

**CAB 195/18**

**CABINET**

**MINUTES**

C.C.(59) 2<sup>nd</sup> Conclusions – C.C.(60) 29<sup>th</sup> Conclusions

1. Supply of Arms : Iraq.

[Enter E.H., Alport.

- S.Ll. Advantage : may hold Army twds West., & may help over I.P.C. Monckton recommends it. Turks, Jordan, Iran support : U.S., Pak., Canada are ready to acquiesce. H.M. Ambassador commends it, not because of Qassim, but because large elements in Iraq Army & Govt. which are non-Communist & wd. be strengthened by this sale.  
We cd. face row at home, prs. Main danger is a row with Egypt.  
Tanks – delivery starting Aug. 1960 : Canberras – twds end of '60. (Guns cd. be delivered earlier.) We cd. therefore hold up or cancel if Iraq went Communist m'while.  
Nasser seems pathologically suspicious of U.K. Will certainly regard such action as anti-Nasser rather than pro-Communist. But will this make any difference to his action?  
We are supplying tanks to Israel. First instalment (16) to go soon : & prob. can't be kept secret.  
E. financial settlement : E. are makg. some [satisf.] progress in carrying it out. Tho' there are still important steps they haven't yet taken. No abnormal drawings on balances.
- P.M. Sh<sup>d</sup>. be arranged with B/E. tht. they will consult Ty. before authorising any v. large w'drawals. We can't risk sit<sup>n</sup>. in wh. they don't carry out their side of the bargain and get the money.  
How did the oil mtg go?
- M. No concl<sup>ns</sup>. yet. Not going too badly.
- S.Ll. In Iraq govt. is being conducted by M/Defence – and it is they who wd. be influenced favourably by promise to supply arms.
- P.M. Our formula wd. be : we wd. be ready to accept orders for x & y, with delivery dates as shown subject to financial arrangemts.  
Risk = he will make diff<sup>ies</sup>. over financial settlement.
- R.A.B. Welcome split among Arabs (E. and Iraq) : that suits us – the old historical situation.  
Late deliveries are a help.  
On balance I wd. favour sympathetic approach i.e. promise to supply. We shall be no better off with N. than we wd. be otherwise.
- H.A. On balance I agree. Much financially at stake in both countries : for Iraq also has large sterling balances.
- R.M. Which has greater influence in Arab World – N. or Q.?
- S.Ll. Unpopular with many Govts. – tho' popular in Gulf.
- A.L.B. Influenced by attitude of T. & Iran, who have most to lose if the arms are put to bad use. On balance, I favour doing it.

1. Foreign Affairs.

- S.Ll. a) Israel. Ben Gurion's visit. Desire for modern defensive arms, to keep up with Nasser. Latter less likely to attack if he knows he will get a bloody nose.  
b) Cyprus. Another week's disc<sup>n</sup>. G. & T. think mtg of F.M.'s wd. be premature : wiser to let C. talks go on. Must accept that view. Still diff<sup>ies</sup>. betwn. G. & T. Cypriots – over constit<sup>n</sup>. and over money.  
c) Cento Mil. Ctt<sup>ec</sup>. mtg. 3 Reg. members want a Command structure. This wd. be provocative to R. – if endorsed by Council just before Summit – so we may have to delay it.  
d) Nuclear Tests. R. proposal, adopting our own sugg<sup>n</sup>. of moratorium. U.S. agencies have bn. at odds over this. R. proposal involves adm<sup>n</sup>. tht. control below threshold is impracticable : proposes joint research to improve it : and moratorium on tests below it m'while. V. small concession, for control machinery cdn't become effective in less than 3 years. If we fail to get agreement at Geneva, and R. resume tests in atmosphere, we shall be blamed for their action. Must do all we can to persuade U.S. to accept R. proposal.

P.M. Gt. opportunity : we must not let it slip. his wd. be first step in controlled disarmament. If U.S. rejects this, we shd. have to take a different line in public. For it is known tht. we have ourselves favoured this v. solution.

General support for P.M.'s view.

R.M. e) U.S./German Talks. Bad sentence in communiqué. We propose to protest to U.S. Govt.

H.B. Most unfortunate.

P.M. Stress, with them, its effects on Europe.

[Enter J.H.]

2. Carlton House Terrace.

H.B. As in memo.

S.Ll. All in F.O. agreed that we don't need to go to C. House Terrace. W<sup>d</sup>. like definite plan for concent<sup>n</sup>. on one site (F.O. Whitehall) before 1968.

P.M. Then Crown Estate can develop, without interference with facades.

H. W<sup>d</sup>. help if we cd. find home elsewhere for India Office library.

3. Parliament : Accommodation.

R.A.B. 1922 Ctt<sup>ec</sup>. : those who spoke favoured little change. Others may. But feeling v. bldg. in the courtyard. M/W. shd. soft-pedal in his speech on this bldg : stress rather the rebuildg. or re-arrangem<sup>t</sup>. of top corridor.