive, efficient and generally speaking more 'with it'.

29. The next few years may well bring a half-way situation whereby some progress is made by U.M.N.O., and some improvement is made to the general status and privileges of the Chinese but that even so, some further communal trouble must be expected. Much will depend on whether the Tunku or Razak, his probable successor, gives the country wise leadership or indulges the bitter and emotional dislike both have for Lee Kuan Yew and the P.A.P. It is not reassuring that Razak, at present Minister of Defence, has, I think deservedly, a reputation for being anti-Chinese. Nor did he distinguish himself when the first Singapore riots took place and he was acting as Prime Minister during the Tunku's absence in America. He was indecisive, diffident and unconvincing in his broadcasts and television appearances.

### *Borneo*

30. I do not intend to deal at any length with the Borneo territories. When their development and resettlement schemes are planned and when they have had more time to settle down, I hope to write a separate and more detailed report on their prospects and problems.

31. At the moment Sarawak seems to have settled down reasonably well and there has been a marked improvement during the last three or four months. The Chinese Communists are a threat to security but seem at the moment to be under control.

32. In Sabah on the other hand the political situation is extremely unsettled. The Chief Minister, Stephens, and the Governor, Dato' Mustapha, are at daggers drawn.<sup>3</sup>

<sup>3</sup> Donald Stephens, leader of United National Kadazan Organisation (UNKO), North Borneo (Sabah); Dato Mustapha, leader of United Sabah National Organisation (USNO).

The Tunku has backed the latter and I think it can be said that Kuala Lumpur is strongly in favour of getting rid of Stephens. I am of the opinion that Stephens is the most able and intelligent of the men available in Sabah and that his removal would be unfortunate. There is no possible successor who fills me with anything but apprehension. On top of this there has been a campaign in the Press and by certain politicians against some of the expatriates. They are getting somewhat unsettled and if they begin to leave in large numbers the prospects of implementing the ambitious resettlement and development schemes will dwindle and might disappear. I am doing my best to get the Tunku and Razak to reassure the expatriates and convince them they're wanted. Only Tunku can really do this; and he has promised he will.

### *General*

33. There is much that is good and encouraging for Malaysia's future but in this despatch I am more concerned with diagnosing symptoms of illness than in listing healthy organs. The economy is in good shape, investment continues, and industrialisation is proceeding at a reasonable pace.

34. At the same time no one, unless dangerously complacent, could fail to be apprehensive about the next two or three years of Malaysia's progress. I do not foresee the Federation breaking up. I am reasonably convinced that both Borneo and Singapore know that if they don't hang together they may well hang separately; but fear, emotion, religion and lack of restraint and wisdom among leaders may very easily bring serious racial troubles which could cripple the Federation and bring about strong and drastic measures by the large, and primarily Malay, police force. This could start a train of events which might cripple or at least seriously shake confidence in this experiment in multi-racial Federation.

35. Long term prospects for Malaysia are hard to assess. She would I think have a much improved prospect of coming through without serious racial troubles if there were some good prospect that now or in the near future a leader of some wisdom, temperance and restraint, like say Abubakar in Nigeria, might come to the fore. I have not seen any sign of such an individual.

### *Conclusion*

36. The internal strains I have described above are fundamental and were foreseen before Malaysia was formed. They will not quickly disappear and there is no magic formula which the Tunku or Lee Kuan Yew could use to make them do so—though, if either man was readier to compromise, the sharp edges could certainly be blunted. We ourselves have to take care how we approach these questions. It is only too tempting to suppose that wise and constructive advice to one side or the other (or both) from a disinterested friend will do good. The Tunku is inclined to resent any suggestion that he needs advice on handling his domestic problems, and tends to suspect that the British prefer Lee Kuan Yew's approach to his own. We can, I believe, play a useful part, but only if we are very circumspect and tactful.

37. I am quite sure that, for a variety of reasons which are outside the scope of this paper, Britain is right in giving its full support to this Federation. At the same time I think it is of great importance that we should have a clearer understanding of what our long term aims are in South-East Asia and a closer degree of co-ordination and co-operation with the United States in relation to our short and long-term policies in this important, unsettled and volatile part of the world.

**89 CAB 148/17, OPD(64)10****19 Nov 1964****'British policy towards South-East Asia': memorandum by Mr Gordon Walker for Cabinet Defence and Oversea Policy Committee**

[This paper was prepared by the FO and endorsed by senior officials inter-departmentally. It was presented to ministers as background material, especially in view of the forthcoming discussions at Chequers about defence policy (see 3).]

This paper seeks to redefine British policy towards South-East Asia in the light of the current situation and of likely developments over roughly the next decade.

2. It reaches the following conclusions:—

(a) South-East Asia is of relatively little economic importance to Britain; but politically we have a substantial interest in preventing its absorption by Communism, and we need to maintain our effort in the area if we are to keep our position as a world power and the United States' principal partner.

(b) Communist absorption of South-East Asia can best be avoided by working for the ultimate neutralisation of the area, in agreement tacit or formal between the West and the Communist powers.

(c) This means a recognition by the West that any excessive desire to retain a military presence and direct political influence in the area is likely to encourage an unnatural alliance between local nationalism and communism. In the long term Britain and her allies must accept that only a genuine non-alignment in South-East Asia can make the containment of communism an attainable objective.

(d) Meanwhile, however, a delicate balance has to be struck between these dangers of staying too long and the opposite dangers of withdrawing too fast. Any Western 'defeat' in South-East Asia will equally render impossible the long term objective described above. Military measures will therefore remain essential until the prospect of eventual agreement emerges more clearly.

(e) The Americans will have to make the running in both the military field (SEATO)<sup>1</sup> and the economic field (aid and technical assistance), but Britain's power to influence American policy will depend on our making a respectable contribution.

(f) A British military contribution will require the continuation for the time being of our Singapore base, and also the continuation of our defence of Malaysia against Indonesian hostility; our economic contribution should be mainly concentrated on Malaysia.

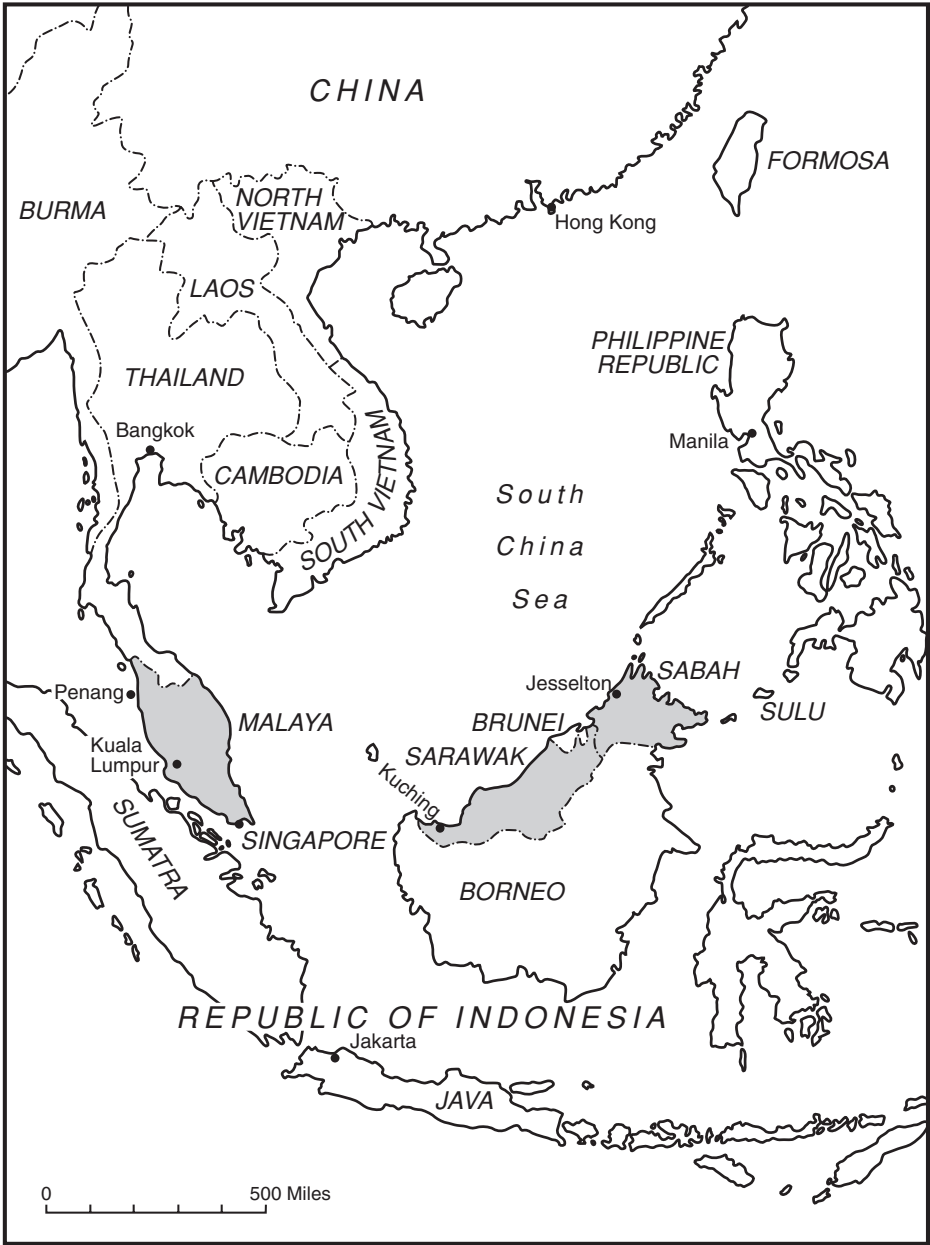
(g) British policy must distinguish between what is attainable in the *Continental Region*, where the proximity of China is the dominant feature; and in the *Archipelago*, where the West is at less of a geographical disadvantage.

(h) In the *Continental Region* (Burma, Thailand, Laos, Cambodia and Vietnam) our objective should be the eventual emergence of régimes that combine being sufficiently subservient to be acceptable to China with being sufficiently non-Communist to be acceptable to the Americans; however unsatisfactory in other

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<sup>1</sup> South-East Asia Treaty Organisation, signed at Manila in Sept 1954 by Australia, France, New Zealand, Pakistan, the Philippines, Thailand, the UK and the US. It provided for collective action against attack or internal subversion but from the beginning several members evaded long-term commitments and neither the UK nor France thought the treaty operated in Vietnam, Laos and Cambodia.





MALAYSIA AND ITS NEIGHBOURS

ways, in this respect the present state of Burma and Cambodia provides a possible illustration. In Vietnam it must be recognised that there is at present no third alternative to American involvement or Communism; but it is not at all impossible that, with time, this situation could change.

(i) In the *Archipelago* some form of loose association between Indonesia, Malaysia and the Philippines ('Maphilindo') probably offers the best hope for their future stability. This will not be achieved as long as 'confrontation' continues against Malaysia and it is a British interest to continue support of Malaysia against this. But we must accept that part of the price for such an association will probably be our military withdrawal from the area. Australian and Japanese influence in the Archipelago may grow and become a useful counter to Chinese pressure.

(j) A neutral South-East Asia will only be able to stand on its own feet with substantial economic and technical aid. But such aid and technical assistance should so far as possible be co-ordinated with other donor countries. Some form of consortium of Western donors (including Japan) could provide the best means of achieving this.

### I. *Introduction*

The purpose of this paper is to redefine British policy towards South-East Asia, in the light both of the current situation there and of likely developments over the next decade, and the implications for our interests and commitments in the area. This entails much speculation; and immutable principles of policy can clearly not be laid down on this basis. But, subject to this caveat, the paper will attempt to set out what seems to be reasonably predictable guidelines for our longer-term policy as well as for the intermediate or transitional period.

2. In the paper the term 'South-East Asia' excludes the Indian sub-continent, China, Formosa, Korea, Japan, and Australasia—though the paper naturally takes account of the interaction of forces between these countries and the countries of South-East Asia. The total population of the area is about 234 million (i.e. more than the Soviet Union, with 218 million, and not much less than the whole of Africa with 260 million). *Indonesia* with 103 million is much the largest single country (she is indeed the fifth largest in the world) as well as potentially one of the richest. The others in order of size are:

The Philippines	30 million
Thailand	28 "
Burma	22 "
North Vietnam	18 "
South Vietnam	15 "
Malaysia	10 "
Cambodia	6 "
Laos	2 "

3. Political alignments differ almost as widely as populations. There are two members of SEATO, one member of the Commonwealth, three neutralists of differing kinds, one formally 'neutralized' country and one country divided between a Communist state in the north and an American satellite in the south.

4. Geographically, although there is no natural division in the area, it is convenient to make a distinction between the Archipelago (including the Malay

Peninsula as well as Indonesia, the Philippines and Eastern Malaysia) and the Continental Region (which includes Burma, Thailand and the Indo-China states). The vast shadow of China looms over the whole area; but awareness of China as a neighbour is naturally greater in the Continental Region.

5. In the economic field South-East Asia is a major producer of some essential commodities. The region produces nearly 85 per cent of the world's natural rubber, about 40 per cent of the tin, 65 per cent of the copra, and 23 per cent of the chromium ore. It also provides 60 per cent of the world's exports of rice, or some 50 per cent if trade within the region itself be omitted. The region's supplies are important in the economy of certain countries such as Ceylon and India, especially in a bad year. But South-East Asia's total exports of 3½ million tons of rice a year form only a small proportion of total world production of over 150 million tons. Crude petroleum production, though important in the economy of Indonesia—and to some extent of Burma—is also small in terms of world production, being less than half of one per cent of the total. The region produces as well quantities of sugar, tea, timber and other tropical commodities.

6. The paper assumes that there will be no major war; and that China will remain a Communist country and the dominant Asian power. The existence of a Chinese military threat must be taken into account. China may well have no present plans for attacking any part of South-East Asia. But the lesson of the Korean and Himalayan wars has not been lost on the South-East Asians; they are aware that compared with themselves China is militarily strong and prepared in certain circumstances to use her strength.

7. The paper further assumes that, following the re-election of President Johnson, there will be no major change in United States policy towards South-East Asia; and that, if they had no other choice, the Americans would accept less than victory in South Vietnam rather than embark on another continental Asian war on the Korean model. In present circumstances, this assumption is reasonable and also necessary if any useful policy paper is to be written. But it could turn out to be mistaken. United States opinion on Vietnam remains hard. Given the present military weakness of the Chinese and the strong doubt that the Russians would help them in a war with the United States, Senator Goldwater<sup>2</sup> is not likely to be the only American to feel the temptation to settle matters with China once and for all. The Chinese Communists are, no doubt, haunted by just this possibility.

## II. *British interests*

8. British *material interests* in South-East Asia have been on the wane for the past twenty-five years. Our colonial empire there has, with the exception of the small protected State of Brunei, vanished. Our need of the primary products of the area has become relatively marginal. It is true that about three-quarters of the United Kingdom's rubber imports still come from the region, about three-quarters of this in turn coming from Malaysia; and that a little over 50 per cent of our imports of chromium ore come from the Philippines. On the other hand, natural rubber can be, and to some extent has already been, replaced by synthetics; only about 5 per cent of our total tin imports come from South-East Asia; and of our other imports, with the

<sup>2</sup> Barry Goldwater (1909–1998), Republican senator for Arizona, 1952–1964, 1968–1980; US presidential candidate, 1964; strong exponent of an America first foreign policy.

exception of chromium ore, vegetable oils, rice, tea and oil (only one per cent of our total imports) are all completely marginal. Moreover, Malaysia which, in 1953, brought a net balance of foreign exchange to the sterling area of £62 million and in 1955 of £43 million, is now in deficit and likely to remain so. Finally, barely 3 per cent of our world trade is done with South-East Asia; and although it is difficult to estimate the value of British capital investment in the area, our investments there (excluding oil, banking and insurance) yield under 6 per cent of our total overseas investment revenue. Our economic interest is, in short, more negative than positive. The natural resources of the region are more important to other Western countries than to us. But for these to fall under Communist control would be damaging to the Western trading position in general and thus also to our own trading interests.

9. In these circumstances it is understandable that the question should increasingly be asked why we maintain at *Singapore* our largest military base overseas. It controls the deployment of about fifteen major land force units with substantial Naval and Air Forces, as well as another six major units just outside the area in Hong Kong; and it entails a current defence expenditure of some £300 million (around fifteen per cent of the total defence budget of the United Kingdom). Why do we deploy this vast defence effort and substantial diplomatic resources in an area that attracts less British trade, contains less British investment and is inhabited by far fewer people of British descent than, for example, Latin-America; and with which the volume of trade is roughly the same as that which we do with the Soviet Bloc and smaller than our trade with South Africa? Indeed, this argument continues, the evidence suggests that trade or investment cannot nowadays be protected against abuse by military means. Our Singapore base could not prevent the nationalisation of British interests in Burma; and in Indonesia the British economic stake might well have suffered less if we had not been militarily involved in the area; insofar as Indonesia has been deterred from action against foreign business interests, it has been by economic and not by military considerations. Finally, Japan, West Germany, the Scandinavian countries and other Western nations trade just as successfully with South-East Asia without deploying military strength there.

10. This argument has much force. It perhaps underestimates the degree of protection afforded to Western trading interests by the deterrent effect within the area of the American and British military 'umbrella'. But the principal flaw in it is that it disregards the major British *political interests* in South-East Asia. These are what primarily explain and, at least in present circumstances, justify the continuing deployment of our resources there; and one of the purposes of this paper will be to suggest how, as circumstances force us to modify our military dispositions in South-East Asia, we can still protect these abiding interests.

11. The first of these is *that the whole area should not slide progressively into a vassal relationship with China and subsequently into communism*. The Sino-Soviet split has given something of a new dimension to this problem. Except in Burma, where only one of three main Communist groupings is pro-Chinese, Communist parties throughout the area are either ideologically in sympathy with China or at least subject to substantial Chinese influence and pressure. For the Soviet Union, therefore the success of communism could mean a dangerous loss of power and influence to the advantage of China. Russian influence is thus likely on the whole to be exerted in favour of local nationalist but probably not Communist leaders. Sukarno is a good example, and an indication that in this respect the Sino-Soviet

split is not likely to work in Britain's favour. In any case, whatever the likely development of relations between China and the Soviet Union, it must remain a major British interest to prevent the decisive change in the balance of world power that would result from the absorption of 230 million people into the Communist system—whether it be of the Soviet, the 'Titoist' or, perhaps most dangerous and certainly most likely in Asia, the Chinese variety. Such a political triumph would have worldwide repercussions highly damaging to Western interests in general and to British interests in particular; whether in terms of alterations in voting strength at the United Nations; of the impact on other countries (such as India or Japan) more closely exposed to the threat of Communist expansion from the area; of the increased military threat to Australia and New Zealand (see paragraph 13 below), not least because bases for the bombardment and air or sea blockade of these countries could be brought much nearer; or of the accretion to Communist economic and military potential represented by the resources of South-East Asia. Perhaps most important of all, the effect on the prestige and policies of the United States would be incalculable; as it would in consequence be on the partnership between Britain and America elsewhere in the world and on American relationships with her other Western partners in the Atlantic Alliance. This impact would be particularly damaging to us if American opinion felt justified in attributing any substantial part of the responsibility for Communist success to a failure by Britain to meet her 'responsibilities' in the area. This consideration, indeed, is related to our second major political interest in the area.

12. This is, by playing the fullest possible role, political, economic and military, in South-East Asia to *contribute effectively to the global Anglo-American partnership and to maintain that influence in the shaping of United States policies that is cardinal to the conduct of our whole foreign policy*. South-East Asia is of major interest to the United Kingdom as a scene of conflict between the United States and the Communist Powers which has in the past repeatedly given rise to threats of war and may do so again in the future. Because of the obvious danger that war starting in South-East Asia could ultimately imperil the United Kingdom, we have a major interest in being able to influence United States policy in that region. But the extent of our influence will depend, in the last resort, on the value to the United States of our political and military support for their policies in South-East Asia. There is no question of our military assistance being decisive or even perhaps significant. But successive United States Governments have always attached great political importance (mainly for domestic reasons) to British association with their military commitments in this area. As long, therefore, as our military presence in South-East Asia enables us to exercise a major influence on United States policies, it is worth retaining for this reason alone. There is also the important consideration that American support for British interests in other areas of the world is more likely to be forthcoming if we continue to afford them support in South-East Asia. They tend to regard this area as more vital than we do, but there are other parts of the world where the reverse is true and globally, we need their support more than they need ours.

13. Thirdly, the denial of South-East Asia to a powerful enemy is vital to *the interests of Australia and New Zealand*, countries where British investment has increased in recent years and with which British trade will remain substantial; and to which Britain is strongly bound by ties of race and sentiment, expressed in their Commonwealth membership. Peace and stability in South-East Asia is of

considerable importance to the maintenance of these links and to the protection of these important British financial and commercial interests.<sup>3</sup>

14. Finally, we have a further positive interest which is to some extent the counterpart to the apparently negative one set out in paragraph 10 above. If we wish to deny the area to communism, it is essential that it should *develop economically and enjoy reasonable political stability*. Without these preconditions, whatever we or the Americans do will inevitably remain ineffective. So we have an important general interest in the prosperity and political stability of South-East Asia.

### III. *Singapore*

15. The Singapore base and the substantial military effort deployed from it (see paragraph 8 above) were designed to safeguard these interests and in particular:—

- (a) to back up the efforts of the United States and SEATO in containing Communism in South-East Asia;
- (b) to protect Malaysia, under our Defence Treaty commitment;
- (c) to contribute to the forward defence of (and act as a link with) Australia and New Zealand;
- (d) to keep open communications between the Indian and Pacific Oceans;
- (e) to provide a rear link for our military presence in Hong Kong and a base for the defence of Fiji and other British Islands in the Pacific.

16. To examine these purposes in the reverse order, it is clear that (e) is nowadays of no more than marginal importance. The loss of Singapore would shake our position in *Hong Kong* and call in question our capacity to remain there; but the Singapore base facilities are not essential for our Hong Kong garrison to remain effective either for internal security purposes or as a trip-wire to identify Chinese aggression. The *Pacific Islands* are unimportant, although internal security and the denial of these islands to Communist strategy remain a Western interest.

17. The objective of (d) is important for our communications with Hong Kong and even more important, particularly to the Americans and the Japanese, for communications westwards to India. But communications between the two oceans are not dependent on the Singapore base and could no doubt be kept open in its absence.

18. As regards (c), Singapore is nowadays only one link in a chain of which many of the other links are steadily weakening. Circumstances in the Middle East and Africa over the next few years may bring us to the point where the only sure means of military communication with Australia in an emergency will be the West-about route via North America instead of east-about via Singapore; though an Indian Ocean route may emerge from present Anglo–United States discussions.

19. The importance of (b) above is self-evident at present. But in establishing Malaysia in order (among other things) to provide the right political environment for our strategic deployment in the area, we have in fact created a situation in which our strategy is largely nullified by the need to use most of our available forces to defend

<sup>3</sup> Brown wrote to Gordon Walker on 27 Nov expressing agreement with the conclusions of this paper but also his personal view with regard to para 13 that Australia and New Zealand should do more to contribute to the defence burden and to economic aid in the region. He described as a 'ticklish subject' the issue of when Australia and New Zealand might be approached, and added that given the UK's economic circumstances, the sooner this were done the better. In manuscript in the margin against this last comment he remarked: 'This is purely formal—but I know I don't have to lecture *you* about it!'

Malaysia. In the long run, our interests will be best served by a political settlement between Malaysia and Indonesia. The way in which a settlement could come about cannot be foreseen, but in some circumstances it might be incompatible with our continued tenure of the Singapore base.

20. The objective of (a) above, related as it is to our major political interest in South-East Asia, will remain valid for some time to come. Its effectiveness is diminished at present by the fact that the bulk of our land forces in the area have their hands too full with the Borneo fighting (or with internal security duties in Singapore itself) to be readily available for SEATO service. But the Singapore base itself is not fully occupied with Malaysia's war with Indonesia, and it would be valuable as a centre for the deployment in an emergency of SEATO forces, including British air and naval forces even if no British troops were available. Moreover, the existence and proximity of this Western base is reassuring to Thailand as well as to Malaysia.

21. British standing in the Far East has long been associated with the existence of a large British base in Singapore. If this were given up, countries in the area (and particularly Japan) might revise their policy towards us, although they would be less likely to do so if alternative facilities were available which allowed a British military presence in the Far East to continue.

22. At present, therefore, Singapore remains important to the protection of our interests in South-East Asia. But it seems clear not only that its long-term military value is declining but also that politically it is becoming, however gradually, a liability.

23. It is true that nationalist opinion in South-East Asia seems less militantly opposed to foreign bases than in the Middle East. Malaysia welcomes the base, at present, in its struggle with Indonesia; and memories of the emergency are still fresh in Kuala Lumpur. The base is also an important source of revenue and an element of stability in Singapore island. But this attitude cannot long continue. Future Malaysian Governments are likely to be more radical than at present and less tolerant of foreign military establishments. The retention of the base, even if we had not yet been specifically asked to leave, could progressively compromise our friendly relations with Malaysia. But without this friendship the base would hardly be tenable. Clearly our planning should be directed to establishing how our abiding political interests in South-East Asia can be protected by means other than the Singapore base, so that we shall be in a position to withdraw from it if possible before we are requested to do so.

24. Singapore, however, looms at present so large in British policy-making throughout South-East Asia that to devise policies for the day when we may decide to leave it requires a radical re-appraisal. This paper will not try to specify the point in time at which we can abandon all military interest in the area; nor to discuss how, meanwhile, we could deploy military force once we had left Singapore—beyond saying that, if we still thought it necessary and were prepared to pay the price (which would be very large) the improved logistic techniques of the future could make it feasible for us to keep an amphibious force in or near South-East Asian waters, operating either from an 'austere base' in the Indian Ocean or from a more elaborate one in Australia. (The latter would of course require Australian agreement, but this seems likely to become easier to secure, as Australia grows increasingly aware of the threat from the north.)

#### *IV. British long-term policy*

25. But the problem of a British military presence post-Singapore is really irrelevant to the fundamental question whether in the long term the aim should be

to keep the bulk of South-East Asia 'in the Western camp'; and whether, whatever efforts, military or otherwise, the West were prepared to make, this could in fact be done. To pose the question in this way is, in 1964, to provide the answer. At present well over half the area (in terms of population) is already 'non-aligned'; less than a third is allied to the West; and America and Britain are engaged in vast expenditure of money and military resources to save South Vietnam and Malaysia from absorption respectively by Communism and local imperialism. To try to reverse this situation and swing over these 150-odd million people into alignment with the West is clearly impossible, even if it were desirable. If the Western objective is to keep Communism out and if, as our treaty obligations imply, we are at present prepared in certain circumstances to fight for this objective, we must take it for granted that the Communists may also be prepared to go to extreme lengths to keep the West out—at least it could be highly dangerous to act under a different hypothesis. In short, the peace and stability of South-East Asia require some kind of *modus vivendi*, declared or tacit, between the West and the major Communist powers, but especially China.

26. It thus seems clear that our long-term aim should be a *neutralised South-East Asia* which by agreement, tacit or formal, between the Communist powers and the West should be allowed to pursue its own destinies without outside interference or commitment. This was the aim set out in the Foreign Secretary's Copenhagen speech (to the Danish Foreign Students' Association on February 5, 1964). Such a South-East Asia could still include a wide range of political systems and attitudes. There is no foreseeable prospect, for instance, of North Vietnam ceasing to be communist and no early one of the Philippines abandoning its relatively extreme form of *laissez-faire* capitalism. It is also probable that so-called socialism, often in an extreme form, will constitute a major political force in the area, while capitalism is likely to recede. However inconvenient this may be to us economically it need not disturb us politically provided that the forces of extreme socialism are content (as now in Burma) to operate within their own borders.

27. The creation of such a neutralised South-East Asia would involve the disbandment of SEATO. Military alliances with Western countries are suspect to radical South-East Asian sentiment in the same way as Western military bases and for the same reasons. Their ultimate effect, like that of any other form of overt South-East Asian dependence on the West, is to drive nationalism into partnership with Communism. Since nationalism is still the dominant political emotion in South-East Asia, such a partnership is bound to be damaging to the non-Communist cause. It is also unnatural, in that national particularism—and, in its negative form, anti-Chinese sentiment—is at present the one force that may be able to inhibit the spread of Communist beliefs in the area and to enable an agreed system of neutrality to be established.

#### V. British policy in the transitional period

28. This concept of a neutralised South-East Asia, from which the West will have been able largely to disengage militarily, is by definition a long-term objective. Nor will it be attained unless the West meanwhile plays a skilful and determined political hand. A 'defeat' for the West—whether in Indo-China or in Indonesia—could be fatal to our objective. In other words, while we must try to avoid maintaining our South-East Asian alliances too long, we cannot, without grave danger, terminate them abruptly. 'Confrontation' will have to be brought to an end before we can end our



treaty with Malaysia. SEATO remains a necessary short-term symbol of Western resolution in South-East Asia. To seek to jettison it and establish a neutralised South-East Asia too soon would outrage the Americans and expose the area to demoralisation in the face of the threat of Communist advance from North Vietnam or China. The need is to contain this immediate threat as long as is necessary to convince China that the West can not be beaten either militarily or by subversion without unacceptable effort on the Communist part; and that it will suit them better to agree to neutralisation. If they can accept this, it will of course be in the hope of gradually winning over a neutralised South-East Asia. But at that point the threat will be of a different nature and our policies will have to be re-adapted to it.

29. Militarily, SEATO may mean little more than the United States forces at its disposal. The Asian members would be unreliable in battle, and the British and Australasian contributions are too small to weigh in the military balance. Inevitably therefore it will depend more on the Americans than on their allies how long SEATO is maintained and whether any eventual steps are taken to replace it. But the United States will be much more open to British influence if we have kept up our military support of SEATO. So, if we are to work for eventual disengagement, we must, paradoxically, set our face against ourselves disengaging for the time being. Indeed, this paradox can be illustrated by the role we have played in Indo-China. As co-chairman of the Geneva Conference, we have consistently used our influence for disengagement and neutralisation. But our influence, at least with the Americans, has in fact largely depended on our readiness to be present militarily in Singapore and to be active in SEATO.

30. To sum up, therefore, our transitional policy must try to combine firmness with mediatory diplomacy aimed at eventual neutralisation. The firmness must include a substantial measure of support for American policies in Indo-China and a readiness to provide training and technical aid designed to enable the countries of South-East Asia, if they so wish, to prepare adequate security and counter-subversion techniques for the day when they will have to stand on their own neutral feet—though even neutralisation need not necessarily preclude the provision covertly of aid that can until then be given more or less overtly. The implications for our policies towards the individual nations of, first, the Continental Region and, secondly, the Archipelago (as both defined in paragraph 4 above) are examined briefly below.

## VI. *The continental region*

31. In this area the presence of *China* is the dominant feature. All the countries concerned are afraid of Peking and are bound in the long run to be subservient to China; some of them are already. The possibility of their all achieving any genuinely neutral status is thus much more difficult to envisage. But a successful policy of neutralisation for most of them could nevertheless create conditions under which it was not worth China's while to upset the local balance—and probably stimulate fresh American intervention—by attacking or subverting non-Communist governments in the area, because the combination of neutrality and subservience made them no more harmful to her than e.g. Finland or Afghanistan are to the Soviet Union.

32. *Burma* is already to some extent a case in point, though certainly not a helpful model for the future. The situation in Burma today, however chaotic, is acceptable to China and to the West because Burma is genuinely non-aligned and does not threaten the security of her neighbours. There is no doubt a real danger that

Burma may lapse into Communism; but the West accepts this, however reluctantly, because to pursue a more actively anti-Communist policy there could turn Burma into a second Vietnam. Conversely, a Communist government in Rangoon would no doubt be preferable to Peking. But there is at least a reasonable hope that China will not think it worth taking the risks involved in bringing about such a change. Nor would it be worth China's while risking war to prevent Burma returning, if she were to show signs of doing so, to the less isolationist neutrality of the U Nu<sup>4</sup> period.

33. In *Indo-China* there is a very different situation. It still seems possible that a precarious but acceptable neutrality comparable to Burma's, may survive in Cambodia, where a real—if rather volatile—leader has emerged, where Communism has made no striking progress and where both East and West seem so far content to let well alone. But it may well be too late now to entertain hopes of neutrality for Laos where it seems as if a neutralist regime can hardly survive without more American support than is compatible with neutrality; and it is virtually impossible to conceive of it in *South Vietnam*. Hence, there seems at present no alternative to the stark choice between increasing American involvement, with the danger of escalation into general war, and a complete American withdrawal, with the certainty of a take-over by the Communist Viet-cong. Neutralisation in present conditions would presuppose a bargain whereby the Americans withdrew and the Chinese in return restrained Hanoi from taking over; but such a bargain would be unenforceable because no Chinese restraint could prevent the Viet-cong from emerging as the dominant political force among the war-weary South Vietnamese. The only hope, therefore, seems to be that the Americans will have the will to keep up the struggle and that their opponents will eventually weary. This is perhaps not as forlorn a prospect as it sounds, more particularly if the international balance of power has meanwhile shifted in America's favour, for example through an extension of the Sino-Soviet conflict. At that point genuine neutralisation might emerge as a possibility for both Laos and South Vietnam. At present, however, if an apparently neutralist solution were to be negotiated, it could not be more than a formula for saving the Americans' face in abandoning much if not all of Indo-China to Communism. The situation may come to this. But it could not be described as being in the British interest. Present British policy towards Indo-China must therefore be confined to supporting the Americans in general and to using the influence which this will give us towards restraining them from the graver risks of escalation.<sup>5</sup>

34. So long as the struggle in Indo-China continues, *Thailand* seems unlikely to question the value of SEATO and of Western friendship in general. If the West is defeated in Indo-China, Thailand will be the first to trim sails to the cold wind from

<sup>4</sup> Prime minister of Burma, 1947–1958, 1960–1962, ousted in a military coup led by General Ne Win.

<sup>5</sup> In correspondence with R G A Etherington-Smith, the ambassador at Saigon, E H Peck, assistant secretary of state at the FO with responsibility for South-East Asia, suggested that western influence in the region depended on the political viability of such countries as Malaysia, Thailand, and the Philippines. A western military alliance could ring-fence a country and keep out foreign invaders, but it could not deal with an enemy within unless, as in the case of Malaya in the 1950s, it was a small fraction of the population or a minority race. Peck believed the west's front line had been drawn too far forward in 1954 when the division of Vietnam was sanctioned at the Geneva conference. While now it was a British interest that South Vietnam should survive for as long as possible, it was equally important to have a fall-back position on the Thai border, and to preserve Cambodia and Laos as a 'neutral glaxis'. The worry was that the US might be so committed to the defence of South Vietnam as to inhibit contingency planning for the fall-back position (FO 371/175503, no 218, Peck to Etherington-Smith, 12 Nov 1964). The editors are grateful to Matthew Jones for this reference.

Peking. But if some kind of neutrality can eventually be evolved for Indo-China, it is conceivable that fear of China might make the Thais more anxious than before to retain the protection afforded by an alliance with the West. But even if this were an initial reaction, before long opinion would be more likely to build up in favour of a return to the traditional Thai posture of bending with the wind. Since this would conform with our own appreciation of the best long-term solution, British policy should be to support the alliance with Thailand so long as that is what the Thais themselves want, but to accept with good grace—and indeed in certain circumstances conceivably to encourage—any trend towards neutrality in Thailand. The timing of any such change could well depend on events not only in Indo-China but also among the Thais' southern neighbours in the Archipelago.

## VII. *The archipelago*

35. In the Continental Region, geography is on China's side. In the Archipelago, the West is at less of a natural disadvantage. If in the long run we recognise that the Continental Region may become not only neutral but also to some extent subservient to China, we can reasonably hope as a counterweight to see the Archipelago become neutral but at the same time more resistant to Chinese pressure. This will require some degree of unity among the countries of the Archipelago. But the ideal of unity exists and the name '*Maphilindo*' has been coined for it. Despite the historical and political disparities between the three countries, *Indonesia*, *Malaysia* and *Philippines*, it seems possible that they could in time develop some form of association—no doubt economic at first but eventually political. Other countries, such as Thailand, might be attracted to it.

36. But Maphilindo is not practical politics today. In theory, we might hasten it by abandoning Malaysia to the tender mercies of President Sukarno. But in practice a take-over by Sukarno would be more likely to drive the Chinese Malaysians into the arms of Peking than to promote any durable version of Maphilindo. Even in Indonesia itself, anti-Western opinion might only be strengthened by a Western decision to abandon Malaysia. Extremism as a policy would have justified itself and Communist influence on President Sukarno would be reinforced. And in these circumstances, the Philippines could not contemplate a close relationship with Indonesia without a major upheaval in their own political system of a kind adverse to Western interests.

37. At present, therefore, we must go on supporting *Malaysia*. The aim should be to protect her from Indonesian aggression for as long as this may be necessary. In the process the Tunku's régime will probably give place to something more radical. The Americans look like going through a similar experience in the Philippines. But the results will likewise justify themselves if they can lead up gradually to a 'Maphilindo' association of some kind where the nationalism of the largest partner is tempered by the relative stability and maturity of the other two, and where the vast potential wealth of Indonesia can be efficiently exploited for the mutual benefit of all these partners. Properly regarded, therefore, such a Malaysian policy will be consistent with our general objective of achieving a South-East Asia sufficiently stable and non-Communist to be left to its own neutral devices. But whereas elsewhere in South-East Asia we shall increasingly rely on mediatory diplomacy to achieve our aims, it will probably be several years before military assistance ceases to play the major part in our policy towards Malaysia.

38. In these circumstances and through no fault of our own, we cannot expect to

make much headway in our relations with *Indonesia*. A change of Indonesian policy towards Malaysia could transform this situation. The implications for our position in Singapore have been mentioned in paragraph 17 above. But a genuine reconciliation between Indonesia and Malaysia, holding out as it would the prospect of a fruitful association between them and the Philippines, would be something we should unreservedly welcome. It would also contribute, almost certainly, to our long-term aim of a stable, neutral region in this part of the world.

39. As regards the *Philippines*, fear of China should ensure that they do not loosen their links with the United States too soon. The United States-Philippines Defence Treaty will probably continue for a time even if and when SEATO disappears. There is no present pressure in the Philippines for the removal of American bases, and it may well be a long while before any develops, even though from the United States point of view technological advance may in due course make Guam or Hawaii as satisfactory substitute bases for American forces as Australia or an Indian Ocean island could become for our own. The Filipino economy is almost as advanced as the Malaysian, and in the absence of Malaysia's racial problem the Philippines are an even less promising setting for political extremism or social unrest. In any case, our principal diplomatic tasks in the Philippines will be to support the Americans and to encourage a rapprochement with Malaysia.

40. Throughout the Archipelago, Western influence is not necessarily synonymous with British or American influence. In South-East Asia, Britain and the United States tend to be regarded as distant countries whose intervention in the affairs of the area are suspect and 'imperialistic'. We could not improve this situation by seeking to associate ourselves with other West European countries or with NATO, since the same suspicions would still apply. But in the Archipelago at any rate, two other major Powers have a demonstrable right to interest themselves: *Australia* and *Japan*. Admittedly, both are militarily weak; Japan has an imperialistic past to live down; Australia has a quasi-colonial problem in New Guinea and is exposed to criticism for her 'white Australia' policy. But good relations with Japan and Australia could be very much in the interests of the Maphilindo states and if properly handled could become an important element in Maphilindo's ability to resist Chinese pressure.

### VIII. *Economic aid and technical assistance*

41. Britain's interest in the economic development and prosperity in South-East Asia has been explained above. It means that we must be prepared to contribute an appropriate share of aid to the area, and encourage our allies, especially Australia, Western Europe, the United States and Japan to do the same. The greater part of the area is poor and populous, and although natural resources are not lacking they are most inadequately exploited. Some progress in raising living standards has been made since the war and there is a general awareness that economic conditions in China are notably worse than in South-East Asia. But the tempo is too slow, and if resources are to be developed and a middle class built up with a vested interest in stability, much more needs to be done. We have not ourselves the resources for it. A concerted Western effort would not only concentrate resources and prevent waste; it might also, through its multilateral character, be politically more acceptable. The Americans have frequently advocated joint aid activities in areas where they themselves are hard pressed, e.g. in Vietnam and Laos, and may be approaching us soon for joint aid to Korea. This is a sensible approach and we would similarly be justified in calling on our

friends to join in e.g. a consortium of aid donors, preferably under the umbrella of the Colombo Plan if its donor membership can be extended. We should no doubt encounter resistance from most of them. An appropriate forum in which to launch an appeal to our allies might be the Development Assistance Committee, which occasionally holds meetings to discuss regional matters of this kind. But the Development Assistance Committee is not an operational body, and the effective organisation of a consortium of aid would have to be done through the World Bank or *ad hoc*.

42. We shall need to be clear about our priorities. By and large, the countries of the *Archipelago*, on political as well as economic grounds, will be more promising recipients than those of the Continental Region. Malaysia and the Philippines already have reasonably sound economies. Indonesia's is in chaos at present, but that is largely her own doing, and there is no intrinsic reason why a country with her natural resources should not be economically healthy. Britain's own contribution should no doubt be concentrated on Malaysia. The Philippines naturally look to the Americans first and are at the moment receiving more aid than they can absorb. Indonesia's present behaviour makes it, from the Western point of view, undesirable to give her any substantial Western aid. But, in due course, she will require aid on the largest international scale. This may then be the opportunity to exploit the willingness of those countries, such as Germany, Japan and The Netherlands, who would now like to aid Indonesia. But Malaysia, as a Commonwealth country which has always been on excellent terms with Britain, looks naturally to us first both for development and for technical aid.

43. In the *Continental Region* we ourselves can probably play little part. Thailand seems the soundest country in the region both economically and (at present) politically. But judicious aid and encouragement for the more neutral countries such as Burma and Cambodia may help to keep them outside the Communist orbit. It may be best for it to be channelled through some neutral agency such as the United Nations in order to be acceptable. The future of aid to Laos and Vietnam must depend on the outcome of the present struggle. But in both countries there will be scope for substantial outside help to repair the ravages of war. France would seem as appropriate a donor as any. But in the long run, the bulk of the bill in the Continental Region may have to fall on the Americans. If they have succeeded in disengaging on terms satisfactory to them, it may seem cheap at the price. The same, indeed, may be true of ourselves in the *Archipelago*. This is no place to estimate the possible defence savings that a successful neutralisation of South-East Asia might produce for us. But in any event, we should have to accept the need for quite a substantial aid effort over a long period of time.

**90** DEFE 13/7444, no 71

26 Jan 1965

[Confrontation]: letter from President Johnson to Mr Wilson suggesting that President Sukarno might be invited to visit the United States

Dear Prime Minister,

I am writing to share some thoughts about the worsening situation in Indonesia, and to invite your comment on possibilities that have occurred to me here. As you will

judge from the contents of this letter, the thoughts expressed have been very closely held within my government, and I am sure the same will be true in yours.

Sukarno's withdrawal from the UN<sup>1</sup> does not seem to us too serious in itself, and indeed may get him into serious difficulties during the year as he attempts to exert influence through the proposed Afro-Asian Conference. It is already clear that it has, if anything, worsened his standing in this circle.

Nonetheless, the recent events in Indonesia, both military and political,<sup>2</sup> clearly point to the possibility of increased military action against Malaysia and of a further swing to the left in the internal political balance. Even though these latter tendencies may have been checked for the moment, the power of the PKI seems to be growing steadily, whether because Sukarno actually encourages this or because he no longer has full control. Even if his health should hold up, the prospect seems to be that the Left will gain steadily. If he should die or become incapacitated, the Left is now in a strong position to move to take over. In short, Indonesia seems to be moving rapidly toward more aggressive policies externally and toward Communist domination at home.

As you know, we have never been hopeful that negotiations or discussions with Sukarno would produce lasting solutions and get him back to work solving his serious economic problems and bringing the Left under control. Nonetheless, I feel strongly that we cannot let Indonesia continue along its present path without exhausting every possible measure to turn it from catastrophe. Even if we are unsuccessful, we would have made every last effort we could make to prevent it.

Two possibilities have now occurred to me that might just help. One would be to take advantage of Sukarno's now-repeated statement that he would accept the findings of any four-power Afro-Asian conciliation commission. This has been stated in terms of findings of such a commission with respect to the sentiments of the inhabitants of Sarawak and Sabah. It carried also the implication that he would accept a call by such a commission for the cessation of Indonesian aggressive activities—infiltration in Borneo and the sporadic raids now being conducted against Malaya itself. I do not think we can now expect the Philippines to play a useful role in resuming the negotiating track that broke off in Tokyo last June. The Thais seem equally disillusioned. However, the Japanese have retained some modest influence in Djakarta and might be prepared to undertake a quiet initiative in this direction.

During my recent talks with Sato,<sup>3</sup> it was clear that they were quite willing to do whatever might be helpful, although I most specifically did not urge that they take on this particular job at the moment. I wonder now whether this may not be worth a try.

I see all the difficulties, and of course the Tunku is quite right in insisting that actions are needed rather than words on the Indonesian side. But it seems to me that there is just enough hope in the recent indications to warrant another try.

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<sup>1</sup> Indonesia withdrew from the UN on 2 Jan 1965 in protest against Malaysia's election on 30 Dec 1964 to a seat on the UN Security Council.

<sup>2</sup> UK commercial enterprises in Indonesia were placed under state control by a presidential decree on 26 Nov 1964, and on 4 and 7 Dec Indonesian disapproval of US support for Malaysia spilled over into violence when US cultural centres at Djakarta and Surabaya were destroyed in mob attacks.

<sup>3</sup> Eisaku Sato, prime minister of Japan.

My second idea is a much more far-reaching one, and I am sure you will not misunderstand my purpose in putting it forward for your reaction. Plainly, it would require the closest consultation with you and careful preparations with the Tunku.

Briefly, it has long been my judgment that Sukarno set great store by his personal relationship with President Kennedy. The rapport which appears to have existed between the two men did not change the basic direction of Sukarno's policy, but was certainly of value as a point of contact with the Indonesian President and may have had some moderating effect on his actions. Sukarno's personal vanity is maddening; but it may be a possible handle that might be turned to use. I have never met Sukarno and there is the possibility that we could use an official visit to the United States as a tactic to appeal to this vanity and at the same time provide an opportunity to divert him from his current path. The invitation in itself would confront him with a dilemma. His vanity and an acute sense of Indonesia's importance in the world would argue for acceptance of the invitation. The PKI would probably oppose the visit with every resource at its disposal. We might, therefore, drive a small wedge between Sukarno and the PKI, and his acceptance of the invitation would be from the outset some indication of his receptivity to the counsels of moderation. I have already told Sukarno, through Ambassador Jones, that I would be prepared to receive him—as I would any other foreign Chief of State in a like situation—if he should come to New York in connection with a reopening ceremony at the Indonesian pavilion at the New York World's Fair. Such an occasion would not arise before late April or May in any event, however, and I do not believe it could well serve as the occasion for really tough and serious discussions.

Accordingly, I have given thought to the possibility that I might invite him to visit the United States and to see me in the fairly near future, on the basis of what we would call an official visit, with some ceremony but with the greatest possible stress on direct discussions.

Again, I am well aware of the difficulties surrounding such a proposal. We would have to take every possible measure to be sure that it was not understood as an attempt by the US to obtain a compromise of the Malaysian dispute at the expense of the legitimate interests of Malaysia. Rather, we would make it clear that our objective was quite simple—to have the opportunity for personal discussion and to stress our well-known view that it is in Sukarno's and Indonesia's own interest to call off confrontation of Malaysia and to turn the attention of Indonesia to the solution of its tremendous economic and political problem. You can well see that it would be essential from my own standpoint to make this position entirely clear to Congress and to our own public opinion, which would undoubtedly have great initial difficulty in understanding the purpose of the invitation.

There are many other arguments which I need not review with you in detail.

I re-emphasize my awareness of all the considerations arguing against this proposal, and recognize that it may prove as fruitless as other past efforts have been to change the course of Sukarno's policies. Nonetheless, Sukarno is today Indonesia, and I believe we should explore every possible avenue to reach him and influence him as a man.

I should be most grateful for your comments and counsel.

Sincerely,  
Lyndon B. Johnson

**91** DEFE 13/744, no 80

29 Jan 1965

[Confrontation]: outward FO telegram no 699 to Washington transmitting the text of Mr Wilson's reply to President Johnson's suggestion that President Sukarno might visit Washington

Please transmit the following message from the Prime Minister to President Johnson.

*Begins.*

Dear President,

Thank you for your letter of 26 January.<sup>1</sup> I am grateful to you for explaining your thoughts on Indonesia to me so explicitly and I will try to do the same in return.

Let me say at once that I believe our political objectives in this part of the world to be identical: what we both seek is peace in the area between a prosperous Malaysia and a non-Communist Indonesia. Let me say too that I fully understand your preoccupations with the prospect of a Communist Indonesia, either through the Government putting itself in pawn to the Chinese as Subandrio<sup>2</sup> seems to be doing in Peking, or through the PKI taking over if and when Sukarno dies. These broader considerations are always present in my mind whenever, as all too frequently happens, the problems and the decisions in connection with confrontation cross my desk.

Our general view is simply this. We are, as you know, totally committed to the defence of Malaysia and intend to fulfil that commitment. We have at the moment about 50,000 troops in South-East Asia, 8,000 of them in Borneo.<sup>3</sup> At the same time, this quarrel with Indonesia is none of our choosing and we have no wish to prolong it a day longer than is necessary, nor to deal with Indonesian incursions with force stronger than is necessary. It is against that background that I would like to tell you how I see the more immediate problems.

In the first place, I wonder whether there are not one or two instances where our reading of the situation in Indonesia/Malaysia differs from yours. While I agree with you that Sukarno's intemperate withdrawal from the United Nations is liable to weaken Indonesia's standing in neutral (and more particularly Afro-Asian) circles, I doubt whether we need be too pessimistic about the likelihood of an early increase in military action against Malaysia. Certainly the Indonesian forces in Kalimantan and Sumatra have recently been heavily increased; this puts them in a position in which they could step up 'confrontation' but the reinforcements we have sent out to the Far East should ensure that anything Sukarno is likely to throw against Malaysia within the foreseeable future can be dealt with as effectively as earlier raids have been. I am

<sup>1</sup> See 90.

<sup>2</sup> Indonesian foreign minister who led a delegation to China and who signed an economic and technical aid agreement on 28 Jan.

<sup>3</sup> These figures were probably guesswork on the part of the drafters of this telegram and they were an underestimate. Reinforcements arriving early in Jan 1965 brought to 13 the number of infantry battalions, with other units amounting to about 16,000 soldiers (see p 35). When air and naval components were added the total strength in Borneo was in the region of 20,000 (Matthew Jones, *Conflict and confrontation in South-East Asia, 1961–1965: Britain, the United States and the creation of Malaysia*, Cambridge, 2001, p 272; Tom Pocock, *Fighting general: the public and private campaigns of General Walter Walker*, London, 1973, pp 206 & 212). The editors are grateful to Matthew Jones for the Pocock reference. For the significantly larger total of UK forces in SE Asia, see document 26, note 2.



confident that he is fully aware of the certainty of military disaster if he were to let military action escalate. As you know, two years of confrontation have cost Indonesia 1,000 casualties against 150 to British and Malaysian forces and have achieved no military success whatsoever. Nor do I believe that the authority we have recently given the Commander-in-Chief in Malaysia to try to inhibit Indonesian concentrations near the frontier in Borneo will lead to any escalation in itself. If there is any sign of this we shall go very warily indeed. All in all we think we can hold the present military position without any radical change until Sukarno dies or is incapacitated; then, of course, a new situation will arise.

Which brings me to the question of the Indonesian Communist Party (PKI). There is no doubt that the PKI have strengthened their position recently at the expense of their political opponents, although not necessarily, so far, at the expense of the army. But we believe that the PKI owe these successes primarily to Sukarno's support. He is backing the PKI fully because they share his desire to keep up pressure on the West, but also because his own ideas have moved steadily leftward for many years. In our view, Indonesian support for North Viet-Nam and North Korea is no mere tactical manoeuvre, but reflects Sukarno's own views. At present, however, the PKI need Sukarno more than he needs them. We do not believe that the PKI's position will look so strong if Sukarno dies or gives up within the next year or two. On the contrary, though the immediate successor might be a compromise candidate backed by both Army and PKI, we think any coalition of this kind would be short-lived and that the Army should eventually win the ensuing struggle for power. Although, therefore, Sukarno's death would probably not of itself put an end to confrontation, a situation would arise in which there was a very much better chance that saner counsels would prevail. Only if Sukarno retains power for some years longer and is thus able to continue his policy of strengthening the PKI, would we expect him to be succeeded by a Communist Government.

In these circumstances, I wonder whether there is really any prospect at all of persuading Sukarno to 'bring his Left under control'. He has no reason to fear the PKI himself and we have seen no sign that there is any other Indonesian leader or grouping whom he would prefer as his successor. So why should he make trouble for himself in this direction or risk the new-found friendship with China which is so gratifying to his self-esteem?

Nevertheless, I agree entirely that we must exhaust every possibility of a peaceful settlement; so long, of course, as this is consistent with Malaysia's security and territorial integrity. Any attempt at a solution which compromised Malaysian territorial integrity would simply encourage Indonesia to push ahead with foreign adventures even more enthusiastically than hitherto. But provided we can avoid this snare a Japanese initiative might well be worth trying even if the omens are not at present particularly favourable. In this connexion you will know that ... the Malaysian Ministry of External Affairs has quoted the Tunku as telling a Japanese correspondent that Malaysia would welcome any move from any country if it would help to bring about a peaceful settlement. These developments seem to be entirely in line with what you have in mind and we will gladly let the Tunku know our views. I can assure you we shall not stand in the way of any reasonable proposals that may emerge.

At the same time, we cannot overlook the fact that any proposal for a reascertainment in Sabah and Sarawak would create very great difficulties for the

Malaysian Government. The local leaders in Sabah and Sarawak (whose relations with the Federation Government are always a little prickly) would immediately suspect the Tunku of being prepared to sacrifice them and their people to appease Indonesia. There can, of course, be no doubt about what the verdict would be if there were an impartial enquiry, but this might not in the event be very easy to achieve. For instance I suppose that the Afro-Asian Commission might either recommend a plebiscite or undertake the reascertainment itself. The first would take some time to arrange and the interval would open up prospects for Indonesian bribery and mischief-making which we can be sure they would utilise to the full. The second would be asking the Tunku to give up the firm basis of the existing U Thant verdict in his favour. In return for which, what prospect would there be that Sukarno would be willing to accept an unfavourable verdict, any more than, despite his Manila undertakings, he was willing to accept the verdict of the Michelmores Mission<sup>4</sup> in September, 1963?

I would be less than frank with you, however, if I were to conceal that I am very unhappy about the proposal to invite Sukarno to Washington in the near future. Such an invitation would be a heavensent triumph for Sukarno after a year of setbacks everywhere. Even if he chose to reject it publicly, it would allow him to convince the Indonesian people that his tactics had paid dividends and that the 'old established forces' (as he calls us) had lost their nerve. And would the effect be confined to Indonesia and confrontation? Would not China and North Viet Nam draw similar conclusions about Western unity and resolution in South East Asia? As you recognise, this would be a very difficult proposal to put to the Tunku, and while the controlled Press in Indonesia were writing up your invitation as a triumph, I cannot see how it would be possible to contain the disillusionment and anger that it would cause in Kuala Lumpur and Singapore. After all, it is only a week or so since Sukarno finally broke with the United Nations and incurred the displeasure of virtually every free country in the world. How will it be possible to ask him to Washington in circumstances that do not suggest a measure of acceptance and approval for Indonesian policy? Certainly this is how an invitation would present itself to public opinion here and we should have to face some very outspoken criticism of the United States both in Parliament and in the Press. This in turn would be interpreted as a major breach in Anglo-American solidarity on policy in South-East Asia. I recognise that these objections might seem less insuperable if there was a serious chance of Sukarno calling off 'confrontation' as the result of such a visit. But is there in fact any chance of this? Sukarno is not an economist and has gloried, apparently sincerely, in what he supposes to be Indonesia's ability to do without Western aid. If, as seems probable, he knows he has not long to live, he is unlikely to retreat from the 'heroic' pose he has adopted for the sake of an economic security that means little to him. The face of the stabilization plan, blithely sacrificed two years ago on the altar of 'confrontation', surely proved once and for all how Sukarno weighs the relative merits of prosperity and military adventure. Of course not all prominent Indonesians see eye to eye with him on this, but how much has Sukarno ever listened to their advice?

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<sup>4</sup> Lawrence Michelmores, American deputy director of the UN Office of Personnel, led a UN mission to Malaya in Aug and Sept 1963 in order to ascertain the wishes of the Borneo peoples about joining the new state of Malaysia. The report of the mission, and the assessment of it by U Thant, the UN secretary-general, were favourable to Malaysia. See A J Stockwell, ed, *Malaysia*, 223.

All in all, while I share your concern that we should not overlook any reasonable steps with the object of a fair settlement, I do earnestly hope that on reflection you will decide not to invite Sukarno to Washington as proposed. As I see it, not only would this be a set-back for Malaysia internationally and a serious blow to Malaysian morale, but I am convinced that the overall effect on Sukarno, on Indonesia and on the Western position in South East Asia as a whole, would more than offset any good that could be done by negotiations with a man as crooked and irrational as Sukarno.

Please forgive this forthright expression of my feelings, but I am fortified by the conviction that we are both groping for the same solution to this intractable problem. We look forward to discussing this subject with Dean Rusk while he is here. Meanwhile, may I say once again how grateful I am to you for consulting me in this way. *Ends.*<sup>5</sup>

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<sup>5</sup> British opposition was not the main reason why Sukarno was not invited to visit Washington. In Mar 1965 the CIA reported that the Indonesian president was preparing to act against US officials and commercial interests in Indonesia. According to US intelligence, Sukarno seems to have calculated that because of a possible clash between the US and China over Vietnam, and the prospect also of Indonesia aligning itself with China, Jakarta would have US support over confrontation. If this was Sukarno's calculation it was mistaken. Rusk responded by letting it be known to the UK government that if Sukarno raised the stakes too high, the US would be ready for a major war against Indonesia. He added that in return the US would hope for UK support over Vietnam (Jones, *op cit*, p 278).

## **92 FO 371/180206, no 26**

**4 Mar 1965**

**[British policy in South-East Asia and Vietnam]: despatch from  
Mr Stewart to Sir A Rumbold.<sup>1</sup> *Enclosure***

I was glad to learn from Your Excellency's Despatch No. 7 of the 13th of February, 1965 that arrangements were in train to hold a conference of certain Heads of Missions in Bangkok from the 31st of March to the 2nd of April. You and others concerned will be informed separately of the detailed composition of the Foreign Office party and of the final arrangements for Lord Walston's tour.

2. In my Despatch No. 15 of the 5th of February I undertook to indicate to those attending the Conference the specific problems to which I should like them to give particular attention. The obvious issue, of course, is the fate of South Viet-Nam and its likely repercussions on South-East Asia. The Planning Staff are already preparing a paper which will attempt to consider:—

- (a) the different possible outcomes of the Viet-Nameese conflict;
- (b) the likely repercussions in South-East Asia of each;
- (c) the scope remaining in each event for further Western measures;
- (d) the part if any, which Britain might play in such measures;
- (e) the repercussions on Malaysia of various outcomes of the Viet-Nameese conflict.

3. I hope this paper will be completed, at least in draft, in time to reach you before the meeting and to provide a basis for discussion of this particular topic. As I said in my earlier despatch, I think it would also be useful for the meeting to consider

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<sup>1</sup> UK ambassador to Thailand, 1965–1967.

this particular problem against the wider background of the Paper on British Policy in South-East Asia<sup>2</sup> (my Despatch No. 101 of the 29th of December, 1964 to Bangkok). For the convenience of all concerned, therefore, I am enclosing a Summary of the comments so far made on this Despatch, both at the Kuala Lumpur meeting of Heads of Mission and in correspondence from other Posts. I do not, at this stage, propose to comment further myself. Until the issue in Viet-Nam is determined the state, let alone the future, of South-East Asia is bound to remain in flux and this is not the moment at which to attempt a definitive expression of future British policy in the area. In any case, it will be of great advantage to me to receive the views of those assembled at the Bangkok meeting before attempting further to formulate my own.

**Enclosure to 92: Summary of comments on the planning paper 'British policy towards South-East Asia'**

The comments on this Paper fall into three groups. They are as follows:—

*(a) Comments on confrontation arising from the conference of Heads of British Missions at Kuala Lumpur. Lord Head's despatch No. 3 of 9 February*

The conclusions of the Conference about confrontation were less comments on the Planning Paper than a new paper on this problem conceived within the framework of the Planning Paper.

It was agreed that the overriding requirement for our policy was close coordination with the Americans, Australians and New Zealanders. There were only three courses open to us:—

*(i) Deliberate military escalation*

It was probably within our power to destroy the Indonesian air force and navy but such action would unite world opinion against us, and the Indonesians behind Sukarno. This would not help Malaysia and Indonesia to live together amicably.

*(ii) A settlement on Sukarno's terms*

This would involve paying a price so stiff as to be unacceptable. It would amount to the eventual surrender of Sabah and Sarawak and the inevitable absorption of Brunei. The rest of Malaysia would probably fall apart since the Chinese would see their future as clients of Peking and the Malays would most likely submit to Djakarta. Our bases would become untenable, there would be a serious effect on British standing in the world and the moral for our protégés everywhere would be obvious.

*(iii) Soldiering on*

This was probably our only course. This might be accompanied by talks with the help of third party mediation or by a public offer by the Tunku to meet Sukarno, probably on the stipulation that there would be no new acts of aggression. This might reassure British public opinion and would sustain Malaysia's image in Afro-Asian eyes but it would lead to difficulties for our own forces since the Indonesians would almost certainly cheat on the cease-fire. It might also be

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<sup>2</sup> See 89.

accompanied by military deterrence, which would involve maintaining our forces at their present level and state of readiness and continuing the war of nerves against the Indonesians. While doing this we should take steps to improve relations between Malaysia and the Philippines, perhaps by arranging a bargain aimed at satisfying the Filipinos on their claim to Sabah, which they seem more interested in having adjudicated than in winning. We should also continue to urge other countries to refrain from giving aid and comfort to Indonesia and to step up our propaganda and psychological warfare. Our aim would be to hold the present position until Sukarno's death, which might lead to the easing of confrontation. At this juncture it might be important for the Tunku to offer talks and there might be advantage in arranging an international conference.

*(b) Comments arising from the Heads of Missions conference on the more general aspects of the planning paper. Lord Head's despatch No. 4 of 10 February*

Looking ahead twenty years the Conference considered two possible situations. Both situations assumed that the Americans had left Viet-Nam even though aid and expert advisers might continue, that confrontation had ceased and we were out of Singapore, that the Americans had left the Philippines and that SEATO had been wound up but had been replaced by some other defensive arrangement. The two situations were:—

*(i) The Bull Case*

This envisaged that we and the Americans had withdrawn in accordance with a phased plan, had not attracted much unpopularity, and had succeeded in establishing alternative bases. Viet-Nam would probably be united under a Communist régime based on Hanoi. Viet-Nameese national feeling might have precluded complete domination by Peking although the Viet-Nameese would be hostile to the West. Viet-Nam would probably have a considerable influence in neighbouring Laos although the latter might not have been absorbed by the former. The two countries together might form a buffer area between mainland China and the rest of South-East Asia. Both Burma and Cambodia would be aligned towards Peking but not altogether dominated. It was difficult to judge what would happen in Thailand: it was possible that American troops might still be there, but it was unlikely that the situation amongst Thailand's neighbours could have done other than strengthen the influence of the Left-Wing which might have been able to form a dictatorship hostile to the West. This would be less closely linked with Peking than the other mainland countries and might pursue an independent and nationalistic policy. Indonesia might have a Left-Wing, but not Communist, régime dominated by the army, and Malaysia was likely to seek closer relations with Indonesia and would probably be ruled by a Left-Wing Government not retaining a democratic system. Borneo would most likely be in the hands of Indonesia. Singapore would find itself in a difficult position in a climate of increasing Malay chauvinism. For financial and economic reasons the Philippines might remain on cordial terms with the United States, although they would also aim for good relations with Indonesia. In such a situation it might well be our aim through aid, a display of power and guarantees of sovereignty to make of Malaysia, Indonesia and the Philippines an outer barrier less subject to Chinese influence.

(ii) *The Bear Case*

In this case the withdrawal was assumed to have taken place after considerable political pressure. The sole western military power would probably be the Seventh Fleet based on Okinawa. South-East Asia would have accepted that Chinese domination was inevitable and would have a pronounced hostility to the West. In Malaysia, Indonesia and the Philippines the domination of Peking would be less strong but these countries would be Communist and hostile to the West.

Neither of these situations were encouraging and it was hard to find remedies. On the assumption that we and the Americans had managed to stay in Manila and Singapore without incurring undue local hostility, Malaysia might still be intact and both she and the Philippines might be well disposed towards ourselves. But at best this would leave two islands of pro-Western sentiment in an increasingly Left-Wing South-East Asia. But not all those present at the Conference were convinced that the political climate in twenty years time would be such as to allow an alien military presence in South-East Asia.

The Conference came to the conclusion that both Malaysia and South Viet-Nam had little chance of independent survival once the western military presence was removed. An effective guarantee of national sovereignty by the Americans, ourselves and possibly the Japanese was desirable but no one thought that a deterrent relying on bases in Okinawa and Western Australia would serve much purpose against subversion. On the other hand to have no counter-weight of military power in the area would be to ensure a complete eclipse of Western influence.

India was considered beyond the scope of the discussions but it was considered that all the developments envisaged would be of the highest importance to India and that if the situation deteriorated seriously India might become the second bastion or defence against expansion of Chinese influence. This consideration had some importance for future planning.

Chinese policies were difficult to assess but it was the view of the Conference that her major domestic problems, and her assessment that events were currently going her way, would mean that she would not involve herself too deeply in South-East Asia although she might distribute limited material assistance. She would not attempt to absorb her neighbours but would try to ensure they were anti-West and as far as possible followed the Chinese pattern of Communism. National sentiment and Titoism might make both courses difficult. We should trade with China and try to know her better.

America's long term aspirations were almost as much a mystery as China's. However, the importance of discussing developments with the Americans was stressed since by working together we might at least avoid the 'bear case'.

In conclusion, it seemed a forlorn hope to foster a lasting belief in democratic methods in South-East Asia. It was expected that autocratic methods were bound to prevail and that the best we could hope for was régimes that might be neutral and not unduly anti-West. Our present influence depended on military power and if the time gained by retention of this military power was of sufficient importance and if we could remain without political pressure becoming overwhelming it might pay us to foot the bill and stay. But to outstay our welcome was likely to produce a worse situation than a phased withdrawal. This would be accompanied by the retention of Western power in the area from bases outside it and a guarantee of the integrity and independence of the countries within it.

(c) *Comments from posts not represented at the conference*

Some of these comments questioned the fundamental assumptions of the Planning Paper. Sir Humphrey Trevelyan,<sup>3</sup> in his Despatch No. 4 of 8 January, was at pains to point out it would be an aim of Soviet policy to frustrate our own policy towards South-East Asia, which they disliked but that they considered forces were already at work undermining us and they were not making a major effort against us. He also took issue with the argument in paragraph 11 of the Planning Paper that, since the Communist Parties of South-East Asia were subject to Chinese influence, Soviet influence was likely to be exerted in favour of local Nationalist but probably not Communist leaders. Sir Humphrey pointed out that in the Soviet view the evolution towards Communism was inevitable and they were not likely openly to frustrate this trend even when it threatened to favour those who sided with the Chinese. However, Mr. Fielding<sup>4</sup> in his letter 1056/G of 27 January, noted that his contacts with Communist bloc diplomats persuaded him that they were more concerned to block China than to spite the West and would be prepared, within certain limits, to cooperate with the West. Sir Humphrey also questioned the idea, in paragraph 25 of the Paper, that it might be possible to attain peace and stability in South-East Asia through some kind of *modus vivendi* between the West and the major Communist powers. He pointed out that Communism is a dynamic doctrine and not a doctrine of stability. From time to time it might be possible to establish a temporary *modus vivendi* but the Communists would not cease to work for the establishment of Communist Governments. Outside interference was likely to remain a characteristic of politics in South-East Asia and peace would in the long run depend on a balance of power. He agreed with the proposition that should China accept a neutralised South-East Asia it would be with the eventual purpose of taking it over.

Mr. Hopson,<sup>5</sup> in his despatch No. 4 of 19 January, suggested that time was not on our side in Indo-China, that the present Western military position there was in the long run untenable, that the position was likely to become progressively worse and therefore we would do well to cut our losses and start planning now the complex military and political moves to get out. In this connexion he questioned the hope expressed in paragraph 33 of the Paper that the Americans would keep up the struggle and that the North Viet-Nameese and the Chinese would weary of it. He also doubted the American theory of graduated escalation which seemed to him a Cuban solution in reverse: in Cuba the Americans had overwhelming local superiority and had been able to force the Russians to decide whether to raise the stakes or get out, but in Viet-Nam the boot was on the other foot. He also questioned the apparent assumption of the Paper that, if the Americans disengaged from Viet-Nam, Laos would inevitably pass to Communism. Laos was not strategically or economically necessary to Viet-Nam, and North Viet-Nam would have its hands full trying to absorb the South. It might be possible to come to an agreement whereby a loose confederation might be formed under the King which would allow the Pathet Lao<sup>6</sup> to run their own zone while the Right-Wing and Neutralists ran the remainder of the country. In any event it was in our interests to persuade the Americans to adopt a more realistic policy in the area. Mr. Hopson's views concerning Laos were not, however, shared by Northern Department of the Foreign Office who thought that an

<sup>3</sup> Ambassador at Moscow.

<sup>5</sup> D C Hopson, chargé d'affaires, Vientiane.

<sup>4</sup> L Fielding, chargé d'affaires, Phnom Penh.

<sup>6</sup> Communist movement in Laos.

arrangement such as he envisaged would only invite a recurrence of events like those in Viet-Nam but under less advantageous conditions.

Sir Paul Gore-Booth,<sup>7</sup> in his letter PL 30/40/1 of 26 January, doubted whether a neutral solution was necessarily desirable and shared Sir Humphrey Trevelyan's opinion that it would be unlikely to remain stable. He also thought that we should give more thought to the sort of neutralism which was likely to face us in South-East Asia and to the kind of 'vassal relationship' to China into which the countries of South-East Asia might fall. There was also a need to establish which variety of Communism would constitute the main danger and whether there were grounds for believing that the Chinese would want to turn a country like Indonesia into a Chinese province. He also wondered if we were right in assuming that the United States attached great political importance to British association with their military commitments in South-East Asia. Lastly, he doubted the wisdom of excluding India from the terms of reference of the Paper. India potentially had a large rôle to play. Any evidence of Western withdrawal before the Chinese would be likely to cause them to retreat further into their shells but if it appeared that the Chinese were being held they were likely to attempt a more positive line. They were becoming increasingly concerned about Indonesian behaviour and about evidence of an emergent Djakarta-Peking-Karachi axis. He did not suggest that India could become a reliable bulwark against China but her behaviour was relevant to the outcome in South-East Asia. We should, perhaps, look more closely at the possibility of concerting a phased withdrawal from Singapore with the fostering of an Australia-Malaysia-India link. Finally it was necessary to make some kind of appraisal of the kind of society we believed to be achievable in Asia in the next twenty years.

Sir Pierson Dixon,<sup>8</sup> in his despatch No. 7 of 29 January, said that in view of the large French interests in South-East Asia it might be thought that they would attach importance to the maintenance of the Western position there, but disillusionment following Dien Bien Phu had diverted French interest to Franco-phone Africa. The United States, for their part, had failed to induce a more cooperative attitude in the French. The French power to influence the course of events in South-East Asia should not be exaggerated and in fact General de Gaulle's tactics seemed to be to try to spot a winner and then to place a well publicised bet. We must expect that the French will be opposed to our policy in South-East Asia in the transitional period described in Part V of the Planning Paper but we should not necessarily count on their support when this policy had reached the stage of working for a neutralised South-East Asia. By that time General de Gaulle's tactical position might have changed. In particular, the General believed that Indo-China would fall increasingly under Chinese domination and it followed that France would become increasingly lukewarm in her attitude towards SEATO. De Gaulle believed that even in the long run the war in South Vietnam could not be won and that the Chinese might be prepared, in return for an American withdrawal, to reach an agreement whereby the neutral status of Indo-China would be guaranteed. He would, therefore, hardly be in agreement with the timing envisaged in paragraph 30 of the Paper. He regarded President Sukarno as the best available neutralist solution in Indonesia and might even go so far as to argue that the maintenance of his position required an active policy of confrontation with Malaysia. However, he did not appear to have turned his

<sup>7</sup> High commissioner at New Delhi.

<sup>8</sup> Ambassador at Paris.



attention fully to the Indonesian problem, no hard lines of policy were yet laid down and the French might continue to maintain a more flexible attitude in regard to Indonesia than they did to Indo-China.

Mr. Cheke,<sup>9</sup> in his Despatch No. 4 of 22 January, said that the demands of Japan's self-interest provided a foundation for possible long term co-operation with the West. He thought that the Paper made a valid point in saying that Japan's influence in the Archipelago might grow and become a useful counter to Chinese pressure. Japan was feeling her way towards a more positive rôle in world affairs and South-East Asia was a focal point of Japanese interest. Japan was precluded from taking any military initiative and for various reasons was very wary of political initiatives in the area. In the long term we might reasonably hope for forthcoming responses from Japan to initiatives from the West, particularly in the economic field. In the short term the position was less promising. While Japan desires a peaceful solution to the confrontation problem, interest and sentiment pulled her towards Indonesia and she found it hard not to regard Malaysia as our puppet. He thought that there might be something to be said for taking the Japanese into our confidence on our objectives as set out in the policy paper. Referring to paragraph 21 of the Paper, where it was suggested that if we gave up our base in Singapore Japan might revise her policy towards us, he agreed that this might be the Japanese reaction but pointed out there were few Japanese who regarded our base in Singapore as a major factor and many accepted the Indonesian thesis that it was a mark of British colonialism. Lastly, he thought that the Japanese would be the first to applaud the proposition that for the Archipelago some variation of 'Maphilindo' offered the best hope for future stability.

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<sup>9</sup> D J Cheke, minister at Tokyo.

## **93 FO 371/180207, no 48**

**5 Apr 1965**

**[British policy in South-East Asia and Vietnam]: despatch from Sir A Rumbold (Bangkok) to Mr Stewart on a conference of Heads of British Missions in the Thai capital. *Enclosures***

With reference to your despatch No. 23 of the 4th of March<sup>1</sup> I have the honour to forward to you two papers, one about British policy towards South-East Asia in the next five years and the other about Viet-Nam, which together constitute the fruits of the meeting held here between the 31st of March and the 2nd of April last. A list is attached of the heads of mission and of the personalities from the Foreign Office who attended this meeting.<sup>2</sup>

2. We found it easier to reach agreement about what ought to be the objective of British policy in this area in the medium term than we did to reach a coincidence of view about the outlook in Viet-Nam, contrary I think to the general expectation and certainly contrary to mine. This explains the difference between the characters of the two papers.

3. The paper about policy in the next five years contains a clear statement of our unanimous conclusions. It was naturally our hope that these conclusions, about

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<sup>1</sup> See 92.

<sup>2</sup> Not printed.

which incidentally there is nothing very novel, would be accepted by Her Majesty's Government and above all that they would be translated into early action.

4. The other paper, about Viet-Nam, is an altogether muddier document and may be found less useful as a guide to action. It was certainly more difficult to compose. Since a great variety of opinions was expressed about Viet-Nam the paper is in the form of a minute of the discussions rather than in the form of a set of agreed conclusions. These divergencies of view no doubt reflected differences of experience. But they were also the result of differences of temperament and of vision. Some are by nature sanguine, or as they would say 'stout-hearted'; others are by nature reflective, or as they would say 'realistic'. Some see events in the form of a simple struggle between great conflicting forces, good and evil, 'free' and 'Communist'. Others view the world with a less confident and more critical eye. The paper is in any case a faithful account of the views expressed at the meeting.

## Enclosure 1 to 93: British policy towards South-East Asia in the next five years: an agreed memorandum

### I. *Introductory note*

The meeting did not accept the view stated in Foreign Office despatch No. 23 of the 4th of March to Bangkok that until the issue in Viet-Nam was determined the moment had not come at which to attempt an expression of future British policy in the area. They thought on the contrary that unless the outline of a policy were defined and adopted it would be impossible to engage in serious talks with the Americans about Viet-Nam or about anywhere else in the area. If we waited until the issue in Viet-Nam was determined we might have to wait a long time. And there was no reason to suppose that when that moment came some other issue would not arise on the determination of which the formulation of policy would by the same reasoning be made dependent. This paper consequently summarises the views of the meeting as to what should be the objective of British policy in the area, both in order to give greater coherence to our own effort and to provide a basis for discussion with the Americans. Our aim should be to reach the widest measure of agreement with them on how we can best jointly defend our interests.

### II. *British interests*

These were agreed to be broadly as defined in S.C. (64) 46 of December 1964, namely:

#### (i) *Political*

- (a) that the whole area should not slide progressively into a vassal relationship with China and subsequently into Communism;
- (b) that United States prestige and influence throughout the area should remain as great as possible (cf. the separate paper on Viet-Nam);
- (c) that the interests of Australia and New Zealand, which are of major importance to Britain, should be preserved;
- (d) that the area should prosper commercially and enjoy reasonable political stability.

#### (ii) *Material*

Our economic interest is that the natural resources of the region, which are of less importance to us than to other Western countries, should not fall under Communist control.

### III. *Principles of British policy*

#### (i) *Military*

A 'white' military presence on mainland Asia is necessary at present to defend South Viet-Nam and Malaysia, and this is at present accepted by non-Communist South-East Asia. But the longer it remains, the more likely it is that it will be resented. It should therefore be Anglo-American policy to withdraw it as soon as possible. In the British case, this means that we should plan to withdraw gradually from Malaysia and the Singapore base when the threat from Indonesia ends and before we come under increasing Malaysian pressure to do so.

This could be within the next five years; but it would not necessarily mean that we (and it would certainly *not* mean that the Americans) had lost all military interest in the area. A British military presence should be maintained within reach of the area in conjunction with the Americans, Australians and New Zealanders. This would involve major problems of preparation and a decision as to how this should be done should therefore be taken without delay.

#### (ii) *Political*

(a) Thailand should be provided with continuing guarantees as long as she wants them, either through SEATO or, in the event of the Organisation's collapsing as a result of French and Pakistani attitudes, by means of comparable direct guarantees.

(b) Britain should be prepared at the appropriate moment to join in an agreement with the United States, China and other interested Powers, to respect the neutrality and territorial integrity of Cambodia.

(c) Britain should also seek to preserve the 1962 Agreement on Laos.

(d) If the threat from Indonesia has ended it should be British policy to bring about a gradual withdrawal from Malaysia and the Singapore base. This would mean renegotiating the Defence Treaty. We could go on giving military and technical assistance to the Malaysians.

(e) It should be British policy to welcome nationalism, even at the expense of some of our short-term commercial interests, in the belief that it will be an obstacle to the spread of Chinese Communism. Although nationalist sentiment is not at present directed against the West, in most of these countries there is every reason to suppose that this is what will eventually happen in many of them if the Americans outstay their welcome in Viet-Nam and we outstay ours in Malaysia. If we can make it clear that we do not wish to dominate any of these countries militarily, and are prepared to help them to stand on their own feet politically and economically, the animus may be concentrated against China, which represents the real threat to their national independence.

#### (iii) *Economic*

A less ostentatious military effort should be accompanied by a greater readiness to respond to requests for economic aid and technical assistance and by a greater effort in the information field. Such efforts would be particularly welcome on the part of the friendly nations whose performance in this part of the world in these fields compares poorly with that of the Americans (*e.g.*, Germany and Japan). It will be exceptionally difficult for the British to put up many more resources for these purposes. But we should make the effort and should encourage the other friendly nations to do the same.

(iv) There should be a greater effort in the field of information and counter-propaganda.

#### IV. *Recommendation*

Whatever happens about Viet-Nam and 'confrontation' we recommend that the principles defined above should be accepted by Her Majesty's Government and should form the basis of early discussions with the United States Government.

#### Enclosure 2 to 93: Vietnam: an agreed minute

##### *Diagnosis*

The meeting agreed that the American Administration had decided to regard the Viet-Nameese issue as a contest of wills between themselves on the one hand and Peking and Hanoi on the other but that they were still acting empirically in carrying out this decision. It was unfortunate that this had prevented the Administration from making their plans clear to us. American attacks against North Viet-Nam could be justified by the need to gain time in the face of two main adverse factors:—

- (a) the decline in South Viet-Nam's morale due to war-weariness and to fears that the United States might abandon Viet-Nam as a hopeless cause;
- (b) Viet Cong military successes due to their ability continually to introduce fresh reinforcements and supplies.

2. American attacks on North Viet-Nam and the landing of marines had already given a lift to morale. But it was not enough to gain time, unless this could be put to good use. To this end three conditions must be met:—

- (a) there must be political stability permitting the establishment of a reasonably effective Government;
- (b) pacification measures must be more effective;
- (c) methods must be found to seal off the flow of reinforcements and supplies now reaching the Viet Cong from North Viet-Nam.

##### *Prognosis*

3. Her Majesty's Ambassador at Saigon believed that, if the three conditions stipulated in paragraph 2 could be met, there was a small chance that the Americans and South Vietnamese would be successful in restoring conditions in South Vietnam to at least the level of security and Governmental authority obtaining from 1955 to 1958.

4. The remainder of those present took a more pessimistic view. They thought that American bombardments of the North on the present scale would be proved ineffective. There was therefore a strong possibility that they would sooner or later be succeeded by heavier bombardments on objectives vital to the North Viet-Nameese economy. Those who believed this were not confident that a heavier air assault on the North would lead to the abandonment of the struggle by the North Viet-Nameese, but it might cause them temporarily to diminish the scale of their activities, if only as a tactical measure. These pessimists, in the majority, were moreover convinced that the use of more brutal methods of war by the Americans (particularly if they were prolonged) would cause a strong revulsion of feeling against them in most parts of the world. They were also convinced that sooner or later the Americans would have to choose between withdrawing from South Viet-Nam, thereby leaving that

country open to an eventual Communist takeover, and deliberately escalating to a wider war. In any case they thought that the best that could be hoped for was either:—

(a) *The long haul*

A continuation of the fighting on the present scale over a period of years until such time as the Communists become convinced that the best way of attaining their objectives would be negotiations followed by subversion; or

(b) *Short and sharp intensification*

A sudden intensification by the Americans of their bombardments in order to demonstrate their overwhelming military superiority in the area, thus creating conditions in which they might feel that they could negotiate honourably.

5. The pessimists noted moreover that in any case there was the risk of uncontrolled escalation, bringing in either the North Viet-Nameese Army, or the Chinese, or even the Russians, in that order of probability.

*British interests*

6. All agreed that it was an important British interest that the Americans should not be humiliated in Viet-Nam. Most thought that it was also an important British interest that South Viet-Nam should not ultimately come under the control of North Viet-Nam, but that in attempting to achieve this too high a price could be paid. There was a difference of view as to the extent to which it was an important British interest that the Americans should not use methods of war which would outrage public opinion. Some believed that the use of such methods would lead to rifts in the alliance and make it easier for the Communists the world over to exploit anti-Western emotions. All agreed that an open difference of opinion with the Americans must be avoided. And all agreed that it was no use trying to talk to the Americans unless we had a clear policy of our own. Since the majority opinion was that the outlook offered little prospect of the war being carried to a successful conclusion the idea of trying to promote a negotiation was considered. But notwithstanding signs that the Americans wanted to keep channels open doubts were expressed as to the likelihood of any successful negotiation at the present time.

*Attitudes elsewhere in the area*

7. (a) In *Malaysia and Thailand* a continued American presence in South Viet-Nam would be acceptable for a long time but any form of negotiations likely to lead to American withdrawal would cause a loss of confidence in the West and would facilitate subversion and internal unrest.

(b) In *Burma* the Government would secretly welcome a continuation of the American struggle against North Viet-Nam as long as they thought this had a chance of succeeding. American withdrawal would oblige Burma to trim her sails more closely to the Chinese wind.

(c) *Indonesian* policy seemed at present so self-centred that it might not be significantly affected by the outcome of the struggle in Viet-Nam.

(d) In *Cambodia* a continuation of the struggle in Viet-Nam would only be helpful if American successes were immediate and impressive. Otherwise an end of the fighting in Viet-Nam, whatever its terms, would offer the best chance for a renewed effort to stabilise the neutrality and independence of Cambodia.

(e) In *Laos* a continuation of the struggle in Viet-Nam would be welcomed if early

American successes seemed probable. Otherwise an end of the fighting in Vietnam might offer a better chance for a renewed effort to stabilise Laotian neutrality and independence.

*Recommendations for British policy*

8. There was general agreement that British action should now be directed towards helping to persuade public opinion that the obstacles to negotiations came from the Communist Powers and not from the United States.

9. Opinion was divided on the advice, if any, we ought now to be offering to the United States Government. At one extreme were those who thought we should declare support for American objectives, emphasise our sincerity by increased material assistance and then urge on the United States Government the adoption of improved and different methods of pacification in South Viet-Nam. At the opposite extreme it was suggested that the United States Government should be told that, in our view, they were defending a hopeless cause in Viet-Nam and should concentrate on extricating themselves as soon as possible and with the maximum dignity. In between were some who thought that other forms of advice could be offered to the Americans. For example, it was suggested that the advantages of a conference on Cambodia should be pressed on them as a step which might lead indirectly towards a Viet-Nameese settlement. All those in favour of offering advice to the Americans of one kind or another thought that this should be done in the course of the normal contacts maintained with the Americans in Washington and elsewhere.

10. There was general agreement that our policy towards Vietnam ought to be determined in the light of our longer-term objectives in South-East Asia.

**94** FO 371/180207, no 48

22 June 1965

**‘Conference of Heads of Mission at Bangkok’: despatch (reply) from Mr Stewart to Sir A Rumbold on British policy in South East Asia and Vietnam**

I have read with great interest and appreciation your Excellency’s despatch No. 18 of the 5th of April, 1965,<sup>1</sup> which, together with its enclosures, reported the outcome of the meeting of Heads of Missions held at Bangkok under your chairmanship between the 31st of March and the 2nd of April.

2. I am particularly grateful for the agreed memorandum on ‘British Policy towards South-East Asia in the Next Five Years’ and for the useful recommendations this makes. I propose to concentrate my comments mainly on this paper, rather than on that on Viet-Nam, not least because the meeting specifically recommended that the conclusions reached in the second paper should be subordinated to the general propositions of the first. In this connection, I should like first to dispose of the misunderstanding apparent from the misquotation of my despatch No. 23 of the 4th of March. I did not say that *no* expression of future British policy in the area could be attempted until the issue in Viet-Nam was determined, but that this was not the moment at which to attempt a ‘definitive’ expression. This still remains my view, for

<sup>1</sup> See 93.

any effective British policy in South-East Asia must take close account of American policy and, as your meeting pointed out, the United States Government are still acting empirically. Given the extremely wide range of possible endings to the present conflict in Viet-Nam, to say nothing of the equally widely ranging repercussions these could have on South-East Asia and on American policy, a degree of empiricism seems to me inevitable for Her Majesty's Government, no less than for the Government of the United States.

3. I accept the statement of British interests in part 2 of the paper on British Policy towards South-East Asia and I agree that the principles set out in paragraph III(i) represent a desirable objective of British policy in the long term. However, in the implementation of these principles we shall need to take into account the political considerations in relation to Malaysia, to which Lord Head has drawn attention in his despatch No. 6 of the 22nd of April to the Commonwealth Secretary and also, of course, our commitments in SEATO and the consequences of our not being able to play our part in that organisation. Moreover, these principles raise further questions, which are not only political but also military and logistic. For example:

- (a) What precise purposes and role would British forces in the area have after withdrawal from Malaysia?
- (b) What should be the size and nature of such forces, if it is found to be militarily practicable to maintain a reduced presence and worthwhile doing so in the light of a balance of political and economic factors? (The latter are peculiarly relevant to present discussion of our future defence capabilities.)

These questions will have to be considered in London and the answers will depend on our estimate of what we can actually afford to do, not only in South-East Asia, but also throughout the world.

4. Paragraph III (ii) (a) of your paper does not set out the arguments for considering it necessary or desirable for Britain to participate in a continuing Western guarantee to Thailand after the collapse, if this comes to pass, of the South-East Asia Treaty Organisation (SEATO). This is another problem likely to be determined by the way in which the conflict in Viet-Nam is brought to an end.

5. I accept the recommendation in paragraph III (ii) (b) about Cambodia and, as you are aware, have already endeavoured to act on it. As for the following recommendation on Laos. I agree that this should continue to be our official policy for the time being, but I cannot regard it as at all likely to last us for the next five years. As it is, the 1962 Agreement is already in tatters and, once again depending on the outcome of the struggle in Viet-Nam, there may well be a case for attempting to replace it by something rather more realistic. We may be able to see a little more clearly what could be done when contacts with the Communist Powers, whether under Article 19 of the 1962 Protocol or as a by-product of a conference on Cambodia, have given us rather more idea of what they might be induced to accept. Subject to the reservations made earlier I accept the views expressed on Malaysia and nationalism in sub-paragraphs (d) and (e).

6. The proposals on economic aid in paragraph III (iii) of the paper are attractive and you will have noticed that the Prime Minister has already expressed our readiness to discuss President Johnson's proposal of large-scale Western assistance to a Mekong Valley scheme. But any large-scale redeployment of our aid programme

must depend on the review now being carried out by the Ministry of Overseas Development in consultation with overseas Departments. As for information work, I am calling for a separate report on this and will consider this when it has been received.

7. I have great sympathy with the final recommendation in the paper: 'Whatever happens about Viet-Nam and confrontation, we recommend that the principles defined above should be accepted by Her Majesty's Government and should form the basis of early discussion with the United States Government'. I can quite see that it must often be difficult and frustrating for Her Majesty's Representatives concerned, when explaining the apparent twists and turns of British policy in South-East Asia, not to be able to relate this firmly to a long-term programme aimed at the attainment of defined objectives. Indeed, it was in an effort to fill this gap that the Foreign Office produced their paper on 'British Policy towards South-East Asia'. But, as that paper pointed out, the present situation in the area is one of contradiction between our long-term objectives and our present commitments. Moreover, it is not in British power alone to resolve this contradiction. The changing situation in South-East Asia is mainly shaped by forces over which Britain has and can hope to have little or no control. The only purely 'British' courses of action open to us relate to our position in Malaysia. But even there our freedom of action is limited by dependence on our allies as well as by world opinion. Any British decision to withdraw on the one hand or escalate on the other would in present circumstances serve neither our present commitments nor our longer term objectives as defined in the enclosure to your Excellency's despatch under reference and in the Foreign Office paper mentioned above. As long as we remain there, however, we must resign ourselves to the constant adaption of our tactics to new situations created by others.

8. Subject to these limitations, and to the other reservations explained in the earlier paragraphs of this despatch, I accept the principles set out in your paper. But before we can discuss them with the United States Government, we must first make up our mind what purposes precisely we wish our forces to achieve and then what we could and should do, economically and militarily. I accept that the touchstone for this decision should be found in the principles enunciated in the Bangkok and Foreign Office papers. The problem will then remain of how from the point of view of tactics and timing, our decisions can best be put to the United States Government. I think you and your colleagues would accept that the best moment might perhaps not be that when the Americans are most heavily engaged in a conflict in Viet-Nam, where their own objectives and the possible outcome are both somewhat uncertain. Any significant change in our defence posture in the Far East would be a matter of major concern to Australia and New Zealand, and full consultations with their Governments and with the United States Government will be necessary.

9. I recognise that the foregoing will not provide as positive an expression of British intentions towards South-East Asia in the medium term as your Excellency and your colleagues of the Bangkok meeting might have hoped. Nevertheless, I hope that these comments will be of assistance to you and the other recipients of this despatch which, together with your despatch under reference, is being printed for general circulation. I believe that the Heads of Mission Conferences this year in Kuala Lumpur and in Bangkok have revealed substantial agreement between Ministries in Whitehall and Heads of Mission in the area on certain longer-term principles of policy. Against this background, but accepting both that British



freedom of action is limited and that our tactics must continue to be empirical, I shall do my best to provide you and your colleagues with further guidance whenever developments in the United Kingdom or in South-East Asia make this possible.

## 95 PREM 13/430, ff 41–47

21 July 1965

‘Malaysia: will it succeed and how long will we stay?’: despatch from Lord Head to Mr Bottomley

### *Introductory*

I can remember, as a small boy during the 1914 war, going to Maskelyne and Devants to see the conjurers. One of them produced a cocktail shaker which he shook vigorously and then poured into a glass some not unattractive looking purplish fluid. The glass was then covered with a cloth and after an interval the cloth was removed to reveal a layer of red, white and blue liquids entirely separated from each other. Although, probably for patriotic reasons, the trick drew considerable applause it was in fact a simple chemical demonstration that certain fluids will never mix.

2. In 1963 the British shook up Malaya, Singapore and the two Borneo territories and poured them into a Federal glass. The final results of the trick are not yet apparent; but this paper is an attempt to peer underneath the cloth and see what is happening in this attempt permanently to mix those three disparate elements.

### *Diagnosis*

3. It is, I think, worth trying to diagnose some of the underlying causes of the political difficulties and tensions which the Federation is now experiencing.

4. To a considerable degree these tensions have their root in the fact that from the time of the ill-fated Malayan Union in 1946–48, Malaya and Singapore, though a geographical entity, went their separate ways to independence. In Malaya, where the Malays predominated, the political solution to the racial problem which finally emerged was to give increasing numbers of Chinese a progressively larger stake in citizenship, voting power and political influence, while helping the Malays to advance economically. In Singapore, however, where 75 per cent of the population is Chinese, both political and economic power were in the hands of Chinese; they recognised that they had an obligation towards their Malay minority, and that they must come to terms with their Malay neighbours on all sides. So it came about that the P.A.P. won multi-racial support for their programme of democratic Socialism, coupled with such gestures as having a Malay Head of State, and Malay as the eventual national language.

5. If he were to speak completely frankly the attitude of a fairly intelligent but somewhat chauvinistic Malay would probably be something like this:

‘Independent Malaya belonged to the Malays although we co-operated with those among the other races who were prepared to respect our leadership. It was governed by the Alliance Government. The British, largely for their own convenience, then persuaded us to take on three more states in addition to the 11 we already had. These were Singapore, Sabah and Sarawak. Naturally this larger collection of states was still governed by the Malayan Alliance Government, though we changed its name to the Malaysian Government and

made a concession by bringing in Representatives from both Sabah and Sarawak.

We know, though of course we would die rather than admit it publicly, that we have less ability, drive, energy or brains than the Chinese. Already they run everything except our own reserved occupations, *i.e.*, army, police, Civil Service and if we are not very careful they will dominate the whole country and us. We are determined to prevent this and to ensure that the country continues to be run by the Malays.

We hope to achieve this democratically by retaining the loyalty and communal vote of the Malays and the general structure from which stems our stability and power, *i.e.*, State Government and the leadership of the Sultans in their states.

The emergence of Lee Kuan Yew as a political force campaigning for multi-racial votes in Malaya and in Borneo must be stopped or defeated politically. If we are not careful he will erode our solid Malay vote and in the long term might even win a Federal election. If such a situation were imminent we should be forced to close down on elections and disband or proscribe Lee Kuan Yew's party. At all costs and whatever may happen, we are determined that the Malays will be dominant in the Government of Malaysia.'

6. On the other hand this is the sort of thing that an intelligent Malayan Chinese who is not deeply involved in politics might say:

'Although as a Chinese I admit that this country belongs to the Malays, nevertheless my family have been here for three generations. What I want primarily from this new Federation is stability and political quiet to provide an atmosphere in which I can make money and have security. The prospects seemed good when Malaya had finished with the emergency and was on its own; but since Malaysia the political situation and race relations have both deteriorated sharply. I am apprehensive lest the more chauvinistic Malays gain control of the Federal Government. In this event we shall not only remain indefinitely second-class citizens in a country dominated by the Malays, but our life will become even more difficult than at present.

If I felt convinced that this was going to happen I think I would support Lee Kuan Yew. He is the first Chinese leader who has had the power to oppose the Malays and the courage to stick his neck out. He is also clever, energetic, an astute politician and has run an efficient and uncorrupt Government in Singapore.

Furthermore, I am getting fed up with the evident lowering of standards in the Central Government bureaucracy, the amount of money spent on the Sultans and the spread of corruption evident within the Central Government machine and among certain Ministers. Politically the Central Government is out of date, and we could progress faster and become richer as a nation if we had an uncorrupt, efficient Government such as P.A.P. provides in Singapore.

Nevertheless for the present I think I shall bide my time because there is no election for three or four years and if Lee Kuan Yew were to gain massive support now it might merely lead to serious political disturbances in the country. For the time being I am inclined to wait and see whether, on his return, the Tunku can sort things out. I am however, deeply disturbed about

future prospects in the country—and my brother who looks after the family's financial affairs in Singapore has already shifted a considerable sum of our capital into Hong Kong and the West Indies.'

7. There is no doubt whatever that almost all thinking Malays are frightened of the Chinese because of their brains and ability; and almost all thinking Chinese are frightened of the Malays because they are inclined to think that the more extreme counsels will prevail and the Malays will take a tough line with them should future Malay supremacy be threatened by the working of democratic processes. In such an event they might well suspend elections and rule by decree through the army and police.

8. These mutual fears and suspicions existed in the old Malaya; but they were lulled during British rule because the Malays relied on us to see that the Chinese did not get on top of them; and the Chinese relied on us to see that the Malays were not too tough with them and did not treat them roughly and too blatantly as second-class citizens. With the end of British rule fears and suspicions between Malays and Chinese grew.

9. The coming of Malaysia also aggravated communal tensions because unfortunately the main political opposition to the Alliance Government namely the P.A.P., is generally regarded as a Chinese political party. It is true that Lee Kuan Yew's intentions were and still are to form an ideological, multi-racial party; but based as it is on Singapore and dependent almost exclusively for its brains and leaders on Chinese it has come to be, with some justification, looked upon as a Chinese party. In the same way the Central Government, although outwardly multi-racial and allied with the M.C.A. and including several Chinese and Indian Ministers, is nevertheless dominated by the Malays. It includes a considerable proportion of Malay Ministers whose views are more extreme than the Tunku's and whose aims are chauvinistic, communal and anti-Chinese.

10. Thus political opposition and racial antipathy have combined to create a climate which is both divisive and tense.

### *The present situation*

11. One might well say: 'Surely, during the threat to the country posed by confrontation, cannot the political parties get together and have some sort of political truce at least until confrontation is over?' It is a regrettable fact that at present the prospects of any such political amnesty seem very slender. It is worth briefly stating why this is so and how Malaysia has got itself into the present political logjam.

12. Since September 1963, the P.A.P. have been trying to secure power for themselves in the Government of Malaysia, which had been given in the first place (with their agreement) into the hands of the Malayan Alliance Party. They began by hoping to replace Tan Siew Sin's Malayan Chinese Association as partners of U.M.N.O. They were not immediately successful by persuasion; and they were not content to await the benign effects of co-operation against the Indonesian threat and the resultant good-will. They tried instead to demonstrate their power and force their way in, by adding to their electoral triumph in Singapore through the capture of further seats in the peninsular elections.

13. In fact the first really critical event was when Lee Kuan Yew decided to contest nine seats in the Malayan elections in 1964. Before this decision was made

the Tunku had told me that he would take two Ministers from the P.A.P. into the Federal Government and I believe he would have done it. If this had happened it is quite likely that much of the present bitterness would have been avoided. However, Lee Kuan Yew, despite his private but firm undertaking to the Tunku, as part of the Malaysia deal, not to do so, put up candidates. Since then relations between Singapore and Kuala Lumpur have steadily deteriorated. On the U.M.N.O. side there had since Malaysia been a marked shift of power to the extremists who had won over the rural Malays from Indonesian blandishments, but who had at the same time alarmed the Chinese. This in turn provided a tempting issue for the P.A.P. to exploit, which further increased the fears of the Malays. There is now no possibility of the P.A.P. being represented in the Federal Government.

14. As a result of this deterioration and in the aftermath of the racial riots in Singapore which followed it the Tunku made an approach to Lee Kuan Yew suggesting a form of disengagement whereby Lee Kuan Yew would surrender his seats in the Federal Parliament, [and] would receive much greater autonomy in economic and fiscal matters and internal security. As a *quid pro quo* Lee would do no politicking in Malaya or Borneo. The idea of the surrender of the Federal seats in the middle of confrontation seriously disturbed the British Government and that part of the proposal was abandoned. Subsequent negotiations broke down because Tan Siew Sin, Minister of Finance and Dr. Ismail, Minister of Home Security, were bitterly opposed to handing any additional powers to Lee Kuan Yew.

15. Disengagement was therefore abandoned and once again political bickering started, with Lee Kuan Yew collecting support from parties in Malaya and Sarawak which opposed the Alliance Government. This would be normal opposition behaviour in England but in Malaysia the political row is linked to communal tensions and the country has had very little experience of domestic political strife. Tension was increased by a really bitter debate in Parliament on the King's speech last month in which much was said that had hitherto been kept under the carpet. There was at this time some evidence that the more extreme Malays wanted to find some reason for putting Lee Kuan Yew inside.

16. The second event which tended to increase Malay apprehensions, and thus warm up the political battle and strengthen the hand of the extremists, was the eventual formation by Lee of his Solidarity Convention which comprises the P.A.P. and a number of small political parties opposed to the Alliance Government. In addition it became known that the P.A.P. were working away at the opposition parties in Borneo with a view to gaining their allegiance. As a result the present situation is undoubtedly tense. Hardly a day passes without the Malays and their Chinese allies slanging the P.A.P. and *vice versa*. On the whole, and perhaps only for the time being, P.A.P. are behaving with more restraint than the extremist Malays, but there is no doubt that Lee's own actions have done much to bring the present situation about.

### *Remedy*

17. Cannot something be done to remove or reduce all this tension and bitterness? There seem to be two possible courses. The first could be that after the coming talks between the Tunku and Lee, Tunku might make a speech to the country demanding national unity and himself control and silence the more extreme chauvinists—as to some extent he did after the 1964 communal riots in Singapore. Meanwhile Lee would have to undertake and honour an agreement to keep off the more controversial

communal subjects about the Malays. The unlikelihood of such an undertaking proving effective lies in the fact that neither side trusts the other; in particular none of the Malays in the Federal Government, except possibly Dr. Ismail, trusts Lee even as far as they can see him. I do not therefore see much prospect of success on these lines.

18. An alternative would be for some modified form of disengagement. I know that Lee himself is apprehensive about the course events may take if the present situation is allowed to continue unresolved and it is therefore possible that Lee might accept less demanding terms than before in exchange for his political disengagement from Malaya and Borneo. I can see no strong objection to Lee having greater financial and economic autonomy but there would have to be a modification in his demands for greater control of internal security. If he were to accept this and if the Tunku ordered Tan Siew Sin to give way over finance (which I think he could do), then it seems possible that a disengagement without altering the 1963 Constitution and without unacceptable risks in the field of internal security might be possible. Furthermore I am informed by Ghazali, the Permanent Secretary to the Ministry of External Affairs, that when he saw the Tunku recently in London the latter seemed to be veering once again in the direction of disengagement.

19. There is, however, one serious snag. Lee has formed his Solidarity Convention and several of the small parties who have allied themselves to him have their roots in Malaya. For him to agree to stop politicking in Malaya would be bitterly resisted and resented by his new allies and would probably lead to the break-up of the Solidarity Convention. Could and would Lee accept such a situation? He is politically sufficiently adroit to have a chance of bringing it off but it would certainly be a setback to his present position as champion and leader of those who favour a 'Malaysian Malaysia' and who oppose the Alliance Government.

20. If neither of these courses is adopted, and in neither case do prospects seem bright, what will happen? It is my belief that if this is the case, then at some time in the future (it could be three months, six months, a year or even more) there will eventually be a collision. Some event could take place—probably in Singapore—which would fan the present smouldering situation into flames and rioting and an aggravation of tension would occur. How far this might go it is hard to foretell but it could well be much worse than any previous riots which have occurred here and could well spread to the mainland of Malaya. I have found that my apprehensions in this respect are shared by most of the more intelligent and far-sighted members of both the P.A.P. and the Federal Government.

### *British policy*

21. What should be the British aim? None of the possibilities discussed above is attractive from our point of view. An agreed *détente* through some honourable undertaking is extremely unlikely. Disengagement has the disadvantage that it might prove to be the start of a drift towards increasing separatism in a Federation which should be coalescing rather than splitting. And to do nothing is to risk serious trouble in the future. On the whole I am inclined to think that if a really mild form of disengagement could be initiated without altering the Constitution, and if Lee could be induced to give up politicking in Malaya for the duration of confrontation, then that (despite its evident disadvantages in leading towards separatism) might be the best course; but I am far from confident that a successful negotiation of this kind is either feasible or likely, for the reasons already stated.

22. There is one further possibility which I have not mentioned. That is the employment of Lee in some important post overseas. At one time he would undoubtedly have accepted the post of representing Malaysia at the United Nations, but I do not believe that under present circumstances he could or would do so, nor do I think that the Tunku would agree to have Malaysia represented by him.

23. One of the main causes of the present trouble is the more extreme Malay chauvinists who are led by Senu, the Minister of Information; Khir Johari, the Minister of Education and Ja'afar Albar, the Secretary-General of U.M.N.O.; Senu and Ja'afar Albar in particular are involved in a competition to be more Malay than each other. If they could be squashed or silenced it would be most helpful; but Razak has shown that he is not prepared to be at all tough with these men, no doubt fearing that they might, by the appeal of their chauvinism, outflank him in his present position of heir apparent to the Tunku. He has therefore cautiously decided to move sufficiently in their direction to safeguard his own political position. The Tunku could probably still deal with them, but again he does not want to risk splitting U.M.N.O. He has recently been tired and worried and he undoubtedly gave way to the extremists in so much as he put up a chauvinistic Malay to make the Government reply to the King's Speech. This reply took the form of a very bitter attack on the P.A.P.

24. The above discussion evokes a dismal prospect. It could be that the people of Malaysia are becoming more accustomed to bitter political controversy and that the danger of communal tension and rioting is over-emphasised. It could be that Malaysia will manage to get through the next two or three years without any serious trouble and that she will gradually settle down. Nevertheless it needs a lot of wishful thinking to convince oneself that all will be well, especially because, since Malaysia Day, political bitterness has increased and relations between the Chinese and the Malays have steadily deteriorated.

### *Future policy*

25. Consideration of the future is clouded by our inability to forecast how long confrontation will continue. As long as a hostile Indonesia threatens Malaysia's independence and territorial integrity, our interest in the stability of South-East Asia, our obligations under the Defence Agreement, and Malaysia's need for help against a greatly superior enemy, seem certain to require our continued presence here.

26. At the moment, we are thus not free to decide whether to keep our forces here or not. But what of the period after confrontation? As I pointed out in my despatch No. 6 of 22 April it is by no means sure the Malaysians would even then want us to go. But to stay could cause difficulties for us, for I think it would be both unwise and improvident for British policy to assume that there will be a prolonged period of comparative stability in Malaysia. Trouble might take three forms. First, communal rioting and disturbances which the predominantly Malay police force (30,000 armed men) and army should be able to deal with. Second, Malaysia's independence and territorial integrity, our interest in the stability of continuing disturbances and acts of hostility against the Central Government after such riots. Third, an outbreak of hostility against the Central Government because of some radical and drastic action such as the arrest of Lee Kuan Yew; or, and this would probably come later on, a wave of resentment against the Government because they had suspended elections and intended to rule by decree.

27. Under certain circumstances one can envisage a situation in which disturbances and troubles reached a stage when the Malaysian Government would ask for British help in restoring law and order. It would in my opinion be contrary to our long-term aims in South-East Asia if we found ourselves allied to and supporting by military force a Government which, by that time, was considered unpopular and reactionary throughout South-East Asia. I do not mean to suggest that such an extreme or embarrassing situation is likely to occur, at any rate in the near future; but it cannot be ignored and my deduction from this possibility is that to contemplate as a long-term policy after confrontation is over the retention of British troops in Singapore and Malaya must risk the possibility of our role here resembling, though in a lesser degree, that of the United States in South Viet-Nam.

28. My deduction is, therefore, that we should now start considering whether or not it is our intention to retain some measure of military forces in South-East Asia after confrontation; and if so where they could best be deployed. Having made up our own minds, and having gained the general support of Australia and New Zealand, I am strongly of the opinion that we should have full discussions with the United States, and that these should not be indefinitely deferred, as suggested in Foreign Office despatch No. 49 of 22 June<sup>1</sup> to Sir Anthony Rumbold. In the light of such discussions, preliminary and as far as possible secret reconnaissance of likely areas should be made and an estimate reached as to how long it would be before we were prepared to re-deploy our forces and phase out from Malaysia. In the light of this knowledge a decision could be made as to whether and if so when preliminary physical steps should be undertaken to prepare an alternative area of deployment.

29. If we sit back and do nothing, and if later on we find that it will be, say, a four-year job before we can prepare any alternative base, then we may well be faced with a decision as to whether to clear out and leave the area altogether or, quite likely at the request of the Malaysian Government, to stay here and risk being involved militarily in serious internal unrest and disorders.

### *Conclusion*

30. I think there is a chance, maybe a better chance than I have indicated, that Malaysia will somehow get through the next five years or so without serious internal unrest and disorder. Nevertheless, I am strongly of the opinion that our future policy should not be based on such an assumption. We should create for ourselves, if we intend to stay in the area, some liberty of action which would enable us to phase out of Malaysia if circumstances and our own interests so demand.

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<sup>1</sup> See 94.

**96** FO 371/180542, nos 180 & 181 26 July 1965  
**[Vietnam]: message from President Johnson to Mr Wilson requesting assistance. *Minute* by Mr Stewart to Mr Wilson**

Dear Prime Minister,

I have asked my Ambassador<sup>1</sup> to bring to you my frank assessment of the situation in South Vietnam.

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<sup>1</sup> D Bruce, US ambassador in London.

In recent months open aggression against the people and Government of Vietnam has increased and very heavy strains have been placed upon the South Vietnamese armed forces and the South Vietnamese people.

In this same period, as you know, repeated and imaginative efforts by many Governments, including your own, have been unsuccessful in moving this problem to the conference table because of the determined and rigid opposition from Hanoi and Peiping.

I have been reviewing this situation during the last few days in the light of up-to-date reports from my most trusted associates. While final decisions have not been made here, I can tell you that it now appears certain that it will be necessary to increase United States armed forces in South Vietnam by a number which may equal or exceed the 80,000 already there.

In making this additional commitment, I shall be considering additional decisions, and my Ambassador will be in touch with you on these as soon as they are developed. I want to emphasize that in any event there will be no degradation in our commitment to NATO.

I want you to know that as we make this major additional effort we will also continue to make every political and diplomatic effort that we can to open way to a peaceful settlement. In this connection, I want to reiterate my appreciation of the efforts of your Government and of yourself personally. We shall continue to welcome constructive initiatives.

We will also continue to use every care and restraint to ensure that the fires of war do not spread on the mainland of Asia. Our objective remains the end of external interference in South Vietnam so that the people of that country can determine their own future.

In this situation I must express to you my own deep personal conviction that the prospect of peace in Vietnam will be greatly increased in the measure that the necessary efforts of the United States are supported and shared by other nations which share our purposes and our concerns. I know that your Government has already signalled its interest and concern by giving assistance. I now ask that you give most earnest consideration to increasing that assistance in ways which will give a clear signal to the world—and perhaps especially to Hanoi—of the solidarity of international support for resistance to aggression in Vietnam and for a peaceful settlement in Vietnam.

I have asked my Ambassador to make himself available to you for any consultation which you may wish on this matter.

Sincerely,  
Lyndon B. Johnson

#### Minute on 96

Thank you for sending me a copy of the message you received from President Johnson on 26 July. We already know from the Ambassador's telegrams Nos. 1923 and 1924 that what the President would really like from us is a military contribution, but fortunately he has not expressly said so in his message.

2. It seems to me, therefore, that our best course might be for you to avoid saying anything about the military aspect in your reply and to confine this to our reaffirmation



of our existing support for American policy. This would avoid impairing your personal relationship with the President by giving him a flat 'no' on a subject so close to his heart. At the same time our Ambassador could explain orally to McGeorge Bundy just why a British military contribution is out of the question. This would, I hope, prevent the President from sending you a further and more explicit message.

3. I enclose a draft message together with talking points for use either with Mr. Bruce or in Washington.

M.S.  
26.7.65

*Draft personal message from the prime minister to president Johnson*

I am most grateful for your personal message about Viet-Nam received on 26 July and for all that your Government have done over the last few months to keep us informed of your assessment of the situation in Viet-Nam and of your intentions in coping with that difficult and dangerous problem. I have followed with admiration the careful balance you have throughout maintained between determined resistance to aggression and a patient insistence on your readiness to negotiate an honourable settlement.

I can assure you that Her Majesty's Government, for their part, are equally determined to persevere in their existing support for this American policy in Viet-Nam in spite of the constant criticism to which we are exposed, both at home and abroad, on this account. I know that our solidarity with you on this issue is fully appreciated not only in Hanoi, but by other Communist Governments as well, whose representatives never cease to reproach us with it.

*Talking points*

1. We cannot make a large military contribution without detriment to our defence of Malaysia, against which the Indonesians constantly threaten a larger effort, but Bundy's 'two platoons' would be of no military assistance to the Americans.

2. Any political benefits *vis-à-vis* American public opinion would be outweighed by the grave political repercussions in Britain. If Ministers attempted to convert Parliament to this idea of a British military contribution, the end result might be the impairment of British diplomatic and political support for American policy in Vietnam.

3. Even the most pro-American sections of British public opinion would not understand a British military contribution in Vietnam at a time when the United States Government, far from providing military support for Malaysia, are providing equipment for the Indonesian Armed Forces.

4. We are maintaining (in the face of persistent criticism here) our provision of police advisers and are trying to increase it.

5. We are also trying to get together a surgical team for Viet-Nam, but this would have to be civilian and not military.

6. Our attitude has also been of great benefit to the United States Government in terms of international opinion, for our example has helped to restrain a number of European and Commonwealth countries from giving more vocal and forceful expression to their own apprehensions about the course of American policy in Vietnam. In many cases these other Governments are also under pressure from their Parliaments or public opinion.

**97** FO 371/180543, no 188

28 July 1965

**'The Anglo-American relationship and Vietnam': minute by  
A M Palliser to Sir J Nicholls**

In view of what is said in the attached minute to the Prime Minister from the Foreign Secretary,<sup>1</sup> I feel that I should record what I have already mentioned to you about the description of President Johnson's attitude given to me (and no doubt to the others he has seen recently) by Professor Neustadt<sup>2</sup> during his current visit here. He says that the virtual impossibility for HMG of making any military contribution to help the Americans in Viet Nam is understood at all levels in Washington except by the President himself. Unreasonable as it may be, the President considers that he made it clear to the Prime Minister when they met last year that the only really effective contribution Britain could make would be some soldiers, however small the size of the force; and all that HMG has done since to help and support the American effort remains largely unappreciated by the President. As Mr. Neustadt put it, what the President wants is for a few British soldiers to get killed in Viet Nam along-side the Americans so that their photographs can appear in the American press and demonstrate to American public opinion that the principal ally of the United States is contributing to a joint effort. (Incidentally, if this account of the President's attitude is correct, as I think it probably is, it invalidates the first of the talking points attached to the Foreign Secretary's minute since the President is not really looking to us for military assistance but for a symbolic political gesture.)

2. I am not of course suggesting that HMG could conceivably send troops to Viet Nam in present political circumstances—though I greatly doubt whether a civilian surgical team will make any impression at all on the President. But I do believe that this question is highly relevant to any possible visit to Washington in the near future by the Prime Minister, the Secretary of State and the Defence Secretary. I think that if the Prime Minister went in present circumstances he would be exposed to extreme pressure from President Johnson to make some kind of military commitment to Viet Nam. On the assumption that he maintained our refusal to do this, I fear that the meeting could only be damaging to his personal relationship with the President; and might even induce the President to lend readier attention to the view which I think is now being expressed in certain influential quarters in Washington (and at which Mr. Bruce hinted broadly in his conversation on 26 July with the Prime Minister) that the U.S. should not go on propping up the British economy but should be prepared to accept the collapse of the £ sterling as the only means of inducing the British people to face up to economic realities.

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<sup>1</sup> See 96.

<sup>2</sup> Professor of government at Harvard University.

**98** PREM 13/431, ff 114–116

13 Aug 1965

**'Malaysian situation': letter from Mr Healey to Mr Wilson on the  
defence implications for Britain of the secession of Singapore**

I have not yet had a chance to see the final version of the official paper which is reaching you with this bag, but I know its general form. I would like, if I may, to add

some personal comments. The secession of Singapore<sup>1</sup> has increased our freedom of action in several respects. I believe that we should decide our policy and initiate action to implement it before the dust settles, or we shall find our current freedom of action removed by the initiatives of others. The key issue is not whether or when we leave Singapore, but how to get out of Borneo: i.e. how to end our commitment under confrontation as soon as possible.

Even if the lawyers are no longer confident that our Defence Agreement has lost its juridical basis, no one would consider it politically or morally binding—unless we ourselves decide to renew it. It is for us to decide whether, and on what conditions, we retain a defence commitment in Malaysia.

There is a substantially increased risk that Sabah and Sarawak will leave Malaysia either because they do not wish to be dominated by the Malays or because the Malays renounce responsibility for them. In the new situation there is a case for finding out—possibly under United Nations auspices—whether the people of Sabah and Sarawak want to remain linked to Malaya now that the original federation has broken up, or to join Singapore, the Philippines, or Indonesia, or to become independent states either individually or linked with one another or linked with Brunei. A readiness on our part to agree to such consultation could remove some of the obstacles to better relations with Indonesia and the Philippines.

The worst feature of some of our current responsibilities East of Suez is the extent to which they require an unqualified defence commitment by Britain towards Governments which retain excessive freedom of political action in relation to British interests. We now have the chance to make clear to the Tunku, in the light of the way in which he has acted, that we cannot continue to be bound in this way so far as he is concerned. In other words we should feel free to decide our policy on Sabah and Sarawak, and on confrontation itself, without necessarily seeking his consent in advance. Quite apart from the need to increase our room for manoeuvre in the Far East, it may be important that we should demonstrate this new approach for the benefit of others—for example, the Rulers in the Persian Gulf.

Given all this, we should state our objective as to initiate negotiations with Indonesia which would lead to the end of confrontation and the withdrawal of our forces from Borneo. This need not mean a simultaneous withdrawal from Singapore, although this may well be forced on us before 1970 in any case. But, if we are to obtain the consent of the Americans and Australians to our withdrawal from Borneo, we may have to indicate a firmer commitment than we might otherwise have wished at this stage in the defence review to retain some military capability in Southern Asia whether based in Singapore or Australia. Indeed, although we have so far preserved substantial freedom of action vis-à-vis the Americans in the defence review, I think it certain that any indication in the next few months that we were planning to remove our military capability altogether from Southern Asia would lead to the withdrawal of American support for sterling. Furthermore, I believe that the Americans are concerned that we should retain some military commitment in Singapore for as long as possible, not only as a base for military action elsewhere in Southern Asia, but also to prevent Singapore from becoming an Asian 'Cuba' under Chinese control.

Time may be very short if the new situation is not to solidify—and to our

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<sup>1</sup> Singapore seceded from Malaysia on 9 Aug 1965 and became independent in its own right, being admitted to the UN on 21 Sept and the Commonwealth on 16 Oct.

disadvantage. Sukarno has greater freedom of action than we have, and it may not help a new British initiative if we should appear to be dancing to his tune.

To sum up, I believe our basic objective in the proposed discussions at official level should be to obtain the early consent of the United States, Australia and New Zealand to a policy aimed at negotiating the end of confrontation and the withdrawal of British forces from Borneo, even at the expense of serious strain on our relations with Malaya (though not necessarily with Singapore, whose main interest now is not our continued presence in Borneo, but our continued presence in Singapore so long as they find this politically acceptable). The price we shall have to pay for such consent will be a clear indication of our intention to retain a military capability in Singapore so long as we are politically permitted to do so, and to shift to Australia thereafter. While we are getting a new policy under way, we shall have no option but to keep up our military guard in Borneo.

As you know, I am hoping to go on leave next Wednesday night. I will remain available throughout my leave at 24 hours notice, and, if you feel it could be useful, I would be glad to fly down and see you in the Scillies before I go.

## 99 CAB 148/28, OPD(66)68

14 June 1966

**'Implications of the end of confrontation': memorandum for Cabinet Defence and Oversea Policy Committee by an official committee chaired by Sir B Trend**

[Extract]<sup>1</sup>

### *... Outstanding questions*

15. Before we embark on a military run-down on the above lines, we need to be clear about our answers to a number of awkward questions which will or could arise. These are as follows—

- (a) How should we respond to United States pressure for military help in Viet Nam (or elsewhere in the region), now that we may no longer seem likely to be fully occupied with Confrontation?
- (b) What should our policy now be towards Brunei?
- (c) Should we now renegotiate our Defence Agreement with Malaysia and conclude a similar Agreement with Singapore, and if so in what terms?
- (d) How should we treat further Malaysian requests for further financial aid for military and paramilitary purposes?
- (e) How should we react to a Malaysian request for help in the event of internal unrest in Sabah and Sarawak?
- (f) What should our policy be if Sabah and Sarawak secede from Malaysia?
- (g) What should our policy be in the event of a renewed Indonesian threat to Sabah and Sarawak?
- (h) How should we regard a Malaysian decision to enter into some form of regional association with Indonesia and/or other neighbouring countries?

<sup>1</sup> The introduction to this memo dealt with the Bangkok agreement (see 19, note 1) which ended confrontation and the timetable for the withdrawal of UK forces from Eastern Malaysia, the aim being to work towards the defence review levels as quickly as possible and to complete the process by 1969–1970.

### *Viet Nam*

16. Hitherto we have had two public excuses for not giving military help to the Americans in the Viet Nam war:

- (i) our preoccupation with Confrontation and
- (ii) our position as Co-Chairman of the Geneva Conference.

The first of these has never been wholly convincing since the Australians have managed to send troops to both 'fronts'. Our public embarrassment should not therefore be much increased by having to rely primarily on (ii) in future. We can, of course, also make some play with the fact that while Confrontation lasted our forces were badly overstretched, with the Rhine Army and the Hong Kong garrison depleted and too many units suffering from overlong 'unaccompanied' tours of duty in the Far East and elsewhere. But the Americans are well aware that our essential reasons for refusing to help is the state of British domestic and parliamentary opinion on the Viet Nam issue. Hostility to American policy is such that any attempt to commit British troops would not only be unsuccessful but would probably also jeopardise our ability to maintain even our present diplomatic and other non-military support. There is no reason why we should not freely admit this, in private. But we cannot even so hope to avoid a certain amount of American criticism and requests for support from our liberated resources in ways the Americans would regard as non-controversial. For example, we shall have to face suggestions that we should contribute warlike stores which we no longer need in Borneo; helicopters for Thailand and trucks for Viet Nam have already been mentioned.

### *Brunei*

17. The present state of our relations with Brunei is highly anomalous and unsatisfactory. We are responsible under our 1959 Treaty for internal security as well as for defence and external affairs. We are thus committed to protect the Sultan not only against foreign enemies but also against his own subjects. Despite our promptings over the last three years, he shows little inclination either to join Malaysia (which we think the bulk of his subjects, who are mostly Malays, would like him to do on suitable terms) or to modernise his autocratic system of government. Brunei is a prosperous territory as a result of its oil resources, which are being developed by Shell; but Shell's interests there, though considerable, are not valuable enough to justify our retaining obligations to the Sultan which it might well be both militarily and politically embarrassing to fulfil. The last thing we should want to do, having got our troops out of Borneo, would be to send them back because of a repetition of the 1962 revolt in Brunei;<sup>2</sup> particularly if the revolt was inspired by the

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<sup>2</sup> The Brunei revolt of Dec 1962 was said to have been caused by a dispute between the Sultan and Azahari, the nationalist leader, over the issue of Malaysia. But although the Sultan had declared in favour of joining the Federation in July, a final decision had not been taken and Brunei ultimately declined to join Malaysia. The real causes of the revolt were dissatisfaction with the Sultan's autocratic government and a local movement for a united Borneo under Brunei leadership. Britain suspected regional intrigues were also involved. During the revolt an attack on the palace was repulsed by the Sultan's own forces but the rebels captured the oil town of Seira and took hostage some 400 Europeans. The Sultan requested British assistance and 2,000 UK troops (the advance guard were Gurkhas) brought the revolt to a swift end (it began on 8 Dec and resistance collapsed by the 15th). In the UK the incident was used to illustrate that a regular army of 175,000 was seriously overstretched. For detailed coverage, see A J Stockwell, ed, *Malaysia*; also Philip Darby, *British defence policy east of Suez 1947-1968*, London, 1973, pp 232-234.

Malaysians and/or by an Indonesian regime with which we wished to remain on good terms.

18. The ending of Confrontation and the withdrawal of British forces from Borneo both make it necessary to straighten out our future relations with Brunei and give us the opportunity to do so. We have for some time been pressing the Sultan to accept democratic constitutional development which would be the proper method of evolution with a view to bringing our Treaty to an end; but we have been inhibited by the fear of making trouble in our rear while the Kalimantan war was in progress. The Sultan for his part has played upon the knowledge that we could not effectively threaten him. But if the war is now over, our hands will be much less tied. We shall be free if necessary to invoke the Advisory Clause in our Treaty, under which he is legally bound to accept our advice on internal as well as external matters. Our aim is to get him to agree to greatly accelerated constitutional development leading by normal democratic process to union with Malaysia or else to independence. A possible alternative might be to insist, subject to Malaysian agreement, on the holding of a referendum on the question of a union with Malaysia. Our precise tactics must be the subject of further consultation with the High Commissioner.

19. If Brunei becomes part of Malaysia or chooses independence, our Treaty will automatically lapse. If all else failed, we should consider ourselves free either to denounce it, if the Sultan rejected our compulsory advice, or to terminate it by giving reasonable notice. Once we were free of the Treaty our responsibility for internal security would be at an end. Our external defence commitment would continue if Brunei became part of Malaysia (for so long as we continue to have a Defence Agreement with the Federation), but not otherwise.

#### *Defence agreement with Malaysia and Singapore*

20. At some stage we shall need to revise our Defence Agreement with Malaysia, in the light of Singapore's departure from the Federation in 1965, and to conclude a new Defence Agreement with Singapore. These new Agreements, coming after the end of Confrontation, will go a long way to determine the nature and extent of British involvement in the Indo-Pacific area for the foreseeable future. Major questions of policy will be involved, and this is not the place to argue them out. We shall not be able to decide our best course until it is clearer what effect the ending of Confrontation will have on Singapore's relations with Malaysia and her other neighbours. We should no doubt continue to insist that they should first reach agreement on defence matters between themselves. Thereafter, our general aims should be:—

- (i) to limit our commitment as far as possible, at any rate so as to exclude not only internal security (as at present) but also the defence of Singapore against Malaysia (or vice versa);
- (ii) to ensure that we are free to use our military facilities for purposes wider than the strict defence of Singapore and Malaysia themselves;
- (iii) to associate Australia and New Zealand, and if possible the United States, with our arrangements for the defence of Malaysia and Singapore, to whatever extent and by whatever means seem most satisfactory at the time.

#### *Military aid allocations*

21. The Malaysians are very upset at our refusal to contemplate any further defence aid to them, and are likely to increase pressure on us since our military

withdrawal from Borneo will leave the task of maintaining the internal security of Sabah and Sarawak unequivocally in Malaysian hands (see paragraphs 22–25 below). It might be in our interests to provide further aid in this new situation if it is clear that, by doing so, the withdrawal of British forces from Borneo and the provision of the necessary Malaysian forces will be significantly facilitated and the danger of instability in Eastern Malaysia decreased.

*Internal security in Eastern Malaysia*

22. Our Defence Agreement with Malaysia covers external aggression only, not internal security. While Confrontation lasted, unrest inside Sabah and Sarawak would have threatened our military communications. It would probably also have been instigated by the same Indonesians whom we were fighting along the jungle frontier. For both reasons, we could hardly have escaped involvement in any internal trouble which was beyond the Malaysian authorities' capacity to control. But if the fighting is now over and the Indonesian threat in abeyance, we can and should take a much more cautious attitude. Tun Razak's attitude (paragraph 7 above)<sup>3</sup> suggests that the Malaysians have already taken this point.

23. *So long as our troops are in Eastern Malaysia*, we may get involved willy-nilly if there is internal trouble in the direct path of their movements. If the trouble is more remote, and the Malaysians asked us to help with it, we should have to take a rapid decision in the light of the exact circumstances. In principle we should try to avoid becoming involved, for the reasons given in paragraph 24 below. But this might not be easy in practice, if ours were the only forces available; there could also be doubt and argument over the somewhat fine distinction between certain types of aggression and certain types of internal disorder.

24. *After our troops have left Eastern Malaysia*, they will no longer be automatically involved in internal troubles there. We have no obligation under the Defence Agreement to commit British forces in an internal security role in any part of Malaysia, and it should certainly be our aim not to do so. It is of course possible that we might take a completely new decision to go to the Malaysians' help on the internal front. Unrepressed disorder in Sabah or Sarawak would be unwelcome to us at any time, and particularly if we had only just left. It might spread to Brunei, where we would be involved under present arrangements; but these may change, as set out in paragraphs 17–19 above. It might also provoke further Indonesian aggression; but if the trouble came (as it probably would) from communists, the present Indonesian regime would be more likely to want to help the Malaysians put it down. From our point of view it would be much more satisfactory if the Malaysians were to obtain Indonesian help rather than ours. One of the lessons of Viet Nam is that a small commitment of support units to an internal security operation can be the start of a very slippery slope.

25. A complicated *intermediate situation* could arise if the Malaysian authorities asked us to slow down our programme for withdrawing troops from Borneo in order to give them more time to get their own forces into position there. This request could be made in the context of defence against possible aggression as much as

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<sup>3</sup> Para 7 referred to a statement by Tun Abdul Razak to the effect that, with the end of confrontation, UK forces would have to leave Eastern Malaysia and Malaysia's own forces would have to deal with the communist menace since UK troops could be used only against external threats.

against possible internal trouble. We should have to consider this carefully, however reluctant we may be in principle. A possible compromise might be to agree, on condition that our troops were only used for external defence; but we should have to recognise that this condition might be hard to enforce when it came to the point. We certainly want to avoid a situation in which our withdrawal is followed by trouble in Eastern Malaysia beyond the control of the Malaysian forces which could lead them to ask for our return. But if there is no Malaysian request we should be clear that we should not then consider slowing down our programme of withdrawal from Brunei. If the Malaysians are willing to take what we might regard as security risks, we should resist the temptation to persuade them that they are wrong.

### *Secession in Eastern Malaysia*

26. We have always recognised that, once Confrontation is over, a move may develop for Sabah and/or Sarawak to leave the Malaysian Federation. The departure of Singapore was a shock to them and they have shown signs in the past of disenchantment with the Kuala Lumpur Government's 'colonial' attitude. If they do secede, with or without Kuala Lumpur's consent, we shall need to make clear:—

- (a) that there could be no question of our intervening to stop them;
- (b) that, by contrast with Singapore, they could not expect after leaving the Federation to continue to qualify for British military protection.

If Brunei, having previously joined the Federation (see paragraphs 17–19 above), were also involved in secession, our attitude should be exactly the same.

### *A return of confrontation*

27. It would be rash to deduce from the Bangkok Agreement that the Indonesians have abandoned their long-term ambitions to dominate Malaysia and to secure the removal of British forces. It is more likely that they have decided to concentrate first on putting their own house in order, and perhaps also that they hope to be able to secure by a policy of smiles what they have failed to secure by a policy of force. If this hope is disappointed, and/or if they are able to make real progress in restoring their economy, there will inevitably be some danger of Confrontation being resumed. It could also be resumed almost overnight if there were a further change of regime in Djakarta.

28. If Confrontation were to start again before we had completed our military run-down to the Defence Review level of forces in the theatre, we should come under heavy pressure to go into reverse as rapidly as we could. This would be awkward, but probably feasible; on the whole, however, it seems pretty unlikely. If our run-down was complete, on the other hand, our position would be much more embarrassing, for reasons explained in paragraph 12 of OPD(66) 54.<sup>4</sup> The forces we should have left might be enough to enable us to defend the actual mainland of Malaya, and their presence would be a deterrent to Indonesian adventures. But if nevertheless there were a renewed Indonesian threat to Eastern Malaysia, which was beyond the Malaysians' own capacity at the time to resist, we should have to choose between:—

- (i) seeking American as well as Australasian help (which might well not be forthcoming);

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<sup>4</sup> See 15.



- (ii) undertaking major air action against Indonesia (which would be politically objectionable); or
- (iii) refusing to defend the Borneo territories (which would undermine our alliance with Malaysia).

29. The possibility of renewed Indonesian Confrontation will be relevant to the negotiations for the revision of our defence agreement with Malaysia and for the conclusion of a defence agreement with Singapore, since these agreements will have to define—and limit—our future commitments to the defence of the two countries. As suggested in paragraph 20 above we shall wish to associate Australia and New Zealand, and if possible the United States, with our arrangements for the defence of Malaysia and Singapore and, at that stage, we should probably be wise to put the problem squarely to our allies. We could argue that the dangers which would confront us in the event of a renewed Indonesian threat to Eastern Malaysia would arise largely as a result of our staying on in our Singapore and Malaysian bases in deference to their wishes. But it would not be good tactics to raise this issue at the forthcoming quadripartite discussions since our allies could reasonably say that the prospects of Indonesian good behaviour are much improved and that the danger which worries us is therefore very hypothetical. The Americans would in any case be most unlikely to be sympathetic unless we were prepared to come to their help in Viet Nam now. The only result might be allied pressure on us to defer our military run-down to the Defence Review level.

#### *A regional association*

30. A possible association between Indonesia, Malaysia and the Philippines, under the name of Maphilindo, has been talked of at intervals in recent years. Confrontation and the threat of Communism in Indonesia have been the most obvious obstacles, and these may now both have been removed. An Association of South East Asian States, embracing Thailand, Malaysia and the Philippines, has existed on paper since 1961. The Indonesian Foreign Minister has now suggested that all four countries—Indonesia, Thailand, Malaysia and the Philippines—may now form some kind of Regional Association.

31. It is still far from clear whether this proposal will come to anything; what would be involved if it does; and how Singapore would fit into any new political pattern which emerged. Difficulties would be bound to arise from Indonesia's position as far and away the most populous of the four and (at present) far and away the poorest. The following table speaks for itself:—

	<i>Population</i>	<i>income per head</i>
Indonesia	100 million	\$70
Thailand	30 "	\$100
Philippines	30 "	\$190
Malaysia	9 "	\$220
(Singapore)	2 "	\$380

32. Nevertheless, if any form of regional Association does emerge, we should in principle be prepared to welcome and encourage it. Few things could do more to advance our long-term ideal of a non-aligned South East Asia able to stand on its own feet and organise both its own stability and its own progress, with Western forces being required only in the background as a deterrent to outright Chinese

aggression (see paragraph 8 of OPD(66) 54). To begin with, association with a non-aligned Indonesia might not necessarily make Malaysia (or Thailand or the Philippines) unable or unwilling to retain Western alliances and Western bases. In the end no doubt the greater size and power of Indonesia would enable her to dominate at any rate Malaysia, as the nearest and smallest of the other three. At that stage we should presumably have to leave our bases; but we have already decided that that would not be too high a price to pay for a settlement in the region (see paragraph 28 of OPD(66) 54).

33. We have all along anticipated that in the course of time:—

- (a) Malaysia will move away from its present pro-Western policies towards a more normal Asian posture of non-alignment;
- (b) the Malays of Malaysia, if they are not be be swamped by the Chinese of Malaysia and Singapore, will be ready to accept a measure of subordination to Djakarta in some kind of pan-Malay coalition aimed at keeping the local Chinese under control.

The Bangkok Agreement may mark the first stage in either or both of these processes.

#### *Four-power consultation*

34. As regards the immediate future, the main implications, assuming the end of Confrontation, can be summarised under two main heads. *Militarily* we need to disengage our forces and run them down to the Defence Review level as soon as possible, in the manner discussed in paragraphs 7–11 above. *Diplomatically*, we need to consider what line we are to take with our American and Australasian allies, in particular at the Four Power Ministerial meeting in Canberra on 30th June. Our general approach to that meeting was considered in detail in OPD(66) 54. This should continue to serve as our guide in respect of the long-term politico-strategic issues of the whole area and also in respect of the short-term problems outside the Malaysian–Indonesian region. On Confrontation and its aftermath, our position as it emerges from the present study can be summarised as follows:—

- (i) Our decision (as announced in the 1966 Defence White Paper) to remain militarily in the Indo–Pacific area, and in Singapore and Malaysia so long as we can on acceptable conditions, was based not on the assumption that Confrontation would continue, but on the contrary assumption that it would end well before 1970. The fact that our Confrontation commitment seems now to have ended in victory does not mean that we need to change our policy; it means rather that we should be able to achieve it. The main obstacle to reaching the target set in the Defence Review for this area by 1969/70 will have been removed; although we cannot yet say how quickly we can start to realise the budgetary and foreign exchange savings that should result.
- (ii) As soon as Confrontation is over, we should withdraw from Borneo without delay and thereafter remove from the theatre all forces over and above those which we need for fulfilling our commitments to our remaining dependent territories in the theatre, or have offered to contribute to the long-term allied defence effort in the Indo–Pacific area (details of these were given to the United States, Australian and New Zealand Governments in the context of the Ministerial talks in

Washington and Canberra last January/February; as then explained, these fully cover our existing commitments under SEATO).<sup>5</sup>

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<sup>5</sup> The OPD approved this paper on 17 June (CAB 148/25, OPD 29(66)1).

## **100 FCO 15/27, no 2**

**6 Jan 1967**

### **[British policy in South-East Asia]: letter from A J de la Mare to Heads of Mission. *Enclosure***

Since the conference of Heads of Mission in the Far East and South East Asia held in Hong Kong last June we have been thinking a good deal about future British policy in South East Asia.

2. The facts and assumptions on which we have based ourselves are the following:—

- (a) though there is always the danger of direct military aggression the main and immediate threat in the area is from internal unrest, whether inspired locally or from abroad;
- (b) this unrest, actual or potential, feeds on social injustice and economic hardship. In remote areas, as in North East Thailand, poor communications, especially roads, militate against both economic development and national unity and sense of belonging. These provide the breeding ground for spurious 'liberation' movements supported and sometimes directed by foreign communist organisations;
- (c) while the remedy may not be identical for all areas, in South East Asia generally it is the basic one of providing an adequate and secure standard of living, especially in the countryside. This is not to question the value of higher education or sophisticated technology, but simply to state the fact that, at any rate in this generation, a contented peasant is better than a frustrated and possibly jobless intellectual or white-collared worker;
- (d) South East Asia is potentially a great food-producing area. Eventually manufacturing and other 'service' industries (for instance tourism) will no doubt develop but if they are to develop soundly they must be based on a strong and prosperous rural economy;
- (e) Western policy generally is not geared, coordinated and directed so as to concentrate its effort on the target as identified above. Aid and technical assistance is sometimes frittered away on projects beyond the present capacity of the recipient country either to support or to exploit. Such projects not only waste money and effort but even engender local frustration and discontent. They thus contribute to the very evil which it should be our purpose to combat;
- (f) we are comparatively small contributors to the development of South East Asia. We cannot hope by exhortation and argument greatly to influence donors with much more at stake than ourselves. But we can perhaps hope to influence them by our example;
- (g) we have no more money to put into development aid and technical assistance in South East Asia. Our object should be to see that what we have is put to the best possible use. This involves closer coordination than hitherto among all the

Government Departments involved in the area: the Foreign Office and Commonwealth Office, Ministry of Defence, Ministry of Overseas Development, Treasury and Board of Trade.

3. The above facts and assumptions are in themselves of sufficient validity and importance to warrant a pretty searching review of the whole problem. But we have another reason for undertaking it now. SEATO Plan 8 involves the possible use of military force to assist Thailand to counter subversion in her territory, should the need arise. Ministers, and not only those in the Foreign Office, were most reluctant to accept this Plan, even in principle, but eventually agreed to do so with the strict injunction that we should do all in our power to ensure that the contingency did not arise. The Secretary of State asked me what I had in mind to this end. I enclose a copy of the reply I sent him, which he endorsed. It is necessarily a rather superficial document, but it gives a general idea of how we see the problem.

4. We then took advice of the Cabinet Office as to what interdepartmental machinery would be needed here in London to set things in motion. Their advice was that we should not at this stage seek to set up a formal Cabinet Office committee, but should kick off with *ad hoc* meetings at Under Secretary level to examine the problem and set the course, and that later more formal meetings might be established.

5. Lord Walston, who has shown great interest in this and who in fact had started the ball rolling with a minute to the then Secretary of State in early July, immediately after his return from the area, chaired the first meeting on 15 December. The Under Secretaries present were Alan Dudley of the Ministry of Overseas Development, Christopher Fogarty of the Treasury, Frank Cooper of the Ministry of Defence, John Moreton of the Commonwealth Office, John Peck, Cecil King and myself. We are to meet again, this time without Ministers, before the end of January. We hope to have before us a comprehensive picture of all our activities in South East Asia by all the Government Departments concerned. Our job will then be to determine among ourselves to which of these activities we should seek to give priority in the light of our objective. We shall of course consult you closely on these points and I suggest that to save time, posts concerned might themselves draw up and send to me their own views on what our priorities should be within the territories for which they are responsible, in the light of the objective stated above. Some posts will already have done this, in one form or another, and some probably more than once. I hope they will not mind the repetition involved, but it will help us to have a concise restatement from the whole area. You need not restate in detail arguments already made: where there has been relevant previous correspondence it would be necessary only to refer to it when you send your list of priorities. Lest the point is not clear we would like that list to cover *all* our activities which have a bearing on our objective, whether in development projects, technical aid, finance, defence, information or straight diplomacy. If you have points to make of special interest to John Peck (Information Research) you may wish to send them direct to him.

6. You will understand that the *ad hoc* committee here in London is not the final arbiter. We shall have to put recommendations to Ministers. It will in present circumstances be very difficult if not impossible to get them to sanction more expenditure: all we can hope for, if a proper case can be made, will be the reallocation of existing funds as between the various spending departments in the light of the priorities we may be able to agree upon.

7. I have referred so far in this letter to 'South East Asia'. More precisely, the area we have in mind consists of Burma, Thailand, Cambodia, Laos, Vietnam, Indonesia and the Philippines. We realise that for the present and for varying reasons Burma<sup>1</sup> and Vietnam are on a rather different footing from most of the other continental countries in the area, but we would nevertheless like the views of H.M. Representatives there also. We shall concentrate more on the continental countries than on Indonesia and the Philippines, but here again we do not wish to exclude these.

8. I know that this letter, long as it is, does not go into the matter as fully as you would wish. We shall try to answer any queries you may have. But I hope that you will not think it necessary again to go over the general concept and philosophy of our policy in South East Asia, which was discussed at length at the Heads of Mission Conference in Hong Kong last June. As stated in paragraph 3 above the Secretary of State has endorsed both what we have in mind and our reasons for it. The Defence Secretary has also shown keen interest in it.

9. This letter is addressed to all Heads of Mission in the countries listed in paragraph 7 above and is being sent for information to Sir Michael Stewart<sup>2</sup> in Washington and Alec Adams in Singapore. For the present however it should be treated as for U.K. eyes only.

10. You will note that we have not included the two Commonwealth countries in the area—Malaysia and Singapore. This is because it may be necessary, at least in the initial stages of this exercise, to deal with them separately, but we are in touch with the Commonwealth Office on this, and, as you will have seen from paragraph 5 above, they are represented at our meetings.

### Enclosure to 100: SEATO plan 8

The Defence Secretary has asked what it is that we would propose to do, with our allies, to try to ensure that Plan 8 does not have to be implemented.

2. Paragraph 7 of the Secretary of State's minute of 14 November to the Secretary for Defence read as follows: 'If you agree with the above then our next step should be to concert with our allies, none of whom want to have to implement Plan 8, to see what we can do to ensure that this contingency does not arise. We have ideas on this which we shall be putting to you and to other interested Ministers as soon as possible'.

3. What we have in mind is that there are two stages of insurgency. The second stage, when the trouble has become widespread and well-organised, must be dealt with by military measures. But insurgency does not develop into this stage overnight. It begins with frustration and discontent at economic hardship and social injustice. It is nurtured on the visible evidence, abetted by hostile (in Thailand's case communist) propaganda, that the central government is unable or unwilling to relieve this hardship and discontent.

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<sup>1</sup> Following the military coup in 1962, Burma was becoming increasingly isolated and pursuing a 'Burmese road to socialism'. General Ne Win travelled freely abroad but foreign contacts within Burma itself were minimal.

<sup>2</sup> Sir M Stewart, HM minister, Washington Embassy, 1964–1967.

4. In Thailand the threat of insurgency is only at this first stage (although there are sporadic and isolated instances of armed terrorism and banditry). The North-East, where the threat is the greatest, is precisely the area where, through lack of communications and long neglect, the writ of the central government runs least. It is here that the consciousness of Thai nationality, of belonging to the same political, economic and national group as 'the people in Bangkok', is least.

5. Our view, strongly promoted by Lord Walston, is that we and our allies should pay much more attention to encouraging the social and economic development of the area *and that we should do more to coordinate our respective efforts to this end*. Lord Walston is about to approach the Secretary of State with a proposal that in the first instance our own British effort in what I might call 'peaceful counter-insurgency' should be better coordinated among the various government departments concerned so that we make our limited resources work to full advantage; and that we should then approach our allies (the United States, Australia, New Zealand and Thailand itself, but possibly others including perhaps Japan) with a view to a coordinated allied policy to help Thailand deal, as a matter of priority and in the right priorities, with her social and economic problems that engender the threat of insurgency.

6. We believe that the Americans will be receptive to these ideas. In his recent trip President Johnson has 'discovered' Asia and he speaks most enthusiastically of the chances for peaceful development there.<sup>3</sup> He has specifically mentioned Thailand as one of the countries where the opportunity and the possibilities are greatest.

7. At official level here we support this view. Our best insurance against having to implement SEATO Plan 8 is to work on the lines set out above. Our offer to Thailand to use Royal Engineers now stationed there to help in communications development by the building of roads is the sort of thing we have in mind. But it is obviously only a small contribution, and what we now need is to devise a plan with our allies, including Thailand, to ensure that all the economic aid and development projects envisaged for that country are closely coordinated, make economic and social sense, and contribute to Thailand's capacity to resist the kind of aggression which is most likely to threaten her, that is to say insurgency planned and fomented by Communist China.

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<sup>3</sup> President Johnson attended a conference of Asian and Pacific leaders at Manila, 24–25 Oct 1966. He also visited Australia, New Zealand, Malaysia and Korea. On 26 Oct he flew secretly from the Philippines to South Vietnam to visit US troops. A report on his Asian tour is in FO 371/185917, no 29, Sir P Dean (Washington) to Brown, 7 Dec 1966.

## **101 FCO 15/4, no 1**

**Mar 1967**

### **'British policy in East Asia': paper by A J de la Mare on UK objectives**

British attention in East Asia is focused on the war in Vietnam and on the future of our own defence arrangements. These immediate preoccupations tend to obscure the new developments taking place in that area. Ministers may wish to consider United Kingdom policy towards these developments.

*Recommendations*

2. This paper recommends that:—

- (a) we should publicly encourage the movement in East Asia for regional cooperation and self help;
- (b) to the fullest possible extent we should develop the practice of using such troops as we keep in East Asia on peaceful development projects (road building, Mekong development, etc.);
- (c) we should make full use of the existing inter-departmental machinery to ensure that our development and technical aid to East Asia is properly coordinated; and that it is directed to the best and most economic use in the light of the requirement at the time and of the capacity of the recipient country to absorb it;
- (d) we should try to ensure that a proportion of the money which we shall be saving by defence cuts in the area is devoted to some increase in our overall aid effort there.

*Argument**Background*

3. The political turning-point in East Asia is generally regarded to be the outcome of the war in Vietnam. In a large measure it is, particularly as regards the attitude and policy-making premises of the belligerents, especially the United States and Australia. But for the United Kingdom the turning-point was the ending in 1966 of confrontation with Indonesia. This is not to suggest that for us the outcome in Vietnam is merely incidental, but Vietnam is not our point of departure. Time may even show that not only for us but for the peoples of the area, the Americans and the Australians also, the East Asia watershed is not ahead of us in Vietnam but lies behind us in Indonesia.

4. The ending of confrontation was the greatest success of British diplomacy in East Asia in recent years. On 28 February the Secretary of State said in the House of Commons that it was 'a story of careful and determined diplomacy'. It is widely so regarded, whether in East Asia, in the United States, in the Netherlands, in Japan and even, grudgingly, in Peking.

5. This is not because we have made it appear so. On the contrary success in our efforts to end confrontation required that we content ourselves with a secret and self-effacing role and allow the appearance to be given that negotiations were a bilateral matter between Indonesia and Malaysia, to which we merely gave friendly encouragement. Its significance lies in the fact that the settlement of this dispute between two neighbours released and gave strength to the wind of change in East Asia.

6. Apart from Thailand, which was already nominally independent, all the countries of South East Asia from Burma to the Philippines gained their independence in the aftermath of the Second World War. But while they welcomed their freedom most of them were unable or unwilling to assume the responsibilities which independence entailed. They remained in fact under the tutelage of the developed European nations and of the United States. They resented this but lacked the initiative and the power to prevent it. For a time, until disillusioned, they looked

to Communist China as the focus and the power-house of their own emancipation. The disillusion with China became complete in October 1965 when it was revealed how near she had come to success in her attempt to set up by violence a communist regime in Indonesia subservient to herself. When the East Asian peoples then saw that the 'colonialists'—for which read Britain—although at the time in open confrontation with Indonesia, did not use the consequent disorders in that country to press their advantage, but on the contrary gave Indonesia financial assistance and immediately began peace overtures with her, they were at last convinced that we were no longer the enemy and the would-be exploiter of East Asia but that we genuinely wanted to see independent government and economic development there. There had been one or two earlier false starts, but that was the moment when the East Asians became really convinced that they had a chance to work out their own destiny, and that in this they had our goodwill and support.

7. This gave rise to an upsurge of feeling and resolve by local governments that they should play a bigger and more positive part in the shaping of their own destiny. A revolution in positive thinking began to take place in East Asia, despite the continuing war in Vietnam. The leaders of Thailand, Malaysia, Indonesia, the Philippines, Singapore, South Korea, Japan, as well as Australia and New Zealand, are now saying that this is the time to get together and start the process of economic and political development.

8. The East Asian leaders have the sense to recognise that they still need Western help. They are glad of massive American support; but they find the American presence oppressive, just because it is so massive; and they do not have full confidence in American judgement or American methods. In their eyes Britain is a reassuring if small counterweight. If we give the impression of losing interest in East Asia, they will react with regret, bewilderment, apprehension and eventually resentment. For this reason, the defence cuts we are likely to make in the area will need to be carefully presented as part of a planned redeployment designed to enable us to continue within our means to contribute to the peaceful development of the region.

### *U.K. attitude towards the new look in East Asia*

#### *(a) Use of U.K. forces for peaceful purposes*

9. We should welcome the constructive attitude which the East Asian leaders are now taking towards their own problems. One occasion for us to do this will be at the forthcoming Ministerial Meeting of SEATO in Washington. But words of exhortation will not do much good if they are not backed by positive action. East Asia is becoming politically and economically an interesting proposition at the very moment when we are short of money to invest in it. Whatever military presence we retain in the area will be locally welcome. But it will have a negative impact so long as it is maintained only for military purposes. We should try to convert part of its role into a positive one aimed at enhancing the economic and social development of the region.

10. To the limit of what is practicable, therefore, we should aim to use such forces as we keep in the theatre for projects of peaceful development. We are already engaged in one such project, the building by the Royal Engineers of a road for civil purposes in North East Thailand. We shall probably use the Engineers also for a small but essential blasting operation on the Mekong as part of the Mekong



Development Project. It is not really much more expensive, and it is certainly better for morale and for good relations with the local population, to put our men to useful work than to keep them there in relative idleness. Our military presence, to the extent that it remains at all, should so far as possible aim to act as a Peace Corps.

*(b) U.K. aid and technical assistance programme*

11. No one doubts that, apart from the settlement of the Vietnam war, the most urgent need in East Asia is economic and social development. It is also now generally accepted that those who wish to benefit from markets in underdeveloped countries must play their part by providing a share of the development and technical aid necessary to economic progress in these countries. Since our resources for this purpose are limited, we must ensure that what money we have is put to the right purposes.

12. Our immediate aim, therefore, must be to ensure that our aid effort in East Asia is properly coordinated and directed so as to ensure that we get maximum value for the limited amount of money we have available. Both development aid and technical assistance need to be rationalised if what we do is to make the right impact at the right place at the right time. The existing interdepartmental machinery should be adequate for this purpose. But in the light of experience we may need to consider the setting up of a special coordinating sub-committee for East Asia under the Official Committee on Overseas Development.

*(c) Use of defence savings for aid*

13. Beyond that, our longer aim should be to ensure that H.M.G. consider what additional expenditure on aid purposes may be desirable in the light of our expected defence savings in the area. Hitherto, our machinery of government has always operated on the principle that any saving in governmental expenditure is to be considered in isolation, and not as a basis for alternative expenditure on another vote, which must always be separately justified on its merits. In the circumstances of East Asia today, that principle needs revision. It is not suggested that all or even a great proportion of the money saved on defence costs in the Far East should be spent on extra aid. But if we are to take risks with local security and our other local interests by insisting on military savings, we ought to be ready to devote some part of what we save to an alternative form of insurance policy. If even 5% of our military savings could be applied to aid projects, such for instance as the development of the Mekong River basin, the effect both on Asian opinion and on that of our Western allies would go far to offset the resentment caused by our decrease of military support, and, in the longer run, it would be helpful to our trade.<sup>1</sup>

*Conclusion*

14. The above recommendations clearly do not add up to an overall blueprint for United Kingdom policy in East Asia. All they attempt is to suggest a few ways (there are no doubt others) in which we could direct our policy in a positive and

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<sup>1</sup> Copies of this paper were sent for observations to FO ministers. Lord Chalfont (minister of state) and William Rodgers (parliamentary under-secretary) had none. Fred Mulley (minister of state) agreed generally but suggested that the proposal to devote five per cent of defence savings to aid projects should either be omitted or amended to the effect East Asian aid programmes would be increased as and when permitted by the UK economic situation. The latter suggestion was included in the amended version circulated to other departments (FCO 15/4, no 4, minute by A J de la Mare, 3 May 1967).

constructive direction. We have a positive purpose in Vietnam, as we had in Indonesia, but if we are to achieve it we must pay the price, as in Indonesia, of anonymity, of hiding our light under a bushel. Yet while that is undoubtedly the right policy for us in Vietnam, there is a real danger that its effect, coupled with that of further military withdrawals and of our inability to give greater development and technical aid, will be to create the impression in East Asia generally that we have lost interest in the area. If we allow that impression to grow, we shall not only lose our political influence but we shall also make it much harder for ourselves to get into the new and attractive markets which are certainly going to develop there. We do not need to allow this to happen. Our very difficulties provide us with new opportunities, if we will take them. Precisely because we cannot do more, what we can do we should do better. First we should affirm our faith in what the people of the area are trying to do for themselves, and then we should ensure that what concrete help we can give is planned, directed and coordinated to get the maximum effect, in the light of the requirement at the time and the recipient's capacity to absorb it. This is not mere idealism: there are dividends in it for us too.

## **102** FCO 15/4, no 4

18 May 1967

[British policy in East Asia]: letter from Lord Walston to A J de la Mare

Thanks for letting me have a copy of your paper on British Policy in East Asia.<sup>1</sup> It is something I would like to talk to you about at leisure, but maybe that won't be easy for some time—especially as I go off on holiday on Thursday evening until the end of the month.

Frankly I find it disappointing (as I believe you do). It does not face the problem squarely and it appears to think (Recommendations (c)) that 'existing interdepartmental machinery' is sufficient to do all that we want. I just do not believe that this is so.

What we want is first of all to recognise the threat that we are trying to meet in South East Asia. This should be stated bluntly and concisely. Secondly, we should admit that our present methods of counteracting that threat are based on a previous type of threat stemming from the 1940s. From there, we should go on to listing our expenditure in the area under different headings—military, aid, cultural, trade promotion, etc. Fourthly, we should pose the question 'is the total amount that we are spending in the area adequate, too much, or too little?' This question may be unnecessary since we know the answer is, in terms of what we can afford, too much.

Fifthly, we should ask if we are satisfied that the proportions under the different headings are correct, or will be correct under our plans for the next ten years.

I would like to see the paper suggest that we do not know the answer to this last question and it is this which we should now look into in detail and at a pretty high level, especially in the light of the earlier paragraphs.

I am sure you have tried to get something on these lines. Sooner or later we shall arrive there, but it won't be easy.

Let us get in touch when I come back at the end of the month.

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<sup>1</sup> See 101.

**103 FCO 11/80, no 195****3 July 1967****[Anglo–Malaysian defence relations]: FO memorandum<sup>1</sup> of an exchange of letters between Tun Abdul Razak<sup>2</sup> and Mr Healey***Letter from Tun Abdul Razak to Mr Healey, 1 June 1967*

During our discussions in Kuala Lumpur on 26th April, 1967 you disclosed:—

- (i) that you intend to withdraw a further 10,000 men from this region by April 1968, thus leaving the level of British forces in Malaysia, Singapore & Hong Kong at around the pre-confrontation level;
- (ii) that you hope to reach a decision in the very near future on plans to reduce the level of British forces in this region to half of what they are now by 1970/71. Once the decision on the detailed reductions as between the Army, Navy & Air Force; between British and non-British civilian employees; and between Malaysia, Singapore and Hongkong, has been reached, you hope to make an announcement on this phase of withdrawal either in June or July to the British Parliament before its summer recess;
- (iii) that you are planning on the assumption that to preserve the security and peace of this area in the mid-1970s, there would be no need for the physical presence of British forces in the area and as such, there will be no British forces left on the Asian mainland by the mid-1970s, but the capability of the British air and naval forces, including amphibious units, would be greatly strengthened. In this connection, you had emphasised the increased mobility of the forces arising from the increased capability of your Air Force to move troops at speed; and
- (iv) finally, that Britain would consider giving significant aid to Malaysia to meet the difficulties arising from the reduction of British forces in Malaysia and Singapore.

2. As regard (i), you pointed out during the discussion that the reduction by a further 10,000 men by April 1968 would affect Singapore more than Malaysia. Given the fact that there are a considerable number of Malaysians engaged by the British forces in Singapore, an indication of what number of Malaysians will be retrenched by April 1968 will be appreciated.

3. As regard (ii), my first concern as I made clear during the discussion, is with British intentions regarding the Anglo–Malaysia Defence Treaty. On this vital matter, I wish you to give me a categorical assurance that the British Government will continue to abide by the Treaty. It is, of course, for you to decide, in the context of the continuing Treaty obligations whether the proposed reduction and eventual withdrawal from the Asian mainland would not adversely affect your ability to meet such obligations should and when the occasion arises. It has been pointed to me by my officials that:—

- (a) even with the latest Air Force capability, it normally takes about 4 months to airlift a complete battalion of troops from Britain to Malaysia and prepare the troops for combat;
- (b) logistic support would also require time to be effective;

<sup>1</sup> Memo prepared as 'Visit of Commonwealth ministers to discuss Far Eastern defence: visit of Malaysian prime minister' (CMV(67)11 Final, Annex A).

<sup>2</sup> Tun Abdul Razak (see 19, note 1) was minister of defence, Malaya, 1957–1960, and deputy prime minister, 1957–1963; deputy prime minister of Malaysia, 1963–1970; prime minister, 1970–1976.

(c) even if there can be a considerable reduction of the time taken to have troops airlifted from Britain to be combat ready, there would still be the question of maintaining a base and ancillary facilities in Malaysia which these British troops could occupy on arrival. Would Britain continue to maintain such a base and keep in storage the heavy military equipment and weapons required?

4. Taking into account the above factors, I would also very much appreciate if you could give some definitive indications of the order of the reaction time necessary after an urgent request has been made to the British authorities for airlift of ground forces to arrive on the scene in Malaysia and be in readiness for instant combat, in the event of a sudden 'blitzkrieg' type of attack by any foreign power on any part of Malaysian territory, including the use of commando and paratroop units.

5. The proposed reduction of British forces to half of the current strength by 1970 raises two other questions. The first is the position of the Commonwealth Brigade at Terendak. You were of the opinion that it would not be right to continue the British contribution to the Commonwealth Brigade at the expense of less British naval and air forces. On this point, I can see great advantages of continuing the base at Terendak since otherwise the mobilisation of British forces required for the defence of Malaysia would depend completely on the base in Singapore. I hope there can be joint discussions with Australia and New Zealand on this question of the Commonwealth Brigade at Terendak.

6. The second question raised is your assumption that there can be a further increase in the size of the Malaysian army. You may be aware that the First Malaysia Plan's very modest target of 1.1% per annum real income growth per capita is minimal in terms of the vital need to promote the integration of the peoples and States of Malaysia. Since the plan was finalised, the projected drop in the price of rubber has already materialised and threatens to be more severe than expected; the price of tin is now some 15% lower than assumed and the difficulty in obtaining foreign financial assistance has been accentuated by the failure to obtain from U.K. further defence aid that we believed was already promised. In addition, the security and development requirements for East Malaysia have proved to be much greater than envisaged when Malaysia was being formed. All these have imposed severe financial strains on the Malaysian economy, and threaten the attainment of even the minimal income and employment growth targets of the Plan. The withdrawal of British forces will further aggravate this situation. Further expansion in the defence build-up can only be made at the expense of the development effort which is even now threatening to be insufficient to avoid economic stagnation.

7. As regards (iii), the Prime Minister and I had both emphasised to you the importance of not making a public statement on this planning assumption, of not having any British forces on the Asian mainland after 1975. We are very much concerned with this British position. As I had said to you, the situation in this part of the world is still fluid. The outcome of the war in Vietnam is still uncertain and the communist threat from the north is very real. Further, so soon after our discussions, new developments have taken place which cause us concern. The Communist inspired trouble in Hong Kong and the tense security situation in the Middle East underline our fears about the security of this region. It might well be that with the proposed withdrawal of British forces from this area in the mid-1970s, the Chinese in this part of the world might be encouraged to look up to Communist China as the

alternative to the British military presence. Communist China might well become even bolder in her expansionist policies as can already be seen by the recent Communist China inspired riots in Hong Kong.<sup>3</sup>

8. The present Indonesian leaders would certainly co-operate and fight against Communism, but certain sections of her population who were against us would be encouraged to plan and act if Britain should say that she would remove all her forces out of Asia. I feel that a British decision to leave mainland Asia in mid-1970s, and particularly if this is announced at this stage, will upset the present military balance in this region and adversely affect Malaysia and also British interests in this area. There should be no change in the present balance of power until it becomes possible to see that conditions in Indonesia have stabilized and that country would be able to live in peace and co-operation with her neighbours in this region. An announcement of a British decision to withdraw from the Asian mainland by the 1970s will damage that confidence and will encourage dangerous elements in this part of the world to pursue their expansionist policies.

9. You had envisaged that with the growing economic prosperity and the gradual building up of local forces in 10 years' time, there would come into being a grouping of countries in this area which could stand on their own feet both militarily and economically, provided that there was an external guarantee against any external threat. You had stated that this was also the American view and that the American forces were planning to move out of Vietnam soon after the Vietnam question was settled and to guarantee security from peripheral premises. You will recall that both Dr. Lim (Minister of Commerce & Industry) and I expressed doubts about the likely fulfilment of this objective. Malaysia will certainly do its best to co-operate with its neighbours to bring about a regional grouping in this area but it would be difficult to envisage what would happen until after the Indonesian election. In any case, a period of 10 years is surely too short to form such an effective regional grouping. We strongly feel it wiser for Britain not to decide in 1967 about totally withdrawing from the Asian mainland by 1975.

10. Finally, as regard (iv), we appreciate your promise that Britain will consider giving significant aid to Malaysia to mitigate the difficulties arising from the reduction of British forces. The British Economic Mission you referred to held several meetings with a team of Malaysian officials in Kuala Lumpur to assess the impact on the Malaysian economy, if there is a total withdrawal of British forces from Malaysia and Singapore. The findings of our experts show that the consequences are greater and more serious than many have presumed, and the cost of remedial measures is also high.

11. Malaysian officials estimate that total British military expenditure on Malaysian goods and services amounted to no less than \$200 million in 1966, and, on current strength of British forces, will be no less than \$175 million for the financial year 1967/68. Such a reduction in Malaysian export receipts and income is equivalent to a further decline in the price of rubber of some 8 to 9 cents per lb. below the present already very low level. The total reduction in Malaysian income, if no measures are taken to offset the reduction in expenditure, is estimated at \$385 million or about 5% of West Malaysian gross national product. In terms of employment, Malaysian officials estimate that there are about 20,000 Malaysians who

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<sup>3</sup> See 334–338.

are directly employed by British military forces and personnel in both Malaysia and Singapore. In addition, there are at least 10,000 other Malaysians whose employment is closely linked with British military forces and personnel expenditure other than on wages and salaries.

12. The number of Malaysians in the direct employ of British military forces and personnel in Singapore is estimated at over 9,000. It may be noted that Malaysians in Singapore will have to get work permits to be re-employed in Singapore when they are retrenched, and there will naturally be preference for Singapore citizens for any alternative jobs [for which] they apply. In fact, your officials have stated that the Singapore Government has requested the British military authorities to dispense with the services of non-Singapore citizens first when they begin their retrenchment exercise, but have stressed that the British authorities have not made a decision on this request. Given the present situation, retrenched Malaysians in Singapore will most probably have to come back to Malaysia to seek employment. I hope your government will give careful consideration on what extent the initial British retrenchment exercise in this region will affect Malaysians in Singapore as well as in Malaysia.

13. It has been pointed out to me that estimates made on various assumptions show the additional capital requirements necessary to generate equivalent income and employment opportunities to offset the adverse consequences of a complete withdrawal of British troops range between \$600 million and \$700 million.

14. I have written at some length so that you and your Cabinet colleagues can take full account of our views before making your major decisions. I would be most grateful if you would let me know your views on the points I raise above, particularly at paragraph 3, so that I can ensure that the Malaysian Cabinet is fully aware of the situation.

*Letter from Mr Healey to Tun Abdul Razak, 16 June 1967*

I am most grateful to you for your letter of 1st June with its clear statement of your views, and of the aspects of our proposals that cause you concern now that you have had a little time to reflect on the complex questions involved. I need hardly say that we shall take your views fully into account, together with those of our other Allies, before we make our final decisions next month.

2. I should perhaps begin by explaining that the announcement we intend to make, and to which you refer in (ii) of your first paragraph, will deal with the broad features of our defence policy up till at least 1970/71. It will not, however, be concerned with the full details of our force levels in the Far East at that date, and of the phased reductions to achieve them. These details will require many months of careful planning, and when our plans are ready, we will of course wish to consult you about them.

3. I am afraid that I cannot yet, as you ask in your second paragraph, tell you how many Malaysian employees of the British forces will become redundant by April, 1968. Our plans are still being worked out by the Commander-in-Chief, Far East, and our High Commissioner in Kuala Lumpur will be passing you the broad figures, as soon as these are known. When the more detailed figures are available, we will of course let you have them.

4. In your third paragraph you refer to our intentions regarding the Anglo-Malaysian Defence Agreement in 1970/71 and to our ability to meet our obligations under it. Let me start by repeating what I said to you in Kuala Lumpur last April. Our obligations under the Agreement will remain although our plans for

meeting contingencies will inevitably alter from time to time as the situation changes. As you know, it is our idea by the beginning of the next decade to maintain forces in Malaysia/Singapore mainly composed of ships and aircraft. We have not decided upon the precise force levels that we shall be deploying in the Far East in 1970/71, or on the timing of the reductions to them. But I envisage that in 1970:—

- a. it will still include substantial naval forces, though on a smaller scale generally than at present, and in particular amphibious units corresponding broadly to the present Commando Brigade;
- b. although our air force presence will be a small one, it will include a squadron with air defence, ground attack and reconnaissance capability; maritime reconnaissance and transport aircraft; and we will be able to reinforce it very quickly.

5. Apart from those in the Amphibious Force our land forces will be very small, and therefore their role will be confined to the protection of our base installations. Other land forces would have to come from the United Kingdom. Here I think there may be some misunderstanding in your paragraph 3(a). If we had to send a Brigade by sea, with all the heavy equipment and stores which would be needed to enable it to take part in sustained major operations, it would take up to three months. But with our increased air capability we could lift a brigade to Malaysia in a matter of days, although it would be equipped in the first instance for only limited tasks. But my understanding was that you were not thinking in terms of substantial land force reinforcements from the United Kingdom, but the provision of air support, and naval forces. Apart from those which we should retain in the theatre down to the mid-1970s, aircraft can be flown out very quickly. Additional warships would take a little while. I should perhaps add that the speed and effectiveness with which we can deploy our reinforcements will be much influenced by the readiness of your own Government to provide the reception facilities which would be needed.

6. I do not propose that we should maintain stockpiles of stores and equipment in the theatre for any reinforcing land forces, and they will have to come by sea. If we were to maintain stockpiles:—

- a. we should have to keep in being large sections of the Singapore base, which we would otherwise be able to run down smoothly;
- b. we should have to provide duplicate sets of equipment for the units withdrawn.

This would nullify a large proportion of the savings that we have to make.

7. In your fourth paragraph you mention a blitzkrieg attack on Malaysian territory by sea and airborne units. I find this a difficult concept to accept and should be interested to know whence you see such an attack emanating during the next few years, what shape it would take, whether it would develop without any warning and if you really feel that your own forces together with those of ours, Australia and New Zealand in the theatre would be unable to cope with it.

8. I note what you say about the continuation of the Commonwealth Brigade and its facilities at Terendak. I can assure you that this is a problem which we have just discussed with Mr. Marshall of New Zealand and are at present considering with Mr. Holt and Mr. Fairhall.<sup>4</sup> Your and their views will be very much in our minds when we come to take our final decisions.

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<sup>4</sup> See 26, note 1, for Marshall; A Fairhill, Australian defence minister, 1966–1969.

9. Before I comment on the other matters you raised, perhaps I might at this point say that I think the best way of proceeding might be for us periodically to review together (without doing so in such a way as to upset confidence in the area) our capability for coming to your assistance under the Anglo-Malaysian Defence Agreement. I do not myself foresee any particular difficulties arising on either side down to, at the earliest, 1970. Thereafter, as I have said, our help may be different both in nature and in strength. If we were to explain to you the amount of assistance we could furnish over successive periods of three or four years at a time, this might help us both in framing our respective plans.

10. As regards the expansion of the Malaysian Army referred to in your paragraph 6, my understanding was that by the time your existing plans were complete you would have a much stronger and more balanced force than at present. I was not assuming that you would change your existing plans, but rather that they would be completed well before the time that our forces left Malaysia and Singapore. I appreciate the strain which the requirements of East Malaysia have put on your defence forces, and I would like to take this opportunity of saying how much we admire the way in which they had responded to the heavy calls made upon them.

11. The considerations you mention in your paragraphs 7 and 8 against making a public statement of our planning assumption that we would have withdrawn from the Asian mainland by the mid-1970s are very much in our minds. The arguments which you have adduced are weighty, and we will be giving them very careful consideration before we take our final decision next month. There are, as you know, considerations here in favour of an announcement, but I can say no more at present than that we shall not take our decision lightly or without carefully weighing your views and those of our other Allies.

12. I agree with you that it is very difficult to foresee the likely course of events in South East Asia over the next few years. However, I would say that British forces will still be in the area until the mid-1970s, and I would hope that in eight or nine years from now the immediate difficulties would have been overcome and that there would have been substantial progress in what I believe to be a general and practical desire for co-operation between the countries in the area. The Western interest would not have disappeared; there is the likelihood of strong American forces remaining in the Western Pacific; and there is of course our own garrison in Hong Kong; furthermore you will remember that I mentioned to you in Kuala Lumpur that we were considering whether or not we could retain a continuing military capability for use in the area after we have withdrawn from the Asian mainland. I am glad to tell you that we are now prepared to retain such a capability for use in the area. This new decision has been taken after careful consideration of your views and those of our other Allies. I hope it will go some way to meet your fears of a loss of British concern for the area. The size, nature and location of this capability is not something that we will need to decide now. Our present thinking is that its size would not be large (I hope that the remark in your paragraph (iii) about the strength of our forces does not indicate a misunderstanding here) and would mainly comprise ships and aircraft with perhaps a seaborne commando force. I must ask you to treat, as I know you will, this decision of ours as a matter of greatest secrecy. I would hope that it would be recognised as a valuable reassurance to Malaysia and to other countries in the area.

13. I turn now to the points which you make on the possible economic effects of the rundown, and on the question of significant aid. I think that you will agree that it



would not be appropriate to enter into detailed discussion on individual figures in correspondence: there will be opportunities for further consideration of the relevant magnitudes in future consultations and negotiations. I should, however, like to make the following observations:—

(i) The estimates which your officials have made of the effects on Malaysian income are higher than those which have been made by the U.K. Economic Team. I believe that part of the difference is attributable to the inclusion by your officials of an estimate of the reduction in purchases of Malaysian goods and services by Singapore. As you know, significant aid will be made available to Singapore: and I do not think that any judgement can yet be made on the magnitude of the effects on Malaysian incomes of the reductions in Singapore.

(ii) I can confirm that in estimating the effect of the rundown on Malaysia, we shall take account of the fact that a large number of Malaysian citizens are employed by the British forces and personnel in Singapore. In the discussions which your officials had with the Economic Team, I believe that it was agreed that any estimate of the number of Malaysian citizens working in Singapore was subject to a wide margin of error. I have noted that you have requested further information on this point. Furthermore, we accept that there will be a large number of Malaysians who, though not directly employed by U.K. forces, nevertheless derive part of their income from the presence of these forces. But we find it difficult to quantify these particular effects in employment terms which would have a real meaning.

(iii) I have noted the estimate which you have made of the additional capital requirements necessary to generate equivalent income and employment opportunities to offset the consequences of a complete withdrawal of British troops. As I have said earlier, this will be the subject of further discussion: indeed at this stage the question of the appropriate magnitude of significant aid is still under study in London, and my colleagues have not yet fully formulated their views. I should perhaps add, however, that at first sight the figures you quote seem very high in the light of the facts produced as a result of the enquiries of the Economic Team.

14. I have sent copies of your letter to my colleagues so that they will be fully aware of the impact of these important matters on Malaysia when they consider them in the immediate future. We are very much hoping that the Tunku will be able to visit us in the first week in July so that we can have the opportunity for more extensive discussion. I am warmly looking forward to meeting him again. Please give him my very best wishes.

**104** FCO 24/7, no 27

3 July 1967

[British policy in East Asia]: minute by A H Reed<sup>1</sup>

I would be grateful if you, in conjunction with Mr. Mason,<sup>2</sup> examine urgently the attached Foreign Office paper<sup>3</sup> in the light of the earlier documentation referred to in Mr. de la Mare's covering letter.

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<sup>1</sup> Head of Far Eastern and Pacific Department, Commonwealth Office.

<sup>2</sup> Reed's minute was addressed to O R Blair and A K Mason, first secretaries, Commonwealth Office.

<sup>3</sup> See 101.

2. While, as Mr. Moreton says,<sup>4</sup> we would welcome the continued interest in the Far East proposed in paragraph 8, I cannot help feeling that the entire 'argument' is based on a complete misreading of the South East Asian political scene.

3. Confrontation was only a British success in the sense that we held the ring with our armed forces until the Indonesians were ready to negotiate with the Malaysians. Any credit goes to our armed forces and not to our diplomats.

4. Paragraphs 6 and 7 read like some simple and uninformed expansion for children. What in fact has happened in the area is that there have been a number of different moves towards regional association over quite a long period of time. The most effective which occurred last year was the association of countries fighting in the Vietnam War. The second and more recent initiative came from the Indonesians who wanted to get back into South Asian politics by means of a new regional association. This they have forced on a reluctant Malaysia and a not particularly co-operative Thailand and the Philippines. The main lesson in terms of development has surely been that the countries which fought the Communists under Western guidance and control have done best economically, i.e., Taiwan and Korea in the north and Malaysia and Singapore in the south. I just don't believe that the East Asian peoples have had a sort of Pauline conversion because of our conduct at the end of confrontation. Any 'positive thinking' (paragraph 7) has not been despite the war in Vietnam but because of it.

5. The real dangers of these sort of facile analyses are firstly that they give the United Kingdom too important a place, and secondly that they give an impression of a new feeling in Asia which we should foster. The only feeling in Asia at the moment is a fear; as Mr. Lee<sup>5</sup> explained, that the British and Americans, because their ideas are twenty years behind, may remove their troops from the area.

6. Turning to the recommendations in the paper:—

(a) I would dispute that we should publicly encourage movements for regional co-operation. We do already know that Malaysia and Singapore eye them askance, while Indonesia's motives are by no means clear. There has been strong criticism of the current American policy of putting the emphasis in its aid on regional rather than national projects. Regional co-operation except in the face of a common danger, i.e. in connection with Vietnam, is a very slender plant, and one which we can easily damage if we appear to be trying to force its growth.

(b) This, we were told earlier, is complete nonsense. Apart from our few minor projects in Thailand, we would [not] be thanked if, for example, we offered to put troops back into East Malaysia to build roads. In any event, as Mr. Cooper<sup>6</sup> explained a long time ago, the kind of forces we shall have in the area will be largely air and sea, not *prima facie* suitable for development projects.

(c) and (d) What we have to remember, as we discovered last December, is that any increase in aid which we may be able to make in the next few years will be minute. All our additional efforts will have to go into Malaysia and Singapore. If we have anything over, the Foreign Office will no doubt want to put it into Indonesia, and I think this is probably right. If we are slowly disengaging from SEATO there would seem merit in concentrating on the three countries whose relations are probably most important to us and where we can do some good—Malaysia, Singapore and Indonesia.

<sup>4</sup> J O Moreton, assistant under-secretary of state, Commonwealth Office.

<sup>5</sup> Lee Kuan Yew.

<sup>6</sup> F Cooper of the MoD (see 50).

**105 FCO 15/27, no 24****6 July 1967****'British policy in East Asia': summary record of an inter-departmental meeting to discuss an FO paper<sup>1</sup>**

2. *Mr. de la Mare* reviewed the development of Foreign Office thinking on the need for better policy coordination between Departments with overseas responsibilities. The Paper was a tentative statement of present views and *Mr. Rodgers'* colleagues from other departments had agreed that this Paper be discussed inter-departmentally. *Mr. de la Mare* said that the present arrangements for coordination were not best suited to the requirements of any specific area and a need existed for fuller discussion than could be provided by the OPD(O). *Mr. Belcher* questioned whether it was advisable to have a policy towards East Asia as such. His recent experience at the 1966 Colombo Plan meeting and the 1967 ECAFE meeting indicated that there was a marked polarisation of Asian views: there had been an open difference between the Indian and Japanese attitudes. It would be a misleading oversimplification to regard the area as a simple entity. *Mr. de la Mare* commented that although world-wide coordination would be preferable it was necessary to start on a limited scale and expand as appropriate. He recognised the dangers of taking sides in debates on Asian problems and of overdoing Her Majesty's Government's support of organisations for regional cooperation. *Mr. Murray* added that as we are likely to be faced with a new grouping of South-East Asian countries in August we would be well advised to have our ideas in order by that time.

3. *Mr. Moreton* said that the coordination involved in the present discussion was a marginal consideration compared with the large sums likely to be involved in our 'mitigating' aid to Malaysia and Singapore. Because of the difference in views between Japan and India both he and *Mr. MacMahon* thought it was important that we should know exactly what sort of Asian regional cooperation we were supporting. *Mr. Morris* referred to the growing Japanese competition to our exports to Malaysia and Singapore in particular. It might be in our commercial interest to support anti-Japanese groupings. Nevertheless our main interest was presumably to help to prevent Chinese expansionism in the area.

4. *Mr. Cooper*, though not hostile to the Paper, thought that any long-term review of policy should take the defence reductions of 1970–75 as a starting point. Our attitudes must be reorientated and future policy based on the fact that while we intended to remove our military presence from the mainland of South-East Asia, we wished to show a continuing interest in the area, for commercial and other reasons. Such a reassessment would have to include a searching reconsideration of H.M.G.'s policy towards SEATO and would follow on naturally from the OPD(M) Paper.

5. *Mr. Mackay* of the Treasury expressed his sympathy for the aims of the Paper, i.e. to establish what our objectives in the area were and then to seek to apply all our instruments of policy towards these objectives in a coordinated way. This would be in keeping with the approach which the Treasury had envisaged to the review of the aid programme. He thought there was much relevance, however, in the questions raised at the meeting about the area of South Asia we were dealing with and the form of local economic cooperation we should wish to support, as well as in the reference to

<sup>1</sup> Present: A J de la Mare, D F Murray, M L Tait (FO); J O Moreton (CO); R H Belcher (Ministry of Overseas Development); F Cooper (MoD); A Mackay (Treasury); G J MacMahon, M S Morris (Board of Trade).

the importance of our major policy decisions on force withdrawals from Singapore and Malaysia.

6. *Mr. Belcher* said that the crushing ceiling on aid expenditure gave little leeway for re-deployment. Furthermore his Ministry's aim was to promote our long-term political and economic interests through genuine economic development. This was a long-term consideration which did not lend itself to short-term manipulation. *Mr. Murray* said that it would be valuable to establish an arrangement whereby the totality of our overseas expenditure could be examined with a view to deciding where and how it would be in H.M.G.'s interests to apply it in the area.

7. The meeting endorsed the view that there was a need for a Paper on H.M.G.'s future policy in the area. The Paper should suggest what long-term British policy in South-East Asia should be in the light of our military withdrawals from the area and how our resources could be best deployed in support of this policy. The general line of the Paper should be briefly expressed (about three or four pages) and titles should be proposed and agreed for the particular subjects to be considered. They would include 'Defence Policy', 'Aid', 'Regional Cooperation' etc. In conjunction with the Commonwealth Office, the Foreign Office would be responsible for producing this draft. *Mr. MacMahon* offered to add a paragraph on long-term commercial policy.

## 106 FCO 15/619, no 154

1 & 3 Nov 1967

'Vietnam: United Kingdom attitude': minutes by A J de la Mare and Sir P Gore-Booth

### *Problem*

To determine the attitude of the United Kingdom in the light of:—

- (a) Mr. Rusk's recent letter to the Secretary of State transmitted by the United States Ambassador on 24 October confirming that Hanoi has 'slammed the door' on U.S. peace efforts; and
- (b) the possibility, referred to in Mr. Rodgers' minute to the Secretary of State of 20 October, that President Johnson may reverse U.S. policy by putting an indefinite bombing pause into effect without previous assurance that there will be some adequate response from Hanoi.

### *Recommendation*

2. I recommend that:—

- (a) without publicly dissociating ourselves from the U.S. position as we have hitherto known it we quietly diminish our overt and public activity on the Vietnam issue, to the extent that this can be done without causing undue friction in Anglo/U.S. relations or undue difficulty in Parliament;
- (b) that, with (a) in mind, the Secretary of State reply to Mr. Rusk as in the attached draft;<sup>1</sup> and
- (c) that H.M. Ambassador Washington be informed of our present thinking and be instructed to ensure to the extent he can that we get as much advance warning as

<sup>1</sup> Attachments not printed.

possible should President Johnson decide to act as at 1(b) above. A telegram in this sense is also attached.

### *Background*

3. Details of our thinking are given below and in Mr. Rodgers' minute under reference. The matter was also discussed at the Secretary of State's meeting with Under-Secretaries and Heads of Department on 30 October. The salient points are the following:—

(a) our own assessment tallies with that of Mr. Rusk that the North Vietnamese regime is not interested in negotiations at present. We assess that Ho Chi Minh believes that the state of U.S. and world opinion on Vietnam, the forthcoming U.S. presidential election, the military situation on the ground, in which the U.S. are making no headway and may indeed suffer local setbacks (e.g. in the Demilitarised Zone), and the ability of North Vietnam to withstand the bombing of her own territory without loss either of morale or of military effectiveness, all point to the conclusion that it is entirely in his interests to sit back and await developments;

(b) while President Johnson may not entirely accept Ho Chi Minh's assessment he is precluded, given U.S. internal and world opinion and his own forthcoming election campaign, from all-out military escalation aimed at bringing the war to a swift military conclusion;

(c) the initiative is therefore not with the Americans but with the North Vietnamese, who intend to use it, in true oriental fashion, by masterly inactivity designed to increase U.S. popular frustration and the movement of world opinion against the U.S., leading eventually either to an American withdrawal from Vietnam or at worst to a negotiating position increasingly favourable to themselves as the U.S. election draws nearer;

(d) there is nothing the U.K. can do to arrest or alter these developments. The fact that all our attempted initiatives have failed leads ineluctably to the conclusions that:—

(i) the fact of our Co-Chairmanship of the Geneva Conference in 1954 means nothing in the radically altered conditions of 1967 when we lack the physical power to make our views felt;

(ii) this is recognised not only by the North Vietnamese and the Russians, but by the Americans also who, while paying public lip-service<sup>2</sup> to the value of our support, in practice set no store by our ability to achieve anything useful;

(iii) the United Nations, from which both China and North Vietnam are excluded, has no role to play in Vietnam unless that role be the complete and uncritical espousal of the North Vietnamese case;

(iv) it is therefore not a U.K. interest to attempt to involve the United Nations in a role which it cannot perform if it is to retain the good will and support of the United States and thus its own capacity to survive;

(v) vocal world opinion, which is the only valid card of entry we could have into the argument, is ranging itself uncritically and hysterically against both the United States and the legitimate and justified interests of the people of South Vietnam, whom it is prepared to sacrifice to the tender mercies of the North and of the Vietcong, the creature of the North; that therefore the only effective role

<sup>2</sup> Gore-Booth commented here: 'Perhaps *true* but not *fair*: there *is* morale value for the US in our attitude—as opposed to that of de Gaulle & Europe generally.'

we could honourably play in the context of world opinion would be for ourselves to lead the campaign against the present hysteria and to go all out to expose its falseness and dishonesty; but that we lack both the power and the political conditions to do this.

(e) contrary to what has hitherto generally been assumed Vietnam is not a vital United Kingdom interest. In the light of the human suffering and misery there this is a brutal thing to say, but history will prove Vietnam to have been only a side-show. The peaceful development of South East Asia, which is a British interest, will be gained not on the battlefields of Vietnam but in the factories and rice fields of Indonesia, Thailand and Burma. It is there that our role lies;

(f) given our close association with the United States up to the present and our imperative need not to impair it, at least until our position in Europe is assured, we cannot openly dissociate ourselves from the American position in Vietnam, even if we thought it expedient to do so, which we do not;

(g) but we can and should tailor that support to a realistic appraisal of our capacity to influence the issue, which is nil, and to our interests, which lie elsewhere in East Asia where we can help consolidate and build on the foundations already laid for peaceful and democratic progress;

(h) this means that:—

(i) unless specific approaches are made to us by one side or the other we should not engage in any further peace initiatives;

(ii) we should avoid drawing attention to our role of Co-Chairman, which bears no relation to present-day facts;

(iii) we should use the time and manpower thus saved to promote the consolidation of our position in other parts of East Asia, where our presence and activity are desired and where we can do something constructive for the peace of the area;

(iv) in parliament and public we should seek wherever possible quietly to restore the balance of interest and concern both between our genuine and sincere desire for peace in Vietnam and our inability, in practical terms, to do anything about it; and between Vietnam in particular and South East Asia generally, drawing attention to the constructive role we can play there.

#### *Subsequent action*

4. If the above is approved I shall take action separately to inform Sir P. Dean of our detailed thinking.

5. I am submitting this through Sir D. Allen, the P.U.S. and Mr. Rodgers and am sending copies to all other Foreign Office Ministers.

A.J. de la M.  
1.11.67

I do not think I have the time to think right through the arguments in this minute and I do not want to detain it. But I would like to venture a few comments.

2. I agree with the general trend of thought in the minute. I think our view in the Office for two years has been that H.M. Government tended to overrate their ability to influence this situation and that some of the efforts that we have made to promote peace have been determined by domestic political exigency more than by a cool estimate of what we can really do. (I should however interpose that I do not mean by this that the Prime Minister should not have made a major effort with

Mr. Kosygin; I think that in all the circumstances this was right). Some of our efforts have looked officious rather than effective, especially if you were looking at them as I did briefly in 1966 from the other end of the world, e.g., Australia.

3. This means that I would agree with paragraph 3(h) i–iii in Mr. de la Mare's minute.

4. But this is of course the easier part of the argument—even if it involves something of a reversal of our previous style. The more difficult part is whether we should alter in any way our attitude to the argument itself in so far as we still have to participate in it, e.g., domestically. In this connection I found the paragraph 3(d)v which argues that we could not lead the campaign against the present hysteria because we lack both the power and the political conditions to do this, a little alarming. I agree absolutely that H.M. Government cannot 'change sides' and range itself with Anti-Vietnam demonstrators but I feel that the last phrase in the paragraph is a little too defeatist and does not really do justice to the line that has been taken consistently by the Prime Minister and the Foreign Secretary.

5. I think any doubts about this line arise from a reluctance to consider that the struggle in Vietnam has ideological as well as 'nationalist' content. (A Minister who is no longer in this Department tended to argue that this was a purely nationalist struggle; the co-ordination a weekend ago through Communist-trained organisations of the Anti-Vietnam demonstrations in several capitals show what rubbish this is.) We must reckon that the war has all kinds of elements but we must in the end come back to an admission, however reluctant, that certain agencies who are pursuing a particular political end are seeking unceasingly to use for these political ends some of the best and most humane instincts in people, and particularly in young people. This is the difficulty.

6. In the circumstances the line we take seems clear. In addition to the propositions set out in Mr. de la Mare's minute I would add:—

(a) care never to get in a position in which we can be thought to be 'more American than the Americans' and, by the same token, readiness to encourage and support immediately any movement of the United States Administration towards, e.g., cessation of bombing (we should I think have a draft statement on the stocks for this purpose).

(b) presentation of the Americans as a desperately serious-minded people using their facilities for free discussion for the purpose of working this one out for themselves in the light of all, repeat all, of the considerations involved. This is not different from what we do already and I am sure, in the framework of our foreign policy as a whole, that we should not give this up, though I recognise the strain that this puts on Ministers all the time.

7. I agree with the draft telegram to Washington and the proposed message to Mr. Rusk.

P.H.G-B  
3.11.67

**107** FCO 15/618

10 Nov 1967

'Vietnam': minute by Sir P Gore-Booth on a submission to Cabinet

I had a word last night with Sir Burke Trend about the future Cabinet discussion on Vietnam. I understand this is now to take place next Thursday, 16 November.

2. Sir Burke Trend said that the Cabinet was now very divided about Vietnam and it would be important for the Secretary of State to put in a paper which was powerfully persuasive against this background. He agreed that if the Secretary of State believed the present policy to be essentially right, the paper should say so. But it should also take account of the strong drift of opinion in the Labour Party adverse to the Americans. In view of this drift the Prime Minister would probably be anxious to prove that he was again active in promoting a settlement.

3. I told Sir Burke Trend quite frankly that we had just had approval of a submission which drew attention to the inability of Her Majesty's Government to do anything effective in this situation. Sir Burke Trend said that he did not personally disagree but we would have to take account of the Prime Minister's inclination to feel that he had scored a near miss with Mr. Kosygin last February and that somehow a way back to that position should be found.<sup>1</sup> (Again I said, quite frankly, that we did not agree with this diagnosis; we had certainly felt that the great effort made by the Prime Minister last February had been worth making but the evidence was that even if the Americans had not made things so difficult for us, the end result would not have been successful, despite the Prime Minister's very great efforts.)

4. It was clear from what Sir Burke Trend said that the paper will have to be more vivid and even, if necessary, more combative than submissions have been hitherto. I have the following suggestions for consideration by the Department. They are not 'orders'.

(a) Would it be advisable to divide the argumentation between:—

(i) Have we a general sympathy with American policy (Defence of the freedom of South Vietnam, protection of the people who have fled from the Communist North, etc., etc.)? and

(ii) Is the bombing of the north necessary or defensible as part of (i) or could (i) be achieved in our opinion without it? If so, have we any standing for saying so privately or publicly?

(b) Should stress now be laid on the initiative by the new South Vietnamese Government vis-à-vis Hanoi? This certainly introduces a new diplomatic dimension into the situation and suggests that this is no moment to 'repudiate' American policy.

(c) We should presumably have an I.R.D. paragraph drawing attention to the synchronisation of anti-Vietnam demonstrations through Communist front organisations.

(d) We should perhaps draw attention to certain wider political factors, *e.g.*

(i) The necessity for remembering that we are a very long way from the scene and that when one looks at the scene from, say, Australia, one's perspective is very different and one's view of United Kingdom armchair criticism a bit different from our own point of view here.

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<sup>1</sup> Alexei Kosygin, the Soviet prime minister, visited the UK from 6 to 13 Feb 1967. In the knowledge that London was in close touch with Johnson, he held talks with Wilson about ending the fighting in Vietnam. Agreement seemed tantalising close, only to be thwarted by different interpretations of the word 'assured' on either side of the Atlantic. The US position was that it would end bombing once assured no more troops and supplies would be sent from the North to South Vietnam. The UK assumed that by 'assured', the US would be satisfied with a pledge. This was not the case. Assured to the Americans meant the dispatch of supplies and troops should be halted forthwith.



(ii) The fact that the American public is conducting a Great Debate in the classical American manner on this subject and that a serious-minded people are trying to agonize their way, very democratically, out of a situation which the vast majority of American people deplore.

But the 'Antis' have yet to find an answer which stops the bombing and the war and does not hand over the South Vietnamese to the exercise at force. (A *New York Times* visitor was candid enough to admit this to me the other day.)

5. You [SEAD] will probably not want to use all this but I think this paper will have to be a very serious piece of advocacy; hence this contribution. If you would like me to hold a meeting on the basis of a draft, I would be glad to do so.

## **108 FCO 15/618, no 128**

15 Nov 1967

### **'Vietnam': Cabinet memorandum (CP(67)180 by Mr Brown on the options open to Britain**

I attach at Annex<sup>1</sup> a Memorandum setting out the history and background to the Vietnam conflict and the current attitudes of the principal participants. I invite my colleagues to consider our Vietnam policy in the light of the essential facts as identified by this Memorandum and of the alternatives open to us.

#### *The essential facts*

2. The North Vietnamese are at present determined to fight on in South Vietnam to secure:—

- (a) a regime in South Vietnam which is in all respects their creature (i.e. the Liberation Front to take exclusive power);
- (b) the withdrawal of United States forces by attrition, that is by creating a situation in which increasing popular frustration in American and the movement of world opinion will compel the United States administration to break off the war; or
- (c) alternatively, negotiations exclusively on their own terms which would secure the objectives in (a) and (b) above.

3. The South Vietnamese and United States Governments, with the other Vietnam belligerents, have decided that the survival of the South and its people in independence and safety requires armed resistance, with equal determination, to the attack from the North; and are pursuing a defensive war while constantly re-stating their readiness to negotiate a solution which would leave South Vietnam in peace.

4. Both sides in the conflict are deeply engaged in fighting a war with geographic and political limitations. The North Vietnamese are unable to mount a military effort in the South which would swing the military balance in their favour; and the United States are precluded by world opinion and the stresses of the presidential electoral campaign from all-out military escalation, such as the land invasion of the North or additional measures of air and sea warfare, aimed at bringing the war to a swift military conclusion.

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<sup>1</sup> Not printed.

5. Each side is aware that there are channels for direct communication with the other side. These channels have been used on a number of occasions, but have served only to establish for each side that there is no acceptable alternative to continuing the fighting until there is a change in the political or military situation. Both sides believe this change will come, to their own advantage, but until it does they are determined to continue fighting.

6. In this present situation there is nothing which we, or any other non-involved Government, can do to mediate or to arrest or alter developments. But we have a duty and a capacity to maintain a continued readiness to act in the cause of peace when asked to do so by one of the combatants.

7. In the United States there is widespread concern over the conduct and continuation of the war, and a public debate in the classical American manner on what should be done to dispel this concern. Its essential components are frustration, war weariness and a desire to end the whole involvement in Vietnam. But while probably a majority criticise the Administration's handling of the war, the desire to be 'out' in a way which would hand over South Vietnam to the North, i.e. through an abdication of American responsibilities, is held by only a small—but vocal—minority. An equally vocal minority is demanding all-out escalation as a means of finishing the war quickly.

8. Meanwhile the Communist powers are mobilising a skilful worldwide propaganda campaign, which they believe will work in North Vietnam's interests, to assert that while North Vietnam's own intervention in South Vietnam is blameless, the military policies of the United States are totally immoral. The majority of those concerned in the current international wave of demonstrations against the Vietnam war are neither Communists nor fellow-travellers. But the demonstrations themselves are being orchestrated principally by the World Council of Peace (WCP), one of the original Soviet Communist front organisations, which dates from 1948, and takes its cues from Moscow. The WCP set out to stimulate demonstrations on 21st October ('International Peace Day on Vietnam') in Britain and the United States and other countries in Europe, Latin American and Asia. Co-ordination was provided by a 'Continuing Committee' set up by the International Conference on Vietnam which met in Stockholm in July this year. For all practical purposes the WCP controlled and stage-managed the Conference, and still effectively runs the 'Continuing Committee'. The WCP's propaganda apparatus throughout the world was turned on to promoting and subsequently publicising the demonstrations on 21st October. It is now advertising the 'Continuing Committee's' plans for the future, which include the celebration of 10th December as Human Rights Day, and 20th December as the anniversary of the foundation of the National Liberation Front of South Vietnam.

### *The three alternatives*

9. We have three alternative policies which we could adopt:—

- (a) We could align ourselves unswervingly behind the United States Administration to the point of uncritical support at all times.
- (b) We could express public criticism of the American position, ranging from complete dissociation to a demand for the bombing to stop, in the hope that this would advance the prospect of a negotiated settlement.

(c) We could recognise that there is nothing we can do for the present, but meanwhile maintain our capacity to give private advice to the Americans and to maintain contact with other powers, against the day when both sides might want our services.

I review each alternative in turn.

*Course (a): Unreserved support*

10. Uncritical alignment behind the Americans would be an act of folly. We would reduce our ability to play an independent role elsewhere, as well as in the Vietnam context; we would destroy our ability to offer advice and to criticise in private; above all this would be to act against the weight of British public opinion including that sector which believes that the Americans are in the wrong situation even if their motives are right.

*Course (b): Disapproval*

11. If we believe that the South Vietnamese have the right to resist a takeover, we cannot condemn the Americans for helping them. In considering what action we could take, the critical point is whether action by us will lead directly to a decent settlement of the problem. Any step recognised as the *sine qua non* of a decent settlement will in the long run be excused, if not applauded. But the same step, if it fails to produce a decent settlement, may be vilified and regarded as the cause of subsequent disasters; and here we must accept that our dissociation or disapproval would not bring North Vietnam to negotiations. Furthermore the Americans themselves and the world in general would regard public criticism by Her Majesty's Government at the present time as synonymous with condemnation; and this would also place us in one sector of the domestic turmoil in America. By doing this we would lose the confidence and respect of the present and future Administrations there; and by estranging ourselves from the present Administration—on whom falls the burden of deciding on a Vietnam policy adjusted to domestic requirements and the military and political situation—we would damage perhaps irreparably our understanding with the United States in other fields and areas of the world.

12. In these circumstances there is a strong probability that the present Administration and any likely successor in 1968 would, to say the least, cease to exert themselves at all in favour of British interests. Whether it is a question of protectionism against British goods, defence contracts, refraining from discrimination against our imports to the vitally important United States market, trade with Rhodesia or votes at the United Nations on Gibraltar, there would be a strong urge to punish our alleged 'defection', and we need not expect any effective sympathy from United States pressure groups or Congress. There would undoubtedly be adverse effects for us both in practical terms and in terms of the overall political success of our policies. In prosperous times these might not be much more than marginal considerations. I am more concerned over two deeper considerations. One is our balance of payments<sup>2</sup> and the other is the balance of power.

13. If after all that has happened we now take an anti-American line on Vietnam, it is hard to believe that the United States Administration will take a helpful line in

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<sup>2</sup> The devaluation of sterling was announced on 18 Nov.

respect of our financial, economic and commercial problems, and it is impossible to suppose that the Continentals will—or indeed can—provide an adequate substitute for American help. And it is not merely our balance of payments problem narrowly defined that is at stake. Our application to join the EEC and our chances of solving the offset problems are both willy-nilly bound up with the international financial situation and our bargaining strength in it.

14. The world balance of power is also at stake. Personally, I do not believe that America is likely to become consciously isolationist. But there is undoubtedly a risk that if she thinks she is defeated in Vietnam, and particularly if she thinks that this result has been brought about by her principal allies, she will follow a sporadic and unpredictable foreign policy, withdrawing here and over-asserting herself there. This would be a dangerous situation. We could not be sure that the Chinese and Russians would properly interpret American actions and would resist unwise temptations.

15. Finally, at a time when our own power has declined we should not lightly resign such influence as we have and can have with the most powerful nation in the world. Apart from anything else, a loss of influence with the Americans automatically entails a loss of influence with others, including, particularly, the Russians. (The relationship with Britain has a certain special interest for the Soviet Government precisely because what we say is taken seriously by the Americans.) Countries very seriously affected by such a change would be our Commonwealth partners, Australia, New Zealand, Malaysia and Singapore. If we lose influence with the Americans we lose influence with them. It will be worse still if they believe we have contributed to an American defeat in Asia.

#### *Course (c): The middle course*

16. The policy I believe to be right is to avoid involvement at the wrong time (for us) but yet to retain (for us) the capacity to talk to the Americans frankly and to the other powers involved from a position of disinterest except in the overriding objective of a negotiated settlement. This policy would avoid ranging ourselves on the side of those who have hitherto offered no reasonable alternative to a cessation of military activities by the one power which can prevent South Vietnam being handed over to the rule of force. Equally it would continue to secure for us a position from which we can act when any of the parties engaged in the war believe that our services could help towards a settlement. This time has not yet come. The North Vietnamese do not need us. The Soviet Government frankly take the view that the Geneva Co-Chairmen have no role to play at the moment. The South Vietnamese, though gaining in stature, are only gradually approaching the point where an initiative for direct North/South talks could add a new diplomatic dimension in the situation. The Americans know that we are always ready to help with peace moves when these are practicable.

#### *The moral considerations*

17. Over and above all the foregoing, there are the moral considerations in this conflict; and these are frequently misrepresented. I have no doubt that none of us wishes to see South Vietnam captured by the North and its inhabitants submerged in a totalitarian regime. The South Vietnamese have a right to freedom and a right to decide their own future for themselves. The result of a total American withdrawal now would be immediate subjugation of the South because by ideology, training and

adaptability to the local situation, the North is infinitely better equipped to achieve this than the South is to resist it. To capture the South has always been the North's objective since the 1954 Geneva Agreements robbed them of military success. For the United States to resist the takeover is no more to be condemned than was their leadership in resistance to armed attack in the Korean war. The objectives of the Communist side are unchanged; to secure territory and peoples. Only their methods are different and have thereby brought about a different type of intervention by the powers capable of organising resistance. Moreover, as I have shown in the Annex, the American help for South Vietnam has always been in clear response to an 'escalation' of the take-over attempt; as the situation has developed in complexity, so has the measure of the United States' response to it. If, however, we believe that the South have the right to look to their friends for help, then the degree of help they have sought and secured cannot be a matter of criticism or condemnation.

18. To condemn the United States at present is to condemn the major power in the conflict which has publicly proclaimed a policy aimed at securing for the South Vietnamese the right to order their own affairs; and which has reaffirmed constantly its readiness to negotiate a settlement which will achieve this end. I do not believe my colleagues would have us condemn the continuous search for ways to end the fighting and start negotiations. This is the American policy; but it has foundered on the determination of the leaders in Hanoi to sit it out until the Americans, they hope, will be inescapably obliged to comply with North Vietnamese requirements.

19. Nowhere is the North's skilful use of the 'double standard' technique for distorting a moral issue clearer than in their campaign against the bombing. While they themselves fight on in the South with every means at their disposal, including the most repulsive atrocities, they have succeeded in mobilising a selective condemnation of one method of American warfare—bombing—which can play a significant part in both halves of Vietnam in checking the North Vietnamese/Viet Cong effort. Quite apart from the fact that acceptance of this thesis is to play the Communist game, I believe it is morally indefensible to suggest that the bombing alone is to be condemned, with the implication that other forms of slaughter are in some way tolerable.

20. Furthermore, we are not fighting in Vietnam; and therefore we are not qualified to pass judgment on individual methods of warfare there, though we can deplore all use of force as a means to settle disputes. Our right and duty of intervention is based on our responsibility for achieving peace. It follows that, if we accept that the United States is justified in using force to help prevent the North Vietnamese forcible take-over of the South, we cannot claim the right of military judgment on the utility of bombing North Vietnam as one instrument of this force. Nor can we insist on a cessation if, in the military judgment of the combatant concerned—the United States—this would lead to military disadvantage and more casualties. We can, however, argue for, and demand, a cessation of bombing if in our judgment this will succeed in achieving progress to a negotiated settlement, since this is our overall aim, and we have taken every opportunity (including my discussions with President Johnson and Mr. Rusk in September) privately to urge the Americans to re-examine their bombing policy as carefully and as frequently as possible. They have declared their readiness to cease bombing when the cessation will lead to talks. At present it is the refusal of North Vietnam to meet the American readiness which is the obstacle to our own policy as well as to that of the United States.

21. Finally I think we should remember that the conflict looks very different in Asia than it does from the other side of the world. The Australians and New Zealanders believe it right to be fighting alongside the Americans; to pass moral judgment on the latter would be to judge our Commonwealth partners as well. It is a fact, too, that in none of the non-Communist Governments of South East Asia is there an outspoken demand for the United States to quit with the Vietnam issue unresolved. This holds good for South Vietnam itself, Burma, Thailand, Laos, Malaysia and Singapore: I believe also for Indonesia despite her middle-of-the-road public position. Even Prince Sihanouk of Cambodia has reservations about an American withdrawal from Asia.

### *Conclusion*

22. In sum, I recommend to my colleagues that we should maintain, and if possible improve, our present policy of committed detachment; that we should view the present period of self-examination in the United States with sympathy and make it clear that we understand their dilemma; and that we should make our attachment to a peaceful settlement the foundation of our readiness to mediate if asked to do so. Above all I believe we should eschew a position of moral condemnation of the United States because it would not be based on valid moral principles; it would not shorten the war; and it would not be practical politics.

**109** PREM 13/2081, SMV(68)1

14 Jan 1968

**'Visit of the prime minister of Singapore to London': record of a meeting between Mr Wilson and Mr Lee Kuan Yew on the implications for Singapore of Britain's defence cuts<sup>1</sup>**

*The Prime Minister*, in welcoming Mr. Lee, referred to the grave nature of the subject that had brought him to London. The British Government had not yet taken a final decision on the terminal date of the withdrawal of their forces from Singapore; they had decided to defer this until they had had the opportunity of hearing the views of the Government of Singapore and the report of the Commonwealth Secretary on his visit to the Far East. Mr. Lee would be aware from the Commonwealth Secretary's visit of the British Government's provisional ideas. He invited Mr. Lee to state his views.

2. *Mr. Lee* said that the decisions to be taken by the British Government were a matter of life and death to Singapore. He was not concerned about the economic effect of the British withdrawal. Singapore had about the highest *per capita* income in Asia and its prosperity would continue if its security could be assured. At present it was benefitting greatly from purchases made by the United States to help Indonesia and from sales to South Vietnam. There was also a massive inflow of capital and expertise from Hong Kong. But if the British Government announced that they intended to withdraw from Singapore by 31st March 1971, there was a great risk that this flow from Hong Kong would be diverted to safer countries such as Canada and

<sup>1</sup> UK ministers present were Wilson, Brown, Jenkins, Healey and Thomson. Lee Kuan Yew was accompanied by Dr Goh Keng Swee (minister of finance), A P Rajah (high commissioner for Singapore in the UK), and G Bogaars (permanent secretary, Ministry of the Defence and Interior).

Australia and that other entrepreneurs would start to pull out, too. In order to maintain business confidence Singapore would have to spend a great deal on arms so as to make credible the country's determination and ability to defend itself. Mr. Lee did not fear attack from Malaysia but from Indonesia. West Malaysia and Singapore together should have a sufficient defence credibility to thwart any Indonesian moves.

3. *The Prime Minister* said that there were two problems which they had to consider. These were the significance to Singapore of the difference between 1971 and 1972 as terminal dates for British withdrawal; and secondly, how the security of Singapore could best be achieved in relation to our new plans.

*Mr. Lee* said that while he could provide personnel to man the Singapore radar and Bloodhound ground-to-air missile defences in four years, the Malaysians would be unable to do so. Further he could not provide in the time the trained staff officers necessary to organise the missile defence and fighter squadrons, though there would be no difficulty about obtaining pilots. He foresaw no problem over Singapore's land forces. He was not asking British forces to remain to fight the Chinese but to maintain confidence in the stability of Malaysia and Singapore.

4. If the new British withdrawal dates were based on economic and not political motives they did not make sense, because to withdraw the forces more rapidly than had been envisaged in July 1967 would actually entail greater expenditure. He asked that in his statement on 16th January, the Prime Minister should say no more than that the withdrawal would be accelerated and would be completed by 31st March 1973. There was no reason why contingency plans should not be made for an earlier date for final withdrawal if this proved practicable. *The Prime Minister* said that the British Government had weighed the economic factors very carefully and were positive that there would be a big saving if the forces were completely withdrawn by 1971.

5. *Mr. Lee* said that a withdrawal by that date would be politically disastrous for himself, as he had always backed British so wholeheartedly. At present, British Government foreign exchange expenditure in Malaysia and Singapore was running at the rate of about £1 million a week. When the forces were down to half their present levels, the weekly figure would be somewhere between one-third or one-half of that amount. This was not a heavy price to pay for maintaining confidence in the area. The British had £50 million worth of service accommodation in Singapore: if they made a gradual withdrawal they could dispose of this little by little at reasonable prices. *The Prime Minister* pointed out that United Kingdom savings could not be measured in terms of the possible realisation of properties in Singapore; there were also the savings in manpower and equipment flowing from an earlier withdrawal.

6. *The Defence Secretary* explained that it was uneconomical to maintain fixed bases with reduced forces. He agreed that if troops withdrawn from Singapore were kept in the United Kingdom, the expense would be greater, but in fact an equivalent number of troops would be disbanded and there would be great savings in equipment purchases. When the medium-term rundown plan was completed in March 1970, strengths would have been reduced by 35,000 servicemen and civilian employees in addition to the 15,000 already withdrawn. The speed of our withdrawal was dictated not by logistic problems but by Singapore's own needs.

7. *The Prime Minister* stressed that the United Kingdom would make economies by running down and disbanding forces, and now hoped to achieve by 1971 or possibly 1972 the savings which otherwise would not have been made until the mid-

1970s. The extent of these savings would be influenced of course by the quantity of aid that we gave Singapore. *Mr. Lee* said that he would be prepared to forgo aid if he could obtain security. Without it, internal confidence would be destroyed. British investment in Malaysia and Singapore amounted to £700 million, giving an annual return of £77 million. Invisibles brought in another £35 million a year. The British Government should bear in mind, in reaching their decision, that if confidence was destroyed, these investments and this income would progressively dwindle away. The Japanese would step in. *Mr. Lee* had asked British bankers what they thought would be the minimum British force to maintain confidence. They had told him that all that would be necessary to supplement Singapore's forces would be an adequate air and sea cover and two battalions of Commandos, all under a British Commander-in-Chief.

8. *Mr. Lee* said that his only worry about Malaysia was that if the present Ministers disappeared, and if widespread corruption led junior officers to stage a coup, they could thereafter follow dangerous policies. But the main threat was from Indonesia, where corruption was still rife and an external diversion might be welcomed by the Government. If Singapore's present prosperity continued, the temptation to attack her would be all the greater. To defend Singapore, he thought Hunter IV aircraft could cope with the MIG 17 and 19 Indonesian machines, but by 1973 he wanted Hunter IXs for night operations. He did not consider that the acquisition of these weapons would provoke an arms race with Malaysia. He was very ready to co-operate with Malaysia in defence but this should apply to West Malaysia only, since Sabah and Sarawak were untenable.

9. *The Defence Secretary* suggested that there might be some discussion of Singapore's military needs. For example, we could make available a military mission on the lines of those we provided for other Commonwealth countries. *Mr. Lee* did not discount this possibility but felt that the presence of British seconded officers in Singapore uniform would not be sufficient to achieve the confidence he wanted, especially as the amphibious force previously envisaged for the area was apparently to be scrapped also. *The Commonwealth Secretary* said that the problem of confidence was accepted by British Ministers. We were proposing to withdraw by 1971 without leaving forces for use in the area thereafter. The question was how could we help to fill the gap. *Mr. Lee* continued to press for a time for the retention of British troops and argued that our business interests had represented to him that withdrawal would mean the loss of our investment. *The Defence Secretary* observed that businessmen's views on defence matters were not always sound. No one could define what created confidence and it was necessary to consider the possible threats to Singapore. If *Mr. Lee* felt that Indonesia was the principal menace, this could only be contained by joint arrangements between Malaysia, Singapore, Australia and New Zealand. It was wrong to think that Singapore could go it alone merely by purchasing a lot of expensive weapons.

10. *Mr. Lee* said that Tun Razak, with whom he had travelled back from Melbourne in December, had not responded to his suggestions on joint defence. Australian Ministers had made it plain to him that they could not take over our role and he thought that New Zealand would wish to do the bare minimum.

11. *The Prime Minister* intervened to point out that the decisions to be taken the following day would affect the equipment which we might be able to make available. Summing up the discussion so far, he said:—



- (a) Mr. Lee had stressed his grave anxiety at the effect of an earlier British withdrawal both on the security of Singapore and on its economic development.
- (b) He was anxious about his future relations with Indonesia.
- (c) He thought that every day British forces remained in Singapore was of value to him, but hoped that the United Kingdom would make 1973 the terminal date.
- (d) He considered his army to be adequate; for his air defence he wanted staff officers and an effective radar screen. (*Mr. Lee* intervened to say that he wanted a few ships armed with missiles after 1973.)
- (e) We wanted to know what we could do to help to develop Singapore's defences to cover the period after our withdrawal.

12. *Mr. Lee* said that he wanted the terms of the statement to be made on 16th January to be such as to maintain confidence in Singapore, and on the defence side he wanted Bloodhound missiles and later Rapiers. His aircraft requirements were Hunter IVs, now, and Hunter IXs after our withdrawal, pilot training in the United Kingdom and an air staff.

13. *The Defence Secretary* in reply said that he thought:—

- (a) Singapore's defence must be on a regional basis; radar cover could not be provided without co-operation with Malaysia.
- (b) Such defence would be more credible if Australia and New Zealand were associated with it.
- (c) The terms on which allied forces were stationed in the area were of importance. They would be of only limited use if they were free to withdraw to meet crises elsewhere.
- (d) The United Kingdom did not intend to station forces in Singapore after withdrawal but would help in a crisis from the general capability available in Europe. The timing of such help would be about a week for land forces and three months for heavy equipment, if needed.
- (e) Defence arrangements must be discussed with all the Governments concerned.
- (f) The British Government would not be able to say anything about the kind of forces they would have in their general capability since it would be some months before the planning of the new shape of the armed forces was completed. It would then be possible to have more meaningful discussions with Singapore.
- (g) It would be wrong for Singapore to commit herself to purchases of expensive equipment now before she had tried to work out a rational defence programme with other countries in the area.

14. *Mr. Lee* said that he would be prepared to take his own decisions and purchase equipment elsewhere if he felt that was in Singapore's best interests. *Mr. Healey* stressed the readiness of the British Government to help in working for a meeting to discuss the defence of the area. Although they could not contribute forces they could send them from time to time on visits and for training purposes.

15. The Chancellor of the Exchequer having joined the discussions, *Mr. Lee* reverted to the possible loss of British investments and export income after our forces were withdrawn. *The Chancellor* pointed out that Singapore had reserves of £200 million for a population of two million people. Our reserves were only £1,100 million for fifty-two million people. Although *Mr. Lee* said that his loss resulting from our devaluation had been £15 a head, Singapore had in fact diversified more

than any other country. This had been done not by switching reserves from London but by investing surpluses in dollars. This amounted to a 50 per cent diversification of sterling resources. Although we regretted Singapore's loss from our devaluation, it was only reasonable to remember that this was in fact outweighed by the high interest rates that Singapore had been obtaining in London. *Mr. Lee* commented that he had prevented his colleagues from switching £100 million out of sterling.

16. *The Prime Minister* said that after decisions had been taken, there would be advantage in a meeting between the five powers concerned but it need not necessarily be at Prime Minister level. He observed that Australia and New Zealand were naturally afraid that such a meeting would try to make them increase their present contribution to the defence of the area. He emphasised that there could be no question of deferring our withdrawal date until 1973 but bearing that in mind, we would be ready to discuss the provision of such defence equipment as Bloodhound missiles if *Mr. Lee* so wished. If *Mr. Lee* tried to buy arms in haste from sources other than Britain he might waste a great deal of money. *Mr. Lee* replied that he was prepared to do what he thought was right for Singapore's security and he might not feel able to wait to get the prior agreement of Malaysia, Australia and New Zealand. *The Defence Secretary* reminded him that Singapore could not be defended without Malaysia.

Discussions then adjourned until after dinner.

## 110 FCO 15/150, no 7

20 May 1968

[Lee Kuan Yew]: inward telegram no 500 from Sir A de la Mare to Mr Thomson on the outlook of Lee Kuan Yew prior to his visit to Britain to discuss commercial relations

Lee's vision of Singapore is the industrial, commercial and educational centre of South East Asia, based on the British connexion and on the English language.

2. I say vision advisedly, for it would not do it justice to call it a plan. He has his planners—economists, figure-scanners, doubting Thomases, men of little faith. Hon Sui Sen is one of them. Lee needs them and uses them to check his own zeal and impatience. He heeds their advice, so that a week ago we witnessed the unusual spectacle of a public speech in which he advocated making haste slowly. But he knows the limitations of economists and planners. He believes that it is not they, but the men who see visions and dream dreams, who bring about the great enterprises of mankind.

3. His personal hero is Stamford Raffles.<sup>1</sup> Here was a visionary, who saw in Singapore not the uninhabited malaria-infested swamp it was, but the great centre of peaceful trade and commercial enterprise it was to be. And if you ask Lee, as I have done, why it was that Raffles succeeded when so many other men of vision failed, he will answer quite simply that it was because Raffles and his successors were British.

4. Emotion, some will say, and rather cheap emotion at that. Very well, let us call it what we will. Let us concede that even Raffles, with all his vision, could not have

<sup>1</sup> Sir (Thomas) Stamford (Bingley) Raffles (1781–1826), British East Indian administrator and one of the founders of the British empire in East Asia. Raffles took advantage of a succession dispute in the Malay state of Johore in 1819 to secure the transfer of Singapore to the East India Company.

foreseen the perhaps fortuitous circumstance that, unable ourselves to supply all the manpower and the enterprise needed to make the dream come true, and aware of the limitations in vigour and industry of the indigenous people, we imported from China hewers of wood and drawers of water who had it within them to see beyond their menial tasks. It may be that the British entrepreneurs of the last century were motivated by nothing more than a keen scent for profits, enhanced by cheap Chinese labour. We should not seek to make virtues of what were perhaps only mercenary instincts. Yet the stubborn fact remains that nothing, not even our own national habit of self-denigration, can shake Lee's conviction that only the British—not the French, the Dutch, the Germans, the latter-day Japanese or Americans—could have made Singapore what it is today. We may not believe this. He does. He does not agree with all our policies—and he will most certainly not agree with us if we take the view that economically and commercially this part of the world is a write-off. But he does not believe (and for that matter nor do I) that it is our policy to turn our back on one of the great successes of our colonial history at the moment when Raffles' dream is being realised. It is not, I submit, a question of emotional attachment to Raffles' memory (although I for one gladly confess to that). It is simply that here we launched a great enterprise, that it is succeeding and will continue to succeed, and that we owe it to ourselves to share in and to profit from that success. This is what Lee wants us to do.

## 111 FCO 15/150, no 22

27 May 1968

[Singapore]: FO record of an interview between Mr Stewart and Lee Kuan Yew

After an exchange of courtesies *Mr. Lee* said that he would like to compare notes with Mr. Stewart on the latter's resumption of Office as Foreign Secretary. He felt that in South Asia, a great deal depended on the outcome of the American elections. The present was a period of intense probings all round. Mrs. Gandhi<sup>1</sup> had recently made a tour of the area. Mr. Lee was undecided how Australia and New Zealand would react to a U.S. withdrawal from South East Asia. He thought that they too would back out. They would be risking too much if they stayed after the Americans had gone. He thought that the Australian Prime Minister, Mr. Gorton,<sup>2</sup> would be unlikely to enter into commitments until he saw what the U.S. was going to do. Furthermore, Mr. Gorton wanted first to win the Australian elections in his own right. For this reason Mr. Lee thought that the Five-Power Conference on 10 June was badly timed. He had made this point to both Mr. Thomson and Mr. Healey; the latter appeared not to agree.

2. *Mr. Stewart* asked whether Mr. Lee thought that an American withdrawal was really likely.

3. *Mr. Lee* said that this question troubled him. In particular he was concerned about the tone of Senator Kennedy's<sup>3</sup> speeches. If he were elected President<sup>4</sup> he

<sup>1</sup> Indira Gandhi, prime minister of India, 1966–1977, 1980–Nov 1984 (assassinated).

<sup>2</sup> John G Gorton, prime minister of Australia, 1968–1971.

<sup>3</sup> Senator Robert Kennedy, aspirant Democratic presidential candidate, assassinated (6 June 1968) two days after victory in the California primary.

<sup>4</sup> A reference to Johnson's broadcast of 31 Mar to the effect he would not seek re-election.

might well find himself bound by his electoral promises in respect of South East Asia. Mr. Lee would prefer a less committed apostle of U.S. policies in the area.

4. *Mr. Stewart* drew from this the conclusion that Hanoi would seek to draw out the negotiations in Paris.

5. *Mr. Lee* thought that the objectives of North Vietnam were clear. They wanted an American withdrawal and thereafter an arrangement whereby the Vietnamese would be allowed to settle their own affairs. These were basic points in the North Vietnamese position. There was no advantage whatsoever for Ho Chi Minh<sup>5</sup> in giving President Johnson a settlement in Vietnam. Following the President's announcement of 31 March, Ho Chi Minh could not refuse to talk to the Americans, but he had no immediate interest in a settlement. He would sit back and wait for a peace candidate to emerge from the elections.

6. *Mr. Stewart* thought there was no certainty that the American electorate would go for a peace candidate. Mr. Stewart asked Mr. Lee how he saw relations between Indonesia and Singapore. *Mr. Lee* said that Indonesia was in a mess. The Indonesian leadership recognised this and were urging Singapore not to take advantage of their desperate plight. He had no intention of doing so. He felt however that they should be persuaded by all concerned to foreswear any further adventures like confrontation. He thought that, if they wanted to obtain their long-term pan-Malay objectives, the Indonesians would concentrate on internal affairs, go slow on any overseas adventures and seek to undermine the position in Malaysia of the Tunku and of Tun Razak until such time as a pro-Indonesian element in Malaysia could take over. This was why the Tunku and Razak were scared of Indonesia and, thus, friendly with Singapore.

7. Mr. Lee saw no real prospect of friendly relations between Indonesia and Singapore, while power rested with military leaders, subject to little, if any, control by the Central authorities or popular will. The Indonesian Army and Navy were virtually autonomous institutions. The recent visit of Mr. Malik<sup>6</sup> had not been particularly encouraging; Mr. Malik was limited by, and afraid of, the Indonesian generals. However, Singapore had put forward a name for an Ambassador in Djakarta and were waiting for the Indonesians to offer a name for Singapore, which would be a plum and lucrative job for any General.

8. Turning to commercial matters *Mr. Lee* referred to the growing penetration of Japanese and German industrialists into South Asia. There was no way of excluding them. To secure contracts their businessmen were cutting profit margins to the minimum. Mr. Lee thought that it would be sheer folly if British businessmen did not take the utmost advantage of the remaining few years when there was a notable British presence in the area. During this period they ought to entrench themselves:—

- (a) by buying relatively cheap floor space;
- (b) by pre-empting the available manpower and
- (c) by trading on the remaining fund of goodwill towards Britain.

9. Mr. Lee thought that there was value in a British trading mission considering and visiting the area as a whole from West Pakistan across to the Philippines and Australia, and being prepared to spend some months doing so.

<sup>5</sup> First president of Democratic Republic of Vietnam, 1945–1954, and of North Vietnam, 1954–1969.

<sup>6</sup> Indonesian foreign minister (see 19, note 1).

Business concerns interested in the area ought to do likewise. Mr. Lee said that he had mentioned this briefly to the Chancellor of the Exchequer but had had no time to elaborate.

10. *Mr. Stewart* said that he would mention this to the Chancellor of the Exchequer. He asked whether there was any way in which the Government itself could help.

11. *Mr. Lee* said that he felt that British attitudes had been concentrated in recent years too sharply on Europe, the North Atlantic, and Australia and not enough on South Asia. Singapore and Malaysia could become the workshop of the entire area. The new President of the Confederation of British Industries, Mr. Norman,<sup>7</sup> had recently visited Singapore and Mr. Lee had tried to explain to him the enormous potential market in the area for British business. Mr. Lee had the feeling that the C.B.I. lacked a 'sharp edge'. Anything the Government could do, possibly by way of subsidising visits to the area, would pay dividends in the long run.

12. Mr. Lee mentioned that he had first interested Sir John Hunter (of Swan Hunter) in the Singapore naval dockyard several years ago. This had now borne fruit, in the firm's involvement both in the civil and naval dockyards there. But laying the groundwork took time. Mr. Lee repeated that a high-powered and hard-headed industrial mission should be sent on a tour of the whole area.

13. *Mr. Stewart* recalled that, at lunch at No.10, Mr. Lee had said that the choice in Singapore lay not between him and the Right but between him and the Communists. Indonesia was a vast country which was potentially capable of exerting vast influence in the area. Did Mr. Lee not think that he would have to come to terms with Indonesia?

14. *Mr. Lee* questioned how great in fact was Indonesian influence. Indonesia had never been a true nation state. It was composed of a number of different factions spread over numerous islands. In these circumstances it was difficult for the central authorities in Java to hold the nation together unless they produced tangible results. The whole country could split apart within four to five years if a strong central Government, at present vested in the Army, were not preserved by outside support.

15. *Mr. Stewart* acknowledged the potential weaknesses in the internal structure of Indonesia but felt that, if the country had survived the folly of confrontation, it was unlikely to fall apart.

16. As regards the future Indonesian intentions *Mr. Lee* thought that the area would remain peaceful provided the Americans did not provide the Indonesians with military equipment that could cross air or water. Indonesia might then be persuaded to concentrate on internal reform.

17. In reply to a question, Mr. Lee thought that General Suharto was probably the best man to have taken over Indonesia at the time but he doubted whether he would last much more than a further five years. Any Indonesian leader must either provide administration of a high order or alternatively, as Sukarno, provide hypnotic leadership.

18. In reply to a question by Mr. Stewart about economic co-operation in the area, Mr. Lee said that a distinction should be made between East Asia and South Asia. He did not however expect anything specific to come out of regional economic

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<sup>7</sup> (Sir) Arthur G Norman, president of CBI, 1968–1970.

cooperation. He thought that practical results were more likely to come out of bilateral agreements. He cited the agreement with Indonesia on the Singapore/Bali air route. Further examples of bilateral arrangements were on anti-smuggling, tourism and barter sales.

19. In commenting further on the situation inside Indonesia Mr. Lee stressed the corruption of Indonesian society in which customs officials and military officers and others all took their cut out of any commercial transaction. This inability of the Indonesians to organise an orderly society in their own country inspired a hatred of Singapore where it had been achieved. Mr. Lee feared that over the years Malaysia might go the same way as Indonesia.

20. *Mr. Stewart* asked whether Mr. Lee felt that anything of value would be accomplished at the Five-Power Conference on 10 June.

21. Mr. Lee was doubtful of this. President Johnson's announcement of his withdrawal from the election and the sharp reaction thereto by the Australian Prime Minister had cast real shadows over the proceedings. He did not see how the June 10 meeting would go. He himself was worried about the situation in the area since, although others might pull out by 1970, he had to stay.

22. Turning to Vietnam *Mr. Stewart* asked Mr. Lee whether he had any reliable information about the situation inside North Vietnam, and whether he thought that Hanoi could hold out if the war continued. He added that if there was no response from Hanoi to the partial cessation of American bombing, there was no guarantee that the American administration would not be obliged to heed a call from American public opinion for some further escalation.

23. *Mr. Lee* did not have any inside information about the situation in North Vietnam. He mentioned that a North Vietnamese trade mission had recently spent five weeks in Singapore studying the port and insurance and banking facilities. They seemed anxious to use Singapore as a centre for obtaining foreign currencies. Despite their own shortages, they were even now exporting rice to Singapore.

24. Mr. Lee thought that though the North Vietnamese might be misunderstanding the present political moods in the United States, they were heavily influenced by advice given to them by the Russians and the East European about Western intentions over Vietnam. They relied upon this advice more heavily than they did upon advice from the Chinese. *Mr. Stewart* commented that this meant that it was particularly important for us and others to continue discussions with the Russians about Vietnam.

## **112 PREM 13/3131**

**11 Nov 1969**

**'Brunei': minute by Sir B Trend to Mr Wilson on OPD(69)60, on the termination of British responsibilities**

Our main objective here is to terminate our responsibilities for Brunei (which has been under British protection since 1888) if possible by mutual agreement, and in good time before the completion of our military withdrawal from South-East Asia. Following discussion in OPD last year (OPD(68) 16th Meeting), the Sultan was given notice of our intention to relinquish our responsibilities under the Brunei

Agreement of 1959<sup>1</sup> on 30th November, 1970. As expected, he was unwilling to accept this. He took the line that Brunei was not ready for independence; and he required continuing defence safeguards. He also refused to agree to our notice of relinquishment, although he is in no doubt that notice has been given. (The Agreement contains, in fact, no provision for termination; but we are satisfied that two years' notice is reasonable under international law.) Since then we have further examined the question of defence safeguards; but it has become clear that Australia, New Zealand, Malaysia and Singapore would all be unwilling to have Brunei associated with any defence arrangements which might emerge from Five Power consultations. All these exchanges remain confidential.

2. The Sultan (with his dominant father and 'adviser', Sir Omar) will raise again the future of our relations with Brunei at talks due to start on 18th November. The Foreign and Commonwealth Secretary recommends (paragraph 10 of his paper) guidelines which we should follow in these discussions. They take account, on the one hand, of the need not to endanger the process of our disengagement in the Far East and, on the other hand, of the risk of precipitating action by the Sultan against United Kingdom interests, notably Brunei's sterling balances (£100 million) and the Shell concession for the supply of gas to Japan (worth £650 million). The main concession which they propose is that we should be prepared to defer the date of relinquishment of our responsibilities to 31st March, 1971, or even, if necessary, to 31st August, 1971, while standing firm on the withdrawal of the Gurkha battalion on 30th November, 1970. These guidelines have been generally agreed with the Departments mainly concerned; and the Committee may feel able to endorse them, partly because there seems to be no realistic alternative and partly because the forthcoming talks are in any case only a further stage in discussions which will clearly have to continue next year. But Ministers will also be alive to the 'slippery slope' risk which is clearly implicit in the proposal before them: and they will wish to satisfy themselves that there really *is* no alternative to it. If so, it should surely be re-emphasised to the Sultan that the suggested deferment does not affect the basic decision on withdrawal from the Far East by 31st December, 1971, at the latest.

3. It may be asked why we should discourage Brunei from seeking full membership of the United Nations. It is clearly we who are taking the initiative to shed responsibility for Brunei's defence and external affairs (under the proposed new Agreement we would merely 'afford assistance' to the Sultan in his conduct of Brunei's external relations); and it may seem illogical that, when doing so, we should not help her to join the United Nations. The main reason for our attitude is that the Sultan's authoritarian regime is not one that we could easily defend in the United Nations. In addition—a point made in the OPD discussion referred to above—we are reluctant as a matter of principle to see mini-states admitted to United Nations membership. The Foreign and Commonwealth Secretary will no doubt be prepared to speak on this point; but you will note that the guidelines (paragraph 10(vi)) accept that in the last resort we should be prepared to sponsor an application by Brunei, if this seems necessary in the interests of reaching agreement on the wider issues.

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<sup>1</sup> Under the 1959 agreement the UK was wholly responsible for defence (including internal security) and external affairs. The Sultan had autonomy in internal affairs, subject to a clause under which he was obliged to accept the advice of the UK high commissioner on all matters other than the Muslim religion or Malay custom. The agreement made no provision for the enforcement of this advice and the clause was never formally invoked.

**113** FCO 24/717, no 1

24 Jan 1970

'Brunei: annual review for 1969': despatch from A R Adair<sup>1</sup> to Mr Stewart

[Extract]

I have the honour to submit my annual report for the year 1969, as requested in the Permanent Under-Secretary's circular letter dated 9 June, 1969. I regret that my absence from Brunei to attend the London talks with the Sultan at the close of the year has resulted in this report being somewhat delayed.

2. Despite the 'Sword of Damocles' in the form of our two-year notice of termination of the 1959 Agreement which, throughout the year, has hung over Brunei, life has gone on here exactly as if the country were to continue indefinitely as a British Protected State. The Sultan has refused to face up to the realities of the situation and nothing whatsoever has been done to prepare for independence and for the major change in Brunei's position which will result from the relinquishment of Britain's powers and responsibilities when the Agreement comes to an end on 30 November, 1970.

*The local scene*

3. Brunei has been likened to a Far Eastern mini version of a Middle East oil Sheikdom. There are certainly many points in common. It is a pleasant tropical backwater, parochial and inward looking, prosperous on its oil revenues—the *per capita* income is the highest in South-East Asia and it is one of the most advanced Welfare States in the East—and an oasis of stability and security in an otherwise troubled area. Even the crime rate is exceptionally low. But the régime is a semi-feudal benevolent autocracy and it is, politically, an anachronism in the 20th century. The Administration continues to be in the colonial mould and is still largely run by expatriates and the Sultan has set his face firmly against any semblance of constitutional advance.

4. Brunei is dominated by one personality, the Sultan's father, Sir Omar Ali Saifuddin. In the course of the year the Sultan, a pleasant, Sandhurst-trained young man of 23, has shown no signs of being prepared to take over the effective reins of government, though he has a natural charm and dignity and manages ceremonial occasions on his own very well. But it is Sir Omar who is the effective ruler and likely to remain so for some time to come. He is a strong-willed autocrat, proud, vain, shrewd, austere and pious but stubborn and ruthless in pursuing his aims. He is convinced that he alone can guide his people and care for their wellbeing. He is never wrong and can be cruel and vindictive; one of his more arbitrary decisions, in June, was to terminate the Government grant to all Chinese schools, the only reason being some suspicion of malpractice in one such school. He also believes that he has a 'hot line' to Allah and he has a childlike reliance on the sympathy for Brunei's cause which he believes to exist in the British Royal Family and other high places in Britain and which he imagines will in the last resort preclude Britain from 'letting Brunei down'. These characteristics to some extent explain his intractability in the negotiations with the British Government and his complete failure to face up to realities.

5. Sir Omar sets the tone for everything that happens in Brunei and 1969 has, therefore, seen no progress either constitutionally or administratively towards

<sup>1</sup> Deputy high commissioner, Cyprus, 1964–1968; UK high commissioner, Brunei, 1968–1972.



independence, which to him is a dirty word. Instead the old pattern of emphasis on traditional ceremony has continued. Brunei must be one of the few countries in the world where The Queen's birthday is still celebrated with such an elaborate ceremonial parade (and incidentally where the local radio programme closes daily with 'God Save The Queen'). The Sultan's birthday is celebrated with similar pomp, parades being held not only in Brunei town but in all the district headquarters. Another such occasion was the ceremonial installation of Pengiran Setia Negara as Mentri Besar (Chief Minister): he had been acting in this rank for nearly two years. The birth of the Royal Princess towards the end of July, the Sultan's first child, occasioned many more ceremonial manifestations, but this emphasis on ceremonial perhaps reached its crescendo in the wedding of Princess Masna, the Sultan's eldest sister, in October/November. The colourful but time-consuming traditional functions, some 10 or 12 of them, were spread over a period of three weeks. The time of senior officials spent, at Privy Council meetings and elsewhere, in considering seating arrangements, bestowal of traditional honours, details of the Royal regalia and other similar matters would give the impression that there is little else of import to be dealt with in the State. Unfortunately the High Commissioner is an ex-officio member of the Privy Council. . . .

#### *Anglo/Brunei relations*

21. The two-year notice of termination of the 1959 Agreement which was given to the Sultan in October 1968 by the then Secretary of State for Commonwealth Affairs, Mr. George Thompson, was the determining factor in our relations with Brunei throughout the year, but in fact it had little outward effect and, as indicated in paragraphs 2 and 4 above, no steps have been taken to prepare for the basic change in our relationship with Brunei which has been made inevitable by this policy decision. So far Sir Omar, who invariably speaks on behalf of the Sultan, has steadfastly refused even to consider the impending changes or their implications, simply maintaining that he wants still further to strengthen the existing close ties of friendship between the two countries. Though the notice must have come to him as a bitter blow and he has expressed his grievous disappointment at the decision (while still refusing to acquiesce in it) he has remained friendly and courteous and the very friendly and co-operative relations maintained at all levels with the High Commission have been unimpaired. Sir Omar's first reaction to the notice was an indication that he wanted further talks with the British Government for the express purpose of trying to get us to reconsider the decision. This was hedged about with typical Eastern evasiveness under the guise of a projected 'private' visit to London in May. It was only at the last minute, when all plans for the visit were settled, that he indicated his desire for 'informal talks' with Ministers and, when it was made clear to him that, because of other Ministerial commitments, it would not be possible to hold such talks at that time, he decided in a huff to cancel the visit altogether.

22. At the end of June Mr. D. P. Aiers, Head of South-West Pacific Department, visited Brunei after attending the Five-Power Talks in Canberra and took the opportunity of reminding the Sultan that there was no alteration in the decision of Her Majesty's Government to end their responsibilities under the 1959 Agreement on 30 November, 1970, and that it was necessary for the future relationship between Britain and Brunei to reflect the situation as it would be after British withdrawal. He also informed the Sultan that he had taken informal soundings of the other

participants in the Five-Power Talks about the possibility that Brunei might be associated in some way with any arrangements for co-operation in the field of defence which might emerge from these discussions, but that these soundings had made it clear that it was not possible usefully to pursue this question further. Sir Omar's reaction was that he was not interested in any such association and only wanted the continuance of British protection. It was then agreed that there should be further talks in London later in the year and subsequently arranged that these talks should open on 18 November and that the Sultan and his official delegation should be guests of Her Majesty's Government.

23. On that date you, Sir, entertained the delegation to luncheon at Marlborough House and opened the formal talks, explaining that there was, and could be, no change in Her Majesty's Government's position regarding the termination of the 1959 Agreement and urging the Sultan to accept this situation and consider the alternative of a Treaty of Friendship and Co-operation such as had been proposed at the previous talks in October 1968. Thereafter Sir Omar fell ill and was admitted to the London Clinic and it was not until 15 December that the talks could resume. Lord Shepherd took the Chair during three further sessions and you, Sir, presided at the final meeting on 22 December. Throughout this series of discussions Sir Omar maintained his inflexible attitude and was unmoved by the patient and persuasive arguments put to him emphasising the inevitability of our decision and of the desirability from the point of view of both Brunei and Britain of proceeding by agreement rather than unilaterally. The practical issues arising from our withdrawal were also brought home to him and the offer was made, provided we could proceed by agreement, of postponing the termination of the 1959 Agreement until a date some months into 1971. Sir Omar's only response was to repeat his plea for continued British protection and to suggest 'joint responsibility' for Brunei's defence, Brunei offering all facilities not only for its own defence but also for use by Her Majesty's Government in the discharge of any other of their defence commitments in Eastern Asia. Since this proposal involved a continuing defence commitment on Britain's part and in practical terms differed little from the existing situation, it was unacceptable to us. At one stage the Brunei side questioned the legality of our two-year notice and suggested that this question be referred to the Judicial Committee of the Privy Council, but this was unacceptable to Her Majesty's Government.

24. At the final session of the talks Sir Omar enquired whether we would be willing to facilitate a further approach by Brunei to the Government of Nepal as to the possibility of the latter agreeing to provide a Gurkha Battalion at Brunei's expense. You, Sir, assented to this in principle and the question is being further studied. At this session it was also agreed that there should be further talks in this series in March/April 1970 when Lord Shepherd hoped to be able to visit Brunei.

25. The talks were, of their nature, difficult since the objectives of the two sides are so far apart, but it is a matter of great satisfaction that they were conducted without rancour and that we succeeded in bringing our points home to Sir Omar without impairing his friendship and goodwill. With great respect, Sir, I submit that this satisfactory result is due in large measure to your and Lord Shepherd's sympathetic, patient and tactful approach throughout what were sometimes rather frustrating discussions. I am sure that the courtesy and generous hospitality accorded to the delegation on the social side also greatly helped. Where, then, do we

now stand? The word 'deadlock' was voiced on several occasions by the Brunei side, though Lord Shepherd refused to accept that we had reached such an impasse. I believe, however, that these talks have been useful, if only in clearing away some of Sir Omar's illusions. Where before he flatly refused to accept the realities of the situation and pinned his faith on Allah and The Queen, I think he is now beginning to realise that we do mean what we say and that short of a miracle (which he at last sees to be much more improbable than he had previously believed), the termination of British protection is indeed both imminent and inevitable. Whether, in his mind, he has yet taken the next logical step of accepting that 'something is better than nothing' remains to be seen; but at least the seed has been sown and we must hope that it will begin to germinate before Lord Shepherd's visit at the end of March. . . .<sup>2</sup>

<sup>2</sup> In Nov 1971 an accord was signed amending the 1959 agreement between Britain and Brunei. Brunei ceased to be a protected state but the UK continued in its responsibility for defence and external affairs and agreed to consult the Brunei government in the event of an external attack or threatened attack. A new treaty was signed in June 1978. Brunei became a fully sovereign and independent state in Jan 1984.

## **114 FCO 24/843, DOP 4(70)1**

**22 July 1970**

### **'Anglo-Malaysian defence agreement': Cabinet Defence and Oversea Policy Committee minutes on the replacement of the Anglo-Malaysian defence agreement by a five-power agreement**

The Committee considered a memorandum by the Foreign and Commonwealth Secretary (DOP(70) 8) intended to serve as guidance for the Defence Secretary in his forthcoming preliminary discussions with the Governments of Australia, New Zealand, Malaysia and Singapore on the Anglo-Malaysian Defence Agreement (AMDA).

*The Foreign and Commonwealth Secretary* said that in the light of the Committee's previous discussion, there appeared to be general agreement that the Anglo-Malaysian Defence Agreement had to be replaced, and that our objective should be a five-power agreement between ourselves, Australia, New Zealand, Malaysia and Singapore, under which our commitments towards the two latter countries would be no greater than those assumed by the two former. A major point of difficulty with both Malaysia and Singapore, and also with Australia, was likely to be that of measures to deal with externally promoted insurgency. The Governments of Malaysia and Singapore had not so far specifically raised the matter, but they might do so during the Defence Secretary's visit. The Australian Government had informed us that they contemplated the use of their forces to counter externally promoted insurgency, but not to maintain internal civil law and order: but it was difficult to define the point at which internal disorder ended and insurgency began. If our forces in the area were to be used to counter insurgency they would have, in order to be credible, to include an infantry element. But the presence of such an element, especially if it were combined with too explicit a commitment to a counter-insurgency role, would make it more likely that we might become involved to an undesirable extent in the maintenance of internal order. There were thus strong arguments in favour of limiting our contribution, in terms of troops on the ground, to the minimum necessary to ensure credibility and confidence in our goodwill.

*The Defence Secretary* said that he agreed with the Foreign and Commonwealth

Secretary's memorandum, which had been prepared in consultation with him. In view of the many uncertainties he was strongly in favour of any future defence agreement to be negotiated in replacement of AMDA being subject to a time limit of, say, five years. He agreed with the view expressed in the memorandum that any attempt on the part of the Australians to reserve their position in regard to East Malaysia would have to be resisted. There were however indications that the Australians were coming round to our views on this. In discussion there was general agreement that the AMDA should be replaced by a five-power agreement on the lines set out in the Foreign and Commonwealth Secretary's paper and its annexes, and that the agreement should be subject to a time limit, or at any rate to periodic review. The proposed new agreement should supersede the AMDA; and it would be essential to avoid the confusion which would arise if the two agreements were to remain in force concurrently, even for a short period. Stress was laid on the importance of not encouraging expectations which, in the light of the forthcoming review of public expenditure and of our commitments, present and potential, in other areas, might have to be disappointed.

*The Prime Minister*, summing up the discussion, said that the Committee were agreed on the desirability of replacing the AMDA by a five-power agreement on the lines proposed, and that this should be subject to a time limit or to periodic review as appropriate. The Defence Secretary, in his discussions with the four Governments, which would be of a preliminary and general character, would be guided by the Foreign and Commonwealth Secretary's memorandum and by the points made in discussion. In any public statement in the course of his tour, the Defence Secretary should stress that while it was our intention to help in maintaining the security of the area, we would not be playing the dominant role we had occupied in the past. The Foreign and Commonwealth Secretary should inform the Cabinet orally on the following day of the decisions reached.

The Committee:—

1. Took note, with approval, of the Prime Minister's summing up of their discussion.
2. Invited the Foreign and Commonwealth Secretary to report orally to the Cabinet on the lines indicated in the Prime Minister's summing up.<sup>1</sup>

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<sup>1</sup> Carrington visited Singapore, Malaysia, Australia and New Zealand in July and August 1970. As a result the UK agreed to provide five frigates/destroyers, of which one might be a guided missile destroyer, East of Suez including Hong Kong; a UK battalion with an air platoon; an artillery battery; an engineer troop; one flight of six Whirlwind helicopters; and up to four Nimrod long range maritime reconnaissance aircraft. With the exception of the forces based at the Commonwealth Jungle Warfare Centre in Malaysia (a joint scheme in which the UK had agreed to participate as it provided training experience), UK forces (numbering 4,500) would be based at Singapore. Additionally, at the request of its allies, the UK agreed to provide the additional commitments of a submarine (contingent on the provision by the Australians of a submarine presence in the area); the occasional detachment of medium-range transport aircraft; and a small number of personnel for the proposed Integrated Air Defence System. The budgetary cost, estimated to fall within the lower range, was £5million–£10 million per year during the first three years and could be contained within agreed defence ceilings (CAB 148/102, DOP(70)26, Carrington memo, 1 Oct 1970, and CAB 148/101, DOP 7(70)4, minutes, 5 Oct 1970).

A new five-power arrangement for the defence of Malaysia and Singapore was agreed at London in April 1971 by Britain, Australia, New Zealand and the two countries concerned. A Joint Air Defence Council was set up, together with a Joint Consultative Council to provide a forum for regular discussion at senior officer level. The automatic commitment under the Anglo-Malaysian Defence Agreement was superseded in Nov 1971 by an obligation only to consult.

**115** FCO 24/885, no 1

2 Oct 1970

**'Farewell to the lion city': valedictory despatch from Sir A de la Mare to Sir A Douglas-Home**

To the extent that your predecessors gave me any directive at all when they sent me to this post in January 1968 it was that I should try to keep relations with Singapore smooth and friendly during the delicate period when, against our earlier pledges, we were in the process of withdrawing our military forces from here by the end of 1971. I was told to try to keep the boat from rocking.

2. I am now shortly to leave Singapore and I suppose that in accordance with the usual custom I am expected to give an account of my stewardship. I do this with reluctance, because I am, I hope, by now sufficiently experienced in the ways of the world to recognise the foibles of human nature, which impel all of us to exaggerate our successes and to draw a discreet veil over our failures.

3. Let the veil be rent: Had I composed this despatch two months earlier I would certainly have fallen into temptation. I would have contrived to suggest that I had not done too badly. I would have invited your attention to Lee Kuan Yew's most difficult frame of mind when he visited London in January 1968, only a few days before my arrival here, smarting as he then was under the twin affronts of our devaluation of sterling, from which he claimed to have lost a lot of money, and of the announcement of our early military withdrawal from Singapore, from which he would so quickly and so unexpectedly lose both his security and a substantial part of his national revenue. I would then have led you gently through the sinuosities of the following two-and-a-half years, showing how I had nursed, cajoled and humoured Lee through many a vicissitude and potential crisis until that blessed day in June last when your party returned to power, relieving him of his anxieties and frustrations, and me of the burden of diverting him from translating these into hostile action. I might even have claimed that I knew and understood him.

4. Alas for my illusions! As I now prepare to leave I must frankly confess how little I know this most enigmatic of men. In mid-June he was expressing delight and relief at the result of our general election, and was forecasting a long and happy period of mutually beneficial co-operation; in mid-July, when I presented to him the insignia of Companion of Honour which Her Majesty had bestowed upon him, much to his apparent gratification and that of most of Singapore, even a more than casual observer might have been forgiven for thinking that the special relationship between Britain and Singapore was stronger than ever; by mid-August this same Lee, with the most blatant cynicism and contempt both for reason and decency, was compelling reluctant workers at Singapore Airport to harass a British airline, to subject its innocent patrons to all manner of inconvenience, discomfort and hardship; and, in pursuit of that harassment, to violate a service contract with that airline which he himself had earlier sanctioned. It was, he told me, a 'controlled exercise' to teach us a lesson.

5. The lesson I have learned is not the one he intended. In these last few weeks I have had to subject myself to a painful reappraisal of assumptions which I had hitherto held valid. With the Conservative return to power at home I thought that my task here would be much easier. It is perhaps wryly amusing that Lee's one public unfriendly act towards Britain in my time here should have been taken not during

the régime of your predecessors, the authors of his frustrations, but under your own Government whose advent he had so heartily desired. What is not so amusing, except to the wholly cynical, is the light which this unhappy episode has thrown on Lee's character and tactics. I have sufficiently reported this in its place: all I need but must say here is that in a matter of expediency Lee will brush aside all sentiment and all tradition, and will treat his best friends just as shabbily as he would his worst enemies. I had occasion from time to time warn your predecessors of this dangerous trait in his personality, but I confess that I had hoped it would never manifest itself in so brazen and shameless a form.

6. Yet I cannot but like him; and when I took leave of him, at the height of our dispute over his treatment of BOAC, neither of us thought it incongruous that we should combine, in one and the same session, a most forthright condemnation of each other's actions with the warmest protestations of mutual affection. We parted as antagonists, but as friends. I can claim no credit whatsoever for the personal relationship that developed between him and me, and which we maintained without breach. As far as I am concerned it just happened. He, on the other hand, is never backward in claiming credit for anything: some time ago, in conversation with a third party, he allowed that he and I got on well. He then fell to musing as to why this should be, and concluded: 'Well, I suppose it's because I'm a bit of a thug, too!'

7. But I have often told the Department that Lee is not Singapore, and in this valedictory despatch I must not give the impression that he is. How do Britain's relations with Singapore stand? Occasional lapses like the recent one notwithstanding, the special relationship remains. In my time here it has undergone a marked and I think a salutary change. It is no longer that of patron and client, but of sovereign equals. It will go through further changes as Singapore's economic growth develops and she establishes and expands business connections with other Powers. It is now already some time since Singapore ceased to be a monopoly market for Britain—indeed there was hardly any time when it was—but from now on we shall have to fight far more vigorously than we have done hitherto to maintain our share against the aggressive encroachment of others, especially the Japanese. We are now perhaps better equipped locally to do this than we were when I arrived. I found the British business community split. This was almost entirely the work of one troublemaker but he had caused such dissension that it was then hardly possible to bring members of the rival factions together under the same roof without risking unseemly vituperation. I set myself the task of repairing the breach and although there is always danger of another outbreak as long as the trouble-maker remains in Singapore I think I can say that the members of our business community are now more disposed to quarrel with their problems than to quarrel among themselves.

8. In our political relations we shall have to expect occasional difficulties, for the practice of 'compensating' is generally accepted here as the right policy for Singapore to follow. When Lee has a bout of 'compensating' against us he is impelled to make it more offensive than need be because he suffers from the same love/resentment complex towards us as the Emperor William II did towards Queen Victoria; other Singaporean leaders do not suffer from this complex and would I think if at all possible prefer to compensate in a less public and more seemly manner. They would not, like Lee, find it necessary just before going on a visit to London to cock a public snook at Grandmama; but they would still find means of letting her know that they are no longer tied to her apron-strings.

9. This line of thought tends to suggest that except for the sometimes childishly petulant Lee and those of his sycophants who see advancement in aping him the Singaporeans are grown-up. Are they? I would say that they have grown up too fast. The Straits Chinese—and that means Singapore, for the minorities who make up some 20 per cent of the population do not count—are self-made men who have gained power and affluence by hard work, tenacity and business acumen. They have been immensely successful, and success, particularly in a race naturally self-reliant to the point of cockiness, tends to make men overreach. The Singaporeans, with their minute power-base and a population of only 2 million, cannot expect to make such a showing in the world as do the Japanese, but while they dislike and fear the latter they feel a sneaking admiration for them for having, in a bare quarter of a century since total defeat, out-smarted, out-guessed and out-manoeuvred the rest of the business world. And if the Singaporeans concede to Japan the palm of Asian success story No. 1 they have no doubt at all that they are Asian success story No. 2. But just as, I suspect, many Japanese prefer not to face the fact that part at least of their success stems from good fortune, notably the guilt-complex of the United States, and that sooner or later the privileges and advantages thrust upon them will be withdrawn, so I believe many Singaporeans prefer to forget that it was one thing to make money while a benevolent foreign Power provided the necessary setting for the acquisition of wealth, but quite another thing now that they themselves have to shoulder the responsibility and financial burden of independence. To be fair, some of the more mature Singaporeans do realise this, and while lip-service is everywhere paid to the goddess of Sovereignty there are those among the older generation who secretly hanker after the good old colonial days when, while the complaisant British undertook the necessary but unprofitable tasks of administration, they themselves could address their single-minded devotions to the goddess of Mammon. If you asked the Chinese Singaporean why he was put on this earth he would without hesitation reply: 'to make money'. Independence and sovereignty are expensive, and the Singaporeans, like many other newly-independent nations, are discovering to their chagrin that their own tax-masters are harder on their pocket than were the much-maligned colonialists.

10. This is not to suggest that those whom Mr. Lee Kuan Yew would call 'the élite' are unhappy with their new responsibilities. In his Cabinet and in the senior ranks of the Civil Service there are many men of high competence and dedication who share his determination to keep Singapore going as a viable sovereign State. If he were suddenly to disappear from the scene Singapore would certainly lose the charisma which only he provides, but it would continue without hitch or upheaval on its booming course.

11. But, with or without Lee Kuan Yew, will Singapore overreach itself? There is some danger of this. Standing as it does athwart one of the main trade and strategic routes of the world this tiny republic is a prize which its neighbours covet. They also envy its success and prosperity. None can expect it to abate its prosperity in order to soothe the feelings of those who, with immeasurably greater natural and material resources, lack its grit, steadfastness and willingness to work; yet there is such a thing as consideration for the feelings of others, and the Singaporeans at times forget this. Their uneasy relationship with their immediate neighbours is due as much to the air of superiority which they tend to flaunt as to the intrinsic fact that they *are* superior. The comment that they are getting too big for their rather small-size boots is being increasingly heard, and from their friends as well as from their enemies.

12. I suppose that in a despatch of this kind one is expected to say something about the policy of non-alignment. I propose to say very little, for non-alignment is a non-policy. It is a suitable theme for use at Lusaka, but the Singaporeans are far too astute to fail to see not only its essential fraudulence but also its potential dangers. The same applies to regionalism. They will follow it while there is commercial advantage in so doing; but a regional political alignment would in practice mean the subordination of the Chinese individuality of Singapore to the non-Chinese concepts of Malaysia and Indonesia. To the Singaporean this is not only repugnant, it is impossible. It is of course also impossible that a State as small as Singapore and in its geographical setting should be able to go its own way entirely impervious to developments in its immediate surroundings. The Singaporeans know this and accept it, but they are doing all they can both by developing their own defence and by diversifying their export markets to minimise the dangers of their environment.

13. People who work hard with brawn and brain deserve to succeed, and the Singaporeans work hard with both. They make mistakes, they have a touch of arrogance and insensitivity, they are materialistic and grasping. But they have purpose, drive, vision and above all tenacity. Their simplicity has hitherto not been marred by spurious pretensions to culture, and they have no chips on their shoulder about being the sons of toil. Honest labour ennobles them, and their very industry commands respect. Some observers are repelled by their self-righteousness, but theirs is not the self-righteousness of the Indians, based on nothing but conceit, but rather that of the Americans before their confidence collapsed, and is based on the knowledge of achievement. It is brash but not nauseating and it is largely neutralised by their many qualities. With time and the march of so-called progress they will lose some of their simpler communal virtues: the working-man will adopt the still outlandish notion that Jack is better than his master: the new denizens of high-rise urban apartment buildings will not for ever remain the kindly, uncomplicated people so long inured to the natural life of the *kampong*.<sup>1</sup> With a few notable exceptions the rich have hitherto shunned the public ostentation of wealth, both to deflect the jealousy of the gods and to fool the tax-man. But the power of the gods is waning, and the tax-man is no longer easily conned. Elaborate, expensive, tasteless and crashingly boring entertainment at the 'de luxe' hotels and night-spots springing up all over Singapore is becoming widely regarded as the accepted way to consummate the union between wealth and 'gracious living'. Singaporean hostesses, may heaven forgive them, are beginning to read Emily Post.<sup>2</sup> The social homogeneity born of a common urge for self-improvement is loosening, the 'rugged society' of Lee Kuan Yew's ideal is already being eroded by hedonism, and the disorders of sophisticated urban society are not far away. I consider myself fortunate to have known the Singaporeans at their simple best: my successors may not, I fear, find them as likeable as I have.

14. It is now 34 years since I first saw Singapore, and though until I took up my present post I had never lived here for any length of time it has long exercised a strange fascination upon me, both attractive and repellant. Attractive because of its vigour, industry, bustle and thrust: repellent because every day I am reminded of the shame of 1942. It was as a diplomatic prisoner in Japan that, on my birthday, I heard of Singapore's surrender. Mercifully for all of us held captive in the enemy's capital

<sup>1</sup> *Kampong*: a Malaysian enclosure or village.

<sup>2</sup> Emily Post, America's foremost etiquette authority.



we were then too numbed and too uninformed to realise that what had taken place was not only an appalling military disaster but the most shameful disgrace in Britain's imperial history. It was only later that we heard of the irresolution, the incompetence and the bungling of those charged here with the duty of defending not merely Britain's military interests, but her very name. One may or may not regret the passing of Empire but no loyal British subject living in Singapore can forget that it was here that the hollowness of the imperial ethos was so cruelly and so shamefully exposed.

15. Reminders of that shame beset me daily. It is not the people of Singapore who remind me of it, for no Singaporean has ever mentioned February 1942 to me in criticism or reproach. But history is too near, and the smell of our ignominy still hangs in the air. The very house I live in was occupied by the Japanese Commander of Singapore Military District; every time I drive along the Bukit Timah Road I relive, in imagination possibly even worse than the actual reality, that hour of dishonour at the Ford Motor Works; the monument erected near the Padang to the local Chinese victims of Japanese atrocity is a memorial not only of Japanese savagery but also of our betrayal of our trust. And it does not relieve me to recall that the military pomp and ostentation—not to say the arrogance—with which we reoccupied Singapore was a sham and a fraud, for we reoccupied it not by our own efforts, but by an American atom bomb dropped on Hiroshima.

16. It has not always been easy to represent Britain in a place of such unhappy memory. It has not been made easier—though I do not refer here to personal associations—by the presence of a vast, lavish British military establishment. Since our return in 1945 we have sought to expunge the shame of 1942, and the uncomfortable knowledge that we returned on the back of the Americans, by a garish display of military extravagance, appropriate perhaps to the imperial days of Kipling but incongruous and unseemly in today's world. Our military establishment has done good work, notably during the emergency in Malaya and during confrontation with Indonesia, but its pretentious ostentation provokes the sniggers of our critics and embarrasses our friends. I believe that most of, perhaps all, our senior military officers here are conscious of this and welcome, as I do, the more modest and seemly proposals you have for the future. Considerations of expense require this: a decent respect for the opinions of mankind demands it.

17. And yet, though I did not seek this post and had considerable doubt about the wisdom of accepting it, in retrospect I am grateful for having been entrusted with it. No post is ever idyllic, and this one has had its ups and downs. But my wife and I have made many new friendships here, which we have reason to hope will be lasting. I have found the Singaporeans tough in business matters, and occasionally unreasonable and difficult, but looking over the whole picture of my time here I can certainly not complain of them. Mr. Lee Kuan Yew has taught me a thing or two about the unpredictability of human nature—or at least of his—but my association with him has been most enjoyable and stimulating. Ministers, officials, businessmen, lift-boys, my servants and the sweeper who cleans the road in front of my house—all have a friendly wave or a cheerful greeting. They are good people, and without any reservation whatsoever I wish them well.

18. Nor is it only for these more personal reasons that I am grateful to the Singaporeans. We have a national reason for being grateful to them: it is they, more than anyone else including ourselves, who have done most to restore the British

image in East Asia. For, unlike the present rulers of many other former British possessions they have not only maintained the heritage we left them, they have improved upon it. In so many other places the governmental and civil structure we left behind has fallen into misuse, corruption and decay. Here it is kept in first-class working order, furbished and efficient, a tribute to Stamford Raffles, who remains the national hero, and to the able and dedicated civil administrators who followed him. It is a tribute to them, the people of Singapore, that they remember us, not as the military bunglers who brought upon them the agony of three and a half years of Japanese terror, but as the honest and just administrators who for almost a century and a half helped, guided and supported them as they transformed an uninhabited malaria-infested swamp into the model of peaceful and ordered prosperity which Singapore is today. They are justly proud of their own achievement, but they willingly bear witness that it was we who made it possible. The foreigner who now visits Singapore is heartened to see what Asians can do, but he cannot but reflect also on the colonial Power which created the setting, educated the present leaders, trained them in the arts of business, administration and self-government, and finally, when the time came, handed over power to them not reluctantly or with recrimination but in friendship and goodwill. And if that foreigner is himself a man of goodwill he must acknowledge that Britain too has reason to be proud of her handiwork.

19. And so I come back to the fascination which Singapore must exercise on the loyal Briton conscious of his country's history. It will bring back unhappy and poignant memories of military disaster, but it will also evoke his pride in a record which, marred only by the débâcle of 1942, spans 150 years of honourable endeavour and achievement. I am confident that when history separates the wheat from the chaff it will be on that achievement that Britain will be judged here.

20. But we, like the Singaporeans, must remember Raffles. It was not as a military man but as a trader that he came here, and it is by trade that his vision will be accomplished. It is our traders, our entrepreneurs, our investors and our businessmen who must lead for Britain in Singapore in the 1970s.<sup>3</sup>

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<sup>3</sup> FCO officials variously described this despatch as 'eloquent' and 'challenging' but they also found points to criticise. It was suggested de la Mare might have made the point that for all its economic, political and strategic importance, and the status of its leader, Singapore was still 'a small place' where anyone—a minor politician, journalist or civil servant—who expressed views at odds with PAP philosophy or who fell foul of Lee Kuan Yew 'has a very limited future ahead of him' (minute by C A Munro, 19 Oct 1970). J S Chick commented that the reference to the size of the UK defence establishment (para 16 of the despatch) was likely to raise 'hackles' in the MoD (minute, 21 Oct 1970). Chick advised against circulation to other departments but he was overruled.



## CHAPTER 4

## Persian Gulf

Document numbers 116–137

**116** FO 371/174742, no 1

27 Sept 1964

‘Impressions of a Dubai post’: despatch from A J M Craig<sup>1</sup> (Dubai) to the acting Resident, Bahrain

[The Resident at Bahrain was the senior British official in the Gulf, with supervisory authority over political agents in Bahrain itself, Kuwait, Qatar, the Trucial States (later the United Arab Emirates), and Oman, an independent and sovereign state in international law but in practice a British protected state.]

The title of Her Majesty’s Political Agent, I have the honour to submit, is an exceedingly romantic one. Even the dourest would not deny that it carries a less prosaic, less workaday ring than Commercial Officer or Second Secretary (Information). It has, to begin with (despite a lamentable increase of one-third in our numbers over the past three years) a growing scarcity value. To the best of my knowledge only four of us survive: and there is at times an enjoyable feeling of political agents *contra mundum*. The name, too, is rich in associations. It belongs with those other old and evocative titles: Collector, Resident, District Commissioner. It suggests remoteness in time and in place. One feels that a Political Agent is (or should be) at the end of the line, one of those originals on whom the sun used never to set, the final executive blood vessel in the network of arteries that stretched out, long, efficient and complex, from the distant heart of empire: the true *ultima ratio regum*. The ghosts of dead colleagues rise up: in the club at Mandalay, saddling their horses in Peshawar, haranguing the tribes in the Kalahari. And the nostalgia grows with the awareness that one is very nearly the last of that very long line, those thousand men who month by month sent back their despatches to the district headquarters, to the provincial capitals, and finally to the red boxes of Whitehall. Oh my Wilson and my Cox<sup>2</sup> long ago!

2. I take the view, it will now be evident, that, having been given a title, one might as well enjoy it. But the times are changing. There has been criticism, as your Excellency knows, of the imperialist flavour of the name, and talk of adopting something more consonant with our egalitarian world. The nature of the post is also changing. Already the functions of my colleagues in our sophisticated neighbours, Bahrain and Qatar, are inclining more to the ambassadorial and less to the pro-consular. Dubai has begun to take the same well-trodden road and perhaps before

<sup>1</sup> HM political agent, Trucial States, 1961–1964.

<sup>2</sup> Sir Percy Cox, agent, Muscat, 1899–1904, Resident, Persian Gulf, 1904–1913; Sir Arnold Wilson, soldier, explorer, administrator, author; political service in Persia, 1907–1913; acting civil commissioner and Resident, Persian Gulf, 1918–1920.

long will be catching up. The gunboats still call, but they are less peremptory than before. The Political Agent still commands, but more often now he suggests or advises.

3. Yet on the Trucial Coast, more perhaps than anywhere else, the old régime persists. The atmosphere is on the one hand imperial India. The guard at the compound gate hoist the flag at sunrise, and all day long it looks down upon the dhows and ferryboats in Dubai creek. Below the windtowers the bazaars are crowded with Sindis and Baluchis, Bengalis and Pathans, *dhobi-wallahs*, *babus*, and *chokidars*.<sup>3</sup> The Agent sits in court below the Royal Coat of Arms and sees the old procession of clerks and petition writers. His servants wear turbans and puggarees and long *shirwani* coats. He inspects gaols and pursues smugglers, runs hospitals and builds roads. He takes the salute from the Trucial Oman Scouts on a sandy barrack square, amid ornamental cannon, pennants on lances, bugles and pipes and drums. He makes State tours with reception tents and dining tents and sleeping tents, trestle tables, carpets and military escorts. He is very much a *bara sahib*.<sup>4</sup>

4. But he is also a sheikh. All year round he sits and receives his callers: Rulers with business of State; tribesmen with pastoral complaints; conspirators with offers of partnership; wealthy merchants seeking agencies; gold smugglers seeking passports; schoolboys seeking scholarships to England. To each he offers, through his coffee-maker girt about with the great silver dagger, the tiny, handleless cups of black spiced coffee. Twice or thrice a year he sits in full *majlis*<sup>5</sup> while the visitors pour in with congratulations, sweetmeats, Christmas cakes and fat goats. His letters are addressed to 'His Honour, the Most Glorious, the Magnificence of Her Majesty's Trusted One in the Trucial States, the Revered'. He decides fishing disputes, negotiates blood-money, examines boundaries, manumits slaves.<sup>6</sup> He presides over the Shaikhs' Council. He exempts, pardons, appeases; exacts, condemns, ordains. Over a large but undefined field he in effect rules. It is all a far cry from the third room and the Foreign Office canteen.

5. It is important, I may break off to remark, that the sheikhly nature of the Political Agent should be thoroughly appreciated in the department. It may well be difficult for his fellow clerks, who have often seen him—and will no doubt see him again—making the office tea in a drab Whitehall corridor, to picture him as an oriental potentate among the grey-haired dervishes. The effort, arduous and even comical though it may be, must nevertheless be made. Without it, not only will the Agent seem intolerably pompous when he goes home on leave; his colleagues for their part will fail to understand the curious necessities which his post involves. What can he be doing with two maunds of cardamon and a bag of charcoal? For what purpose has he had his censer repaired? Why does the coffee-maker need (of all things) a dagger? Such questions, Sir, are pardonable. But they must be asked from a deferential and an understanding heart.

6. The Political Agent has, forbye, more orthodox functions. He must persuade Rulers and influence public opinion. He must justify (stern task) the workings of the United Nations and intercept the policies of the Arab league. He must help negotiate oil concessions. He must expound the need for a law on workmen's compensation

<sup>3</sup> *dhobi-wallahs* (washer/laundry men/women), *babus* (office workers, clerks), *chokidars* (guards, watchmen, sentries).

<sup>4</sup> *bara sahib* (important person, bigwig).

<sup>5</sup> *majlis* (assembly, parliament).

<sup>6</sup> Freed slaves.

and even, in settling sea frontiers, explain to an illiterate sheikh the principle of constant equidistance involved in the trigonometry of the median line. He must be severe and masterful when he feels insignificant and ill-assured. He must at times be as diplomatic as any conventional diplomatist.

7. But above all he must travel: in a long and ceremonious caravan or in a solitary Land Rover; in his own dhow or in an R.A.F. aeroplane; at speed across the gravel desert, slowly and painfully through a mountain wadi, or stuck altogether in the mud of the salt flats. This is his Crispin's Day that will live into his old age. Long after the minutes and the submissions and the sub-committees have faded, he will remember waking on the great plateau to the scuffle and the mutter of the bedu at their dawn prayers; coming out of the tent to see them huddled in their skimpy cloaks round the fire waiting for the blackened coffee-pot to heat up; the hawks behind them on their perches, now huddling in against the cold, now fluffing out their feathers to dry off the night-dew. Or being called out from a party with a message of a shooting in the hills; the scurry round for a drive and a bed-roll and then out of the Agency gate and away across the salt flats into the dunes; sleep in the sand beside the track, then up at first light and through the mountains to where two groups of bandoliered tribesmen wait for him nervously. Nor will he forget the incense and the rose-water proffered by his host at the end of a stiff and dusty journey, or the chanted, stylized greetings, strophe and antistrophe, of the desert bedu, or the Agency dhow at anchor in the bay of Dibba with the Red Ensign fluttering improbably over those unheard-of fishermen.

8. All this will pass one day and we shall be centralised and standardised. The powers and the privileges, the discomforts and the eccentricities—all will vanish, and with them the fun. Meanwhile, Political Agent Dubai is a splendid job in a splendid place. When the name is changed and the first consul or Ambassador arrives, it will indeed be the end of a very auld sang.

## **117** FO 371/174489, no 28

11 Nov 1964

[Relations with Gulf states]: despatch from Sir W Luce<sup>1</sup> (Bahrain) to Mr Gordon Walker on British interests and policy

[Extract]

I have the honour to submit some reflections on the relations between Her Majesty's Government and the Persian Gulf States of Bahrain, Qatar and the seven Shaikhdoms of the Trucial Coast, and certain suggestions as to how those relations might be modified in the future to bring them more in line with modern conditions and requirements.

2. For the purpose of this despatch, I make the following broad assumptions which are based on the directive contained in Lord Home's despatch No. 77 of the 25th of May, 1961, to me and on the results of subsequent reviews of policy:—

- (a) that the continued stability of the Gulf area, including, Kuwait and the Sultanate of Muscat and Oman, is an important British interest;

<sup>1</sup> Sudan Political Service, 1930–1956; governor of Aden, 1956–1960; Resident in Persian Gulf, 1961–1966; personal representative of secretary of state for foreign and Commonwealth affairs in the Persian Gulf, 1970–1972.

- (b) that, in default of a valid alternative guarantee of stability, Her Majesty's Government should maintain a close political relationship with the Gulf States;
- (c) that, the Gulf area being a power vacuum, a political position alone would be insufficient to ensure stability and that some military presence is therefore also necessary.

The problem, as I see it, is how best to regulate our relations with the Gulf States to meet these requirements without generating in the future such pressures and hostility, both external and internal, as might jeopardise our whole policy. Her Majesty's Government's relations with Kuwait were 'normalised' in 1961; the Sultanate of Muscat and Oman is a fully independent, sovereign State and it is the improvement of its public image rather than any change in our relationship with it which concerns us. This is a rather separate problem which has been the subject of much discussion and correspondence. It is therefore with the nine States mentioned above that this despatch is concerned.

3. In examining this problem it is necessary first to look at the pattern of our present relations with the nine States. The enclosed memorandum<sup>2</sup> sets out the various aspects of the relationship which has arisen from a series of treaties and agreements made over the past 150 years. There are certain salient features which emerge from this study. Throughout almost the whole of the 19th century Her Majesty's Government, operating through the Government of India, were concerned primarily with the cessation of piracy and maritime strife within the Gulf and with the suppression of the slave trade. It was not until 1892 (1916 in the case of Qatar) that Her Majesty's Government assumed full responsibility for the external relations of these States under a series of exclusive agreements and that the status of a British Protected State was conferred upon them. Even so, British control and influence were exerted with a light touch by the Government of India for the next 50 years and it was a matter of policy to avoid any close involvement with the affairs of the States. After the Second World War and coincidental with, though not altogether consequential upon, the transfer of responsibility for Gulf affairs to the Foreign Office, there was a marked change in interpretation and application of British rights and obligations in respect of the States. Foremost was the recognition that protection of the States and responsibility for their external relations carried with them an indirect but none the less real responsibility for what went on, inside the States. We came to realise that we should not be responsible for the protection of something over which we had no control; in the era of Trusteeship it was wrong to protect something rotten without assuming limited powers to make it sound. This concept was embodied in the agreement of 1948 with a new Ruler of Ras al Khaimah and even more strongly in the agreement of 1951 with a new Ruler of Sharjah, although in practice our dealings with these two States have not differed from those with other States. A responsibility for security among and within the Trucial Shaikhdoms was recognised by the creation of the Trucial Oman Levies (now Scouts). Other manifestations of closer involvement in the affairs of the States in the post-war years have arisen primarily from the development of oil exploration and production in the Gulf. The influx of foreigners employed by the oil companies and engaged in the expanding business which came with new-found wealth led to

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<sup>2</sup> Not printed.

expansion and professionalisation of the administration of British jurisdiction and increased control of immigration and residence. The granting of oil concessions and the need to define their limits have exacerbated a number of inter-State land and seabed boundary disputes and involved Her Majesty's Government heavily in their settlement. On their part, the Rulers and many of their subjects have come in recent years to value the benefits of British protection more highly than before. Developments in the Arab world over the past 15 years have made life more precarious for these States. The Kuwait crisis in 1961<sup>3</sup> convinced other Gulf Rulers of the disadvantages and even dangers of full independence. They are happy too with Her Majesty's Government's responsibility for their external relations particularly when it is exerted as flexibly as it is; it provides them with convenient shelter from what they regard as dangerous external influences without unduly restricting their contacts in friendly quarters abroad.

4. My purpose in this brief survey is to show that the present-day degree of Her Majesty's Government's involvement with the Gulf States, though based on earlier agreements, is of very recent origin and has come about partly by deliberate act of policy and partly by force of circumstances. We are concerned with a live, indeed robust and evolving, relationship and not with one which has withered from old age or lingered on beyond its useful life. It follows that it cannot be quietly disposed of by burial; it can be changed either by a surgical operation or by a carefully planned and sustained course of treatment. What follows in this despatch will show where my own choice lies.

5. As I see it, there are three dangers to the well-being of this relationship. The first is external and comes from sources which are hostile both to the existing shaikhly régimes in the Gulf States and to Britain's special relationship with them. I refer primarily to the United Arab Republic and Iraq, operating on their own accounts and through the Arab League and the United Nations. In my view the motive force behind this hostility is not so much disapproval of the British position in the Gulf *per se* but is compounded of resentment at the obstacle it presents to the achievement of their own ambitions to dominate the Gulf and its vast oil resources, and the ideological affront to Arab nationalism constituted by the continued presence of 'imperialism' in part of Arabia. If their ultimate aim is to destroy it lock, stock and barrel then there is clearly a limit to the extent we can safely weaken the relationship in the hope of reducing their hostility in the short term. The second danger comes from within the Gulf States, from the growing educated element which resents the restrictions of traditional shaikhly rule and to which Arab nationalism, with its revolutionary tendencies, makes a strong appeal. It is through the external exploitation of this educated minority that these two dangers are linked. Apart from the attitude of the young educated class towards shaikhly rule, it is not difficult to direct its unfavourable attention to the British position in the Gulf with cries of imperialism and other popular slogans. The defence against this internal danger lies primarily in the hands of the Rulers and their families. I do not wish to over-estimate the extent or degree of discontent with the whole concept of shaikhly rule. I believe that even in the more advanced States of Bahrain and Qatar, the really militant, revolutionary so-called nationalists are very few in number and that they are motivated less by consideration for the interests of the people generally than by a desire for power. In my opinion it is

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<sup>3</sup> For the Kuwait crisis of 1961, see pp cxxv, note 13.



by no means too late for the Rulers to remove much of the discontent of the educated class by adaptation of their methods of government and by judicious economic and social development to give greater scope for its abilities and aspirations, and a stake in continuing stability. It is here that our relationship with the Rulers has still a very important part to play, through exhortation and persuasion.

6. This brings me to the third danger, a certain lack of confidence in ourselves and a feeling that there is something not altogether respectable in this modern age about our position in the Gulf. A criticism often heard is that there must be something wrong with a position which involves Her Majesty's Government in the support of feudalistic and anachronistic Shaikhs. I consider this criticism ill-founded. If the stability of the Gulf area, and therefore of its component States, is important to us, whom else are we to support? The ruling families of the Gulf are all deeply rooted and still command the allegiance of the great majority of their people. Effective power remains firmly in their hands. It is true that they and their States would long since have been swept away by external aggression had it not been for our protection. But it has suited us over the years and for a variety of reasons to preserve them and it is hardly logical or honourable to disown them now. Moreover, had they been absorbed by their neighbours, I see no reason to suppose that these territories would have been better or more democratically governed to-day than they are by their Rulers. On the contrary, I suggest that they would be a good deal less well governed. The only alternative at present to the continuation of shaikhly rule is violent revolution, either by the local security forces or by some group within the population. There are no present indications that the security forces of Bahrain and Qatar are anything but loyal to their Rulers. They are commanded and partially officered by British personnel and lack any effective Arab leadership. On the Trucial Coast the only force of any significance is the Trucial Oman Scouts and that is British paid and British officered. As for 'popular' revolution, there are, as I have said, small groups of militant potential revolutionaries linked closely with the U.A.R. in the name of Arab nationalism. They could not at present hope to stage successful revolutions in the face of the Rulers' security forces without strong intervention from Egypt or Iraq. Nor could they form an effective Government. Such a situation could hardly be welcome to Her Majesty's Government. There is, I believe, also a more positive reply to the criticism I have quoted. There is nothing intrinsically wrong with shaikhly rule; it only becomes bad, like any other form of government, when it is exploited to the personal advantage of the Ruler or when it fails to adapt itself to the changing needs of society. That there are some bad Shaikhs in the Gulf is as evident as that there are some bad 'democracies' in other parts of the world. But it should be our aim to improve the performance of the curable and in the last resort to root out the incurable, rather than to sweep away the whole system for—what? Shaikhly rule has shown itself to be not incapable of adaptation to changing conditions and needs. Kuwait is a notable example of this and Bahrain a more cautious one. But even in Kuwait ultimate power remains in the hands of the Amir and his family and it is noteworthy that after three years of full independence, growing parliamentary institutions and increasing association with the outside world, the Kuwaitis show no signs of wanting to overthrow this system. I maintain that the interests of the people of the Gulf and of Her Majesty's Government are better served by such peaceful evolution than by the violence of revolution and the chronic instability and economic distress which it breeds.

7. If the above diagnosis is correct, it seems to me that any plan to change our relationship with the Gulf States should be devised as far as possible to meet the following requirements: it should aim to shed those aspects of our special position which are not essential to our basic purpose but which detract, or appear to, from the sovereignty of the States, thereby reducing the scope for international criticism and strengthening the hand of our friends in the United Nations; it should not weaken the relationship to an extent that would help hostile influences, external or internal, to endanger the stability of the States; it should not deprive us of the opportunity to bring continued pressure and persuasion to bear on the Rulers to improve and adapt their Governments; finally, it should not involve such sudden or drastic change as would shake the confidence of the Rulers in our intention to continue to support the integrity of their States, and so drive them into reinsuring elsewhere. I think it will now be clear that I favour a policy of gradualism, of evolution from the present position, rather than a sudden break with the past. But I recognise that the evolution must not lag.

8. Against this background I propose to consider *seriatim* the various aspects of our relationship with the States and to suggest how they should be handled in a policy of evolutionary change. For reasons which will appear later I will deal first with Bahrain and Qatar.

(a) *Defence and external relations*

I take these two together since they arise jointly from the Exclusive Agreements. The defence of the States from external aggression is the basic requirement of overall stability and it is not yet possible to foresee when or in what circumstances it would be safe to abandon this obligation. Nor do I think we should at present contemplate withdrawing our recent assurance to the Ruler of Qatar of aid against an internal threat. It is true that the performance of the Ruler is unsatisfactory in many respects, but the reaffirmation of our assurance in 1963 was tied to internal reforms and I consider that there is now no automatic obligation to intervene and that Her Majesty's Government are free to decide whether to respond to a call for aid in the light of their own interests and the circumstances at the time. Responsibility for external relations, though perhaps less obviously basic to our purposes than defence, is nevertheless one which I think we must retain for the time being. In other words, the time is not yet ripe for 1961 Kuwait-type agreements. The Kuwait Government took the initiative in asking for the abrogation of the Kuwait Protectorate Treaty whereas the Ruler of Bahrain has no intention at present of doing so. Although the Ruler of Qatar, partly under the influence of his legal adviser, Dr. Hassan Kamil, claims a freer hand in his external relations when it suits him, there is ample evidence that he too does not wish yet to assume full responsibility. Apart from their lack of resources to undertake representation in foreign countries, any early attempt to compel, or even persuade, these two Rulers to accept full responsibility for their external relations would be the kind of sudden, drastic change as would create just the sort of suspicion of our intentions which I believe it so important to avoid. A particular fear in my mind is that by pushing the Ruler of Bahrain unwillingly into looking after himself in the outside, and especially the Arab, world, we would compel him to withdraw his consent to the stationing of British forces in his State for the same reasons that Kuwait is unable to agree to it. Moreover, as will be seen later, there are various necessary functions which we perform by virtue, directly or

indirectly, of our responsibility for external affairs and which must be shed first and in an orderly manner before we can hand over the responsibility. Another important aspect of this question is the link between our responsibility for external relations and the internal government of the States which has been mentioned in an earlier paragraph. Although I realise that it has been the tendency for international political reasons in the last few years to disclaim any responsibility for internal affairs, I myself believe firmly that direct responsibility for the one gives us an indirect responsibility for the other and therefore the right at least to use the maximum powers of persuasion in the interests of good government. I am the first to admit that this is often very uphill work and the results usually fall far short of what we would wish. But our efforts are not all wasted and we cannot afford to relax them if the States are to have any hope of evolving peacefully and remaining stable. If we force the Rulers to look after their own external relations we certainly could not expect to exert any further influence on the conduct of their internal affairs. While I consider for all these reasons that we must retain this responsibility for the present, we should meanwhile continue to discharge it as flexibly as possible and to encourage the Rulers on all suitable occasions to widen their external contacts, particularly with their neighbours. As we retrocede our jurisdiction (see below) we should urge them to accept consular representation from countries which have sizeable communities in their States. There may also be scope for increased participation in international organisations, particularly those linked with the United Nations; and I should be grateful for advice from your department on this point. By such means we can help to prepare the way for eventual assumption by these two States of full responsibility for their external relations. . . .<sup>4</sup>

10. It remains to deal with [the] seven Trucial Shaikhdoms. I have deliberately separated them from Bahrain and Qatar because the problem of modernising our relations with them is very different. None of these Shaikhdoms has any properly organised form of administration; even Dubai, the most progressive of them, has nothing comparable with Bahrain or Qatar. Some of them are so small that they neither need nor could afford such administrations. It has long been recognised by Her Majesty's Government that there is no viable, long-term future for these Shaikhdoms as individual, independent entities, and that the only real hope of future progress and stability for the area as a whole lies in some form of political integration. Complete unification is not at present a practical proposition and a federal organisation is therefore the form of integration at which we should aim. I have very recently written to your department on this subject and have recommended that we should now make a really determined effort to bring about a federation of the Shaikhdoms. This being so, I am anxious not to recommend at this stage any action regarding the modernisation of our relationship with the seven Shaikhdoms which might conflict with the concept of federation. The creation of a federation would of course greatly facilitate the modernisation of our relationship. Some of our present functions concern matters which I would expect to become federal subjects and the federation would have more efficient services to cope with these functions than the individual Shaikhdoms have or are ever likely to have. Furthermore, as I have remarked in the correspondence

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<sup>4</sup> Sections on—Her Majesty's jurisdiction, immigration control, British Protected Persons passports, awarding of concessions, postal services, control of arms imports, control of dangerous drugs, liquor permits, air traffic control, exchange control—not printed.

referred to above, the creation of a federation would require a new treaty between it and Her Majesty's Government providing for defence and responsibility for external affairs, which could supersede the existing Protectorate Treaties with the individual Shaikhdoms. A treaty of this nature might in turn serve as a precedent which could be put to the Rulers of Bahrain and Qatar as a more desirable form of treaty than their existing agreements. In the light of these considerations I strongly recommend that we should regard federation as the road to modernisation of our relationship with the Trucial Shaikhdoms and that we should not hasten to shed our more important functions to individual Shaikhdoms, at least until we know whether or not we can achieve the federation goal. . . .

12. I have tried to put my proposals for an evolutionary modernisation of the British relationship with the Gulf States in reasonably full and concrete form without overburdening this despatch with detail. If they are generally acceptable, further correspondence with your department on their various aspects will no doubt be necessary. There are however two final points I would like to make. In writing this despatch I have borne firmly in mind that a plan for modernisation must be related to an ultimate objective which is likely to be compatible with the future interests of both Her Majesty's Government and the people of the Gulf States. It seems to me that that ultimate objective should be the emergence, through peaceful evolution, of these States in a form which would enable them to stand on their own feet in close association with their western neighbour, Saudi Arabia; in other words, the concept of Arabian Peninsula solidarity which I put forward in my letter 1040/G of the 4th of February, 1964, to your department. I have tried to frame my proposals accordingly. The second point is that I believe that much of the criticism of our relationship with the Gulf States and of the doubt about its propriety is due to lack of understanding of its real nature and purpose. Facts will not change the attitude of the incorrigibly hostile but they might help the friendly but bewildered to better understanding and a more sympathetic view. I therefore suggest that everything possible should be done to make both the facts and our intentions better known.

## **118 FCO 49/10, no 11**

**28 Sept 1967**

### **'Long-term policy in the Persian Gulf': report by the Defence Review Working Party**

[This memo was the sixth of a series of defence expenditure studies (SC(67)38) conducted by officials in the first half of 1967. Primarily the work of the FO, it was approved inter-departmentally in the Defence Review Working party. Although it was not considered by the DOPC, either at ministerial or official levels (it was submitted to the Official Committee on 7 June), its conclusions were incorporated in the Defence Review Working Party's final report (SC(67)32), and it set out in greater detail than in the report itself the basis upon which officials prepared recommendations subsequently approved by ministers. It was therefore regarded as a statement of the general line of UK long-term policy towards the Gulf.]

#### *I. Introduction*

In accordance with its terms of reference, this paper attempts to study 'our long-term political objectives in the Gulf and the circumstances in which, and the process by which, our military presence might be brought to an end'.

2. Any forecast of developments in the Persian Gulf is subject not only to the normal imponderables affecting the area, but at the present time to an additional one: the effect of our forthcoming withdrawal from Aden and of a possible announcement about our eventual withdrawal from Singapore. These withdrawals are bound to affect the political atmosphere in the Gulf States and, to some extent, their political security and stability. But we have already taken measures, we hope in good time, to guard against subversion; and geographically the Gulf is a less promising target for terrorists than South Arabia has been since the Egyptian involvement in the Yemen.

3. Our present *relationships with the Gulf States* are described in detail below (paragraph 5). The unusual nature of these relationships has given rise to much confusion of thought. Our presence in the Gulf is sometimes described as a quasi-colonial one, and this is in some ways understandable. But none of the Gulf States are or ever have been British colonies; nor are they even British protectorates in the normal (e.g. South Arabian) sense, since we have no constitutional power to intervene in their internal affairs. Kuwait and Muscat are fully independent (although the world is sceptical about the latter); and even the nine British Protected States of the Lower Gulf are, in our official terminology, independent states in special treaty relationship with Britain. This terminology is not just propaganda. The 'independence' of the Protected Rulers is a real restraint in our freedom of action; we cannot exert pressure on them beyond a certain point, and attempts to do so tend to be counter-productive. . . .<sup>1</sup> Short of that point, any pressure which appeared to have our disengagement as its aim would only cause the Rulers to cling more closely to the *status quo*. Change in our position in the Gulf must therefore be undertaken on a step-by-step basis, with the idea of carrying the Rulers with us; and we must not suppose that we could simply hand over our responsibilities to a third party (e.g. Saudi Arabia, see paragraph 21 below), even if there were one capable of taking them on (which at present there is not). On the other hand, we must not allow our terminology to blind us to the fact that there is undoubtedly an imperial flavour about our present exclusive political position in the Lower Gulf—which is hardly surprising since our presence is historically a survival from the days of our Indian Empire. The change in Anglo-Kuwait relations which occurred in 1961 can be regarded as having had some of the characteristics of decolonisation, even though Kuwait had until then been technically independent in the sense that the Protected States are now. In that same sense, the Protected States will need at some stage to be 'decolonised'; and the manner and timing of that process will be intimately connected with the manner and timing of our military withdrawal.

4. Our *military presence* at present consists (or will do by the end of 1967) of the following elements:—

- (a) in Muscat, two RAF staging posts, one on the island of Masirah and the other at the mainland port of Salalah in the western province (Dhofar);
- (b) in Sharjah, on the Trucial Coast, an army garrison of one battalion with supporting arms and services, and an RAF station;
- (c) in the island of Bahrain, an army garrison of one battalion, an RAF station, and a small naval station.

<sup>1</sup> The document reproduced here is a copy, the original being retained under Section 5(1) of the Public Records Act, 1958 until 2008. Approximately three to four lines of text are missing at this point in para 3.

Also relevant to our military presence are our liaison team and a small RAF stockpile in Kuwait and certain RAF units in Cyprus earmarked for use in a Kuwait (or CENTO or other) emergency. The Trucial Oman Scouts in the Trucial Coast are at present British-financed and under effective British control; the Sultan's Armed Forces in Muscat (and the Abu Dhabi Defence Force in Abu Dhabi) are locally financed but British-officered; but those of course are essentially indigenous bodies which can be expected, in one form or another, to survive any British military withdrawal. The foreign exchange cost of our forces in the Gulf under present plans is expected to be about £12 million in 1968–69 and to settle down at about £10 million annually from 1970–71 onwards. The budgetary cost would be a considerably greater figure, which cannot however be defined until the review of our world-wide commitments and the forces needed to carry them out has been completed.

5. The British *commitments* and obligations to which these forces primarily relate are as follows:—

(i) By virtue of our relationships with them, which are based on a series of treaties dating from 1820 to 1916, we are in effect responsible for the defence and for the conduct of the external relations of the nine British Protected States in the Lower Gulf. These are:—

- (a) the island of *Bahrain* (200 square miles, population 180,000);
- (b) the peninsula of *Qatar* (8,000 square miles, population 60,000);
- (c) *Abu Dhabi* on the Trucial Coast (26,000 square miles, population 30,000);
- (d) six other Trucial States (including Sharjah) of which Dubai is the largest and most important (referred to collectively in this paper as the *Northern Trucial States* or NTS;) (6,000 square miles, population 80,000).

The only significant urban populations are in Bahrain, Doha (the capital of Qatar) and Dubai, although one may soon develop in Abu Dhabi if the oil boom there follows the Kuwait model. Each state is governed by a Ruler on the traditional Arab pattern, with free popular access to the Ruler but without elective institutions.

(ii) *Kuwait* (6,000 square miles, population 500,000) has been independent of British protection since 1961, when we confirmed in an Exchange of Notes our readiness to assist in her defence if requested to do so, and a member of the United Nations since 1962. We have recently made clear to the Amir and his Government that in practice our assistance would be limited to air support unless we were given longer notice than can realistically be expected.

(iii) *Muscat* (which includes Oman as well as Dhofar; 82,000 square miles, population 700,000) is widely regarded by Arabs as a British protectorate in all but name. In our eyes, she had always been an independent state. We have a Treaty of Friendship (1951) with the Sultan, supplemented by an Exchange of Letters (1958), but no responsibility for her defence or foreign relations. But as Britain is the only state with whom the Sultan maintains close relations, we tend to find ourselves regarded as his unofficial spokesman at the United Nations (of which Muscat is not a member) and elsewhere; and on two occasions (1957) and (1959) we have made British-controlled forces available to assist him against local rebels.

(iv) Under the CENTO Treaty we are, of course, committed to the defence of *Iran*. The United States Government is bilaterally committed to Iran and also (unlike ourselves) to Saudi Arabia.



6. Although in theory we have no responsibility for internal affairs we came by agreement and usage over the years to perform for all the Protected States certain administrative duties of a partly internal nature (e.g. control of arms imports, exchange control and jurisdiction over (broadly) non-Moslem foreigners). But under the policy of *modernisation* which has governed our attitude to the States in recent years we are in process of handing back responsibilities of this kind as the capacity of the local administration develops. Some of our powers, e.g. over civil aviation, may have to be retained almost as long as we retain responsibility for foreign relations and defence. But even in these two latter fields, some preliminary progress should be possible: despite their hesitations we hope in a few years' time to persuade some of the Rulers to accept consular representation from countries with sizeable local communities (e.g. Iran, Pakistan, India and the United States); we have already arranged for some of the Protected States to join United Nations Agencies and other international organisations and will continue with this policy. Eventually we may be able to hand over control of the Trucial Oman Scouts, perhaps to a local body representing the NTS (a Trucial States Council already exists).

7. In addition Britain contributes to the economic development of the Lower Gulf through the Trucial States Development Fund, set up in 1965 for the benefit of the whole Trucial Coast (i.e. the NTS, and Abu Dhabi) with other contributions from Abu Dhabi, Bahrain and Qatar. We also run a small technical assistance programme in Bahrain.

8. Frontiers in the Gulf areas are seldom well-defined, and almost every state has a territorial quarrel with its neighbour or neighbours. The most troublesome from our point of view is the *Buraimi* question, arising from the Saudi's unjustified claim to the Buraimi oasis and about two-thirds of the territory of Abu Dhabi. At present the oasis is amicably divided between Abu Dhabi and Muscat. The Saudis however occupied part of the Muscat sector of the oasis from 1952 to 1955. After the failure of international arbitration proceedings, they were ejected by forces under our control; at the same time we declared a frontier on behalf of Abu Dhabi and Muscat, which we consider to be tribally and geographically reasonable. Since then Buraimi has been a major source of Anglo-Saudi friction. Its material value is not large and no oil has yet been found there. But it is a key centre of communications, and its possession would enable the Saudis to dominate Abu Dhabi (and Muscat) and to enforce all the rest of their territorial claim. We have felt that to allow this, while Abu Dhabi was under our protection, would fatally compromise our standing in the whole area. But it is not only British prestige which is involved. Shaikh Zaid, the able new Ruler of Abu Dhabi, has particularly strong connections with Buraimi; and King Faisal of Saudi Arabia sincerely regards the Saudi expulsion in 1955 as a slur on his personal honour.

9. A second but less serious source of trouble is the *Iranian claim to Bahrain*, ethnically and geographically unjustifiable but historically important to Persian pride. The Shah<sup>2</sup> is probably aware that possession of the island, with its largely Arab population, would be more trouble than it was worth, but he has so far firmly refused to abandon his claim in public. The Iranians also have a number of smaller island claims; Sirri, which they occupy but is claimed by Sharjah; Abu Musa, which is occupied by Sharjah; and the Tumbs [sic: Tunbs], which are occupied by another of the Northern Trucial States. The few inhabitants involved are Arab but the

<sup>2</sup> Mohammed Reza Pahlavi, Shah of Iran, 1941–1979.



geographical advantage lies with the Iranians who could easily enforce their claims if our forces were withdrawn. In general the Shah regards the Persian Gulf as *mare nostrum*, temporarily under British control.

10. Thirdly, there is the *Iraqi claim to Kuwait*. In the crisis of 1961 Qasim's assertion of the claim created a serious enough threat to require the emergency deployment of British troops. Since then, however, Kuwaiti self-confidence has much increased. The threat could easily recur. But Iraq is currently preoccupied in Kurdistan, and in the longer term, for wider political reasons, Kuwait's willingness and ability to rely on British support must be expected to decline. These factors underlay the recent decision (paragraph 5(ii) above) that our contingency plans for intervention in Kuwait should be effectively limited to air support.

11. Another, and probably the most immediate, source of trouble is guerrilla activity by the *Omani and Dhofari rebels*. These separatist movements are actively supported by the Saudis from time to time, and they also receive help from Cairo and Baghdad. Only the Dhofaris are active at present. They are held in check, but not suppressed, by the Sultan's forces.

12. These local quarrels are not the only danger-points in the Gulf. An important part of the threat is a function of the conflict between the traditionalist and revolutionary halves of the Arab world. Whatever may happen to President Nasser himself, *Egypt* will continue to be the leading Arab country and the leading apostle of Arab nationalism and the revolutionary cause. Whether or not she acquires a permanent stake in parts of the Yemen and South Arabia, she and her supporters will regard our withdrawal from Aden as a victory for herself and the anti-Western cause she champions; and it is clear that they hope to press on to a similar victory in the Gulf, which they see as the last major bastion of British influence in the Middle East. Although Muscat would be geographically her nearest target, social conditions make Bahrain a more suitable terrain for subversive activity, as Abu Dhabi may also become when oil wealth builds up her urban population. In Bahrain the ruling Khalifa family are trying actively and with fair success to improve the situation; but economic conditions are against them, and revolutionary nationalism remains a threat as the 1965 riots and the 1966 bomb incident reminded us. There is no reason to expect a rapid development of terrorism on the Aden scale. But the Egyptians, abetted by the Iraqis and by local Arab nationalists, will certainly wish to harry us so long as we remain and to make our departure as disorderly as possible; and their capacity to do so may increase as time goes on, if the counter-measures we and the Rulers are taking prove inadequate.

## II. *British interests*

13. The Persian Gulf with the land areas surrounding it is the largest *oil production* area in the world. It has the largest and cheapest reserves in the entire world, about two-thirds of the whole. It provides about half of the oil used by the Free World outside North America and over half of Western European (including British) consumption. This situation is likely to continue over the next ten years, while in the same period oil can be expected to increase its share in total energy supplies.

14. The proportion of Persian Gulf oil supplies coming at present from the Protected States and Muscat is small but likely to grow. Kuwait is already one of the major producers, and its reserves are very large. Area figures for crude oil output are as follows (those for Saudi Arabia and Kuwait include their shares of the Neutral Zone):—

		1966 (m. tons)	%	Estimate 1970 (m. tons)	%
Major Producers	S/Arabia	128	28	180	28
	Kuwait	123	27	140	22
	Iran	104	23	150	24
	Iraq	67	15	85	13
Protected States	Bahrain	3)		3)	
	Qatar	14)		14)	
	Abu Dhabi	17)		40)	
			7		10
	Dubai	—		3)	
	Muscat	—		17	4
Total		456	100	630 (approx)	100

Forward estimates are uncertain even for 1970: In the mid-1970s the total is likely to be about twice as great as in 1966 and the share of the Protected States and Muscat together may be nearer 20 per cent.

15. British *oil companies* account for roughly 40 per cent of present production in the area and are involved everywhere except in Saudi Arabia. There [sic] access to this cheap oil provides a great part of their total contribution to the British balance of payments which in 1965 was over £200 million net. These benefits are sometimes contrasted with the annual foreign exchange cost (£10–£12 million see paragraph 4 above) of our military presence in the Persian Gulf; as the 1966 Defence White Paper stated, however, we do not regard military force as the most suitable means of protecting our economic interests in the Middle East or elsewhere. The main reason for our presence is to maintain stability in the area and not to protect our oil interests as such. Our oil interests derive benefit incidentally through the stability so provided and from the continued existence of separate production sources (see also paragraph 30 below).

16. The Gulf States (i.e. Kuwait and Muscat as well as the Protected States) are all members of the Sterling Area and much of their revenue is invested in London. Kuwait's *sterling deposits*, in particular, are of major importance and Abu Dhabi's are potentially very great (see OPDO(67) 7 paragraphs 5 to 10).

17. Current British aims and interests in the Gulf area are in general terms identified as follows:—

(a) *Politically*, we wish to promote stable development and to prevent the spread of Communism in the area. We also need to retain the confidence of the Shah of Iran, and thereby to contribute to the maintenance of Iran's pro-Western alignment. To these ends our aim in the future must be to encourage an indigenous balance of power which does not require our military presence. It would be in our interests to leave a situation in which the main contenders for power—Iran, Iraq, Saudi Arabia and Egypt—each prefer the *status quo* at the time of our departure to changes in favour of any of the others.

(b) *Economically*, we are concerned to maintain and develop our oil investments and supplies; to avoid shocks to sterling from the movement or threatened

movement of Kuwaiti and other deposits; and to promote our export trade, which though relatively less significant is not negligible in view of local oil wealth. Stable conditions are important to us on all these grounds.

(c) *Strategically*, we wish to retain the military bases necessary for our local commitments; and to preserve our over-flying rights and staging facilities in support of our general military position East of Suez. There is also a general British interest in contributing what we can to the global politico-strategic purposes we share with our major ally, the United States. In the Middle East the Americans have accepted the necessity for our coming withdrawal from Aden and are aware that we want them to carry a larger share of the joint military burden in Libya; but they still rely heavily on Britain to see the peace kept in the Persian Gulf, not least because of our political position there to which they could not hope to succeed if we withdrew.

18. Our present *political position* in the Gulf is now interlocked with our military presence. Neither could survive for long without the other. In considering our approach to military withdrawal, we are in fact considering the circumstances and processes through which we can bring to an end our special political position in the area. The Protected States in the Gulf are the last remnant of our physical presence in the Middle East. We have kept the local peace, with a fair degree of success, for more than a century. Our aim must be, so far as possible, to leave behind us when we go a local system within which that peace can be preserved. Against that background, how do we see the future of the Protected States evolving?

### III. Prospects

19. A certain number of the overseas territories for which we are still responsible will probably remain in some form of *permanent dependence on Britain*. Indeed, now that the main work of decolonisation is complete, the majority of those territories are small, scattered islands or 'grains of dust' for which no other solution seems feasible. In some cases colonial status will be replaced by integration or 'free association'. The 'associated' status recently worked out for e.g. Grenada and St. Kitts in the Caribbean is designed to be permanent if they so wish; but though it has some outward similarities with the situation in the Lower Gulf, since British responsibility is confined to external affairs and defence, it has as its constitutional basis the fact that the territories in question have been British colonies and parts of HM Dominions. For this and other reasons it would not be a suitable solution for the Protected States of the Gulf.

20. An apparently more realistic destiny for the Protected States would be to form some kind of single political unit or *Gulf Union* to which independence could in due course be granted on a reasonably viable basis. We have in recent years considered a number of ways in which this might be brought about. The most promising involved a two-tier structure, with a federation among the NTS and a confederal relationship *a quatre* between the NTS, Abu Dhabi, Qatar and Bahrain. There were some hopeful signs, particularly in 1965 when a joint Development Office for the Trucial States was established and the Rulers of all nine Protected States met together for the first time. But since then, progress has been slow and difficult; and we have no constitutional power to force the pace. There have been no further meetings, and the common currency agreement reached in 1965 has been

abandoned before implementation. Rivalry between the four principal Rulers is well-illustrated by the recent adoption, instead, of two separate currencies, one for Bahrain and Abu Dhabi and the other for Qatar and the NTS. It seems clear that reduction of the nine units to (effectively) four is the most we can hope for; either by a Dubai-led federation (or union) of the NTS or alternatively by a division of the five small states, with some uniting or federating under Dubai's leadership and others under Abu Dhabi's. But even this may be hard to achieve; the Little Five can be expected to resist a merger with Dubai or Abu Dhabi and may insist on retaining a separate existence despite their size (of Liechtenstein), if necessary appealing to Cairo for support. Economically some degree of regional co-operation may evolve, on the basis of the existing Trucial States Council and Development Fund or in other ways. Politically, however, a general federation or union seems out of the question. For what it is worth, recent British experience elsewhere suggests that political association between reluctant units is an unsatisfactory feature of the decolonisation process. The West Indies, Malaysia, Nigeria, Central Africa and South Arabia are not the most encouraging of precedents.

21. As the vision of a Gulf Union fades, there has been increasing talk of the possibility that there might be instead some kind of *Saudi takeover of present British responsibilities* in due course. Legally, we would have no power to make such an arrangement ourselves. The Protected States' treaties are with us, and we could not appoint Saudi Arabia to succeed us without their consent. In practice, however, if it became clear that Britain was about to withdraw without other provisions having been made for the Protected States' future, the Rulers might well wish or feel compelled to make such arrangements as they could for Saudi protection. At the best, there might be an informal arrangement whereby Saudi Arabia championed Lower Gulf interests abroad and offered general protection against external attack, without involving herself in internal affairs at all. A major difficulty, however, is that the Saudis would be almost bound to insist first on Buraimi as their pound of flesh. Abu Dhabi would certainly reject Saudi protection on such annexationist terms, and the attitude of at least some of the other Rulers might harden in sympathy. In the end, it may be that Abu Dhabi and the others will have to settle for what they can get; or, alternatively, the Saudis might be persuaded to give up their territorial ambitions. But we clearly cannot work openly for the first of these possibilities; and there is little prospect of our being able at present to achieve the second. In any case, even if this major difficulty could be overcome, there is some doubt as to how far the Saudis would in practice be willing to devote any of their scarce human resources to offering the Gulf States any kind of diplomatic or military protection; and if they were, as to how far they would prove administratively or logistically capable of sustaining such a role. There is always the danger of a change of regime in all or part of Saudi Arabia, and if we had gone too far in promoting the Saudis as our successors we might not be able to draw back if a government hostile to our interests came to power in Riyadh; we should not forget that if we had had our way in 1957 Kuwait would be part of Iraq today. Moreover, an organised Saudi takeover from Britain might be regarded by other Middle East governments as an attempt to upset the present power balance in the area. The Iranians, Egyptians or Iraqis might well feel impelled to resist this attempt by force or subversion, and it is very doubtful whether Saudi Arabia would have the capacity to withstand them. The consequences for Middle Eastern stability and for the security of Western oil supplies could be very dangerous.

22. If a Gulf Union is impracticable and the promotion of a Saudi takeover of our present responsibilities problematic, a possible third course is that the Protected States should emerge eventually, with the withdrawal of British protection, into full *individual independence*. The six units comprising the NTS are clearly too small for this purpose. But if they can unite under Dubai (or, if Dubai and Abu Dhabi can absorb the smaller five between them), we should then be dealing with four mini-states—Bahrain, Qatar, Abu Dhabi and Dubai—whose title to international acceptance would be comparable to that of e.g. Barbados, the Gambia or the Maldiv Islands. Economically, their prospects of viability would be good. Militarily, they would (like Kuwait) depend for their survival on the local balance of power. Politically, they could probably just manage. They would of course need to develop their administrative machinery and internal security forces to a higher degree than e.g. the Maldives, because their oil wealth would make them more vulnerable politically as well as geographically. But unlike the Maldives, they could at least afford the cost of doing so. The extent to which they availed themselves of the full trappings of independence might vary; and in some cases (notably Qatar) United Nations membership, though not necessarily United Nations recognition, might be denied on grounds of size and in the light of the mini-state restrictions now being worked out on the Americans' initiative. Qatar, in view of her close tribal links with Saudi Arabia, and possibly also Bahrain, might prefer to accept Saudi protection at the United Nations and in external affairs generally. Abu Dhabi, if unable to settle her Buraimi quarrel with the Saudis before our departure, might at the worst be so reduced by annexation that she would prefer to throw in her lot with Dubai or Bahrain. But there would be much less difficulty in defending a basic British policy of bringing the Four forward to separate nationhood, and somewhat less danger to regional stability, than there would be under the alternatives.

23. If the foregoing is correct, *British policy* should in principle be aimed at full independence for each of the Four, with British protection withdrawn and essentially replaced by a local balance of power system. This would not be incompatible with whatever degree of Saudi protection in the background the Rulers were willing to accept and the Saudis to provide. Nor would it be incompatible with whatever progress towards economic co-operation proves possible between the Protected States; nor indeed with a later movement towards Gulf Union (or Trucial Coast Union), if contrary to our present estimates local sentiment should move significantly in that direction. But it would provide us from now on, with a reasonable objective towards which we could begin to work as opportunity might offer and from which we could remain free to deviate as circumstances might demand.

24. A British policy on these lines would, however, depend for its chances of success on the *Saudis and Iranians* developing a minimum of understanding both towards ourselves and towards each other. Saudi Arabia and Iran are the two powers most directly concerned in the future of the Protected States; they are also the two best placed to bring force to bear in the area, the Saudis by virtue of their commanding geographical position and the Iranians through their growing naval supremacy in the Gulf. If they were at loggerheads with each other, local stability would be unlikely to survive our departure. Conversely if they were to act in concert, or at least with mutual understanding, they could do much to ensure a peaceful transition to whatever new system follows our withdrawal. It must therefore be a

major British aim to secure Saudi co-operation and at least Iranian acquiescence as our policy evolves; and to bring home to them how important their relations with each other are going to be, for their own interest as well as for ours and our present protégés:

#### IV. *Timescale*

25. In working out the time frame for our departure from the Gulf, there are in theory two *alternative assumptions* we could proceed on:—

(a) We could assume that we shall stay until satisfactory conditions obtained for our departure. This would imply a willingness on our part to stay indefinitely if need be.

(b) We could assume that we shall need in all circumstances to have withdrawn within a roughly definable period—by, say, the mid-1970s. This would imply a willingness on our part to leave under less than satisfactory conditions if need be.

26. Successive British Governments have until recently inclined on the whole to *assumption* (a). We have not felt under any pressure to set even an approximate term to our presence in the Gulf although we have been anxious to modernise the various forms it takes; and we have regarded the importance of our oil interests as a strong argument against leaving unless and until really satisfactory arrangements could be made to fill the vacuum we should create. In the light of the Defence Review, however, we have increasingly been moving towards *assumption* (b). After our decision to withdraw militarily as well as politically from Aden by 1968, no one really believes that we shall be able (or even wish) to stay indefinitely in the Gulf. By the mid-1970s we must expect a world where almost all colonial and quasi-colonial traces have disappeared and the overseas deployment of British power has contracted further than at present. If we have not gone from the Gulf, the pressures on us to go are likely to be very severe indeed.

27. In purely military terms, we could, at some cost, maintain our position against such pressures; and politically we might be able to mitigate them to some extent by pressing on with modernisation and reform. But we would be left far too exposed not only to local subversion but also to international criticism and British domestic impatience over our clinging to a position with anachronistically imperial overtones. Experience suggests that, beyond a certain point, the cost in political and military terms of such a position outweighs the advantage which the prolongation of our stay is designed to secure; and prejudices our chances of protecting our interests in other ways after our departure.

28. This does not make it necessary or indeed desirable for us to select now (much less announce) a date in the mid-1970s by which we shall have left the Gulf. While it will be necessary for military planning purposes to make an assumption about such a date, the political circumstances make it very difficult to lay one down with any confidence. In any case an announcement now would be politically disastrous. Coming so soon after our assurances at the time of the Defence Review that we were determined to uphold our Gulf commitments it would destroy the Rulers' confidence in Her Majesty's Government and reduce their readiness to co-operate with us in developing their states to the point where we can disengage in good order. Subversion and terrorism would be encouraged. The chance of settling territorial disputes, notably Buraimi, would be lost. This would increase the risk of

instability and the possibility that we should actually be obliged to prolong our stay. If a date must be named this should not be done until the Rulers have had time to recover from the shock of South Arabia and to press on with their own development. But if we are right to assume that, in round terms, the mid-1970s do represent the outer limits of our time frame, our task must be to work out what factors between now and then should influence our choice of when to go. Whatever the difficulties, we shall gain from choosing the moment ourselves rather than waiting until our options are foreclosed by pressures outside our control.

29. On one side, there are two factors which, taken alone, suggest that we should choose on *early departure* date rather than a late one:—

(i) A successful British withdrawal will not be possible without (see paragraph 24 above) a minimum of Saudi co-operation, Iranian acquiescence and mutual Saudi–Iranian understanding. These will only be forthcoming if there are moderate, strong and well disposed governments in these two countries capable of seeing their true interests clearly across the chasms of anti-Western prejudice and Perso–Arab animosity. This may be asking a lot, but it is probably true to say that the existing regimes of *King Faisal and the Shah* are as near the ideal as we are ever likely to get. We do not expect either to disappear in the next few years. But each regime is dangerously dependent on the life of one man; each country is going through a period of something like social revolution, which means that there are potential assassins both among those who think the pace too fast and among those who think it too slow; and though the Shah is still in the prime of life, King Faisal's health has been in doubt for some time. If either were to disappear, the best we could hope for would be a peaceful transition to a weak regime which would lack its predecessor's authority and sense of purpose. At worst, there could be a rapid slide towards extremist nationalism (and in the case of Saudi Arabia towards regional separation as well). An early casualty in either case would be the Saudi–Iranian entente which, under the present regime, has recently been beginning to take shape. The prospects for peaceful transition to a post-imperial system in the Gulf will be much better while that entente lasts.

(ii) The success of our withdrawal will also be much affected by the extent to which the *internal security situation* in the Protected States (and/or Muscat) has deteriorated before we go. If we are skilful, we may postpone the evil day for some time yet; but we cannot rule out the possibility that a deterioration may set in in the fairly near future. Experience in Aden, Cyprus, Palestine and elsewhere suggests that once serious terrorism starts orderly withdrawal becomes much more difficult if not impossible; we are simultaneously blamed for the trouble and urged not to leave irresponsibly until it is over. Even apart from its effect on our chances of getting out in good order, the rise of serious terrorism in the Gulf would be an unwelcome development from the point of view of our oil interests. However much we may calculate (see paragraph 31 below) that whoever rules in the Gulf will always want to see the oil exported and will always have to keep the terms of supply in line with world market conditions, there remains the particular vulnerability of oil installations to sabotage. This means that in terrorist conditions a situation could well arise in which, whatever the local authorities might want, the oil simply ceased to flow, (how large the stoppage was would of course depend on the area affected, and it is perhaps unlikely that all or most of

the oil centres would be involved simultaneously). There is here, of course an argument for delaying our withdrawal as well as for speeding it up. We do not want to go in such a way as to precipitate chaos in the area. If our latest counter-measures are successful, the security situation which has improved in the last year may remain satisfactory. But if the present estimate is right that the capacity of our Egyptian and other ill-wishers to do us harm will increase as time goes on and that the presence of British troops will become an increasingly tempting target for the rising forces of Arab nationalism, we should clearly be wise to go before the consequences of staying become more dangerous to local stability than the consequences of departure.

30. These arguments have to be weighed against others which suggest that a somewhat *delayed departure*, within the time frame, may be more in our overall interest:—

(a) We are at present largely dependent on the *eastabout air route* to the Far East for communications with our forces in the Indo-Pacific area. This in practice means the eastabout route via Cyprus, Turkey, Iran, the Gulf and Gan (the alternative via Libya, the Sudan and Aden has not been reliable since the Sudanese revolution of 1964 and will have to be abandoned altogether when we leave South Arabia). The situation will be less critical after we have developed the westabout route via North America foreshadowed in the 1967 Defence White Paper (which may be supplemented later by a southabout route via Ascension and Aldabra). But until then we cannot consider any approach to military withdrawal from the Gulf which might jeopardise our vital staging posts in the Gulf area (notably Masirah, but also Sharjah and Bahrain) or cause Iran to withdraw our overflying rights, and in any event we should want to keep the shorter eastabout route open as long as we can.

(b) We must give the dust of *Aden* a chance to settle. Our coming withdrawal from South Arabia will, at best, take place in very difficult circumstances. Continuing local unrest is likely, with repercussions throughout the Middle East. As in the case of Palestine, we must expect to incur odium from all sides. The traditionalist governments in the area (notably in Saudi Arabia and Iran) will blame us for withdrawing too soon; the revolutionary governments (notably in Egypt and Iraq) will blame us for trying to leave a traditionalist regime as our successor. Our reliability as an ally and protector will be questioned, not least among the Gulf Rulers. In an emotional atmosphere of this kind we could hardly hope to start fruitful negotiations about the future of the Gulf. In any case, when we decided last year on military withdrawal from Aden by 1968, we were at pains to reassure our friends and allies (including King Faisal, the Gulf Rulers and the Shah) that this did not affect our determination to maintain (and indeed reinforce) our position in the Gulf. We cannot go back on that now.

(c) We must not move so fast as to endanger our global partnership with the *Americans*. They too were reassured by us, at the time of our Aden and other Defence Review decisions last year, that we would continue to be militarily responsible for keeping the peace in the Gulf. They are likely in the near future to have to accept more extensive cuts in our Far Eastern defence effort than were then foreseen. This is not the moment to suggest that we may be having second thoughts about the Gulf as well. In due course, they should not prove insensitive



to the argument that our quasi-colonial position in the Gulf is an anachronism which must be liquidated before it begins to provoke more instability than it deters. But we shall need time if we are to accustom them to this prospect and to enlist their support—which will be vital—in securing the necessary co-operation from the Saudis and Iranians.

(d) We need time for understanding between *Saudi Arabia and Iran* to develop. King Faisal and the Shah are relying on us to remain in the Gulf for the time being. But both know that we cannot be expected to stay indefinitely, and both probably share our private expectation that we shall be gone by the mid-70s. As a first step towards withdrawal, we need to ensure that each focuses more than he yet has on their common interests in the Gulf and elsewhere. At a later stage, we shall want to concentrate their attention on one particular common interest—their need to help stage-manage a peaceful transition to a new system in the Gulf after our departure and thus to avoid any period of instability which could be exploited by the revolutionary forces of extreme nationalism or Communism. When that time comes they will have to work out the practical implications of this common interest, particularly as regards their respective territorial claims on Abu Dhabi and Bahrain. Further reflection and mutual consultation might then lead them to conclude that neither claim should be pressed home in the dangerous period of our departure. We should do what we can to encourage conclusions of that sort. As a less satisfactory alternative, they might reach an understanding whereby each would be ready to connive at a modified version of the other's claim being enforced after we had gone, e.g., the Saudis might be content with acquiring rights short of sovereignty in Buraimi, and the Iranians with occupying only Abu Musa and the Tunbs (see paragraph 9 above). From our point of view the essential thing is to enlist their general support for our policy of bringing forward the Four (Bahrain, Qatar, Abu Dhabi and the Northern Trucial States) to separate independence without British protection. Failing such support, progress towards full independence is likely to be slow and the danger of disorder thereafter to be much increased.

(e) The other two States not under British protection which will be most affected by our departure are *Kuwait* and *Muscat*. Each will need time to grow accustomed to the idea of a world in which British military help is no longer locally available if required. The Kuwaitis are likely to want us to continue to offer then contingent air support for the rest of the present decade (see paragraph 27(b) of OPDO(67) 7). But by the mid-70s, the chances are that they will have gained sufficient confidence in their own ability to defend Kuwait to have asked us not to continue to earmark British forces for the purpose (see paragraph 30 of OPDO(67) 9). There is an outside chance (but no more) that even so they might not actually have terminated the 1961 Exchange of Letters; however, since this merely states that nothing in it 'shall affect the readiness of Her Majesty's Government to come to the assistance of Kuwait, if Kuwait should request such assistance' this would not involve a continuing obligation to make forces available if the Kuwaitis had agreed with us that this was no longer necessary. In either case, the resulting situation might not suit Kuwait too badly, since it is already doubtful how far Kuwait would for Arab political reasons be able to involve British military support of any kind even if she might wish to do so. Muscat is a simpler case in some ways because we have no commitment to give military help. On the other hand Muscat's position is

complicated by her involvement in the Buraimi dispute (see paragraph 8 above). Her readiness to see us leave the area would much depend on how far she had been able to reach an accommodation with Saudi Arabia, which in turn would be likely to depend on whether a Buraimi settlement had been possible between Saudi Arabia and Abu Dhabi. Our ability to continue seconding British officers to Muscat's forces, if she so wished, would not of course be affected by our general military withdrawal.

(f) Finally, although we cannot (see paragraph 32 below) allow the Rulers of the Protected States to dictate the pace of our preparations for departure, we should be wise to give them time to build up their administrations and to provide for their peoples' welfare on the basis of the new local oil revenues (which are only now beginning to make an impact in Abu Dhabi and have not yet done so in Muscat and Dubai). These revenues will mean that with the possible exception of Bahrain we should not need to contemplate economic aid in mitigation of our military withdrawal. In general, we would not wish to hustle the Rulers along so fast that we forfeit their goodwill altogether. We need to accustom them gradually to the idea of our going, and to their need to work out a realistic basis for their future relations with Saudi Arabia and Iran. We may wish to contemplate a different timetable for independence in the case of each of the Four, in order to take account of particular local problems, e.g. Buraimi in the case of Abu Dhabi or the speed with which the Little Five in the NTS are willing to associate themselves with Dubai or Abu Dhabi (the latter, for instance, may only get under way when progress elsewhere makes it clear that we are really going soon).

31. These are valid grounds for delaying our departure. But the considerations set out in paragraphs 26 and 29 above mean that we must not allow delay to become a euphemism for indefinite postponement. Certain dangers and difficulties are likely to face us whenever we go, given that for the reasons in paragraphs 23–29 above it will not be in our interests to stay beyond the mid-70s. These we must be ready to accept. *Some decline in stability*, for instance, is almost inevitable as a result of our withdrawal. At the worst, our major political interests could be affected if instability became a major threat to peace, from which the Soviet Union for example would be able to profit. Our major economic interests will suffer if the level of disorder is so high and so prolonged that oil supplies are severely affected, or if an upheaval in Kuwait or Abu Dhabi were to create serious uncertainties about their sterling holdings. But it is hard to believe that, in an area with so much oil as the Gulf and so few other resources, there will not always be the strongest local pressure to get the oil moving as soon and as extensively as possible after any interruption. As regards the sterling balances held by the Gulf territories, there are a number of factors tending to limit the extent of possible action damaging to the United Kingdom, and as one looks further ahead the circumstances in which the balances might be drawn down and the impact of such developments both become increasingly uncertain. Again we must reckon that after we go the political control of the Gulf's oil supplies may become concentrated in the hands of *fewer local governments*. It cannot be ruled out that this could affect our companies' prospects. But unity has managed over the last twenty years to elude the best efforts of the Arab world, and centralised control of Arab 'oil power' seems unlikely to follow an orderly British departure from the Gulf. In any case no amount of Arab unity is likely to affect the independent

position of Iran. The producing states will continue to need the outlets for their oil provided by (among others) BP and Shell, who should accordingly be well placed to secure supplies from the area on terms that may not be too disadvantageous.

32. When our direct interests no longer require our continued military presence in the Gulf, the timing and manner of our departure will give rise to difficulties. As things stand in the Gulf, we have neither power nor responsibility to decide the pace of governmental evolution; and if we wait for anything like democracy to emerge, we shall be liable to wait for ever. We shall have to consider how far we can get in this direction and whether in the last resort we should contemplate the undesirable course of terminating our treaties unilaterally.

33. These awkward consequences of departure will have to be accepted. But others can be avoided if we make the best use of the time and influence remaining to us in the Gulf. On the international plane, the final phase of diplomatic action involving the Saudis and the Iranians as well as the Americans (paragraph 30(c) and (d) above) can hardly start until a year or two before we are prepared to leave. But a start can be made in the nearer future on preliminary diplomatic action to encourage Saudi-Iranian understanding on the lines of paragraph 24 above; and to accustom both them and the Americans to the general idea that our plan for the long-term future after our departure involves the full independence of the Four as mini-states. Internally, in relation to the Protected States themselves (paragraph 30(f) above), we can press ahead now with our preparatory work. Indeed we are already doing so, under our existing policy of 'modernisation' (paragraph 6 above). Further practical steps in this direction should be taken as soon as possible, e.g.:—

- (i) Internally, we should encourage and help the Rulers of the Protected States to strengthen their administrative machinery so as to provide themselves with the means to sustain economic and social development;
- (ii) externally, we should promote the Four States' candidature for membership of all appropriate United Nations agencies and other international organisations so as to accustom the international community to the idea of their separate existence; and at the right moment encourage them to accept foreign consuls;
- (iii) we should continue the process of handing over to the Rulers the various administrative functions we have hitherto performed on their behalf, so as to reduce the impact of our final decision to terminate protection;
- (iv) we should do everything we can to ensure that adequate internal security forces are developed in the Protected States, so as to reduce the danger of their lapsing into disorder after our withdrawal. For the reasons given in paragraph 28 above, these steps would be impeded, and some of them perhaps totally frustrated, by premature announcement (or leakage) of our planning date for departure;
- (v) we should encourage, in all ways in our power, the Little Five states of the NTS to see their future in merger or some form of close association with Dubai or Abu Dhabi;
- (vi) we should encourage in all possible ways co-operation among the states and the settlement of territorial disputes among them and with their neighbours.

## V. *Conclusions*

34. If the foregoing arguments are accepted, future British policy in the Gulf should be based on the following guidelines:—

- (a) We should be clear that it will not be in our interests to stay beyond the mid-70s; subject to this our aim should be to leave behind after our withdrawal a situation acceptable to the states of the area and to their principal neighbours and containing as many elements of stability as possible.
- (b) We must avoid any public statement or leaks about our acceptance of this time-limit. These would certainly complicate and lengthen the process of disengagement, but the Ministry of Defence need to adopt a date for purposes of military planning.
- (c) We should aim within the time-limit to bring forward the Four States (Bahrain, Qatar, Abu Dhabi and Dubai) to separate independence, subject to any special arrangements any of them may wish or feel compelled to make with Saudi Arabia.
- (d) Before taking conclusive steps in the Four States, we should prepare the ground with the Americans and with their help should encourage King Faisal and the Shah to reach the necessary understandings with each other and ourselves about the future attitude of Saudi Arabia and Iran to the main issues in the Gulf.
- (e) We should not start this process in the immediate future, for the reasons set out in paragraph 30 above; but we should not delay longer than we absolutely have to, for the reasons given in paragraph 29; our timetable should be flexible and capable of being speeded up if the course of events permits.
- (f) We should begin at once (or continue where we have already begun) certain preparatory measures, as described in paragraph 32 above, to encourage each of the Four States to strengthen its machinery of government and police forces, enhance its international standing and reduce its dependence on British administrative support.
- (g) We do not need to contemplate economic aid in mitigation of our military withdrawal.

## 119 FO 1016/885, no 169

3 Feb 1968

[Gulf rulers]: letter from Sir S Crawford<sup>1</sup> to Sir P Gore-Booth on a 'credibility gap' in relations with the Gulf rulers

Thank you for your letter of 31 January about what Mr. Roberts did and did not say to the Rulers when he visited them in November.<sup>2</sup> As you know, I had taken the same point up in a letter to Frank Brenchley, which I gather he has discussed with you. I had copied that to the Political Agents to put them on their guard, and I have now telegraphed to Dubai and Abu Dhabi, which Mr. Maudling will be visiting before coming here, to warn David Roberts<sup>3</sup> and Archie Lamb<sup>4</sup> to be particularly careful. We cannot, of course, exclude the possibility that the Rulers, on whom Mr. Maudling is calling, will provide him with ammunition. Shaikh Isa of Bahrain is the Ruler most hurt by our *volte face* and Tony Parsons<sup>5</sup> and I have particularly urged him to be careful in what he says to Mr. Maudling, but he can hardly speak other than the truth if he is asked direct questions.

<sup>1</sup> See 34.

<sup>2</sup> For Roberts's own account, see 27.

<sup>3</sup> Political agent Dubai.

<sup>4</sup> Political agent Abu Dhabi.

<sup>5</sup> Political agent Bahrain.

2. On the question of what Mr. Roberts did say, there is nothing in the record to support the theme summarised in the latter part of paragraph 2 of your letter, and in particular the point made in its last sentence. It was not a matter of his not speaking explicitly about our withdrawal; he was explicit that there was no thought of withdrawal in our minds. (Wording expressing this point is contained in the answers he authorised at the time to questions from the editor of the Bahrain weekly newspaper and to the B.B.C. Arabic Service stringer. It is therefore in the public domain.) Apart, however, from the record, it is worth mentioning that the tone in which Mr. Roberts spoke then, quite rightly, was designed to reassure the Rulers about our continuing presence in the Gulf. It would have been totally incompatible with this aim if he had spoken to them as he suggested in the House on 24 January.<sup>6</sup> The unfortunate fact is that Mr. Roberts' communication in November on behalf of H.M.G. only increased the magnitude of the reversal, when he visited the Rulers in January. It seems unfortunate that he is not aware of this himself, since it is a dominant factor in our relations with the Gulf States at present and has produced a serious 'credibility gap' which we shall have to bridge in any statements we make to the Rulers about our positive intentions in the future.

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<sup>6</sup> Speaking in the House of Lords on 24 Jan Roberts commented of his Nov visit to the Gulf, 'not only did I say that we would not stay for ever, but I very strongly warned and advised the Rulers I met that they should immediately get together and prepare for a possible early date for our withdrawal. . . . It is not true to say that we went to the Gulf in November to say that we would stay for ever and then returned in January to say that we would withdraw overnight' (*H of C Debs*, vol 757, 24 Jan 1968, cols 499, 525–526).

## **120 FCO 8/33, no 87**

**28 Mar 1968**

### **'Persian Gulf': minute by Mr Roberts to Mr Brown on a proposed Union of Arab Emirates and the Shah's reaction**

On 25 and 26 March I held discussions on Gulf developments with the Political Resident, Persian Gulf; H.M. Ambassador, Tehran; Mr. Man, formerly H.M. Ambassador, Jedda and Mr. Phillips, Jedda-designate. Representatives of the Ministries of Defence and Overseas Development also attended.

2. The two main problems are the movement towards closer association among the Protected States and the Shah's violent reaction to the form this has taken in the Union of the nine Protected States. This proposed Union of Arab Emirates is good in principle, but is likely to prove difficult to put into practice. The Shah appears to regard the proposed Union as a change in the *status quo* which will prejudice his claims to Bahrain and, more important in his view, to the islands near the mouth of the Persian Gulf, by transferring sovereignty over these places to a larger and new international entity.

3. Our discussions also covered the evolution of the Protected States towards full independence and the devolution of our responsibilities, bearing in mind the need to secure an orderly handover and to reach negotiated settlements of local disputes wherever possible.

4. We reached the following conclusions, which I recommend for your approval:—

(i) The most practicable form of association among the Protected States would be a loose confederation comprising Bahrain, Qatar and a union of the seven Trucial States. We should discreetly exert what influence we can towards this end, and particularly towards the establishment of a close Trucial States Union.

(ii) We should keep in closer touch with the Rulers' negotiations on association, from which we have recently held deliberately aloof. This will allow us a greater chance of guiding the course of events. The influence we can exert has however been reduced by the announcement of our decision to withdraw by the end of 1971.

(iii) We should be as helpful as possible to the Rulers in offering political advice in establishing their international status, in providing economic and technical assistance and in making available training, supplies and personnel for their police and security forces. This is necessary both in order to ease the process of our military withdrawal and to assure our continuing interests when withdrawal is complete. It will involve a modest financial outlay, primarily in aid to Bahrain, and I recommend a strong bid to the Treasury to secure this.

(iv) We should keep the Shah fully informed of developments in the Gulf and their likely future course.

(v) We should work to maintain the *status quo* with regard to the smaller Gulf islands claimed by Iran in order to stave off a possible move by the Shah to occupy them while our protection commitments are still in force, though we should not give up the search for possible solutions by agreement.

(vi) No action that we could reasonably take with King Faisal, the Sultan of Muscat and Oman and the Ruler of Abu Dhabi could be expected to improve the prospects for a satisfactory settlement of the Saudi Arabian claim to territory, including Buraimi, belonging to Muscat and Oman and to Abu Dhabi. We should however neglect no chance, should one emerge, of promoting such a settlement.

(vii) We considered how a general consensus on both sides of the Gulf might be helped forward and concluded that an understanding between King Faisal and the Shah is crucial to the dissipation of tensions in the Gulf area. We should seek to promote a rapprochement between them, though the present attitudes of the two monarchs and the present state of our relations with them offer no immediate prospect of being able to do so. It will be important to avoid suggestions of formal security pacts and to make this clear to the Americans.

(viii) The question of a continued American naval presence in the Gulf was raised, and it was decided to probe the American intentions. I do not personally think we should rule this out, but it would be well for the United States to consult us closely before deciding on any new provision.

(ix) The talks proceeded on the basic assumption that final withdrawal would take place no earlier than the end of December, 1971, unless the situation there is either so favourable or so untenable that we can or must withdraw earlier.

5. Talks with representatives of the State Department were held at official level subsequent to our meetings described above, and during your meeting this afternoon you may like to ask officials for a brief account of these.

**121** FCO 8/33, no 94

18 Apr 1968

**'Persian Gulf': letter from T F Brenchley to E E Tomkins<sup>1</sup> on talks in London with State Department officials**

Following the discussions on developments and future policy held by the Minister of State in the Foreign Office on 25 and 26 March (our despatch on these is being copied to you), we covered the same general ground on 27 March with officials from the State Department and Department of Defense who came over from Washington (your telegram No. 725 of 28 February and subsequent correspondence). A full record of these meetings is in preparation<sup>2</sup> but the highlights were as follows.

2. Stewart Crawford and Denis Wright<sup>3</sup> described developments in the Gulf and the present situation there, with particular reference to the agreement on the Union of Arab Emirates and the hostile Iranian reaction to it. You will have seen from recent telegrams that although the heat seems to be momentarily off on the Iranian side, the risk remains of a major confrontation between Iran and the Arabs in which our interests could suffer considerably. Ted Eliot<sup>4</sup> remarked, incidentally, that he could not remember a time when so many concerns had weighed so heavily on the Shah. He had the impression of a preoccupied and nervous atmosphere in Tehran and thought that if the formal entry into effect on 30 March of the Union of Arab Emirates did not spark off trouble, some other occasion would. We agreed that we should do what we could to steer the Shah towards restraint but we felt that the influence in Iran of the United Kingdom and the United States was not what it had been.

3. I asked what Gene Rostow<sup>5</sup> had been hoping to achieve when he spoke of a defence pact in the Gulf area. Bill Brewer<sup>6</sup> said, with some discomfort, that Rostow did not have a clear idea of the area and that his remarks had been intended to illustrate the general kind of local grouping which he hoped might emerge. They were not to be taken as a declaration of United States policy, though they had been a gift to Soviet propaganda.

4. Brewer said that the State Department were watching the growing Soviet interest in the Gulf. He thought that Moscow probably looked on the Union of Arab Emirates as a ganging up of feudalists, but that their public line was uncertain and confused as a result of the support which Cairo and Baghdad had given the Union and of the Shah's antagonism to it. The Soviet Union would probably try to play a larger role in this part of the world, though there was still no real evidence, despite their fleet visit to India, that they were building up their naval strength in the Indian Ocean as in the Mediterranean. The reopening of the Suez Canal was probably not an essential point in Soviet plans, though the State Department believed that the Russians needed, or thought it advisable, to secure a source of crude oil east of the Canal, probably for her own use. I remarked that, when Mr. Roberts visited Tehran in January, the Shah had taken credit for having been careful to exclude the Soviet Union from offshore exploration rights in the Persian Gulf. We gathered that the Shah believed the Soviet Union to be running into an oil deficit of 100 million tons a year but he calculated that, as a 'Red fertile crescent' was emerging, Iraqi oil

<sup>1</sup> HM Embassy, Washington, 1967–1969.

<sup>2</sup> For the FO record of these talks, see FCO 8/37.

<sup>3</sup> See 27, note 2.

<sup>4</sup> Country director for Iran, US State Dept.

<sup>5</sup> See 35, note 3.

<sup>6</sup> Country director, Arabian Peninsula Affairs, US State Dept.

reaching the Mediterranean through Syria would meet Soviet needs without recourse to oil from the Gulf.

5. Brewer asked what relationship we envisaged having with the Protected States after 1971. I said that we expected to maintain, and possibly slightly increase, our development assistance. We should, in principle, be ready to support local security forces by supplying advice, personnel and hardware but we should expect the States to foot the bills. We should not wish to represent them abroad; they would do better to work through an Arab country. Our own representation in the Protected States would probably continue on a similar pattern to the present, with a single Ambassador in place of the Political Resident and either *Chargés d'Affaires* or Consuls-General (depending on the progress of local unification) replacing the Political Agents. The Americans said that their resources for development assistance were severely limited but some help might be given by American oil companies, to whom Rostow had spoken. No decisions had been taken to curtail or extend the U.S. naval presence and, again for financial reasons, no diplomatic or consular representation would be appointed before 1970 or 1971.

6. Ted Eliot said that the US Government were considering a package arms deal on both grant and payment terms with Iran worth several hundred million dollars. This was part of a continuing scheme for which the Iranians had requested an additional \$500 million. Eliot thought that it would be difficult to put across to the Shah that the deal might be affected if Iran did anything rash over the UAE, but that the Shah probably realised the position. We said that we were making no gifts of military equipment, but we had few inhibitions about selling arms to Iran. We gave the American team a review in general terms of our actual and expected arms sales to Iran, Saudi Arabia, Kuwait and Muscat and Oman, mentioning the proposed joint Saudi/Iranian/Pakistani tank factory, the loss to the French and Pakistanis of contracts we had expected with the Saudis, and the French competition which we faced in Kuwait.

7. We ended by agreeing that an effective understanding between the Shah and King Faisal was the key to Gulf stability and that some intermediary other than either Britain or the United States (I floated the idea of Japan) might well be needed to bring them together.

## **122 FCO 49/53, no 10**

**29 Apr 1968**

### **‘Withdrawal from the Persian Gulf’: background paper by the FO Planning Staff<sup>1</sup>**

Ministers have announced that British forces will be withdrawn from the Persian Gulf by 31 December 1971. The purpose of this paper is to consider the arrangements we should aim for before we go.

#### *British interests*

2. British interests in the Gulf, up to and beyond our military withdrawal, are:—

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<sup>1</sup> This paper was first prepared as a brief for Wilson's visit to Washington in Feb 1968. It was forwarded in Apr as background material to be used by the Joint Intelligence Committee in an assessment of prospects in the Gulf.



- (a) that the oil should flow on reasonable terms and that British companies should continue to benefit from their very large investments there;
- (b) that there should be no major change in the present state of the sterling balances held by Kuwait and other Gulf states;
- (c) that no hostile power should establish sufficient influence to threaten our economic interests, and in particular that Soviet influence should be kept within bounds;
- (d) that developments in the Gulf should not damage our relations with Iran and Saudi Arabia, or lead to a reversal of the former's alignment with the West;
- (e) that until the completion of our withdrawal from Singapore and Malaysia, and if possible, thereafter, we should retain the use of staging facilities at Masirah and Bahrain, and perhaps at Salalah and Sharjah.

All these interests require that stability and security should continue after our departure. This will be the main objective of our policy.

#### *A local balance of power*

3. Security and stability after our departure will depend on a local balance of power. That is to say, ideally there should be an understanding between the two most powerful states on the Gulf littoral, Iran and Saudi Arabia, that they have a common interest in preserving the stability of the Gulf and protecting it from hostile external forces, and that this common interest is more important to each of them than the pursuit of national claims. Thus agreed, they will have to convince the smaller states (Kuwait and the Protected States) that Iran and Saudi Arabia are ready and able both to protect them and to let them continue to manage their own affairs and in particular to enjoy the benefit of their oil revenues. This ideal arrangement will be hard to achieve.

#### *Obstacles to Saudi–Iranian understanding*

4. The Shah, conscious of Iran's greater wealth and population and her cultural superiority over Saudi Arabia, will find it difficult to give King Faisal the equal treatment the latter will expect. Nor will he easily disguise his ambition to succeed to our position of dominance. Equally the long tradition of Arab–Persian hostility in the Gulf, together with current Arab suspicion of the Shah's intentions, will make King Faisal reluctant to be seen to be arranging the Gulf's affairs with him. Territorial claims (paragraph 6 below) present the greatest danger of Saudi–Iranian rivalry getting out of hand. Furthermore the Kuwaitis have indicated that they could only join any Iranian–Saudi defence arrangement if Iraq were included, as an insurance against opposition from the 'progressive' Arab states led by the U.A.R. A possible solution might be for any formal arrangement to be cast in the shape of a non-aggression pact between all the Gulf littoral states including Iraq (but possibly excluding the five smaller Trucial States) and for any positive defence cooperation that can be agreed to be left to informal arrangements.

#### *Promoting Saudi–Iranian understanding*

5. The first reactions of the Shah to our new plans suggest that a regional arrangement may be possible. But it is still a tall order. Our ability to influence the Shah and King Faisal is not very great and will become less as the date of our

withdrawal gets closer. They both will realise that once a definite limit has been set to our military presence in the Gulf our influence there will rapidly disappear. It will not help for us to take the lead in proposing Saudi–Iranian arrangements. But we should show readiness to consult with them if they wish it. If it would clinch some arrangement for Saudi–Iranian cooperation (but only in these circumstances) we might consider maintaining a small naval presence in the Gulf after our military withdrawal. This would not be permanently based in the Gulf but would be detached on rotation from home waters, in accordance with Ministers' statements that our capability in Europe would be available for use elsewhere. If it could use Iranian and Saudi shore facilities the cost would be small.

#### *Saudi and Iranian territorial claims*

6. The Shah will be under domestic pressure not to allow Iran's claims to go by default after our withdrawal. In practice he will probably not press the claim to Bahrain to a conclusion and, although he will not renounce it, he will acquiesce reluctantly in Bahrain's independence. He would however find it difficult to tolerate any Saudi takeover. The danger is that he will not be able to resist the temptation to seize the smaller islands Iran claims at the Eastern end of the Gulf. This would make it even more difficult for King Faisal thereafter to cooperate with the Iranians over Gulf security. It is just conceivable that Faisal and the Shah might strike a tacit bargain in which Faisal turned a blind eye to the Shah's seizure of the islands in return for the Shah's renunciation of his claim to Bahrain. But the nature of Arab–Persian relations in the Gulf makes such a deal inherently unlikely. It would anyway leave unsettled the Saudis' claim to the Buraimi Oasis and two-thirds of Abu Dhabi's territory (including the onshore oilfields), which, if pressed, might make it more difficult for the Shah to exercise restraint over his own claims.

#### *The Arab revolutionaries*

7. The U.A.R. and Iraq will not welcome an arrangement which leaves Saudi Arabia and Iran as the dominant powers in the Gulf. A determined Egyptian–Iraqi campaign of subversion would considerably lengthen the odds against a successful Saudi–Iranian take-over in the Gulf. The degree of Egyptian and Iraqi opposition will depend on a number of factors including the general state of inter-Arab relations, the domestic situations in the U.A.R. and Iraq, and the readiness of the rich Gulf states, notably Abu Dhabi, to make a proportion of their oil revenues available to other Arab countries.

#### *The future of the Protected States*

8. The formal international status of the nine Protected States after our departure is of less importance than the substance of their relationship with Saudi Arabia and Iran. In the past we have rejected ideas of federating or uniting all or some of them on the grounds that, given the limited nature of our powers in the Gulf, such schemes would be impossible to carry out. Since July 1967 our policy has been to aim for the independence of four mini-states—Bahrain, Qatar, Dubai and Abu Dhabi, with the five smaller Trucial States attaching themselves to Dubai or Abu Dhabi. This would be a sensible outcome but it is not one which, in the time left to us, we should try to impose. Indeed it would be against our interests to try to impose any scheme to tidy up the Protected States before we leave. Rather, our policy should be to encourage the Gulf States to work out their

own relationships with each other and with Iran and Saudi Arabia. These relationships may not be clear-cut and their status in law may be ill-defined. But they will correspond more closely with the realities of the situation, and will therefore be more stable, than tidier arrangements imposed against the Rulers' wills.

9. It will probably be necessary to terminate all our treaties with the Rulers by giving 'reasonable notice' as we did in South Arabia. But we need not announce this immediately. It is possible that the renegotiation of the treaties might give us some leverage with the Rulers in the future.

10. Our line with the Rulers should be that our decision to go not later than December 1971 is irrevocable and that it is up to them to make the arrangements they and their neighbours think best for their future security. We can make our good offices available, and we need not hide our view that Saudi-Iranian cooperation offers the best prospect.

11. At the same time we should accelerate our policy of dismantling what remains of our special administrative and jurisdictional position. We should continue to take what opportunities we have to encourage the Rulers to modernise their own administrations and settle inter-state disputes. It will be in our interests that the local security forces should be strong. We should be ready to sell them arms and we should assist them to recruit British personnel (though we should consider whether to aim for a gradual switch from seconded to contract personnel). We should keep up our technical assistance and aid, and consider increasing it where necessary to mitigate the effects on the economies of Bahrain and Sharjah of the departure of British troops; we should also encourage foreign investment. But these activities should not prejudice the main theme of our policy, which should be one of disengagement and of getting the Rulers to make their own arrangements for the future.

### *Bahrain and Qatar*

12. Such a policy will pose few problems in Bahrain and Qatar, though the Ruling Families, especially of Bahrain, will evince considerable nervousness. Both states are already members of some international organisations and both should be capable of sustaining an independent existence if that is what they choose, although Bahrain will require an increase in foreign investment and probably economic aid if her economy is to remain stable. Neither is seriously threatened by territorial claims, on the assumption that Iran's claim to Bahrain will not be pressed to a conclusion (paragraph 6 above). Both have already established close relations with Saudi Arabia.

### *The Trucial States*

13. It is in the Trucial States that the difficulties will occur. Our main interests there lie in Abu Dhabi, which is vulnerable to Saudi ambitions. If the Saudis were to press their claim to Abu Dhabi and Muscat territory by military means it would not be an easy military operation. But if the defence crumbled our military withdrawal means that we would be unable to prevent the absorption of Abu Dhabi and parts of the Sultanate into Saudi Arabia. Our hope must be that Shaikh Zaid will recognise the need, and be able, to reach an accommodation with King Faisal, which will satisfy the latter's pride and leave Abu Dhabi a fair measure of territory and autonomy. A Gulf-wide non-aggression pact might well be a useful framework for such an understanding. But this again is something for the Arabs concerned to work out for themselves, not something we can impose.

14. Of the other Trucial States, Dubai has already established close ties with Saudi Arabia and also has lines out to Iran. The dangers will lie with the five smaller states. The most immediate danger is that competition between Dubai and Abu Dhabi for their allegiance may cause instability and attract Saudi intervention. Another is that one or more of them will see association with the U.A.R. or Iraq rather than Saudi Arabia as offering a better chance of preserving their identity. It will be important to keep the Trucial Oman Scouts in being until our withdrawal and to offer to go on helping to recruit British personnel if, as we would hope, the force has a role in whatever future security arrangements are agreed locally.

#### *Kuwait*

15. Our commitment to Kuwait under the 1961 Exchange of Letters will have to be terminated or further revised to take account of our military withdrawal when it takes place. Kuwait has aspirations to play a role in the Southern Gulf and it will be desirable that she should be associated with any local security arrangements. Her wealth will help to balance Iranian power.

#### *Muscat and Oman*

16. We should continue to make it clear that Muscat and Oman is an independent country and encourage the Sultan to improve his international standing. The 1958 Exchange of Letters, under which we enjoy staging facilities (which we wish to retain) at Masirah and Salalah, obliges us *inter alia* to second personnel to the Sultan's Armed Forces. We can continue to do this provided that it is made clear that it does not imply a commitment to intervene militarily on his behalf if things go wrong. We should also recognise that his regime is not very secure and that if the Sultan falls a successor government might well denounce the Masirah agreement. We should not however allow our need for Masirah to draw us into a position of commitment to protect the Sultan from internal or external opposition.

#### *Conclusions*

17. The main conclusions from the foregoing arguments are that now that we have announced a time limit for our military presence in the Gulf our influence and our ability to make the arrangements we would like are even more limited than they were before; that the best hope for future stability lies in Saudi–Iranian cooperation; and that our broad policy should be to leave it to the local governments to work out the arrangements which suit them best, helping as we can with discreet background encouragement.

**123** FCO 8/28, no 231

14 June 1968

**'The Persian Gulf': letter from Sir D Allen to Sir D Wright<sup>1</sup> on UK policy and Iranian interests**

[Following the announcement of 16 Jan 1968 that the UK intended to withdraw from the Gulf by the end of 1971, the first rulers to react were Shaikh Zaid of Abu Dhabi and Shaikh Rashid of Dubai. (See 34 for the identification of the Gulf rulers.) Abu Dhabi was the wealthier of the two states but the less developed. Both rulers favoured a union,

<sup>1</sup> See 27, note 2.

taking under their wing the five northern Trucial States. An agreement for the union of Abu Dhabi and Dubai was announced on 16 Feb. However, Shaikh Rashid was anxious not to be dominated by Shaikh Zaid and therefore wanted to involve Bahrain and Qatar as well. Shaikh Isa of Bahrain was reluctant but Shaikh Ahmed of Qatar welcomed the idea, and adopted the cause as his own. A further agreement was reached at a meeting in Dubai later in Feb that there should be a union of all nine protected states. It was unclear whether the union—to be known as the United Arab Emirates—would be a federal state or a confederation of separate states. Bahrain was still reluctant and the five small northern states felt they were being treated as pawns. The scheme for the larger union angered Shaikh Zaid who set about resurrecting the narrower union by offering financial inducements and other enticements to the small states. His methods caused resentment and by the summer of 1968 the Gulf states were divided into two camps—Bahrain (now preferring independence), Abu Dhabi, and four of the small northern states in one; Qatar, Dubai and the remaining northern state (Ras al Khaimah) in the other. Britain's preferred option—a loose confederation (of the seven, the UK never had much faith in a union of the nine because of Bahrain's position)—had effectively been undermined by the one ruler who favoured it, Shaikh Zaid. All this took place against a wider background of general Arab support (Syria excepted) for the larger union, although Saudi Arabia still maintained its territorial claims. Iran, the other key player, was adamant that Bahrain could not be part of any union, and kept up its claims to the small islands in the Straits of Hormuz at the mouth of the Gulf (FO 1016/865, no 685, Crawford despatch to Stewart, 14 June 1968).]

In your letter to me 2/21 of 30 May (not copied to the other recipients of this letter) you referred to Iranian professions of bewilderment at the apparent variations in our Persian Gulf policy and you expressed your concern that we risked getting the worst of all worlds in the Gulf. While I hope that things will not turn out as badly as you fear, I would not wish to argue that there is no danger that they may.

2. We cannot expect everyone to regard our policies as logical and consistent, but it is important that we should have a common view among ourselves of what it is we are trying to do and how we have so far set about it. I am therefore copying this letter, which is an attempt at clarification of these points, to those most closely concerned.

3. The change in our policy over the Persian Gulf in January last, which was bound up with even more far reaching changes, faced us with a new situation that made the resolution of the various problems in the Gulf both more urgent and more difficult than before. Our objective has been to promote a system resting on an understanding between the countries bordering on the Gulf that would preserve the stability of the area and avert the dangers of a spread of extreme Arab nationalism or an Arab/Iranian confrontation, which we see as the two principal threats to such stability.

4. It seemed to us that the small Sheikdoms on the Arab shore would either have to fall under the domination of their larger neighbours, or draw much closer together in some form of co-operation as a condition of survival. Only Bahrain, we thought, and just possibly Qatar, had any reasonable chance of going it alone.

5. From the point of view of direct British interest, there would be little to choose between the two lines of development, provided that the objective at paragraph 3 above were secured. However, we concluded that a system of co-operation between the Rulers, to which Iran and Saudi Arabia would give their blessing, had the better chance of avoiding the threats to stability, and we therefore decided to encourage the development of such a system. This also had the merit of being consistent with previous policy.

6. In considering how to proceed we have had constantly in mind two major considerations:—

- (a) Iranian susceptibilities as regards both their reasonable strategic and other requirements and their historic claims; and
- (b) the risk of charges from the Arab world that we were seeking to block progress towards Arab unity and to perpetuate our control in the Gulf by indirect means.

7. We expected that the most feasible form of co-operation between the Gulf States would be a more or less close Union of the Seven Trucial States (for which existing co-operation in the framework of the Trucial Council offered some foundation); and that this Union might perhaps have looser links to an independent Bahrain and to Qatar, the latter possibly in some special relationship with Saudi Arabia. We were accordingly surprised when the initial Union between Abu Dhabi and Dubai was diverted by the intervention of Qatar towards a Federation of the Nine. When this development aroused the hostility of the Iranians and their suspicions of our role and motives, we explained to them:—

- (a) that we had not been responsible;
- (b) that we thought it unlikely that an effective Federation of the Nine would in fact emerge, and that a Union of the Seven, which was our preference, was a more likely outcome; and
- (c) that our capacity to influence the Rulers was limited, and that we would in any case not be prepared to oppose any reasonable course of action on which they were all agreed.

8. By April it was clear that King Feisal was actively supporting a Federation of the Nine, which was the prospect being generally acclaimed in the Arab world, and had persuaded the Ruler of Bahrain to work to this end. At the same time local rivalries, which had been encouraged by Iranian agents, had developed in a way which suggested that efforts to form a Federation of the Seven would fail and would promote tension rather than stability. We concluded that if we failed to express our own encouragement for the Rulers' concept of the Nine, we should attract criticism from the Arab world of the kind we wish to avoid (paragraph 6(b) above) and should also fail to check the trend towards instability. We accordingly explained the situation to the Iranians and informed them of our intention in the new circumstances (partly of their creation) to encourage the Rulers to work for a Federation of the Nine. In the event the movement for a Federal Union of the Nine has run, as we expected, into many difficulties and as you will have seen from our telegram No. 809 to Bahrain we have decided not to put further pressure on the Rulers at this point to hasten progress with it. In reaching this decision we have been influenced partly by our assessment of what in fact would be achieved by action at this point, and to a great extent by the overriding importance of securing a broad identity of approach between the Shah and King Feisal and therefore, if possible, of avoiding any development which might prevent this.

9. It does not seem to me that in this sequence of our attitudes and actions there has been anything of which the Iranians can legitimately complain, or that matters have in fact developed in any way damaging to Iranian interests. The fundamental difficulty seems to be that the Shah's claims and calculations create a conflict of objectives. Our order of preference has been:—

- (a) a Federation of the Seven;
- (b) failing that, a Federation of the Nine loose enough to avoid creating excessive reactions in Tehran;

(c) only failing both (a) and (b), whatever other expedient could be devised to prevent internecine strife after our departure.

10. The Shah on the other hand appears to be fundamentally opposed to this thinking. For whatever reasons—and they are clearly a mixture including historical compulsions and the conviction that the Arabs are likely to make a mess which would threaten Iran's security—his order of preference seems to be:—

- (a) no further cohesion at all on the Arab side;
- (b) failing that, a form of union which did not include Bahrain, or give either Bahrain or Ras al Khaimah the firm backing of more powerful neighbours;
- (c) at worst, a Federation of the Seven or Eight, which must at all costs leave Bahrain out.

11. This is, of course, to some extent guesswork. We have seen the Shah reported from secret sources as saying that he was out to disrupt the U.A.E., but we have not seen his objectives more clearly defined than that. While the Shah has in the past expressed his general support for the idea of closer co-operation between the Gulf Rulers, in practice, so far as we have been able to judge from the evidence available to us, he has actively worked against it. And you have already pointed out, where his claims are concerned, that his insistence on maintaining his claim to Abu Musa, which we must hope is only a bargaining position, is not helpful in the context of our search for a package solution.

12. On the Arab side, our policy and attitudes have not as yet succeeded in promoting co-operation among the Rulers. In a negative sense, however, our expression of support for a simple but comprehensive union has saved us from criticism from the Arab world that we were impeding unity. The only accusations of neo-imperialist intentions have in fact come from Iranian official statements. The main danger now is that reiteration of uncompromising Iranian attitudes—and their inevitable distortion and exaggeration in Arab descriptions of them—could increase the demands already being made by the Saudis and the Kuwaitis that we enforce a solution of a kind which would be anathema to Iran.

13. In this context, and as regards the future generally, we see no advantage, as I am sure you would not, in making an all out effort now to impose a Federation of the Nine or even of the Seven, in the absence of adequate local impetus. We still hope that co-operation between the Rulers on a regional system will develop, but we cannot pretend that the prospects at the moment are good. Therefore, we have not closed our minds to the other possible line of development referred to in paragraph 4 above, though this again, if it were to yield stability, would depend a great deal on Saudi/Iranian understanding.

14. In the circumstances, we must I think reconcile ourselves to dealing flexibly with the situation as it develops. In spite of all our efforts we may end up as you foresee, by pleasing nobody. However, short of working openly to satisfy all the Shah's demands, at whatever cost to our relations with the Arab world, I can see no way of providing with certainty against Iranian resentment. Even that course might not earn us any permanent dividends from the Shah, as there is no guarantee that we could deliver the goods he is after. An all out attempt to do so would certainly earn us major ill-will from the Arabs and risk further damage to our economy at a time when we can ill afford it.

15. I know that you will carry on with your admirable efforts to get the Shah and

other Iranians to understand the basis of our policy and to recognise that we are doing what we can to meet what we believe to be Iran's fundamental interests. Would it help if at some stage you were to seek a frank discussion with the Shah about essential objectives (see paragraphs 9 and 10 above) in a further attempt to persuade him that ours need not be incompatible with his? What seems clear is that any workable outcome in the Gulf will to a great extent depend on the Shah's capacity to take a long forward looking view of Iranian interests rather than an historical or tactical view.

16. We recognise that our immediate objective of getting the Shah and King Feisal together may prove of little value if all that results is a *dialogue des sourds*. We are doubtful in this connexion whether King Feisal or other Saudis have thought their own policies through, or whether they really know enough about the Gulf rulers and their attitudes. Can they for instance rationalise the incompatibility of at least three of their declared or known objectives: a Union of the Nine without any concessions of form or substance to Iran; Buraimi; and general understanding with Iran? The Department are trying to measure this and if we see likely benefit from further discussion with King Feisal after the talk which Craig is now seeking we shall certainly not neglect the opportunity.

## 124 PREM 15/122

6 Apr 1969

### [Iran]: record by Mr Hurd of a conversation between Mr Heath and the Shah in Tehran

[Accompanied by Douglas Hurd, his private secretary and head of the Foreign Affairs Section of the Conservative Party Research Department, Edward Heath, leader of the Conservative Opposition in Britain, visited Iran and the Persian Gulf at the end of March 1969. The visit was newsworthy because of statements made beforehand by Heath and other Conservative politicians to the effect that a British military presence in the Gulf might be maintained after 1971 if the Conservatives won the next election in Britain, and if the Gulf rulers wanted the UK to stay. As well as the Shah, Heath had meetings with the Iranian prime minister and foreign minister; the ruler of Kuwait and the Kuwaiti defence and foreign ministers; the Sultan of Muscat and Oman; the rulers of Dubai, Abu Dhabi, Sharjah, Bahrain, and Qatar; King Faisal of Saudi Arabia; and at the end of the tour, President Nasser in Cairo.]

#### *Internal for affairs*

The Shah said he was determined to stamp out corruption in Iran and to spread wealth. He had been obstructed by the priests and land owners but their opposition had been overcome. If he was to maintain the present very high growth rate he must have adequate oil revenues. The regime in Pakistan had been brought down precisely because of the failure to defeat corruption and widen the distribution of wealth.<sup>1</sup> Iran was the only stable and prosperous country between Rome and Tokyo, except for Israel. Corruption was rife throughout the Arab world.

#### *Oil*

The attitude of the British Government was incomprehensible; they were backing the oil companies in concentrating production in a number of petty and unstable states.

<sup>1</sup> Against a backdrop of mounting political unrest, president Ayub Khan of Pakistan resigned on 25 Mar 1969 and handed over to the commander-in-chief of the army, General Yahya Khan who became president on 31 Mar.



For example, Kuwait was giving subsidies to Nasser. Luckily so long as the Israelis remained along the canal they were frustrating all Nasser's policies.

### *Arab–Israeli dispute*

Mr. Heath asked for the Shah's views of a possible settlement. The Shah said there was no chance of a settlement for the present, since the Israelis would stay on the Canal as long as they could. If Nasser managed to get a settlement his next target would be Libya, where the King was old and the regime unstable. Another Arab–Israeli war was certain, and the Israelis would win; but the balance of population was gradually shifting against them and within twenty-five years there would be 140 million Arabs against 4 million Jews. The Shah liked King Hussein<sup>2</sup> who was brave and kept his word; but he was likely to lose his throne. Iraqi forces were already established in Jordan and Iraq would certainly be drawn into the next Arab–Israeli round. Iraq was in a hopeless state; all the good people had been liquidated and there was no chance of a decent regime. He regarded the Kurds as his trump card and he would only promote a settlement of the Kurdish question if there was a decent Government in Baghdad. The Israelis were now powerful and arrogant and no one could control them.

Returning to the oil question, the Shah said that he must have his billion dollars from the companies this year. Mr Heath mentioned his discussion with the Prime Minister of Iran in which the latter had suggested a medium term arrangement with the companies. The Shah agreed with this. If Iran could not reach agreement with the companies then they would market 100 million dollars worth of oil themselves and use the proceeds of what they sold in the UK and US to buy goods from these countries. Failing that they would form a new company in which Iran would have a 50% holding, and this new company would decide the levels of oil production and have a share in the take-off. This would be less sensible than the present arrangement, but the essential thing was that the companies must increase production to the level which Iran needed. He thought that soon the big international oil companies would become marketing agents only, while the producing countries organised their own production; competition between the companies would then bring prices down and stimulate production. He had undertaken to agree to a reduction of four thousand in the Abadan labour force if the companies agreed to his demands.

The Shah said that Iran must be militarily strong since in the end each country must rely on its own resources. He wished to coexist with the Soviet Union and the Soviets realised that Iran would remain independent. They attempted a limited amount of subversion but the Government was well able to cope with this.

### *The Gulf*

Mr. Heath explained the policy of the Conservative Party towards the Gulf and asked for the Shah's comments. The Shah said that he deplored the British decision to withdraw by the end of 1971, which he regarded as an incomprehensible loss of will-power. But once the British went it would not be possible to ask them to come back. If the British now decide to stay on then their continued presence would need some justification. If, for example, there was trouble in Muscat and Oman then this might

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<sup>2</sup> King Hussein of Jordan, 1952–1999.

provide the necessary justification. Mr. Heath commented that he had found the Sultan anxious to improve his relations with the Shah. The Shah said that the Sultan was completely out of date but he understood that the son was intelligent and well educated. Possibly something could be done with him.

### *Bahrain*

Mr. Heath explained that according to his understanding, Bahrain was not a British colony of which Britain could dispose but an independent state which had asked Britain for the time being to conduct its external relations. The Shah said that he could not accept this view. He would not insist on a plebiscite in Bahrain but if he was going to abandon his claim there must be some means of showing that the people of Bahrain did not wish to join Iran. He would agree to consultations being conducted by a representative of the Secretary General of the UN. Sheikh Isa must be very weak if he could not face even that possibility. Mr. Heath said there was surely a danger of any UN operation getting out of hand. The Shah said that the Committee of 24 would be likely to intervene anyway unless something was done. It was not enough for Sheikh Isa to make some statement. He suggested that the Security Council should receive and approve a fact finding report from the Secretary General's representative. He believed that the Soviet Union would acquiesce in this procedure. He did not believe that in these circumstances the Arab League countries would press for the withdrawal of British troops from Bahrain. Mr Heath asked if once the Bahrain question had been settled the Shah would agree that Bahrain should join the proposed union of Arab emirates. The Shah said that this was so. Mr Heath said that he favoured the proposed union. The Shah agreed but said that each of the rulers came to Iran and complained about the activities of the others.

### *The Islands at the mouth of the Gulf*

The Shah said with great emphasis that for reasons of prestige and strategy he must have the two islands. Mr Heath queried whether in this age of long range rockets the islands retained any strategic value. The Shah said that however that might be the argument of prestige was overriding. He would not allow the British to hand these islands over to Arab rulers. The British talked about the median line in the Gulf but what would happen if this proposal was applied to Gibraltar or the Channel Islands. He must have the islands. He knew that the ruler of Sharjah had no money and would gladly give him 50% of any oil revenues from the islands. He had told the ruler of Sharjah that if the rulers tried to form a union with Bahrain before the Bahrain question was settled, he the Shah would break it up. But he would support a union formed after the settlement on Bahrain and would give it whatever aid and security commitments it needed.

Mr. Heath mentioned that he had visited Masirah. The Shah, having looked it up on the map, said he did not mind what the British did there.

### *Broader issues*

The Shah thought that President Nixon had started well, that there would be few changes in US policy and certainly no repetition of Vietnam. The Soviet Union seemed to want to come to terms with the US. He was greatly depressed by the state of American society, by the collapse of morals, the large sums which have been spent on arms and the insoluble problems in their cities.

He thought that China would turn its driving force away from South East Asia towards the lands in the North and the granary of Siberia. He hoped that this development would force the Russians into developing better relations with the West. Britain should join the EEC and this should lead eventually to union with Comecon. The Shah wanted to sell the Eastern satellites oil and so make them independent of the USSR. He had signed barter agreements with them up to £20 million a year but could not absorb any more of their goods. He had been hindered by the closure of the Suez Canal but would soon be helped by the opening of the new Israeli pipeline which would mean that large tankers could load at Abadan and unload at Eilat. The closure of the Canal had also stopped the Russians developing their activities in the Indian Ocean.

Finally, the Shah was much concerned with the deterioration of the European press and the failure of the so-called opinion formers. He recollected with pleasure his many friends in Britain, in particular Sir Alec.<sup>3</sup>

Mr. Heath said he greatly welcomed this full conversation (which lasted three hours including luncheon) and hoped that he could keep in touch with the Shah.

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<sup>3</sup> Douglas-Home.

## **125 FCO 8/979, no 60**

**8 May 1969**

### **'Heath on reversal': letter from D J McCarthy to Sir S Crawford on the policy of the Conservative Party towards withdrawal from the Persian Gulf**

[Heath's visit to the Gulf (see 124) prompted the Arabian Dept at the FO and local British officials to assess the feasibility of a reversal of policy. The conclusion reached was that while the UK decision to withdraw had come as an unwelcome surprise to virtually all the Gulf rulers, many had now adjusted themselves to the new situation. Although privately they might welcome a reversal of policy, few would be willing to have such views attributed to them publicly. It was suggested the rulers might welcome a partial reversal, replacing the UK's special position and protective treaties by more orthodox treaties of friendship with a defence commitment. To the Arabian Dept this would be a defence commitment 'without teeth' which would be 'of dubious value to régimes (and indeed states) which have survived partly because our forces were assumed to be available for domestic as well as international support'. Writing in June 1970, D J McCarthy, the head of the Arabian Department, commented: 'Events are bound to have moved on considerably in various directions before the matter could be put to the test. In the meantime talk of a change of policy can take the Rulers' eyes off the ball and do damage' (FCO 8/979, no 70).]

You will have seen Mr. Heath's recent statements. On the whole he seems to have increased the hedge against his bets by emphasising 'if our friends want . . . if we do not find it too late,' and so on. But the message from Albany remains, as he said to Geoffrey' and me, that 'we're going to change policy and the F.O. should be working out how to do it'. I do not yet feel obliged to take my instructions from Mr. Heath. But before the whole issue degenerates into another slanging match between front benches it does seem worth trying to size up the realistic possibilities of a change of policy.

2. I enclose a first effort at assessing feeling in the area, prepared in Arabian Department.<sup>2</sup> It does not go into the current unhelpfulness of Mr. Heath's public

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<sup>1</sup> Geoffrey Arthur, see 132.

<sup>2</sup> Not printed.

statements from your point of view, because we have been into that with Mr. Heath among others. Similarly it does not examine how Mr. Heath is going to reverse policy and save £400 million of taxation. And we have not yet submitted or distributed it, because we should first like your own comments on its general view and on any points of detail which you find either missing or wrong.

3. Secondly we should like any view you can offer on whether Conservative ideas on policy could be workable, as seen from the Gulf, in 1970 or 1971.

4. For this you really need to know what Conservative policy is. We know Mr. Heath's and Douglas Hurd, who accompanied him, is less dubious about its realism since the tour than he was before it. But as far as I can see there is no consensus among the Tory leadership. Mr. Heath seems to operate a Shadow Presidency rather than a Shadow Cabinet. I have some reason to doubt whether Sir A. Douglas Home goes all the way with him on this topic. I do not think it has been talked through with Mr. Maudling or Mr. Macleod, let alone Mr. Enoch Powell.<sup>3</sup> Mr. Amery<sup>4</sup> of course is right behind the best Joseph Chamberlain<sup>5</sup> he has got and determined to save the Gulf from that puppet of the Communists, Nasser. Mr. Sandys is remarkably quiet and we do not hear in the matter from Sir Edward Boyle.<sup>6</sup>

5. But the rationale which emerges from people like Mr. Kershaw<sup>7</sup> and Mr. Amery runs something like this. We are going to be in power in 1970 and our troops will still be there (it seems to me that March 1971 would be good enough for this argument, and one does not see Mr. Wilson giving up early so long as his majority is what it is now). We then take stock with our friends etc. (and I trust the IMF). May be a complete reversal is not quite the answer for one reason or another, though we are sure that our friends want it. But there are useful variants. One is that you stay with smaller forces and you keep the present treaties; if you feel that you need, or are entitled to demand, some quid pro quo, you might make it clear in return that this tiresome and unfair commercial enterprise by French and Germans and Japs is not to be encouraged. A second possibility is that you do not exactly reverse present policy but simply fail, for five years or so, to carry it through. In return your friends are grateful, and can be expected or required to Federate properly and, with their bigger respectable neighbours the Saudis and Iranians, secure both general stability and the British commercial stake. A third possibility, and the conclusive answer to dismal officials who do not think that we can reverse the decision to withdraw troops and who do not think that treaties without teeth mean much, is that you do withdraw the troops—from the Shaikhdoms. But you put them, or a battalion's worth at any rate, among the abundant water supplies at Masirah and *voilà*—teeth after all and we and our friends are all happy.

6. I think that this summary is fair even if flippant in tone. And I do not suggest that any of it is beyond reason; if outside factors were not too difficult. I imagine that ideas such as these could be put into practice. But those who express them seem to brush aside some things which seem relevant, from the snags in terms of our

<sup>3</sup> Financial secretary to the Treasury, 1957–1958, and minister of health, July–October 1963.

<sup>4</sup> Julian Amery, parliamentary under-secretary of state for the colonies, 1958–1960; secretary of state for air, 1960–1962; minister of aviation, 1962–1964.

<sup>5</sup> Secretary of state for the colonies in the Conservative-Unionist governments of Lords Salisbury and Balfour between 1895 and 1903.

<sup>6</sup> Financial secretary to the Treasury 1959–1962.

<sup>7</sup> J A Kershaw, Conservative MP for Stroud in Gloucestershire since 1955.

economy and shortage of men and equipment in the Forces to the psychological effects of the decision last year and on to the fact that Arab pressures and attitudes may not be as easy by 1971 as in 1968. And a robust assertion that the Shah really wants us to stay, at least if we have not gone before a change occurs, does not quite conceal a perceptible embarrassment over Iranian attitudes. This seems important. The Opposition maintain that HMG's present policy will wreck stability. They do not seem to weigh the matter in which that could be true in its most serious form; an Iran which we had failed to bring to an accommodation grabbing e.g. Abu Musa while we still had troops present and still had a protective commitment towards Sharjah.

7. If you do not think that speculation is vain, we should welcome your comments, and those of Sir D. Wright on the Iranian aspects.

## **126 PREM 13/3322**

**29 Aug 1969**

### **'Persian Gulf: future support for local forces': minute by Lord Chalfont<sup>1</sup> to Mr Healey**

In the Foreign and Commonwealth Secretary's absence, I am writing about a new problem which has arisen in our attempts to create a stable structure in the Gulf against our withdrawal in 1971.

This is the question of the immediate command of the Defence Force to be created by the Union of Arab Emirates. As a result of the recent visit to the Gulf by Major-General Sir John Willoughby,<sup>2</sup> it has become clear that H.M.G. must take a decision on whether we would be willing to provide a serving British officer on loan to the local forces to assume this appointment.

There is no suitable Gulf Arab to serve as Commander. On obvious political grounds the Rulers would mistrust the choice of a non-Gulf Arab. Indeed, except for the Ruler of Bahrain, they are opposed to the appointment of any Arab; and we know that they would welcome a British Commander.

The Political Resident in the Persian Gulf has drawn attention to the obvious drawbacks of this appointment being filled by a British national, but he concedes that the dangers would be less if the Rulers themselves were to ask for one. In any case, it is obviously important that, so long as we have our own forces in the Gulf the Commander of any other forces there should be British in order to avoid misunderstandings between the two forces. Without recapitulating the arguments advanced in earlier exchanges of inter-departmental correspondence on the whole question of British personnel serving with local Gulf forces (ending with your minute MO 3/7/1 of 17 April to Michael Stewart), it seems to me that the political case for such an appointment is overwhelming.

<sup>1</sup> As minister of state of the FO, Chalfont was also UK permanent representative to Western European Union.

<sup>2</sup> Willoughby (see 53, note 1) was adviser on defence to the Arab emirates, 1968–1971. His report of July 1969 stated that the main threat to the Gulf states lay in internal subversion. It recommended a defence force based on the five mobile squadrons of the Trucial Oman Scouts, together with another locally recruited battalion, an airforce with UK Hawker–Hunter jets, and a marine force to prevent illegal immigration.

The reason for the need to take a decision at this early stage is as follows. Despite Willoughby's prompt, sensible and constructive report to the Rulers in April, there has been political disagreement within the U.A.E. which derives in part from disagreement on defence questions. General Willoughby recommends that a skeleton headquarters should be set up without delay in order to give impetus to the formation of the necessary Union force, and in order to ensure effective co-ordination among the State forces now coming into being—over, for instance, patrolling against the illegal immigration of active subversives from Southern Yemen and elsewhere. But a skeleton headquarters cannot be set up without the appointment of a force commander and it would not be right to allow Willoughby to propose its establishment unless we were prepared to agree to the inevitable Arab request for the loan of a suitable British force commander. (The possibility of a titular Arab force commander with a British Chief of Staff as *de facto* commander has been considered; but we do not believe the Rulers would accept this.)

I should be grateful therefore for your agreement and the Prime Minister's that General Willoughby may be authorised, should the request be made, to inform the Rulers that he himself would give sympathetic consideration to the question of appointing a British commander; and that he should be told now that, while he should not recommend a British commander, he could, if he saw fit, answer a request for one in the knowledge that H.M.G. would make one available. If pressed by the Rulers to say whether the arrangement could continue after 1971, he could be briefed to reply that this could be considered later in the light of the Union's progress (among other consideration).

The background to the present position of the U.A.E. is given in the Political Resident's despatches of 9 and 15 July. Officials are preparing an inter-departmental report on the position in the Gulf by October but a decision on the present question must be taken now because the next meeting of the Supreme Council of the U.A.E. is itself in October and Willoughby must make his recommendations well in advance of that.

I am sending a copy of this minute to the Prime Minister.

**127** PREM 13/2758

3 Sept 1969

**'Revolution in Libya': FCO guidance telegram no 181 to certain missions**

In the early hours of 1 September units of the Libyan Armed Forces seized control in Tripoli, Benghazi and Beida. Tripoli Radio announced the creation of a Revolutionary Council and the establishment of a republican regime under the armed forces. The Crown Prince has broadcast announcing the renunciation of all his powers as the King's deputy and has expressed his support for the new regime. (The Crown Prince, who is the King's nephew, has been acting for the King during King Idris<sup>1</sup> current visit to Turkey and Greece for holiday and health reasons.)

2. The regime has announced that it will honour all international undertakings, including oil concessions, and that foreign communities in Libya will be protected. A

<sup>1</sup> Sayid Idris al-Sanusi, a Cyrenaican, was king of Libya from independence in 1951 until the 1969 coup.

curfew has been imposed in Tripoli and Benghazi. Ports and airfields are closed. As far as we know all British subjects are safe.

3. The coup leaders, who all appear to be young officers, invited Colonel Saaduddin Abu Shweirib to head the new Revolutionary Council. He is 35, joined the Army in 1953 and received his military training in the U.A.R. and U.S.A. He retired from the Army in late 1967, since when he has been practising as a public notary.

4. The heads of the British, U.S. French and Soviet Diplomatic Missions in Tripoli were summoned on 1 September to meet representatives of the new regime (three young captains who did not give their names). They were told that the causes of the coup were 'corruption, unequal incomes, and negative attitudes towards international issues'. Tripoli Radio has stated that the revolution has been carried out in the name of 'freedom, socialism and unity' and is not directed against any foreign power.

5. It is not yet clear how far the authority of the new regime extends. The Army is reported to have taken action to neutralise the traditionally pro-royal para-military security forces, but opposition could still develop, particularly in Cyrenaica. The precise causes of the revolution are still not clear, but there is no evidence of outside inspiration. The young revolutionaries may well be genuinely discontented with the Libyan 'Establishment' and its widespread corruption: their aims are no doubt 'progressive' but not necessarily extremist. But the end of the monarchy would be certain to deprive Libya of an important unifying force which has up to now smoothed over political and tribal divisions within the country.

6. One of King Idris' closest advisers, Omar Shelhi, arrived in London on 2 September with an appeal from King Idris for British intervention, and called on me. The appeal is not repeat not public knowledge, and we do not wish it to become so. In reply to enquiries about the visit, News Department are saying that the visit was made at the request of King Idris, and that I listened to what Omar Shelhi had to say. They are also pointing unattributably to our well-known criteria for the recognition of new regimes.<sup>2</sup>

7. British interests in Libya are considerable. Exports of oil from Libya only began in 1961, but they are now almost equal to the annual production of Iran. Although the producing companies are mostly American, B.P. have a major interest and Libyan oil has become especially important to Britain and Western Europe since the Suez Canal was closed. Our exports to Libya have been increasing rapidly in recent years: contracts worth about £200 million for arms, including a comprehensive air defence scheme, tanks and ships have been concluded. Although British Forces are no longer stationed in the main towns, there is still a small RAF station at El Adem and a small garrison at Tobruk. There are approximately 2,500 British servicemen and 1,300 dependants in Libya. Staging rights at El Adem are not as important as they used to be, but the facilities for training provided by the Libyan desert are very useful.

8. Paras 1–4 above may be used freely. Paras 5–7 are for your own information, except for the News Department line in para. 6 to which you could draw attention as appropriate.

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<sup>2</sup> The main criterion being that the new regime should be demonstrably in control of the country, or the greater part of it.

**128** PREM 13/2758

3 Sept 1969

**'Libya': minute by Sir B Trend to Mr Wilson on British interests**

The following background information may be of use in connection with tomorrow's Cabinet meeting.

2. The United Kingdom interests in Libya may be divided into three:—

(a) *Military*

The airfield at El Adem is no longer of much importance as a staging post. On the other hand the Ministry of Defence attach considerable importance to the training facilities which Libya offers both for the Army and for the RAF.

(b) *Oil*

BP and Shell have investments in Libyan oil totalling about £100 million. BP exploits a field of its own; Shell has a part share in Oasis, which is essentially an American company. Overall, American interests are considerably greater than our own. We imported about 21 million tons of crude oil from Libya in 1968, representing 26 per cent of our total imports of crude. Libyan crude is important to the United Kingdom oil industry owing to its relative freedom from sulphur and the fact that it lies this side of Suez.

(c) *Arms sales*

Contracts totalling about £200 million have been signed and for the most part are now in course of execution. Of this figure about £115 million is accounted for by the air defence contract (which still has some time to run) and about £47 million by supply of tanks and other military vehicles. 188 Chieftains have been ordered; but none have yet been delivered. Other items include a destroyer and some fast patrol boats. A contract had also been signed for a royal yacht(!).

3. Libya is in the sterling area; but her behaviour has not been particularly helpful from our point of view.

4. The Anglo-Libyan Treaty of 1953, under which (inter alia) we enjoy our military training and other facilities in Libya, is valid at least until 1973, when it may be terminated by a year's notice from either party. It provides for mutual defence arrangements and for the immediate provision of aid to a party which is the subject of attack; but it relates only to attack from outside Libya.

5. The Libyan armed forces are divided between the armed forces proper—primarily the army, supported by small naval and air force units—and the three gendarmerie forces which constitute the public security force. These latter are the Cyrenaica, Tripolitania and Fezzan defence forces. The most important of these is the Cyrenaica defence force (CYDEF), which is recruited primarily from among the tribes and is considered on this account to be more likely to maintain loyalty to the King. It has been the King's policy to maintain a balance of heavy arms as between these forces, so that none of them has superiority over any of the others.

6. *British subjects in Libya*

Available figures, which may not be quite up to date, show about 2,300 British subjects in Cyrenaica and about 4,000 in Tripolitania. Both figures include Maltese (for example, over 1,000 in Tripolitania) and others for whom we accept responsibility (e.g. 200 Canadians). The figure for Cyrenaica includes Service dependants.



Evacuation in an emergency would normally be by civilian means; and plans exist. There are also plans for use of Service transport. In the event of hostilities, whether between Libyans or arising out of, e.g. a United Arab Republic and/or Algerian invasion, British families in the Tobruk area would be brought into the perimeter of El Adem. Though the situation may change very rapidly, the present hope is that it will not be necessary to evacuate United Kingdom (or United States) nationals.

## 129 PREM 13/2758

4 Sept 1969

### 'Libya': minute by Mr Stewart to Mr Wilson on recognition of the new regime

I wish to report to you how events have moved in Libya since my minute of 3 September.

2. All the indications are that the regime is consolidating its position in the country. It appears to have gained control even in Tobruk where there had been elements of the Cyrenaican Defence Forces favourable to the King. Despite some sharp criticism of Omar Shelhi's visit the leaders of the regime seem most anxious to be on friendly terms with us. There have been no hostile gestures towards the Embassy or to our military forces. The new regime is anxious to get the oil flowing again. (There seems to have been a ban on air flights in and out of R.A.F. El Adem but this may well be a sign of nervousness.) All this confirms me in my view that we should take a very early decision about recognising the new regime. This is emphatically the view of our Embassy there.

3. The Americans, while agreeing in principle that early recognition is desirable, have suggested that this should be dependent on our getting a favourable reaction from the King, possibly as the result of sending Sir Donald Cumming<sup>1</sup> to see him.

4. While I think there is much to be said for Sir D. Cumming seeing the King in Athens, provided of course that this can be achieved with the *utmost secrecy*, I do not believe that our recognition of the regime should depend on the King's acquiescence. He may well have a role to play in the future but he would be most unlikely to give us a favourable response on recognition soon. It is in my view most important that we should establish relations with the new regime very soon as the best way of protecting our interests in Libya. I consider that the only limiting factor to recognition that remains is that we know so little about the personalities and nature of the regime. We do not even know their names.

5. In the circumstances I am taking the following action:—

(a) I am instructing H.M. Chargé d'Affaires in Benghazi to make a friendly approach to the regime, telling them about my criteria for recognition and asking them to let us have at once some information about themselves, the nature of their Government and their aims.

(b) We are finding out from H.M. Ambassador in Athens whether it would be possible for Sir D. Cumming to pay a very secret visit to the King, perhaps telling him our intentions about recognition shortly before it takes place.

<sup>1</sup> Sir Donald Cumming, formerly of the Sudan Political Service and chief administrator, Eritrea; president of the Society for Libyan Studies, 1969–1974.

(c) I am instructing H.M. Ambassador in Washington to explain to the U.S. Government why we consider early recognition of the new regime essential, provided that we can obtain some more information about the personalities and aims of the regime. We shall also explain to the Americans our intentions about Sir D. Cumming while making it clear that we do not think that recognition can depend on the King's acquiescence.

(d) We are telling our principal friends in Western Europe, in particular the French, the Italians and Federal Germany, what we propose to do.

6. I am sending copies of this minute to the Defence Secretary and to the Secretary of the Cabinet.

### **130 PREM 13/2758**

[Nov 1969]

#### **'Anglo-Libyan relations': FCO note for Mr Wilson on a deterioration in relations**

##### *(a) Demonstrations in Tripoli on 2 November*

On 2 November—the anniversary of the Balfour Declaration<sup>1</sup>—a crowd of 700 Libyans demonstrated outside the British Embassy in Tripoli. The crowd threw stones, attacked Embassy cars, and tried to break into the building. Total damage is three cars written off, and two damaged, and extensive damage to the Embassy windows, shutters, doors and air-conditioners. Libyan security forces arrived and dispersed the crowd 22 minutes after the Embassy's first appeal for protection. Our Ambassador delivered a strong written and oral protest to the Libyan Foreign Minister on the evening of 2 November. A committee of three assessors appointed by the Libyan Foreign Ministry inspected the damage on 3 November and were told that we would submit a claim for compensation based on our own assessment of damage (the Embassy's estimate for this is £8,800). Our Ambassador spoke again to the Foreign Minister on 3 November who gave an assurance that all steps would be taken in future to protect the British Embassy. He indicated that the appointment of the assessors showed the Libyan Government's intention to pay compensation. We have not so far received an apology from the Libyan authorities for the incident, though the Ambassador has continued to press strongly for this.

##### *(b) Anglo/Libyan Relations*

2. On 29 October the Libyan Foreign Minister handed H.M. Ambassador in Libya a note requesting us to enter into urgent negotiations 'with the sole aim of the speedy evacuation of all Libyan territory'. The Libyan note was moderately worded, but implied that the Anglo-Libyan Treaty of 1953, under which we maintain our military presence in Libya, had been concluded under pressure, and stated that the reasons for the continuance of the Treaty had disappeared with the Libyan revolution on 1 September.

3. The Libyan note was not unexpected. It followed mounting pressure for the removal of our forces. This pressure is partly a natural consequence of the assumption of power by a revolutionary Arab regime, and probably also reflects the

<sup>1</sup> On 2 Nov 1917, on the establishment of a Jewish national home in Palestine.

Libyan Government's wish to provide Libyan opinion with a distraction from the administrative shortcomings of the government in internal affairs.

4. The Libyan Government is most unlikely to be satisfied with anything less than the early removal of British forces in Libya. This entails the closure of the R.A.F. Station at El Adem and removal of the Army garrison in the Tobruk area. The Libyans may wish to retain the services of some British military and naval advisers but probably not the Military and Naval Missions in their present form.

5. If we satisfy the main Libyan requirement, for the removal of British forces from Libya, and can achieve a new relationship with the Libyans in the defence field generally we may be able to negotiate arrangements under which British forces can continue to train in Libya. The chances of achieving this are difficult to assess.

6. The retention of our position as suppliers of arms to Libya will be a major element in any new relationship. On this, the Libyan authorities have said they are reviewing existing contracts. They have also said they wish to take delivery of the 188 Chieftains ordered by the previous regime. The results of Libyan studies will only emerge gradually but, apart from some Chieftains, we believe they will wish to obtain, under new arrangements, quick delivery of military weapons which will look spectacular on display and will satisfy the desire of the Libyan army for modern equipment. On the large air defence scheme contracts between the Libyan Government and B.A.C. (covering surface-to-air missiles and associated radar) the Libyans have made no official pronouncement. The indications are that they will not wish to proceed with the whole existing scheme. The Libyans have also requested our help in the training of naval and air-force personnel (we are already helping to train the Libyan army and navy under existing arrangements).<sup>2</sup>

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<sup>2</sup> The last UK troops left Torbruk in Mar 1970, and the US air base at Wheelus Field near Tripoli was handed over in June. In Jan 1970 Libya signed contracts with France for the supply of over 100 mirage jets, the first deliveries to be in 1971. Libya's threat to use the aircraft against Israel placed the fulfilment of the contracts in doubt.

## **131 FCO 46/716, no 28**

**3 Feb 1971**

**[The Conservative Party and the Gulf]: letter from Mr Churchill<sup>1</sup> to Mr Heath expressing concern over withdrawal**

I am becoming increasingly concerned about what appears to be Government policy with regard to the Persian Gulf. You very kindly met me to discuss the matter some eighteen months ago following your visit and just prior to my own. You put to me very strongly the view that the Labour Government's policy of pulling out was clearly against British interests and indeed the wishes (at least in private) of the rulers in the area. All I learned during my visit and from my conversations with the Shah and Gulf rulers confirmed what you had told me.

The principal argument used by the Government on the South African arms issue has been the threat to Western shipping posed by the Soviet naval, and especially submarine, build-up. If this threat is a real one—as I believe it is—then the implications of a British withdrawal from the Gulf and the possibility of two-thirds of

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<sup>1</sup> Winston Spencer Churchill, MP (Con) from 1970; grandson of Sir Winston Churchill.

Europe's oil supplies falling into Soviet hands must be taken every bit as seriously. While interference with our shipping on the high seas would require an overt act of war, if the Soviet Union were to move in to Bahrain and the sheikhdoms in the way and with the speed they have moved into Aden, not only Britain but all of Western Europe could find itself faced with a situation in which our industry and indeed our defence capability could be brought to a standstill within weeks.

I know what was the Foreign Office view on this matter and the value you placed on their assessment. I do hope that we shall stand firm on this question as the security of our oil supplies is something which we cannot allow to fall into the hands of an enemy.

As you pointed out at the time, a ground presence is of the essence. Without a clear commitment on our part it would be unrealistic to expect a commitment from the countries concerned. Unless the arrangement proposed includes a couple of secure airfields together with a permanent presence of ground forces and basic air cover, it is unlikely to be adequate to prevent some of the countries concerned throwing their lot in with the Russians.

My anxieties about Government policy in this respect may well be unfounded—I am not in a position to know—however I felt that you should know how strongly some of your troops feel about how right you were in your assessment of British interests and how wrong was the Foreign Office.

## **132** FCO 8/1572, no 1

19 Apr 1971

[Reflections on the Gulf]: despatch from Sir G Arthur<sup>1</sup> to Sir A

Douglas-Home

[Extract]

It was of the people of Sybaris,<sup>2</sup> I think, that the Greeks used to say that 'they lived as though they were going to die on the morrow, they built as if they were going to live forever'.

2. That epigram often comes to my mind when I think of the paradoxes of the British position in the Persian Gulf. It is, for example, less than fifteen years since British officials laboured with infinite patience to divide the Musandam peninsula into a fantastic mosaic of enclaves and boundaries between half a dozen petty sheikhdoms and the Sultanate of Oman. Surely, one thinks, we should never have undertaken such a task, which leaves everybody but the British and the Arabs gaping in amazement, had we not implicitly assumed that we were going to stay in the Gulf forever. How else could we think that we could freeze tribal boundaries (and indeed recognise new independencies) in the middle of the twentieth century? Or was it perhaps that we thought we were going to leave the next day, so that it was better (or at any rate easier) to deal with things as they were and not waste our energies on the promotion of new political structures?

3. It is certainly true that a resident in the Persian Gulf, whether you give him a capital letter or not, finds it difficult to believe in political change. If one sits in

<sup>1</sup> Sir Geoffrey Arthur (knighted 1971); ambassador to Kuwait, 1967–1968; assistant under-secretary of state, FCO 1968–1970; Resident in the Persian Gulf, 1970–1972.

<sup>2</sup> An ancient Greek city in southern Italy, noted for luxury. Sybarite: 'a person who is self-indulgent in their fondness for sensuous luxury' (*The New Oxford Dictionary of English*, 2001 edition).

London and considers the Gulf, such change seems comparatively easy, and certainly desirable. Seen from Bahrain, it looks both dangerous and unnecessary, as well as quite impossible to bring about. I have sometimes criticised my predecessors for their skill in marshalling the arguments in favour of inactivity or delay. I now find myself recommending that this or that should *not* be done, rarely that it should, and inserting into my drafts the classic vocabulary of procrastination.

4. I do not think that this is entirely due to the fact that Whitehall sees the wood and Bahrain the trees. There is a special ethos in the Gulf. Everything looks so stable and peaceful. Economic and technical miracles abound; but the Gulf is still deaf to the winds of *political* change. Whether I sit looking out from Jufair across the lagoon to Muharraq, drive up the new road from Dubai to Ras al Khaimah, or bump through the mountains of the Musandam peninsula, I find it impossible to believe that anything can happen to disturb this last province of the Pax Britannica. The impression of permanence is overwhelming. It is only when I return to my office that I remember, after some effort, that the British forces are soon to be withdrawn, that flags will be hauled down and others raised, and that I had better start thinking of what I am going to say to the Ruler of Ras al Khaimah about the future of his island dependencies.

5. Nearly all the Gulf Rulers and their subjects, like the local British communities, have continued to behave overtly as though Her Majesty's previous administration had never announced their decision to withdraw by the end of 1971. It is not that they expected Her Majesty's Government to reverse or substantially to modify that decision (indeed most of them, both British and Arab, deplored the decision but believed it to be irreversible); it is rather that they cannot readily imagine any relationship other than the present one and that believing (doubtless rightly) that any change will be for the worse, they prefer to pretend that the British forces will somehow not leave, or that if they do, there will still be no real change. There are of course exceptions: some classes do believe that the British forces will go and are busy preparing for a future that will be quite different from the past. There are the newly rich Arab expatriates, who have no loyalties: they will leave westwards with their pickings. There are the subversives, who have given us very little trouble during the last three years: they would soon be more active if they thought we meant to stay. Unfortunately, too, there are the Trucial Oman Scouts, who claim (and perhaps rightly) to be the most cost-effective force in the world: they are beginning to get restless in the knowledge that they must seek new masters.

6. But these people are a minority, and for the most part they keep their thoughts, their plans and their fears to themselves. The rest of us are pessimistic in principle, optimistic—some might say complacent—in practice. The British forces are still around us; old-fashioned business still shows a profit; relations between the Arabs and the foreign communities are easy; guards of honour appear wherever I go; and the gracious living of Nuri Said's<sup>3</sup> Iraq, of Egypt before Nasser, and of Libya before Qaddafi<sup>4</sup> is still the rule in the Gulf. The Ruler of Bahrain sees no change, except that he is free at last of that irritating Iranian claim;<sup>5</sup> the British visitor,

<sup>3</sup> Prime minister of Iraq, murdered during 1958 revolution.

<sup>4</sup> Colonel Muammar al Qaddafi, chairman of the Revolutionary Council, 1969–1977, following the overthrow of King Idris; president of Libya from 1977.

<sup>5</sup> Iran's claim to Bahrain was finally resolved in May 1970 when Iran accepted the findings of a UN Mission that the people of Bahrain wanted independence. Iran renounced its claim and Bahrain formally became independent in Aug 1971.

listening to the pipes of the Trucial Oman Scouts, cannot bring himself to believe that 'all that' will soon go; and I myself, travelling in the Trucial States or in Oman, am often tempted to forget that Britain's position in the Middle East has changed since I first set foot on Arab soil thirty years ago. It is time we all went back to our offices and our melancholy thoughts.

7. Or perhaps we should take a trip to Qatar: it is there, more than anywhere else in the Gulf, that the British official finds himself baffled, not to say jolted. It is the least attractive of the Gulf states, its Rulers are the least pleasant and least responsive to British pressures. They are also among the most likely to last, for they are tough, prolific, united, and above all capable of identifying, and ruthless in pursuing, their own interests: if they fail, it will be because they can . . .<sup>6</sup> difficulties of devising a political structure to replace British paramountcy in the Gulf.

9. Must we then predict chaos, if we sit in our offices and think realistically about the future? Not necessarily: things are never quite as bad (or as good) as they may seem in the Arab world. The Arabs are weak in foresight. They cannot service their cars; but when they have a breakdown that would defeat one of us, they are brilliant in improvisation: I have been driven through miles of desert in a car controlled literally by string. And so it may be in the Gulf, though I must confess that if they are to show their skill in improvisation at its best, the Arabs need to be left to themselves. But the Gulf is the place where Arab and non-Arab meet.

10. It is this extra dimension to the problem of the Gulf which has caused and still causes us so much toil. We have kept Arab and Persian apart. What happens when we leave? It seems easy: Saudi Arabia and Iran must agree. So we have fostered the growth of their friendship, not entirely without success; but the soil in which it is rooted is sour, and it is doubtful whether the plant will ever be strong enough to bear fruit. Saudi-Iranian friendship is not likely to last long if the outstanding problems between the Arabs and Iran cannot be solved before we go. The waters of the Gulf, as well as its shores, yield the precious bane, oil: small islands, territorial waters limits and seabed boundaries are as important as frontiers on the land. Here too, at present, there is peace and stability: a paradise for the international lawyers, who can do it all with maps and need hardly visit the Gulf. But here too the stability is deceptive: the Imperial Iranian Navy will deal roughly with the elegant submissions prepared by Western advocates for the Rulers of the Trucial States. To my predecessors, if I may judge by their despatches, Iran seemed remote from the peaceful deserts and quiet waters of the Arab states of the Gulf. We now feel that the Shah is 'in the next room' as King Hussain<sup>7</sup> once said of the late President Nasser. But the cultural remoteness persists, except perhaps in Bahrain, where we employ a surprising number of people who speak Arabic with a Persian accent and read magazines from Tehran, not Cairo.

11. So nothing, Sir, is quite what it seems in the Persian Gulf; least of all Oman, which to me has been the greatest surprise and oddest paradox of all. Nine of the states with which I deal are bound to us by exclusive treaties. The tenth, Oman, is independent, yet that is the one which for the present at least, depends on us most of all. The least of the nine Rulers asserts his independence at least through a Sudanese secretary, and

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<sup>6</sup> The remainder of para 7 and all but two lines of para 8 of this document (representing the equivalent of one page of text in the original) have been withheld until 2012 under Section 5(1) of the Public Records Act, 1958.

<sup>7</sup> King Hussein of Jordan.

to get any of them to accept our advice is an uphill job: indeed the gradient is sometimes so steep, as in Qatar, that it begins to resemble a wall. Municipalities, committees, lawyers, oil advisers, historians, public relations men—all kinds of traps are set for the unwary Agent or Resident. But not in Oman. There the only effective organisations, apart from the oil company, are the Sultan's Armed Forces (whose officers are all British) and the British Bank of the Middle East. The Sultan almost invariably takes our advice; and if the matter seems delicate, it must first be discussed with one of his (invariably British) advisers. It will not last of course; but for the present it is not easy to convince even a friendly foreigner that the British do not run Oman.

12. It is not of course in that way alone that Oman is unique. Its geographical isolation, and the policy of the former Sultan, have ensured that the interior has preserved the aspect of the eighteenth century or earlier: no metalled roads, no services, no schools, no hospitals, nothing but a decaying, depopulated and undernourished country with areas of great natural beauty surrounded by barren mountains and the worst of all deserts. Ailing governors, possessed of great dignity but little or no power, hold primitive court in dilapidated castles. Whoever administers Oman, it is not they; and those (mostly British) who think purposefully about the development of the state now that the money is there to spend, scarcely know where to begin in a land where everything remains to be done.

13. After a visit to Oman the Trucial States seem modern and sophisticated, except for the Rulers; for the Rulers of the Trucial States, whatever their virtues, are neither sophisticated nor urbane, but the Sultan of Oman has beautiful manners and a refined taste in Western music, whilst his uncle, the Prime Minister, discourses interminably in impeccable English with a staggering richness of vocabulary and idiom. This contrast between the country and its rulers gives an air of unreality to the conduct of business in Oman: I have often felt, particularly in Salalah in distant Dhofar, that I have strayed into the pages of 'Black Mischief'.<sup>8</sup>

14. Dhofar is a world of its own, for it is touched by the monsoon. It is not like Arabia. The light is softer, more subtly blended. The palms on the plain are all coconut palms, not date; the hills are wooded and the valleys—I am told—like jungles. I cannot see the valleys for myself, for it is there, in what is perhaps the best guerrilla country in the Middle East, that the Sultan's Armed Forces are fighting communist gangs supplied from Aden—a stern task for which they get no thanks, and no direct help, from those Arab regimes that may fall if they fail. But even in Salalah it is hard to remember that things could change, that the mountains on the near horizon are largely controlled by men dedicated to change of the most violent and radical kind, men who forbid prayer and whose reading, if they read at all, is not the Koran but the Thoughts of Chairman Mao.

15. And so I return to my original text: in the Persian Gulf we are surrounded by an illusion of stability, an illusion which we created but which others as well as we enjoy; or, to shift the metaphor, we have successfully frozen (if I may use a term so foreign to the Gulf) a situation which suited the masters of India, which has served us well for more than twenty years since Indian independence, but which must soon melt, drowning some and soaking many others. But if we ourselves recognise that change must come, we may escape without getting wet.

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<sup>8</sup> A novel by Evelyn Waugh (1932), set on a fictional African island, and telling the story of the attempts made by the African ruler, assisted by an Englishman, to modernise his kingdom.

16. Some readers may ask, Sir, if they have got this far, why we must put this fragile structure at risk; why, even if the stability is illusory, we cannot perpetuate the illusion a little longer; why we need to set an end to our paramountcy and withdraw our operational forces by the end of 1971. It is not, and cannot be, my purpose in a despatch of this kind to answer these questions in detail: the argument has been deployed with force and clarity in the submissions of Sir William Luce, with whom I am in entire agreement. But if I must put the reason briefly, it is this, that the Gulf states cannot any longer be kept in isolation, and that the withdrawal decision of the previous administration created expectations which we should frustrate at our peril. Even now, however, if the Gulf states could be isolated, we could stay if we wished: yet if they were isolated, we should perhaps not wish to stay, for it is the influence of ideas from outside, and the activities of outside powers, which threaten the stability of the area and may abort the birth of a new political structure. The cruel fact, which most of the Gulf Rulers themselves now recognise, is that the reason why we cannot stay must be sought, not so much in the Gulf itself, but in the world at large, in the centres of Arab political thought, in Riyadh, and above all in Tehran.

### **133 FCO 46/717, no 58A**

**30 June 1971**

**‘Policy in the Gulf: the Union of Arab Emirates (UAE)’: memorandum (DOP(71)37) by Sir A Douglas-Home for Cabinet Defence and Oversea Policy Committee. *Annex***

#### *Present position*

1. King Faisal, despite all attempts to shift him, clings to the concept of a Union of Nine only. He will certainly not support and will more likely oppose a Union of a lesser number. As a result he has not modified his reluctance to Bahrain announcing independence from the Union of Nine. The Bahrainis have not decided how to act, but remain exceedingly apprehensive about proceeding without Saudi agreement.

2. Qatar will not make any move until Bahrain has acted.

3. Shaikh Zaid of Abu Dhabi has undertaken to take the lead in setting up a Union of Seven. Since his return he has talked to the Ruler of Dubai but the latter merely procrastinated, possibly as a result of Iranian pressures. Shaikh Zaid may try to proceed with a Union of Six, i.e. less Dubai; but in the absence of a move from Bahrain and Qatar, and with continuing opposition from Iran (because of the Islands problem) and probably from Saudi Arabia, there may be considerable delay before any clear step is taken. While a Union of Seven or Six might succeed if either Iran or Saudi Arabia supported it, the prospect is bleak if both are in opposition.

4. Thus over the Union everyone is waiting for a move by someone else.

5. For the stability of the area, the implementation of those measures outlined in my statement of 1 March (Annexed) is what is important. The continued existence of the Trucial States regimes will depend, not on a Union Constitution, but on their continued acceptability to their peoples and their larger neighbours. As regards subversion, the safeguards will be the presence of the Trucial Oman Scouts as an effective force, the British seconded officers, British training and liaison help for the



local defence forces, and efficient police and special branches. Sir William Luce's first report (DOP (70)44) described the situation in which there might be no formal union at all. I hope that a Union of Seven or Six will eventually emerge, but since time is short, we should now concentrate on implementing the offers listed in my statement. The Trucial States Council which has existed for many years, and on which all the Seven Rulers sit, has recently become much more active, and could be used for this purpose. If and when a Union (of whatever number) came into being, it could take over and build on the arrangements made.

6. For the next two or three months therefore we should begin setting up, through existing machinery, the practical measures for stability where they need to be most effective (in the Trucial States). We would also work for the formal establishment of a Union which could receive international recognition. A ministerial visit in the autumn could review progress in preparation for the new session of Parliament in October.

### *Recommendations*

7. I therefore recommend:—

1. We should continue, while recognising that we may not succeed,
  - (a) to urge King Faisal to reduce his opposition to anything other than a Union of Nine;
  - (b) to put pressure on the Bahrainis to make an early announcement of independence.
2. We should begin the implementation of HMG's offers through the Trucial States Council and its Committees.
3. We should encourage Shaikh Zaid to make progress with a Union of Seven or Six.
4. If progress is frustrated under 2 and 3 above we should as a fall back consider transferring the Trucial Oman Scouts to Abu Dhabi. The purpose of this would be to strengthen Zaid's paramountcy in the Northern Trucial States and to ensure internal stability there.
5. We should shortly announce in Parliament that since we have concluded that the differences between the Nine cannot be bridged, we propose to discuss with the seven Trucial States the implementation of those measures set out in my statement of 1 March.
6. A ministerial visit to the area should take place before the Opening of Parliament in October.

### *Presentation*

8. In following Recommendation 5 we shall free our own hands; we shall make it pretty clear that we are aiming at a Union of Seven; and we shall encourage the people of Bahrain (who want separate status) to put pressure on their government to announce independence from the Nine. A statement by us of this kind will not please King Faisal or the Shah who may conclude that we are going ahead in face of their opposition and may thus work harder against us. We can however argue that we are concentrating not on a Union of any particular number but on practical measures to contribute to stability—a policy which they have said they favour.

**Annex to 133: text of Sir Alec Douglas-Home's statement in Parliament on  
1 Mar 1971**

With your permission, Mr Speaker, and that of the House, I should like, as I undertook last week, to make a statement about Her Majesty's Government's policy in the Gulf before the debate on the Defence White Paper in this House.

The Gulf is an area of outstanding strategic importance, not only to this country but also to Europe and the rest of the world. In January, 1968, the former Government announced their intention to terminate the treaties with Bahrain, Qatar and the seven Trucial States by the end of 1971 and to withdraw British forces from the region. These decisions taken by our predecessors created a new and difficult situation. They brought to the surface tensions which had hitherto lain dormant and led a number of countries which had previously accepted the British presence in the area to declare opposition to its continuance.

In these circumstances, Her Majesty's Government have given very careful consideration to the future relationship between Britain and the Gulf States. In accordance with their undertakings given before the General Election, they have held consultations with the Rulers to consider how best Britain could contribute in the future to the stability of the area.

Hon. Members are aware that the Rulers of Bahrain, Qatar and the seven Trucial States are continuing discussions among themselves about how an acceptable Union of Arab Emirates can be formed. The Saudi Arabian and Kuwaiti Governments are also involved in these negotiations. We do not yet know what decisions will be taken, so my statement today must be related solely to the situation as it stands at present.

Her Majesty's Government strongly support the development of a Union of Arab Emirates. The Rulers have recently been told what Her Majesty's Government are prepared to offer to a Union in the way of continuing links and assistance.

First, we are prepared to offer a Treaty of Friendship containing an undertaking to consult together in time of need.

Secondly, Her Majesty's Government are willing to hand over the Trucial Oman Scouts, a force whose efficiency and value is well proven and to which I pay tribute today for its role in maintaining peace in the Trucial States, to form a nucleus of a Union Army. We are prepared to make available British officers and other personnel on loan to the Union's forces and to assist in the supply of equipment. The Union itself would naturally assume full financial responsibility for its own forces.

Thirdly, if the Union wishes, elements of British forces, including training teams to assist with the training of Union security forces, could be stationed there on a continuing basis to act in a liaison and training role.

Fourthly, training exercises involving British Army and Air Force units could take place regularly.

Fifthly, there would be regular visits to the area by ships of the Royal Navy.

Provisions would be made for the review of these arrangements where relevant.

On their side, Her Majesty's Government would expect the Government of the Union to continue to permit the overflying and staging of British military aircraft through Union territory on the lines of the present arrangements.

In addition, Her Majesty's Government are ready to consider ways of assisting local police forces if so requested. We are also prepared to help the Union in development and other appropriate fields.

The Rulers have been told that the Treaty of Friendship and these proposals would replace the existing Treaties between the United Kingdom and Bahrain, Qatar and the seven Trucial States. These Treaties, which are the present basis of the Protected status of these nine states and of Her Majesty's Government's right to conduct their international relations, will cease by the end of 1971.

I believe, Mr Speaker, that arrangements of this kind will form a sound basis for a continuing and effective British contribution to the stability of the area, and a new and up to date relationship between Britain and the States concerned.

The Rulers are considering these arrangements and I will keep in mind the possibility of a visit to the area by one of my Right Hon. Friends or by myself if this would help towards a satisfactory outcome.

### **134 FCO 46/717, no 58**

**30 June 1971**

**'Policy in the Gulf: Gulf Islands claimed by Iran': memorandum (DOP(71)38) by Sir A Douglas-Home for Cabinet Defence and Oversea Policy Committee**

#### *Present position*

1. The Iranian Ambassador in London now sees himself as spokesman for the Shah in a negotiation on the Bahrain pattern in 1968–70, ie between Iran and Britain, with reference as necessary by us to the Rulers of Sharjah and Ras al Khaimah for their concurrence. Mr Afshar<sup>1</sup> has expressed himself as guardedly optimistic about the chance of progress on face-saving devices for the two Rulers on difficult political points. These include the timing of withdrawal of the Rulers' police and administrations in the package elaborated by the Shah to Sir W. Luce during May; but the nub of the problem is what is to be agreed, and then said publicly, about the sovereignty issue.

2. A negotiated agreement on the lines now being discussed would serve our interests best. But if progress cannot be made; or if the time required for such negotiation frustrates our efforts to achieve a Union of Seven (or Six plus Dubai), given the Shah's opposition to any Union before his claims are settled; or if Anglo/Iranian relations deteriorate further, setting at risk specific British interests in Iran (e.g. on the defence liaison, defence supply or commercial fronts), our present policy on the Islands will have to be reviewed. Numerous solutions such as sale, long leasing, trusteeship, condominium, invoking the UN Secretary-General's good offices, demilitarisation, joint Iranian/Arab stationing of forces, 'proprietaryship' for the Rulers with sovereignty going to Iran, and early withdrawal of protection by Britain, have been examined and found wanting for one reason or another, but mainly because they admit of doubt about Iranian sovereignty and are therefore wholly ruled out by Iran. The most realistic courses open to us if we review our policy would include:—

- i. counter-proposing to the Shah a 'median line' solution, whereby the Tunbs would go to Iran absolutely; sovereignty over Abu Musa would remain with

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<sup>1</sup> Iranian ambassador in London.

Sharjah, but Iranian troops might be garrisoned there if the Ruler agreed (which should be possible). Ras al Khaimah would be compensated either by Iran or by Sharjah, or by both. The Iranians would certainly be angered by such a proposal, and might then seize Abu Musa without further ado; but we would have made an eminently just and defensible offer.

ii. imposing a settlement over the Rulers' heads on the Shah's political terms, but with their general consent to his financial offers. This step would damage our relations with Arab Governments in the short term, but there is now some evidence that the reaction of eg the UAR Government, would not be as hostile, at least towards the Iranians, as was originally feared. The matter would however almost certainly be taken to the Security Council, eg by Iraq, and we would be the prime targets there rather than Iran; or

iii. continuing to negotiate as at present, but with no real prospect of success. Thereafter we would do nothing to prevent the Shah from seizing the Islands after the termination of our protection at the end of the year. This would put the odium of seizure squarely on the Iranians, but might also mean that a Union of Seven (or Six plus Dubai) would be faced with a major international crisis very early in its life. Conversely, its members would no doubt be conscious of this possibility, and would therefore urge the two Rulers concerned to compromise with Iran before joining the Union.

3. Whether or not the Islands question is settled to Iran's satisfaction before a Union emerges, its settlement would not necessarily mean that there would be no further major difficulties in the way of a Union. A factor which has to be taken into account is King Faisal's adherence to an unattainable Union of all nine Emirates.

#### *Recommendations*

4. i. We should continue on the course described at paragraph 1 above until it is clearer whether progress is possible in the negotiations;

ii. If it becomes clear that progress is impossible, or if the general situation in the Gulf requires the immediate removal of Iranian objections to a Union, we should consider again the alternative courses in paragraph 2. My present view is that the course at paragraph 2 iii above presents least danger to British interests.

**135** FCO 8/1562, no 791

26 July 1971

**'The Union of Arab Emirates: November 1969 to July 1971': despatch from P R H Wright (Bahrain)<sup>1</sup> to Sir A Douglas-Home reviewing efforts to establish a union of Gulf states**

Both this Government and its predecessor have consistently encouraged the initiative first taken by the Gulf Rulers themselves in early 1968 to create a Union of their Nine Emirates, since this seemed to offer the best guarantee, in the context of our military withdrawal, for continued political stability and economic prosperity in the Gulf. After innumerable Shaikhly meetings and intrigues, and in spite of the

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<sup>1</sup> Acting Resident, Persian Gulf.

strenuous efforts made by your Representative, Sir William Luce, two successive Political Residents and the incumbents of the four Political Agencies, it has become clear that such a Union is not achievable at present. You accordingly decided last month, Sir, that we must work for a smaller Union of the Trucial States, with which to conclude agreements on the various forms of co-operation and assistance announced in your statement to Parliament on 1 March.<sup>2</sup>

2. With Bahrain and Qatar still hesitating to declare the full independence on which we believe they have already decided, and with six of the seven Rulers of the Trucial States having signed a temporary Constitution in preparation for a Union to be formed later this year, the story is by no means complete. But this may be an appropriate moment to consider why the Union of Nine has failed, and to record the principal developments since the meeting of the Supreme Council of the Union of Arab Emirates in October 1969. A summary of events for the period concerned is enclosed with this despatch.<sup>3</sup>

*The situation after the Supreme Council meeting of October 1969*

3. By October 1969 the signals were already ominous, but total failure of the Union of Nine was no foregone conclusion. In his despatch of 11 November, 1969, reporting the collapse of the meeting of the Supreme Council of the Union of Arab Emirates held at Abu Dhabi on 21–25 October that year, Sir Stewart Crawford concluded that first priority should be given to the solution of the Iran/Bahrain dispute; and that a further Council meeting should be discouraged until that had been achieved. His conclusion was endorsed and governed Her Majesty's Government's policy in the following six months, until the Security Council Resolution of 11 May, 1970, which put the seal of approval on the 'ascertainment' exercise that led to the abandonment of the Iranian claim to Bahrain.

4. Both Shaikh Ahmed of Qatar and Shaikh Rashid of Dubai had warned Shaikh Zaid of Abu Dhabi at the October meeting (at which Zaid was elected President of the Union for an initial two years) that the Iran/Bahrain dispute presented an insurmountable barrier to Bahraini participation in a Union. But there was also ample evidence at that meeting of the equally profound difficulties that were, as Sir Stewart Crawford foresaw, to frustrate agreement on a Union of Nine after the Iranian claim had been resolved. The evidence lay not least in the behaviour of Shaikhs Ahmed and Rashid, on whom Sir Stewart Crawford, in my view with full justification, placed the blame for conspiring to force Bahrain to withdraw, and—that having failed—for sabotaging the meeting.

5. Sir Stewart Crawford summarised the underlying difficulties thus: the old enmity between the Qatari and Bahraini ruling families; fears in Qatar and Dubai that the more educated Bahrainis would hold too great a sway in a Union; Dubai's desire to retain freedom of commercial action to compete with Bahrain and to neutralise Abu Dhabi influence on the Trucial Coast; Shaikh Saqr of Ras al Khaimah's fear of Iran; and the ineptitude of the President-elect of the Council, Shaikh Zaid.

6. What was not plain at that time was the seriousness of the obstacle presented by the Iranian claim to the Islands of Tunbs and Abu Musa (though the Iranians were already beginning to put up warning signs). Nor was it yet clear how strongly Saudi

<sup>2</sup> See 133, annex.

<sup>3</sup> Not printed.

objections to a Union of less than Nine would be maintained, although King Faisal was expected to oppose any grouping likely to give Shaikh Zaid a stronger position on the Trucial Coast.

### *Confederation?*

7. The period between the failure of the Abu Dhabi meeting in October 1969 and the passing of the Security Council Resolution on Bahrain in May 1970 was marked by the energetic efforts of Shaikh Zaid to work for a Union of Eight, with the apparent co-operation of Shaiks Rashid and Ahmed, and by the equally energetic—and successful—efforts of Sir Stewart Crawford, assisted at various times by the Kuwaitis and Saudis and by the Bahrainis themselves, to dissuade Shaikh Zaid from trying conclusions before the Iranian claim could be settled. During the course of April 1970, Trucial Coast Rulers produced a new variant, a Confederal Union of the Seven Trucial States loosely linked in federation with Qatar and (at least in the mind and pronouncements of Shaikh Zaid, in the pronouncements and perhaps the mind of the Deputy Ruler of Qatar, Shaikh Khalifah, and in the pronouncements but almost certainly not the mind of Shaikh Rashid) with Bahrain as well.

8. By the end of April 1970, it was apparent that the Iranian claim to Bahrain was about to be settled—but equally apparent that the less creditable objections to Bahraini membership would be given greater prominence by her fellow Rulers. In Bahrain, where popular opinion is of more significance, these objections were frequently reciprocated in an expressed reluctance to be seen in association with backward and reactionary 'Bedu'.<sup>4</sup> In these circumstances it was for consideration whether we should either discontinue our efforts for the Union of Nine or recruit further outside support for it. But not only was a Union which needed outside pressure to bring it into existence unlikely to survive for long; there was also a risk that strong and concerted pressure on the Rulers by Saudis, Kuwaitis, Her Majesty's Government and Iran in favour of a Union of Nine would have the effect of merely preventing or delaying a decision to abandon an unworkable Union, rather than of stimulating it to life.

9. When the then Parliamentary Under-Secretary, Mr. Luard, visited the Gulf from the end of April to early May, there was perhaps some reason for optimism that a Union might be achieved without such pressure. All the Rulers were claiming that what they were hoping and working for was a Union of Nine. All meant something different by it (and some were insincere in implying that they favoured Bahraini membership) but, broadly speaking, it was a Confederal solution that most then had in mind. An attempt was subsequently made by the Rulers of Dubai and Qatar to give more precise formulation to the Confederal idea—but its inadequacies were thereby exposed. What they proposed was a 'looser Nine', with a rotating Presidency, no capital, no Constitution and no Ministers. There would be a department of foreign affairs, with a non-Gulf Arab at its head, advised by a representative of each of the Rulers; and foreign Embassies would be scattered between Abu Dhabi, Doha, Dubai and Bahrain. So far as Defence was concerned, the Trucial Oman Scouts, still under a British Colonel, would cover Dubai and the Northern Trucial States but be paid for out of the Federal Budget, while an overall commander would control the TOS and the Abu Dhabi Defence Force. A move was also envisaged towards a united police force.

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<sup>4</sup> Bedu: variant spelling of Bedouin, nomadic Arab of the desert.

10. Shaikh Zaid of Abu Dhabi had meanwhile paid his disastrous visit to Riyadh (May 1970) which resulted in the reactivation of Saudi boundary claims. This had various effects. It distracted the attention of Shaikh Zaid himself from Union affairs, while at the same time convincing him, some other Rulers and ourselves, that prior Saudi support was fundamentally important, and that this would more likely be forthcoming if it were for a Union of Nine. It convinced Shaikh Ahmed of Qatar, on the other hand, that progress on a Union would be impossible before a resolution of the Saudi/Abu Dhabi dispute, although King Faisal had never and still has never explicitly linked the two issues. At the same time the resolution of the Iranian claim to Bahrain removed a major constraint from the Bahrainis (who could claim with some justice that they had in the past, for the sake of the Union, offered concessions which the others had then rejected) and led them to press for a fairer allocation of Federal Ministries, some recognition of their population advantage in future representational arrangements, a clearer Federal structure including agreement on the control of Federal forces, and a more progressive popular image of the Union for internal consumption.

*The Supreme Council meeting of June 1970: the end of confederalism*

11. The situation in May 1970 was thus extremely complex—the revival of the Saudi border dispute: the emergence of Bahrain not only with its Iranian cloud removed, but with a United Nations sponsored ‘ascertainment’ showing the desire of its people for Arab independence; the conflicting demands of the Bahrain Government for a stronger Federal structure against the hankering of others for a looser ‘Confederal’ solution; and, finally, our own continuing determination to leave the Gulf with the most viable unified political structure attainable.

12. In these circumstances, it seemed right to work for some compromise by concentrating on limited areas of agreement and to advise Rulers to make progress where possible, and not to contemplate failure or run their heads against the wall of constitutional or doctrinal divisions. A Union secretariat should be created, and areas of practical agreement covered, such as passports, immigration and currency; the Willoughby Defence Report of April 1969 should be tackled; and Political Agents were for these purposes instructed to exert maximum pressure to secure an early meeting of the Nine Rulers in the Supreme Council.

13. Shaikh Zaid was, with difficulty and despite his other preoccupations, persuaded to set up a preparatory meeting of Deputy Rulers in Abu Dhabi on 13 June. Shaikh Ahmed spent the interval dissuading Shaikh Rashid from supporting Shaikh Saqr’s attempts to put more structure behind the idea of confederation, criticising Shaikh Zaid for working for too elaborate a Union, on the grounds that this would result in Bahrainis flooding the administrative infrastructure, and passing gloomy remarks about the Abu Dhabi/Saudi dispute. His honeymoon with Zaid, which had survived October’s debacle, was over. The Deputy Rulers met and postponed all decisions, the Qataris being deliberately obstructive in the face of Bahraini sweet reason, but none showing any readiness to come to grips with the Willoughby report or the crucial problem of the distribution of Cabinet portfolios.

14. The idea of a confederation was not raised. The Bahrainis thought it prudent to allow subsequent publication of a memorandum which they had submitted to the meeting, calling for early action towards a strong Federal Government. This public act of self-justification presaged their serious attempt, six weeks later, to break away. For

his part Shaikh Khalifah, the Deputy Ruler of Qatar, had outlined to the Political Agent in Doha a scheme slightly more promising than that earlier proposed by Ahmed and Rashid, incorporating the idea of using existing Trucial States institutions but he declined the opportunity offered by Bahrain to introduce it at the meeting.

15. However, it was our assessment that Shaikh Khalifah's improved scheme would not satisfy the Bahrainis—since it contained no provision for a central Government exercising some control over foreign affairs, nor for any form of representative assembly—and his suggestion that it be sponsored by Her Majesty's Government was not therefore adopted. The 'confederation' was seen for what it was, not a refinement of the Union idea but rather an alternative whose advocacy would be tantamount to recognition that Union had failed. It was thus never formally tabled.

*Sir William Luce's first two missions and the collapse of the deputy rulers' meeting in October 1970*

16. Despite the failure of June, all States continued to attend sub-committees set up by the Deputy Rulers. They reached agreement without difficulty on the Budget, and made some progress on the Constitution. At this point, the change of Government following the general election inevitably led to hesitations among the Rulers about Her Majesty's Government's future policy. The Bahrainis in particular could not be restrained from coming to London in August to see you, Sir, and Sir William Luce. You persuaded them not to move towards independence until one more effort for a Union had been made, and decided that the next meetings scheduled for 22 August should be postponed, to facilitate detailed drafting to be done on the Constitution, in which Her Majesty's Government were prepared to become fully involved. Meanwhile it became increasingly apparent during the summer that the Iranians intended to block a Union until their claim to the Islands was settled (they eventually stated this in terms to Her Majesty's Embassy in Tehran on 30 September).

17. It was against this background that Sir William Luce embarked on 27 August on the first of his visits to carry out the mission with which you, Sir, had entrusted him. He reported agreement among the Big Four (Bahrain, Qatar, Abu Dhabi and Dubai) on the broad shape and powers of a Union, and on the recommendations of the constitutional sub-committee for a strong, close-knit Union with legal and executive authority over a wide range of Governmental activities. But he also recorded that Bahrain was unlikely to agree on the siting of the permanent capital or, more important, on the question of future representation on the Federal Council. He returned to Bahrain and Qatar on 13 October in an attempt to resolve the deadlock on these two issues, but without success. The Bahrainis were prepared to compromise on the capital but not on representation: the Qataris were unhelpful about both, frequently returning to the argument that Bahrain had reneged on her agreement of October 1969.

18. On the eve of the Deputy Rulers' meeting scheduled for 24 October, with a Rulers' meeting due to follow, the Qataris rejected a plea from Shaikh Zaid that they should reach an accommodation with the Bahrainis; and they entered the meeting (which was interrupted by the death of Shaikh Zaid's mother) determined to wreck it. The meeting collapsed without recording any recommendations or issuing a communiqué; and the Supreme Council meeting of Rulers was abandoned. The Bahrainis complained to us afterwards that the agreements reached during Sir William Luce's mission had been totally ignored.



19. A fresh phoenix arose from the embers of that debacle. Mahdi Tajir, Adviser to the Ruler of Dubai, told the Political Agent early in November that the way ahead was clear. Bahrain would leave the Union, and Qatar, Abu Dhabi and Dubai would then form a Union of Three, admitting the smaller Five in their own time—the intention being that Sharjah and Ras al Khaimah would be excluded as long as the Iranian claim to their respective Islands was unsolved. This ingenious suggestion had a brief vogue, but was eventually punctured by the practical Qataris, who realised that no Arab Union, once formed, could publicly refuse to admit other members for such reasons. Nevertheless, there were attractions to this idea, and some consideration was given at that point as to whether the Union of Nine might respectably be certified as dead. It was decided with some reluctance that further patience was necessary. Arab States, notably Kuwait and Saudi Arabia, still had to be convinced that the limit had been reached. Furthermore, there was no doubt a lingering feeling that disagreements between the Emirates over points of no immediate substance could still be overcome, and the Shaikhs shamed into accord.

*The Kuwaiti/Saudi missions, and the stillbirth of a deputy rulers' meeting in May 1971*

20. You therefore agreed, Sir, at the end of November to address a message to the Rulers of which the Saudis and Kuwaitis were made aware, expressing your hopes for the Nine and unity, but warning that time was running out and that urgent efforts were needed to reach agreement on what they thought would be 'the most appropriate structure for the future'. The message was taken by the Saudis and Kuwaitis principally as an occasion to demonstrate that their own Arab piety was no less than ours. The resulting joint Saudi/Kuwaiti mission headed by Prince Nawwaf and Shaikh Sabah had at least the advantage of demonstrating to the mission itself the complications and frustrations of Gulf politics, but confused the main issue by increasing the number of disputed points in the Constitution, and by putting forward proposals regarded by Qatar and Dubai as so heavily weighted in favour of Bahrain as to be unacceptable.

21. Sir William Luce, who returned to the Gulf at the end of January to communicate to the Rulers Her Majesty's Government's policy decision and proposals for the future, concluded that the efforts of the Kuwaitis and Saudis might nevertheless be built on. We should persuade both them and the Bahrainis to revert to the amended Constitution, as put forward by the Deputy Rulers' sub-committee in October, and concentrate on resolving four essential points:—

- (i) representation on the Union Council during the transition period;
- (ii) the method of voting in the Supreme Council;
- (iii) representation on the Union Council after the transitional period; and
- (iv) the site of the permanent capital.

The first two he judged capable of resolution by compromise; it would then remain to persuade Bahrain and Qatar each to give way on one of the other two.

22. The Bahrainis at this stage felt that the way ahead was fairly clear. Their acceptance of the Saudi/Kuwaiti proposals showed them as good Unionists—but they were confident that the same proposals would ensure that there would be no Union. They therefore set their sights on independence towards the end of April. Shaikh Zaid, who was well aware of this, told the Political Resident and Sir William Luce that

in this case he no longer wanted a Union of Eight with Qatar, and would work for a Union of Seven as soon as he could, while at the same time addressing himself again to the solution of his border dispute with Saudi Arabia. You, Sir, made your statement in the House of Commons on 1 March making it clear that your policy, and the offers of help it contained, were predicated on a Union.

23. The formal Saudi/Kuwaiti proposals were at last forwarded to Rulers in April. They had been somewhat amended, to take account of objections; they received some long and rambling answers, paying the required lip-service to unity, but the proposals were in fact rejected on a number of major points by Qatar, Dubai and Abu Dhabi. This seemed finally to give Bahrain the excuse needed to break away and, on 27 April, they sent a delegation to Riyadh to obtain King Faisal's blessing for independence. They were told to wait—but with no time given (though the King's advisers optimistically said that 45 days should be enough), and no explanation offered. Meanwhile, Iranian warnings on the Islands were becoming more insistent and threatening.

24. In this atmosphere of renewed uncertainty, Sir William Luce suggested that a final meeting of the Nine Deputy Rulers might be called, if only to demonstrate to King Faisal that further attempts to achieve a Union of Nine were hopeless. Shaikh Zaid agreed to issue invitations for 29 May. The response showed that it was not even possible to gather the Nine together. The point of no return to that particular conference table had been reached. Your letter to King Faisal, recording your view that alternative solutions must be sought instead of the Union of Nine, was delivered to the Saudis in early June.

#### *Union of Six—the end of the road?*

25. The interval since then has been spent in waiting for Bahrain to reach a decision on independence, which in turn has waited on King Faisal's acquiescence in an alternative to the Union of Nine; but it has also been spent in active negotiations, conducted largely by the Political Agents in Dubai and Abu Dhabi, to achieve a smaller Union on the Trucial Coast.

26. As I have said above, the story is not yet complete, but we have accepted, even if King Faisal has not, that a Union of Nine is, for the present at least, dead. This is therefore the moment to ask ourselves first why a Union of Nine has failed and secondly whether by acting differently we could have prevented this failure. Most of the answers to the first question can be provided by referring back to Sir Stewart Crawford's summary of the underlying difficulties given in the fifth paragraph of this despatch, although it is fair to add that Shaikh Zaid's 'ineptitude' has been less evident in recent months. The most notable of these has been the stubborn refusal of King Faisal to accept realities and the opposition of the Shah to the formation of any Union so long as the Islands question remains unsettled. Both these difficulties have been reviewed in the Political Resident's despatch of 24 May, which he entitled 'God save me from my Friends'. It has also perhaps become more apparent, since Sir Stewart Crawford wrote his despatch in November 1969, that one underlying, if paradoxical, difficulty in making practical progress on a Union has been the tendency of the Gulf States themselves to avoid any action which would subsequently lead them to be blamed for having disrupted the unity to which all Arabs, whether in the Gulf or elsewhere, pay so much lip-service with so little effect. The natural politeness, which makes it so difficult for two or more Arabs to agree in what order they should pass through a doorway, sometimes seems to be at play in their politics

as well, as for instance in the Qataris' insistence (admittedly conveyed to us only in confidence) that they will follow Bahrain into independence. It seems certain that they will never go first.

27. To answer the second question, I doubt whether we could have acted very differently from the way we did. We could perhaps have given more practical advice on constitutional matters at an earlier stage, but the Union had its own Arab constitutional advisers to hand. Friendly Arabs have sometimes also argued that we should have taken more initiatives in 'forcing' the Rulers into Union. But our experience in the October meeting of 1969 was hardly encouraging. It is also arguable that we could have discarded earlier any hopes of achieving a Union of Nine. I think, however, that we were right to maintain a 'correct' position of working for a Union of Nine, at least until the Saudis and the Kuwaitis were given the opportunity to learn some of the realities of Gulf politics at first hand, even though this has had so little apparent effect on King Faisal's thinking. None the less, I doubt whether we shall altogether escape blame for breaking up a Union of Nine, any more than we shall, by an ironic paradox, escape blame from the Iranians for pressing ahead too hard with a Union of Seven.

28. What have we achieved, as the time for withdrawal approaches? We have a Union of Six that we hope can become Seven before the end of the year (if Shaikh Saqr of Ras al Khaimah, having stewed in the juice of hurt pride and self-imposed isolation for a while, sees where his true interests lie). It can build—is already building—on the foundations provided by the Trucial States Council and the Trucial States Development Office, and does not have to face the problems of how to integrate Bahrain and Qatar into these existing institutions. We in turn can now build into the same foundations, in the five months remaining to us, the necessary groundwork for Trucial States defence and police arrangements to provide the essential element of stability and cohesion, and particularly to ensure that the Trucial Oman Scouts can remain in being. The existing machinery should be adequate to take over the multifarious administrative and legal functions we have hitherto performed, and to administer the technical assistance that will be such an important part of the package which you, Sir, have offered the Rulers.

29. In sum, we almost have what we need. The probability of achieving a Union of Nine was never all that great—as we have always acknowledged to ourselves. We need not have serious qualms if, as we hope, Bahrain and Qatar go it alone—indeed their mutual differences have always boded ill for the stability of any political structure in which they were forced together. One can only hope, though this is not for me to assess, that the Iranians and the Saudis, whatever they have said hitherto (and may say publicly now), will come to accept the solution as the best attainable in the circumstances.

### **136** FCO 47/718, no 93A

30 July 1971

**'Residual military presence in the Gulf after 1971': minute by Lord Carrington to Mr Heath**

The possible form which a residual British military presence in the Gulf might take after 1971 was briefly discussed at the Defence & Overseas Policy Committee meeting

on 29th July. My colleagues may like to be aware in more detail of the result of the studies which have been undertaken.

2. The Foreign & Commonwealth Secretary informed Parliament on 1st March that, if a Union of Arab Emirates wished, elements of British forces, including teams to assist with the training of Union security forces, could be stationed there on a continuing basis to act in a liaison and training role. At that time, the Foreign & Commonwealth Secretary and I had in mind that these elements could include Royal Engineers to help with construction activities as well as with training; and the Minister of State for Defence informed Parliament of this possibility on 2nd March.

3. While discussions on the future political framework in the Gulf have been continuing, I thought it useful for my Department to study, on a contingency basis, the most appropriate means of giving effect to the Foreign & Commonwealth Secretary's proposal. It would have been possible to deploy a self-contained force of Royal Engineers of some 125 men as previously envisaged; but, although there would be some useful tasks for such a force, local demands for civil projects might fluctuate; and employment of the Royal Engineers might therefore have been intermittent. This would have led to uneconomic use of the Engineers (who would have to be found from Strategic Command) to the detriment of our NATO and Northern Ireland commitments or other desirable national tasks.

4. A better alternative in military terms would be to deploy a composite team consisting of a Royal Engineer element to negotiate projects for military aid to the civil community tasks and to provide engineer training assistance to local forces; a training cell; and staff and service elements capable of supporting visiting British units and loan personnel serving with local forces. This military assistance team (which incidentally could only be provided by undermanning elsewhere in the Army) would consist of about 80 officers and soldiers, mostly on short, unaccompanied tours. Although presentationally it might not be so immediately attractive as a self-contained unit of Royal Engineers I believe that in practice it would provide a more flexible, efficient and economical solution. Given visible progress towards implementation of the offers set out in the Foreign & Commonwealth Secretary's statement, I believe that we could demonstrate that a team of this kind would be well suited for the task of supporting and generating future British military activity in the Gulf area. The team would therefore contribute directly to our policy of maintaining confidence in the area by leaving a small force as a token of our interest, even though the Treaty commitments which have hitherto required the deployment of teeth arms will have ended.

5. Costs are difficult to forecast at this stage; but, assuming that the team were based in existing accommodation at Sharjah, there might have to be capital expenditure of £140,000 (plus an unknown element for works) and extra annual costs of £70,000 (£15,000 in overseas expenditure). These figures do not allow for specific tasks or projects being carried out by any visiting units. I consider that, since no military requirement is involved, it would be right for the capital expenditure and extra annual costs to be met either by the Foreign & Commonwealth Office or by an addition to the Defence Budget equal to the costs incurred. I have asked my officials to discuss this further with the FCO and Treasury.

6. I hope that it will be possible to set up the team by the end of the year.

7. I am copying this note to other members of DOPC and to Sir Burke Trend.

**137** FCO 46/718, no 116

23 Sept 1971

**'UK defence interest in the Gulf': note by the Defence Policy Staff for the Chiefs of Staff Committee. Annex A**

[Carrington endorsed the findings of this report in a minute, 29 Sept 1971, to the prime minister (FCO 46/718, no 117).]

*Introduction*

1. The Cabinet Defence and Overseas Policy Committee last considered UK Policy in the Gulf Islands claimed by Iran on 2 July 1971. During the last month Sir William Luce has been in the Gulf conducting negotiations with Iran and the Arab rulers on the lines agreed by the Committee. The position of the Shah has been consistently clear that if the Luce/Afshar<sup>1</sup> proposals were not accepted Iran would destroy the Union of Arab Emirates (UAE) and there would be dire consequences to Anglo-Iranian relations. A recent despatch from HM Ambassador in Teheran has summarized the possible consequences. During the negotiations it has become clear that the Rulers of Sharjah and Ras al Khaimah can accept neither the Luce/Afshar proposals nor the Median line counter proposal. Moreover we understand that the Ruler of Abu Dhabi has recently told Sir William Luce that should the UK unilaterally withdraw protection from the Gulf Islands, Britain could not expect to enter into any relationship with the UAE. Although there may well be room for manoeuvre in the positions of both the Shah and the Arab rulers, and although the Americans may well use their influence to deter the Shah from taking drastic action which might adversely affect Western interests there is clearly a possibility of the need for the UK to balance her interests in Iran with those in the Arab world.

2. The object of this Note is to assist in arriving at such a balance by giving a preliminary MoD view as to where the balance of UK defence interest lies.

*UK politico-strategic interests*

3. HMG's objectives in the Gulf are related to the wider strategic considerations of the Indian Ocean and the Far East; they are the preservation of peace and the maintenance of stability in order to ensure the continued flow of oil, the protection of UK investments, the furtherance of trade in a growing market, and the countering of Soviet and Chinese communist influence. To further these objectives, HMG maintains military links with Iran, supports CENTO and gives military assistance to other Gulf States.

4. Iran's strategic importance derives from its geographical position, separating the Soviet Union from the Gulf Arab States and, with Turkey, linking the East with Europe and the Mediterranean. Iran intends to assume Britain's role in the Gulf after the end of 1971 and is likely to emerge as the predominant power. As such, her objectives are strikingly similar to those of the United Kingdom: to promote stability in the area, to ensure the continuance of trade, to reduce the risk of subversion on both sides of the Gulf and to combat Soviet penetration. It is therefore in the UK's interest to retain Iran firmly in the Western camp.

5. One of the main ways of achieving this is through the CENTO organisation. Although relations between the Soviet Union and Iran are friendly, largely because of the economic advantages to both countries, the Shah remains highly suspicious of Soviet

<sup>1</sup> See 134, note 1.

intentions. He therefore continues to attach importance to CENTO, not only for the obvious economic and military benefits to Iran, but as a useful bargaining card vis-à-vis the USSR. Thus, although militarily weak, CENTO helps to keep Iran aligned to the West and therefore it is in the UK's interests to support it. The UK has also sought with success to develop direct links with Iran in the military field outside the CENTO context.

6. HMG's policy objectives can also be served by military assistance to other Gulf States in the form of training and liaison teams, seconded personnel and the provision of defence advice. After 1971, assistance will continue to be given to Kuwait, Oman and Saudi Arabia, and a military assistance team is planned for the UAE. Moreover, it is intended to deploy periodically UK forces to the Gulf area for training and liaison visits, thereby meeting a political requirement to support local forces.

### *UK defence interests*

#### *The CENTO air route*

7. The requirement for the CENTO Air Route is discussed in the Annex, which concludes that it is essential for the movement of personnel, material and combat aircraft to and from the Far East if the UK is not to accept severe political constraints and/or economic and reinforcement-time penalties. Moreover, during the remainder of 1971, there will continue to be a considerable increase in traffic density along this route as forces are withdrawn from the Gulf and the Far East. Any embargo on the CENTO Air Route would leave the UK without an assured route from Cyprus to and through the Gulf which could impose direct and critical penalties on the timing and cost of these withdrawals.

#### *CENTO*

8. Although CENTO is primarily a politico-economic organisation, it nevertheless gives the UK valuable defence links with Iran and to a lesser extent, Turkey and Pakistan. It also makes less controversial the UK's use of the Cyprus base for the support of NATO for the deployment of nuclear strike forces, for providing an extension of air cover in support of NATO and supporting maritime air reconnaissance in the Eastern Mediterranean.

#### *Masirah*

9. Masirah,<sup>2</sup> the staging post on the CENTO Air Route between Akrotiri and Gan, is also a forward deployment base for UK strike forces operating in support of CENTO: it also provides a base from which to carry out maritime air surveillance in the Gulf and in the Indian Ocean, which would become more important should the Suez Canal reopen. The penalty of using Masirah is the commitment to provide minimum facilities at Salalah<sup>3</sup> airfield and support for the SAF, although there are politico-economic reasons for this also.

10. Masirah is fully controlled by the Royal Air Force and thus independence of action is guaranteed, which would not be the case with any alternative staging post on foreign soil, eg. Iran.

<sup>2</sup> Masirah—see 118, para 30(a)—is an island off the Arabian Sea coast of Oman.

<sup>3</sup> Salalah—see 118, para 4(a)—is the capital of Dhofar, the southern province of Oman.

### *Arms sales*

11. Arms sales to Gulf countries have been increasing over the last ten years and principal deliveries have been to Saudi Arabia (£90M), Iraq (£15M) and Kuwait (£27M); in the same period deliveries to Iran amounted to about £10M. With the Shah's decision to re-equip his expanding forces, current Iranian orders amount to about £180M out of a total of about £210M for all the Gulf countries.

12. Future prospects are of continuing increases in sales to both Iran and the Arab Gulf States, particularly Saudi Arabia where we hope to secure a £112M order for re-equipping the Saudi National Guard. Prospects in Iran include the construction of an ammunition factory and we are well placed to secure further substantial orders in the longer term.

### *Discussion*

13. From a defence point of view, the consequences of a break in Anglo/Iranian relations are likely to be:—

- a. Overflying rights of Iran will be denied, at least temporarily. This is the prime defence interest in the area and severe penalties in the movement of UK forces would be incurred.
- b. Iran's withdrawal from CENTO, which would mean the end of that organisation, a positive gain to the Soviet Union.
- c. The loss of UK arms sales to and other defence links with Iran.

14. On the other hand, should the Arab States consider that the UK has backed the Shah, the following are likely:—

- a. Relations with the Gulf Arab States, other than Kuwait and the Oman, would be severed. Thus UK military assistance to these countries would cease. Whilst this would be undesirable, it would not be unduly prejudicial to UK defence interests.
- b. A setback to UK arms sales to Arab countries, particularly to Saudi Arabia and the other Gulf States.
- c. Pressure would be applied to Oman to remove the UK presence there. However, in view of the reliance that the Sultan places on UK military support it is unlikely that he would forego this support or insist upon withdrawal from Masirah.

15. In either eventuality, while protection commitments continue, the UK could be faced with a military confrontation over the Gulf Islands involving UK forces. This is clearly in the UK's interests to avoid.

### *Conclusion*

16. UK defence interests are best preserved by avoiding a break with the Shah in the Gulf Islands dispute.<sup>4</sup>

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<sup>4</sup> The British treaties of protection in the Gulf ended on 1 Dec 1971, the day the Union of Arab Emirates was proclaimed. Qatar had already followed the example of Bahrain by declaring its independence on 6 Sept. The UAE consisted of six of the Trucial States; the seventh—Ras al-Khaimah—that had resisted any compromise with Iran over the Tunbs islands, joined early in 1972. On 30 Nov 1971, the day before the British departure and the proclamation of the UAE, Iran seized the disputed islands. Arab hostility over this act was directed at the UK as well as Iran. Iraq immediately broke off relations with Iran and the UK, and on 7 Dec Libya nationalised the assets of the British Petroleum Company.

## Annex A to 137: The CENTO air route

### *Introduction*

1. In 1968, Ministers decided that the UK should keep open the option of using both the CENTO and Westabout Air Routes after 1971, and HMG announced its intention to retain Masirah. In September 1969, the Chiefs of Staff considered the CENTO Air Route to be the preferred route and this was in the context of the previous Government's post-1971 East of Suez policy. Since then, the importance of this route has increased as a result of the larger residual presence East of Suez.

### *The need for the CENTO air route*

2. After 1971, UK forces stationed in Hong Kong, Brunei, Malaysia, Singapore and the Gulf will all require routine air support. There will be a requirement to deploy and support detachments of UK forces, including combat aircraft, to the Gulf and the Far East for training. In addition, there are 30 separate contingency plans involving evacuation from and/or reinforcement to areas East of Suez, the largest being the reinforcement of Hong Kong with up to four major units plus.

3. These requirements represent a large movement bill and there is thus the need for a reasonably secure (politically and militarily) and short air route. At present, the CENTO Air Route best meets this need. The alternatives are first, to overfly Arab countries, using some or all of the same staging posts or the CENTO Route; second, to use the Southern African Route and, third, to use the Westabout Route. There are, however, serious drawbacks to using these options; these are discussed below.

### *Overflying Arab countries*

4. Should overflying rights be denied by either Iran or Turkey, or both, it might be possible to overfly certain Arab countries. However, such permission is likely to be short-lived and, against the unpredictable background of Arab politics, could not be relied upon in the long term. Moreover, the UK would become more vulnerable to political pressures and the possibility of sudden denial of overflying rights, particularly when Arab States possibly influenced by Soviet pressure disapproved of British actions in the part of the world requiring reinforcement; combat aircraft would be particularly vulnerable.

### *Southern African route*

5. The second option would be to use the Southern African Route via Sal (Cape Verde Islands) and/or Gibraltar, Ascension, Southern or Central Africa and Mauritius. However, there are serious difficulties in operating along this route. Whilst the UK has the restricted use of Sal and other airfields along the route, there would be the need to create up to four RAF staging posts with considerable and costly development of passenger handling facilities and fuel storage, together with personnel establishments of up to 150 per airfield in order to equip the route for routine trooping and freighting. Furthermore, there could be the problem of finding an 'all-black' or 'all-white' route across Africa, depending on the type of contingency, and either way the route would be politically very insecure. Finally, the use of this route would result in increased aircraft flying hours and reinforcement time.

6. Clearly, without considerable expenditure and manpower provision, let alone



international negotiation, this route is not a valid alternative to the CENTO route on a permanent basis.

### *The Westabout route*

7. The Westabout Route is not a good alternative to the CENTO Route either; it provides a fall-back option should the CENTO Route be denied to the UK. The problems of the Westabout Route are:—

- a. It takes a great deal longer to get to the normal destinations (eg. to Hong Kong it is 9 hours longer by VC10 and 15 hours longer by Hercules, to Singapore 15 hours longer by VC10 and 22 hours longer by Hercules. To reinforce Hong Kong with the planned initial force, ie primarily one battalion, it would take an extra 12 hours and, above this force level, the timing gets progressively worse until a brigade of 4,400 tons equivalent would take an *extra* 26 days).
- b. Only minimal staging facilities (approximately 3 men per staging post) are maintained along the route to provide liaison with US authorities and to act as a nucleus for route activation for contingency operations. Like the Southern African Route, considerable and costly development of passenger handling facilities, together with personnel establishments of about 150 on each of up to six airfields, would be needed to equip the route for routine trooping and freighting.
- c. It could at any time be saturated with US movements, which presumably would take precedence over those of the UK.
- d. To serve the Far East area, at least twice as many aircraft flying hours would be used on the Westabout Route compared with the CENTO Route. This, plus the considerable cost of expanding the facilities and manpower, make regular use of the Westabout Route a much more expensive proposition than the CENTO Route.

### *Summary*

8. In summary, the CENTO Route overflying Turkey and Iran is and will be essential to the UK if it is not to accept severe political constraints and/or economic and reinforcement-time penalties.

# Index of Main Subjects and Persons

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This is not a comprehensive index, but a simplified and straightforward *index to document numbers*, together with page references to the Introduction in part I, the latter being given at the beginning of the entry in lower-case roman numerals. It is designed to be used in conjunction with the summary lists and chapter headings of the preliminary pages of each volume-part. It provides a quick finding aid to the leading British policy-advisers and decision-makers, and the main subjects. As far as persons are concerned, entries are subdivided by subject, in the Labour government, for Wilson, Bottomley, Bowden, Brown, Callaghan, Gordon Walker, Greenwood, Healey, Jenkins, Stewart, and Thomson, and for Heath and Douglas-Home in the Conservative government. For subjects, every country of the world in 1968, with the exception of UK dependent territories, is listed in the enclosure to document 157, a study by the FCO of priorities by country for British interests. These references are not indexed. Where necessary, as for instance in particularly long documents, and if possible, paragraph numbers are given inside round brackets. The following abbreviations and symbols are used:

- A — appendix or annex
- E — enclosure
- N — editor's link note (before main text of document)
- n — footnote
- † — entry in office-holders, at the beginning of each volume-part
- \* — entry in biographical notes, at the end of part III

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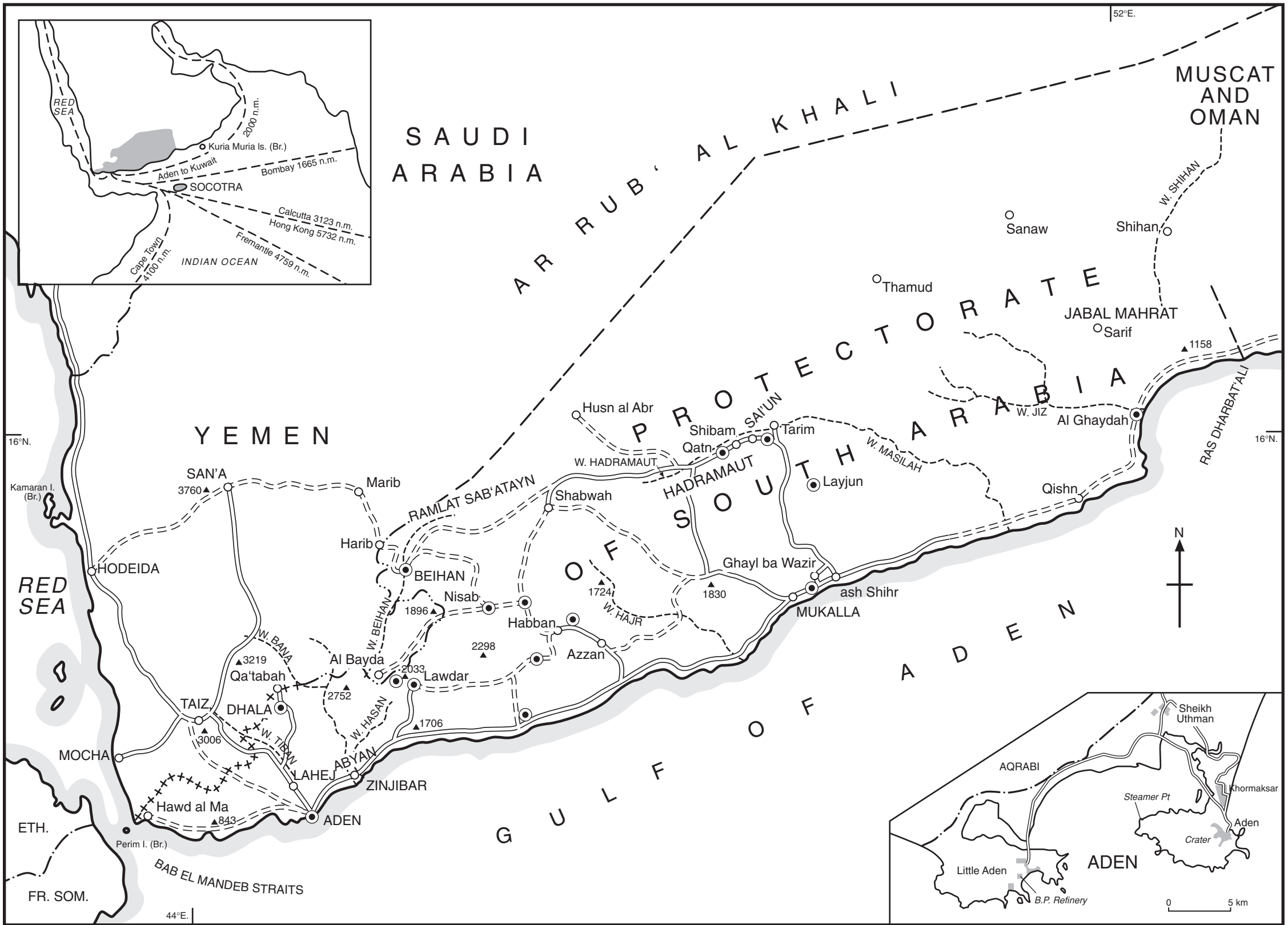
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ADEN AND SOUTH ARABIA, Factel No. 459, September 1965

ADEN & PROTECTORATE OF SOUTH ARABIA  
(insert bottom right not part of original)

Boundary demarcated (1914)	+++++	Roads	==
1934 treaty line	- - - - -	Wadis	- - - - -
Other undemarcated frontiers	- - - - -	Heights in metres ▲ 2298	
Boundary between Aden (colony) and Protectorate of South Arabia	.....		
Airports	●		

0 20 40 60 80 100 Miles

0 40 80 120 160 Kms