

Thesis
4270

'Britain's Crisis of Confidence': How Whitehall Planned Britain's Retreat from the extra-European World, 1959-1968.

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Contents.

Abstract.	iv
Declaration.	vi
Acknowledgements.	vii
List of Abbreviations.	ix
List of Tables.	xiii
Introduction.	1
Chapter I: The Whitehall Policy-Making Apparatus, 1959-1968.	36
Ministers and Officials.	38
The 'Overseas' Departments.	42
The Creation of a Unified Ministry of Defence.	53
The Treasury and the 'Overseas' Departments.	58
The Cabinet and its Committees.	66
Summary.	70
Chapter II: The Macmillan Government's, 'Future Policy Study, 1960-1970'.	71
The International Economic Environment and Britain's World Role.	76
Resources and Overseas Expenditure.	85
The Three Circles.	95
Britain's Extra-European Role.	103
The Reaction of Ministers and Officials.	111
Summary.	117

Chapter III: British Policy Towards Africa, 1959-1968.	119
'Africa: The Next Ten Years': A Policy Agenda for the 1960s?	121
Britain and the Continuing Problem of Apartheid.	139
An Economic Price Not Worth Paying: A Colombo-Style Plan for Africa.	143
The Ramifications of South Africa's Departure from the Commonwealth.	147
British Policy Towards Sub-Saharan Africa: The View of the 'Overseas' Departments.	151
Assessing the 'Balance of Advantage' between South Africa and Commonwealth Africa.	155
A Post-Independence <i>Pax Britannica</i> in East Africa?	165
'A Position of Secondary Importance Among our Interests in the World'. The Labour Government's Withdrawal from Africa: 1964-1968.	169
Summary.	190
Chapter IV: British Policy in the Middle East, 1959-1968.	192
Britain's Main Interests and Obligations in the Middle East.	194
The Decision to Act Unilaterally Against Iraq, 1961.	198
A Questioning of the Kuwait Commitment?	201
South Arabia and Aden: A Seemingly Intractable Problem.	205
The Treasury's Losing Battle to end Britain's Middle East Role.	217
Michael Cary's Review of Britain's Role East of Suez, 1963.	221
The Foreign Office's Case for Retaining Britain's Position in the Middle East.	226
The Policy of the Labour Government on Assuming Office: 1964-1965.	229
The Defence Reviews – A Decisive Change in Policy: 1964-1967.	241
Britain's Final Withdrawal from South Arabia, 1967-68.	252
The Final Decision to Withdraw from the Middle East, 1967-68.	255

Summary.	261
Chapter V: British Foreign Policy in the Far East, 1959-1968.	264
Britain's Principal Geo-Political Interests in South-East Asia.	266
The Malaysian Scheme: An Inauspicious Beginning?	271
The Problems of 'Overstretch'.	276
The Conservative's Questioning of the SEATO Commitment.	280
A Decision Deferred: The Problem of Indonesian Confrontation.	282
The Foreign Office Planning Staff Review, 1964.	293
American Influence on the Policy of the Labour Government, 1964-1966.	298
A Revision of Britain's South-East Asian Role: The Defence Reviews, 1965-1967.	307
'Never Glad Confident Morning Again': The Impact of Devaluation.	326
Summary.	334
Conclusion.	337
<i>Dramatis Personae.</i>	349
Appendix (I): Future Policy <i>Ad Hoc</i> Committee Structure.	365
Appendix (II): Principal Holders of Office, 1959-1968.	366
Appendix (III): Ministry of Defence: After 1964 Reorganisation.	369
Bibliography.	370

Abstract.

This thesis attempts to give an account of how Whitehall planned Britain's withdrawal from extra-European commitments in the years 1959-1968, demonstrating that foreign policy development was essentially a cross-departmental process, involving a synthesis of views articulated by the Treasury, Board of Trade, Ministry of Defence, Colonial Office, Commonwealth Relations Office, as well as the Foreign Office. More specifically, the thesis is concerned with the direct effects of the interplay of different departmental policies on British retrenchment from Africa, the Middle East, and the Far East. Most accounts of how ministers and officials approached the subject of withdrawal from international commitments lack any substantive analysis of documentary evidence, a fact attributable to the 'thirty-year rule'. Many academic works also contain a reference to 'delusions of grandeur' as the main explanation as to why Whitehall guided a tentative course in extracting Britain from its remaining overseas obligations. By examining Whitehall's attempts to review future policy, usually on an inter-departmental basis, this thesis questions the commonly held assumption that an outdated imperial sentiment permeated the political establishment until economic reality, namely the devaluation of sterling in November 1967, forced Britain to confront the fragility of its position. Developing and expanding upon previous scholarship, this thesis makes a contribution to historical knowledge by providing the first sustained and unified study of how the highest echelons of Whitehall framed Britain's long-term strategic aims in the late 1950s and 1960s.

This thesis is a contribution to administrative, diplomatic and military history, and provokes a number of questions. To what extent, for example, did economic considerations inform the decisions of leading policy-makers? Did a misjudgment over the strength of British 'power' lead to the pursuit of inappropriate foreign policy

objectives? How was foreign policy affected by defence policy? What influence did the Treasury exert over high foreign policy? Did the influence of civil servants vary according to policy issues and the personalities involved? In what ways did the views of the departments responsible for economic matters differ from those in charge of defence policy on the priority attached to military expenditure? To what extent did the Foreign Office and Ministry of Defence disagree on matters regarding Britain's overseas commitments and possessions? In answering such questions, this thesis casts new light on how Whitehall, between 1959 and 1968, reduced the scope of Britain's international commitments, redirecting the central thrust of British foreign policy away from extra-European commitments towards Europe.

Declaration

I hereby declare that this thesis has been composed by myself, and that the work which it embodies has been done by myself and has not been included in any other thesis.

Signed:

November 2004.

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List of Abbreviations

TEXT

AMDA	Anglo-Malayan Defence Agreement
A(O)C	Africa (Official) Committee (Cabinet)
ANZAM	Australia, New Zealand and Malaya
ANZUS	Australia, New Zealand and the United States
ATUC	Aden Trade Union Congress
BP	British Petroleum
CAF	Central African Federation (Northern Rhodesia, Southern Rhodesia, Nyasaland)
CENTO	Central Treaty Organisation (UK, Turkey, Pakistan, Iran)
CIA	Central Intelligence Agency
CO	Colonial Office
COS	Chief of Staff
CPC	Colonial Policy Committee (Cabinet)
CPM	Commonwealth Prime Ministers' Meeting
CRO	Commonwealth Relations Office
DC	Defence Committee (Cabinet)
D(O)C	Defence (Official) Committee (Cabinet)
DEA	Department of Economic Affairs
DOPC	Defence and Overseas Policy Committee (Cabinet)
DOP(O)C	Defence and Overseas Policy (Official) Committee (Cabinet)
DTC	Department of Technical Co-operation
EEC	European Economic Community
FAMA	Foundation of Mutual Assistance in Africa South of the

	Sahara
FCO	Foreign and Commonwealth Office
FLOSY	Front for the Liberation of Occupied South Yemen (Aden)
FO	Foreign Office
FOPS	Foreign Office Planning Staff
FPC	Future Policy Committee
GDP	Gross Domestic Product
GNP	Gross National Product
HMG	Her Majesty's Government (UK)
IBRD	International Bank for Reconstruction and Development
ISC	Internal Security Council (Singapore)
IMF	International Monetary Fund
LTSG	Long-Term Study Group
MCP	Malawi Congress Party
MoD	Ministry of Defence
MP	Member of Parliament
NATO	North Atlantic Treaty Organisation
NIBMAR	No Independence Before Majority African Rule (Southern Rhodesia)
NLF	National Liberation Front (Aden)
NHS	National Health Service
OAU	Organisation of African Unity
OOCC	Official Overseas Co-ordinating Committee
OLOS	Organisation for Liberation of the Occupied South (Aden)
OMD	Ministry for Overseas Development
OPC	Overseas Policy Committee (DOPC after July 1963)

OP(O)C	Overseas Policy (Official) Committee (DOP(O)C after July 1963)
PAP	People's Action Party (Singapore)
PM	Prime Minister
PKI	Indonesian Communist Party
PRO	Public Record Office
PSP	People's Socialist Party (Aden)
PUS	Permanent Under-Secretary
RAF	Royal Air Force
SAF	South Arabian Federation
SAFG	South Arabian Federal Government
SEATO	South-East Asia Treaty Organisation
TANU	Tanganyika African National Union
UAR	United Arab Republic
UDI	Unilateral Declaration of Independence
UK	United Kingdom
UN	United Nations
US	United States
USSR	United Soviet Socialist Republics

REFERENCES

<i>BDEE</i>	<i>British Documents on the End of Empire</i>
CAB	Cabinet Office papers
CLRK	Clarke papers (Churchill College, Cambridge)
Cmd., Cmnd.	Command paper
CO	Colonial Office papers

DO	Commonwealth (Relations) Office papers
DSND	Sandys papers (Churchill College, Cambridge)
FCO	Foreign and Commonwealth Office papers
FO	Foreign Office papers
<i>FRUS</i>	<i>Foreign Relations of the United States</i>
GNWR	Gordon Walker papers (Churchill College, Cambridge)
HC Deb.	House of Commons Debates
HMD	Harold Macmillan's Diary (Bodleian Library, University of Oxford)
HMSO	Her Majesty's Stationary Office
NAA	National Archives of Australia
PP	Parliamentary Papers
PREM	Prime Minister's Office
SELO	Selwyn Lloyd papers (Churchill College, Cambridge)
T	Treasury papers

List of Tables.

TABLE:	2.1:	Estimated Steel and Electricity Production/Future Growth of World Population, 1957-1970.	78
TABLE:	2.2:	Predicted Population Growth Per Annum Between 1960 and 1970.	80
TABLE	2.3:	Claims on Gross Domestic Product, 1958.	88
TABLE	2.4:	Defence as a Percentage of GNP, 1949-1958.	90
TABLE	3.1:	UK Economic Relations with Africa, 1959-1962.	158
TABLE:	4.1:	Defence Expenditure, 1964-65.	242
TABLE	5.1:	The Ethnic Make-Up of Malaya and Singapore, 1959.	269

. . . . it is surely time that Great Britain should free herself from the expense of defending those provinces in time of war, and of supporting any part of their civil or military establishments in time of peace, and endeavor to accommodate her future views and designs to the real mediocrity of her circumstances.

Adam Smith, An Inquiry into the Nature and Causes of the Wealth of Nations, 1776.

Introduction.

On 5 December 1962, in an address to the West Point Military Academy, Dean Acheson, US Secretary of State under President Truman, controversially remarked: 'Great Britain has lost an Empire and has not yet found a role'.¹ Acheson's undiplomatic statement was poorly received by many within the highest echelons of the British political establishment, being described by *The Times* as a 'swingeing attack'.² Harold Macmillan, British Prime Minister between 1957 and 1963, thought that Acheson's speech was ill-conceived, and by pronouncing that Britain's world role 'was played out' had repeated an error that had 'been made by quite a lot of people in the course of the last four hundred years, including Philip of Spain, Louis XIV, Napoleon, the Kaiser and Hitler'.³ With the post-war ascendancy of the United States and Soviet Union, Macmillan realised the self-evident truth that Britain's position in international affairs had declined, but believed that through 'interdependence' the UK could play an influential global role, disproportionate to its actual economic and military strength.⁴ In the early 1960s, two fundamental positions on Britain's international role existed: the first view, which for short-hand purposes can be termed the 'Achesonian' perspective, suggested that Britain's global role was peripheral and coming to an end; the second viewpoint, held by many leading political figures in the UK, was premised on the conviction that Britain could still act as a major influence in world affairs, retaining its centuries-long position as a power with trans-oceanic interests.

Academic works, relating to Britain's foreign policy during the period under review, have tended to lack rigorous analysis of governmental documents, being based, to varying degrees, on secondary works, memoirs, diaries, and collections of private

¹ *The Times*, 6 December 1962. p. 12. A full text of the speech can be found in *The Times*, 8 December 1962. p. 8.

² *The Times*, 6 December 1962. p. 12.

³ Harold Macmillan quoted in *The Times*, 11 Dec. 1962. p. 11. For further information, see Harold Macmillan's Diary (hereafter HMD), Department of Western Manuscripts, Bodleian Library, University of Oxford, d. 47, entries for 7 and 9 December 1963.

⁴ For Macmillan's published views on Britain's role in world affairs see H. Macmillan, *Pointing the Way, 1959-61*, (London: Macmillan, 1972) and H. Macmillan, *At the End of the Day, 1961-63*, (London: Macmillan, 1973).

papers. The 'thirty-year rule', which prevents the release of government documents for that period, has until recently prevented historians from adequately answering a number of basic questions in relation to Britain's changing world role. For example, did leading policy-makers come to accept the 'Achesonian' interpretation of Britain's international position? To what extent did perceptions within Whitehall change in regard to the role to be played by Britain in global affairs?

This introductory chapter is divided into six central areas of inquiry. The first advances a conceptual analysis of the term 'world role', as applied to Britain, and examines the key issues of 'power', 'policy', and 'diplomacy'. The second area examines the historiographical debate on the foreign policies of the Macmillan, Home and Wilson governments, asking whether or not Conservative and Labour governments held divergent views on what constituted Britain's world role. Thirdly, consideration is given to the general failure of historians to address the issue of foreign policy formulation, at the highest levels of Whitehall, in the late 1950s and 1960s; this is highly important, as an exploration of policy development will ultimately enhance our understanding of the main factors influencing the scope and breadth of Britain's 'world role'. The fourth section will present a broad-based analysis of the deficiencies and limitations of the hitherto published works that seek to explain how and why Britain's geo-political standing changed between 1959 and 1968. Fifthly, a review of the primary sources used in the process of researching this thesis will be undertaken. Finally, an examination of the problems associated with studying the roles of political elites is attempted.

World Role: The Conflict between Perception and Reality.

National roles, it is argued by Hans Morgenthau, fall into three main categories, according to whether or not a state is intent primarily on keeping power, increasing

power, or demonstrating power, leading respectively to the adoption of policies of *status quo*, imperialism, or prestige.⁵ If Morgenthau's thesis is applied to British foreign policy between 1959 and 1968, Britain's role was arguably (at one time or another) underpinned by all three categories, thus demonstrating the inherent difficulty in defining what is meant by 'role'. Morgenthau's model, therefore, provides a helpful, but ultimately limited, 'frame of reference' for analysing how Britain's global role changed during this period. 'Role', for the purpose of this examination, is defined as 'an image of how a state, a government, or an individual *thinks it should* be acting'.⁶ Put simply, Britain's perceived 'role' in international affairs can be understood in terms of 'expected function'.⁷ Paul Kennedy's *The Realities Behind British Diplomacy* argues that Whitehall's view of Britain's appropriate role, during the late 1950s and 1960s, was not realistically aligned with the capacity and resources of the UK economy - and, it might be added, failed to correlate with the views of other nations, notably the United States and Soviet Union.⁸ Kennedy's argument is both compelling and coherently argued; however, he does not adequately address how leading policy-makers dealt with the twin problems of *relative* decline and international overstretch. Were senior civil servants and ministers aware that overseas obligations were incompatible and inconsistent with Britain's economic capacity? If so, were their divisions within Whitehall (for example, between the Foreign Office and the Treasury) on how to address this issue? Were *all* policy-makers unrealistic about Britain's global position?

Kennedy, along with many other historians, also fails to define what he means by 'Britain' or 'the British'. A. J. P. Taylor once remarked: 'We [historians] write 'the British' when we mean . . . [a] few members of the Foreign Office'.⁹ Taylor was correct

⁵ H. Morgenthau, *Politics Among Nations: The Struggle for Power and Peace*, (New York: Alfred A. Knopf, 1978), p. 85.

⁶ B. Russett and H. Starr, *World Politics and the Menu For Choice*, (5th ed). (New York: W. H. Freeman and Co, 1996), p. 237. Added emphasis.

⁷ For similar arguments see D. Reynolds, *Britannia Overruled: British Policy and World Power in the Twentieth Century*, (London: Longman, 1991), R. Holland, *The Pursuit of Greatness: Britain and the World Role, 1900-1970*, (London: Fontana, 1991) and F. S. Northedge, *Descent from Power: British Foreign Policy, 1945-73*, (London, Allen and Unwin, 1974).

⁸ P. Kennedy, *The Realities Behind Diplomacy: Background Influences on British External Policy, 1865-1980*, (London: Fontana), p. 375.

⁹ A. J. P. Taylor quoted in P. Hennessey, *Whitehall*, (London: Pimlico, 2001), p. 380.

in asserting that historians usually use phrases like ‘the British’ or ‘Britain’ when referring to the views of a small policy-making elite at the apex of Whitehall, but wrong in ascribing especial importance to the Foreign Office. Taylor’s maxim therefore requires further refinement and re-definition for the purpose of this thesis: foreign policy development, in the late 1950s and 1960s, was essentially a cross-departmental process, involving a synthesis of views articulated by the Treasury, Board of Trade, Ministry of Defence, Colonial Office, Commonwealth Relations Office, as well as the Foreign Office. This has led David Reynolds, in his influential study of British policy and world power in the twentieth century, to propose ‘that there was rarely, if ever, a unified concept that we can call “British foreign policy”’.¹⁰ Various individuals and departments within government held differing perspectives and viewpoints as to Britain’s appropriate world role, and no historian has to date adequately explained how these differences were played out and reconciled within Whitehall.

Reynolds rightly indicates that the definition of ‘power’ is difficult to pin down, arising from the fact that it can be defined in two distinct ways.¹¹ Traditionally, ‘power’ has been defined in terms of the sum total of a state’s economic and military capacity; hence, ‘power’ is a concept that can (to some extent) be measured using certain tangible criteria, such as population size, military strength, and Gross Domestic Product (GDP). Throughout the period under examination, policy-makers gave detailed consideration as to how power, influence and policy were interrelated. In May 1962, for example, Foreign Office civil servants produced a paper, ‘The Relationship between Power and Influence’, which suggested that Britain’s ability to exert international influence was limited by economic strength: ‘the more the nation produces. . .’, it was argued, ‘. . . the more it can devote to the instruments of policy’.¹²

¹⁰ Reynolds, *op. cit.*, p. 54.

¹¹ *ibid.*, p. 4

¹² ‘The Relationship between Power and Influence’, 31 May 1962, FO 371/166997.

However, a nation that attempts to retain (or develop) a defence capability that does not correlate with its economic capacity may suffer from 'overstretch', potentially sowing the seeds of future decline. Kennedy contends that 'if too large a proportion of a state's resources is diverted from wealth creation and allocated instead to military purposes, then that is likely to lead to a weakening of national power over the longer term'.¹³ With reference to British foreign policy during the late 1950s and 1960s, this thesis tests Kennedy's proposition. Secondly, 'power' can be viewed in terms of the ability of one state to influence the policy of another state. Put simply, it can be said that 'power' has been successfully exerted, if State X can influence State Y to do something Y would not do in the absence of pressure from X. 'Power', in this sense, is not necessarily dependent on tangible factors, like military and economic strength, and can be exercised through 'intangibles' such as reputation, leadership, and diplomatic skill. Such 'intangible' sources of power depend on the willingness of other states to recognise these as being of legitimate value. By emphasising Britain's record as a 'good' colonial power, many within Whitehall believed that the UK could bolster its international standing. On 3 May 1961, for example, Duncan Sandys, Secretary of State for Commonwealth Relations, attempted to convince Kwame Nkrumah, President of Ghana (which had achieved independence in 1957), to 'speak well in public' of Britain's 'colonial record', emphasising that 'our behaviour had been vastly different from that of, for instance, the Portuguese or Belgians'.¹⁴ Others were more circumspect as to the efficacy of such an approach, with one Foreign Office official remarking: 'we are not reasonable if we continue to feel surprised and puzzled because our good colonial record and moral superiority only earn us marginal toleration'.¹⁵ Were Whitehall policy-makers realistic about Britain's ability to exert influence in world affairs? Did a misjudgement over the strength of British 'power' lead

¹³ P. Kennedy, *The Rise and Fall of the Great Powers, Economic Change and Military Conflict from 1500 to 2000*, (London: Fontana, 1989), p. 549.

¹⁴ 'Note of Topics the Secretary of State Discussed with President Nkrumah', 3 May 1961, Sandys papers (Churchill College, Cambridge) DSND 8/18.

¹⁵ 'The Relationship between Power and Influence': minute by F. A. Warner, 13 April 1962, FO 371/166997.

to the pursuit of inappropriate foreign policy objectives? Did policy-makers try to retain a residual world role by exercising 'power' through diplomatic skill and leadership?

Bruce Russett and Harvey Starr argue that 'foreign policy is the output of the state into the global system'.¹⁶ The ambit of foreign policy is therefore extremely wide-ranging and requires refining for this study. William Wallace's *The Foreign Policy Process in Britain* contends that foreign policy can be divided into three fundamental layers - high policy, sectoral policy, and low policy.¹⁷ This thesis examines matters relating to Britain's 'high' foreign policy aims. Wallace describes high policy issues as 'those, which are seen by policy-makers as affecting Britain's fundamental standing in the world'.¹⁸ Theoretically, high policy objectives should be determined by the Prime Minister, senior members of the cabinet, the Cabinet Secretary and the permanent secretaries of the major departments. Historians have yet to test the extent to which this model applied to British policy-making during the late 1950s and 1960s.

Consideration will also be given to the influence of special advisers, such as Philip de Zulueta (Macmillan's foreign affairs adviser) and Thomas Balogh (Economic Advisor to the Cabinet, under Harold Wilson), on thinking within Whitehall.

At this stage, it is perhaps instructive to make a distinction between 'foreign policy' and 'diplomacy'. 'Foreign policy' can be defined as the international objectives that a state endeavours to achieve, while 'diplomacy' is a method through which these aims are accomplished. Lord Gore-Booth, former Permanent Under-Secretary to the Foreign and Commonwealth Office and Head of the Diplomatic Service, summarised this point well:

Foreign policy is what you do; diplomacy is how you do it. Of course the two get mixed up especially when a diplomat is advising on policy or a member of the Government normally engaged in policy discussions takes

¹⁶ Russett and Starr, *op. cit.*, p. 163.

¹⁷ See W. Wallace, *The Foreign Policy Process in Britain*, (London: Allen and Unwin and The Royal Institute of International Affairs, 1977), p. 8.

¹⁸ *ibid*, p. 11.

over a diplomatic operation which seems to merit top level or summit discussion. But generally speaking the task of government is to decide and the task of a diplomat at any level is to try and make the decision work.¹⁹

Thus, 'foreign policy' and 'diplomacy' are distinct, albeit complementary, concepts. This thesis concentrates on the subject of 'foreign policy', as defined above, focussing on how global strategy was conceived and developed within Whitehall. This is not to suggest that the role of diplomats in foreign policy formulation was negligible, but merely to recognise that it was, generally speaking, of secondary importance. Nevertheless, where appropriate, this thesis examines, in detail, the influence of diplomats on the policy process: for example, the role of Lord Selkirk, Britain's chief diplomat in the Far East, in developing policy towards South-East Asia is considered in Chapter V. On the whole, however, this is a study of the policy-making apparatus, as it existed within Whitehall, focusing on the development of policy between departments, particularly the Foreign Office and the Treasury, and the operation of the cabinet committee system.

Britain's Major Foreign Policy Objectives in the Age of Macmillan and Wilson.

The commonly held view of Britain's international role, from the Suez crisis in 1956 to the devaluation of sterling in 1967, was cogently summarised by Iain Macleod, Secretary of State for Colonial Affairs under Macmillan, in an article for the *Spectator*, a magazine he edited, in April 1965:

Alone among America's allies Britain is a member of all the three collective security alliances: NATO, SEATO and CENTO. Beyond these, we fulfil widespread defence obligations inside and outside the Commonwealth. By ourselves in Malaya, and alongside America's

¹⁹ P. Gore-Booth, *With Great Truth & Respect*, (London: Constable, 1974), p. 15.

preponderant forces in Korea, we have fought Communist aggression and beaten it back. . . . Meanwhile, in the entire sea area East of Suez across the India Ocean, the Royal Navy plays the leading role in safeguarding the free world's commerce and security.²⁰

Macleod, along with many other leading politicians of his day, failed to question - *coram populo*, at least - why Britain needed to occupy such a leading role in global affairs. Was Britain not a medium-sized power with a comparatively poorly performing economy in the mid-1960s? There is considerable agreement among historians that Britain's perceived role was disconnected with economic and geo-political reality for much of this period. Bernard Porter's *Britain, Europe and the World, 1850-1986: Delusions of Grandeur* contends that the divergence between perception and reality led to a skewing of priorities, serving to infuse a degree of confusion into the strategic direction of foreign policy.²¹ This viewpoint is shared by many leading academics and outside observers: for example, George Ball, the former US Under-Secretary of State, wrote that 'the contrast between her [Britain's] accepted position and the power she could command injected ambiguity into British policy'.²² F. S. Northedge's book, *Descent from Power: British Foreign Policy, 1945-73*, follows a similar line of argument, contending that an outdated belief in a British 'world role' permeated Whitehall, until economic reality forced policy-makers to confront the fragility of Britain's international position during the late 1960s.²³ Northedge's contention is appealing on an intuitive level; a lack of empirical evidence, however, ultimately undermines its academic value. This thesis seeks to identify the extent to which 'delusions of grandeur' pervaded the British political establishment. Were policy-makers more realistic about Britain's actual international position *in camera*? Were civil servants and ministers constrained in addressing this problem by public opinion,

²⁰ Iain Macleod quoted in J. Frankel, *British Foreign Policy, 1945-1973*, (Oxford: Oxford University Press, 1975), p. 164.

²¹ B. Porter, *Britain, Europe and the World, 1850-1986, Delusions of Grandeur*, (London: Allen & Unwin, 1983), p. 152.

²² G. Ball, *The Discipline of Power: Essentials of a Modern World Structure*, (London: Bodley Head, 1968), p. 72.

²³ Northedge, *Descent from Power*, pp. 298-299.

international pressure, or treaty obligations? These fundamental questions can only be answered by an exhaustive examination of recently released government documents.

Between 1959 and 1968, perceptions of Britain's appropriate 'world role' did not remain static or unchanged. Reynolds's general survey, *Britannia Overruled*, confirms that Britain's world role experienced a dramatic transformation during this period. Combining chronological narrative with careful consideration of the main theories of international behaviour, Reynolds provides an important introduction to the evolution of British foreign policy during the late 1950s and 1960s. Reynolds highlights several developments which impacted on Britain's international position: Britain's world role was affected by continuing post-war economic decline, relative to other Western industrial countries (and, for that matter, Japan); a reduction in the international value of the pound and the consequent abrogation of the sterling area; the loss of key strategic bases, notably Aden and Singapore - on which UK power in the Middle East and Far East (generally referred to as 'East of Suez') was hinged; a decline in the relative military capability of the Army, Royal Navy, and the Royal Air Force; and increased dependence on the United States for nuclear technology.²⁴ A combination of these factors profoundly affected how Whitehall viewed Britain's 'world role', compelling policy-makers to undertake a fundamental reappraisal of the approach taken to international relations. Unfortunately, Reynolds' inability to support his argument with archival evidence (at least for the period after 1959) leaves an important gap in the available literature. Similarly, David Sanders's *Losing an Empire, Finding a Role* does not demonstrate how perceptions within Whitehall changed as Britain's international position declined.²⁵ Hitherto, academic historians have only attempted to explain how and why Britain's position changed *vis-à-vis* other nations;

²⁴ Reynolds, *Britannia Overruled*, pp. 208-219

²⁵ D. Sanders, *Losing an Empire, Finding a Role: An Introduction to British Foreign Policy since 1945*, (London: Macmillan, 1990).

how policy-makers addressed the problem of Britain's changing international position remains a neglected theme. This thesis, in addition to analysing the external factors that inhibited Britain's ability to play a global role, seeks to explain how officials and ministers reacted to prevalent pressures, investigating why particular policy directions were pursued.

Macmillan's foreign policy has been the subject of a number of published books, each varying in scope and perspective. Historians and writers agree that Macmillan believed Britain should occupy a global role.²⁶ This role was multi-faceted, involving exerting influence over American policy, maintaining an independent nuclear deterrent, retaining sterling's status as an international reserve currency, ensuring orderly decolonisation in Africa and Asia, establishing closer relations with the EEC, and maintaining the Indian Ocean as a British sphere of influence. The most comprehensive account of Macmillan's foreign policy can be found in a collection of essays, *Harold Macmillan and Britain's World Role*, edited by Richard Aldous and Sabine Lee. This book offers a critical reappraisal of British foreign policy between 1957 and 1963, addressing how Macmillan attempted to answer the key question: 'Why should the UK stay in the big game?'. Furthermore, it takes the key areas of overseas policy - Anglo-American relations, the Middle East, defence, Empire/Commonwealth, and Europe - and traces Macmillan's attempt to establish a new direction in the aftermath of Suez. The book makes impressive use of available primary sources and provides a useful insight into Macmillan's foreign policy agenda, but lacks coherence (a common problem with collected essays) and neglects the importance of Whitehall in the development of overseas policy.²⁷

Anthony Sampson's biography, *Macmillan: A Study in Ambiguity*, argues that Macmillan saw Britain as a global power, destined to play a leading role in international

²⁶ See R. Aldous and S. Lee (eds.), *Harold Macmillan and Britain's World Role*, (Basingstoke: Macmillan, 1996), A. Home, *Harold Macmillan, vol. II of the Official Biography*. (London: Macmillan, 1989). R. Lamb, *The Macmillan Years, 1957-1963: The Emerging Truth*, (London: John Murray, 1995).

²⁷ Aldous and Lee, *op.cit.*

affairs, as evidenced by his first broadcast statement as Prime Minister: 'Every now and again since the war I have heard people say, "Isn't Britain only a second - or a third - class power now? Isn't Britain on her way out?" What nonsense. This is a great country and do not let us be ashamed to say so'.²⁸ Similarly, Richard Aldous and Sabine Lee's essay, 'Staying in the Game', argues that Macmillan - like many leading political figures of his period - was a 'victim' of his own life experience, claiming that his perception of Britain's international status was informed by past British triumphs, a mindset which led him to exaggerate the country's actual power, influence and importance.²⁹ This line of argument supports David Marquand's contention that the opinions of leading public servants were often informed by a culture forged during the period of Empire.³⁰

Yet, a cursory examination of Macmillan's memoirs suggests that he was prone to bouts of pessimism in relation to Britain's future role. In a memorandum (worth quoting at length), entitled 'The Grand Design', Macmillan recorded:

Britain - with all her experience - has neither the economic nor the military power to take the leading role. We are harassed with countless problems - the narrow knife-edge on which our economy is balanced; the difficult task of changing an Empire into a Commonwealth; the uncertainty about our relations [with] the new economic, and perhaps political, state which is being created by the six countries off continental Western Europe; and the uncertainty of American policies towards us - treated now *as just another country*.³¹

Macmillan's scepticism about the value derived from Britain's world role was deep-rooted and long-held: for example, in December 1956, Cynthia Gladwyn, wife to the British Ambassador in Paris, Jebb Gladwyn, records Macmillan (then Chancellor of the Exchequer), as being doubtful over Britain's ability to sustain its international

²⁸ *The Times*, 18 January 1957, p. 4.

²⁹ Aldous and Lee, *op. cit.*, p.152.

³⁰ D. Marquand, *The New Reckoning: State, Markets and Citizens*, (Oxford: Polity Press, 1997), p. 193.

³¹ H. Macmillan *Pointing the Way*, p. 324. Added emphasis.

commitments: 'Over port and brandy Harold held forth. The great thing for a country was to be rich as we were in the nineteenth century, he mused; and why should we not give up spending millions on atom bombs, why should we not give up Singapore, . . . and just sit back and be rich?'³² Leslie Stone argues that Macmillan saw the UK as a secondary power, but claims that he attempted to reassure the public of Britain's status as a world power for political reasons.³³ If true, this would suggest that Macmillan was not merely a product of his social class and age, as is alleged by Aldous and Lee. Stone claims that Macmillan's 'public face' led to a 'self-deception', which inhibited his ability to take a lead in developing policies commensurate with Britain's declining economic position.³⁴ Henry Kissinger, US Secretary of State under Presidents Richard Nixon and Gerald Ford, effectively dismissed all these arguments, when he wrote: 'Macmillan was the first British Prime Minister to *confront explicitly* the powerful reality that his country was no longer a world power'.³⁵ Therefore, Macmillan's views on Britain's world role are open to interpretation and in need of further examination. Did Macmillan believe that Britain was a world power? Did he explicitly confront the reality of decline? Did Macmillan attempt to manage Britain's transition in a way that was politically acceptable?

The 1964-1970 Labour governments' foreign policy, Ben Pimlott contends, set off along familiar 'Bevinite' lines, in the sense that Wilson was unprepared to see a diminution in Britain's global commitments.³⁶ In November 1964, in his first major foreign policy speech as Prime Minister, Wilson asserted: 'We are a world power, and a world influence, or we are nothing'.³⁷ Chris Wrigley argues that the Wilson government saw Britain's last attempt to maintain a global role, or at least the pretension to retain the symbols that endowed the country with the belief that it fulfilled

³² M. Jebb (ed.), *The Diaries of Cynthia Gladwyn*, (London: Constable, 1995), p. 195.

³³ See L. Stone, 'Britain and the World' in D. Mackie and C. Cook (eds.), *The Decade of Disillusion: British Politics in the Sixties*, (London: Macmillan, 1972).

³⁴ *ibid*, p. 124.

³⁵ H. Kissinger quoted in Aldous and Lee, *op. cit.*, p.152.

³⁶ B. Pimlott, *Harold Wilson*, (London: Harper Collins, 1992), pp. 382-403.

³⁷ *The Times*, 17 November 1964, p. 6.

a world leadership role.³⁸ Wrigley's work makes a useful contribution to the debate on post-war British foreign policy, but lacks much in the way of depth and analysis.

Regrettably, Wrigley's account, like many others on the subject, neglects the role of Whitehall in policy development, concentrating almost excessively on the influence of senior Labour politicians. Any examination of Labour's foreign policy that fails to consider the role of Whitehall is severely limited. This issue is given even greater significance by Labour's often-fraught relationship with the senior civil service during the 1960s. Leading Labour figures, most notably Thomas Balogh and Richard Crossman, believed that Whitehall outmanoeuvred the Wilson government on a number of key policy issues. Furthermore, as the Wilson government lacked much in terms of administrative experience (following thirteen years of Conservative rule), this thesis examines the extent to which Whitehall was able to influence the direction of British foreign policy.³⁹

Wilson believed Britain's world role to be founded on two factors. Firstly, maintaining Britain's position East of Suez was seen as essential to international influence. In December 1964, Wilson told the House of Commons: 'whatever we may do in the field of cost effectiveness . . . we cannot afford to relinquish our world role - our role for shorthand purposes is sometimes called our East of Suez role'.⁴⁰

Secondly, Wilson was determined to maintain the sterling-dollar parity, at £1: \$2.80, considering this fundamental to Britain's global standing, helping to secure the East of Suez position. Pimlott indicates that the importance attached to this commitment was exemplified by Wilson's decision to defend the parity of sterling for three years, even though this effectively eliminated any possibility of Labour achieving its key domestic

³⁸ See C. Wrigley 'Now you see it, now you don't: Harold Wilson and Labour's Foreign Policy 1964-70', in R. Cooney, S. Fielding and N. Tiratsoo (eds.), *The Wilson Governments, 1964-1970*, (London: Pinter, 1993).

³⁹ Labour had been out of government for thirteen years. Only three members of the Cabinet - Harold Wilson, Patrick Gordon Walker, and Jim Griffiths - had held that rank before.

⁴⁰ HC Deb. (Fifth Series), 16 December 1964, cols. 425-426.

policy objectives.⁴¹ On entering office in 1964, Labour was confronted with a balance-of-payments deficit of £800 million, along with severe speculation against sterling, forcing the adoption of one of three unpalatable options: the devaluation of the pound; the imposition of quotas on imports; and/or a surcharge on a number of imports.⁴²

Wilson, along with the Secretary of State for Economic Affairs, George Brown, and the Chancellor of the Exchequer, James Callaghan, decided to defend the value of the pound, thus enabling the government to retain the confidence of the international money markets, whilst simultaneously undermining Labour's objective of increased growth.⁴³ The Labour government followed this 'strong' pound policy until November 1967, when Callaghan, on the resolute advice of Sir Alec Cairncross, Head of the Treasury's Economic Service, devalued the pound from \$2.80 to \$2.40.⁴⁴ But to what extent was retaining dollar-sterling parity seen within Whitehall as synonymous with Britain's status as a world power? The general consensus amongst historians has been that devaluation was a policy to be avoided at all costs. Tim Bale's article, *Dynamics of a Non-Decision: The 'Failure' to Devalue the Pound*, refutes this argument, contending that the Wilson government was prepared to accept devaluation as a pre-condition of entry into the European Economic Community (EEC). This is confirmed, to some extent, by Crossman's diary entry on 15 February 1967, which claimed that Callaghan said: 'of course we would accept a 10-15 per cent devaluation as a condition of entry [to the EEC]. Yes, that's all clear in Whitehall, that's what we

⁴¹ Pimlott, *op. cit.*, pp 350-351. A number of caveats should supplement this argument. It should be noted that Wilson's decision not to devalue sterling was also conditioned by a number of domestic party political considerations; first, Wilson was aware of his precarious parliamentary situation (Labour had a majority of three until the 1966 General Election); secondly, Wilson did not want Labour to be stigmatised as the 'party of devaluation', following devaluation in 1949. Additionally, the Labour government did not see devaluation as a long-term solution to Britain's economic problems, believing that such a decision would cause disruption to the world financial system.

⁴² Cabinet minutes, 26 November 1964, CAB 128/39.

⁴³ For accounts of the economic and foreign policies of the Wilson Government see, W. Beckerman (ed.), *The Labour Government's Economic Record, 1964-70*, (London: Duckworth, 1972); F. Blackaby (ed.), *British Economic Policy, 1960-1974*, (Cambridge: Cambridge University Press, 1979); A. Cairncross, *Managing the Economy in the 1960's: A Treasury View*, (Basingstoke: St Antony's/Macmillan series, 1996); A. Cairncross, *The Wilson Years: A Treasury Diary, 1964-69*, (London: The Historians' Press, 1997); R. Coopey, S. Fielding and N. Tintsoo, *The Wilson Governments, 1964-70*, (London: Pinter, 1995); W. Davis, *Three Years' Hard Labour: The Road to Devaluation*, (London: Deutsch, 1968); C. Ponting, *Breach of Promise: Labour in Power, 1964-70*, (London: Hamish Hamilton, 1989).; H. Wilson, *The Labour Government, 1964-70: A Personal Memoir*, (London: Weidenfeld and Nicholson, 1971).

⁴⁴ K. O. Morgan, *Callaghan: A Life*, (Oxford: Oxford University Press, 1997) , p. 234-290; A. Cairncross, *The Wilson Years*, (1997) 243-255.

face as a precondition of entry'.⁴⁵ The inadequacies of the present literature leave a number of questions unresolved with regard to how Whitehall saw devaluation affecting Britain's wider international influence. Was the Wilson government reluctant to devalue because such an action would involve a scaling down of British commitments in the Middle and the Far East? Was devaluation seen as likely to damage Anglo-American relations? How realistic was the quadripartite objective of retaining the international value of sterling, maintaining Britain's position East of Suez, ensuring close relations with the United States, and achieving membership of the EEC?

Historians generally agree that devaluation was the critical moment in Britain's decision to retreat from East of Suez. John Darwin, for example, has argued that it took devaluation, allied to the appointment of Roy Jenkins as Chancellor of the Exchequer, to 'extract the final avowal that the last vestiges of the imperial role were at an end'.⁴⁶ Jeffrey Pickering has suggested that it took the 'blow of devaluation' to steer Britain away from its East of Suez commitments.⁴⁷ Sean Greenwood describes devaluation as an 'incontrovertible turning point', removing the 'fig leaf which had obscured the threadbare British pretensions to globalism'.⁴⁸ A notable exception to this school of thought is provided by Joseph Frankel, who contends that devaluation was 'only the occasion, not the cause, of the decision to withdraw [from East of Suez]'.⁴⁹ In this respect it is important to note that Britain had, following numerous sterling crises and balance-of-payments difficulties, begun to reduce the scale and scope of international commitments prior to devaluation. Robert Holland's book, *The Pursuit of Greatness*, argues that gradual withdrawal, in combination with the Wilson government's application for EEC membership in February 1967 (which also preceded

⁴⁵ J. Callaghan quoted (15 Feb 1967) in R. H. S. Crossman, *Diaries of a Cabinet Minister: Lord President of the Council and Leader of the House of Commons, 1966-68*, vol. II, (London: Hamilton Cape and Jonathon Cape, 1976), p. 240.

⁴⁶ J. Darwin, 'British Decolonisation Since 1945: A Pattern or a Puzzle?', *The Journal of Imperial and Commonwealth History*, vol. 12, No. 2, (1984), p. 348.

⁴⁷ J. Pickering, 'Politics and "Black Tuesday": Shifting Power in the Cabinet and the Decision to Withdraw from East of Suez, November 1967 - January 1968', *Twentieth Century British History*, vol. 13, No. 2, (June 2002), p. 148.

⁴⁸ S. Greenwood, *Britain and the Cold War, 1945-91*, (London: Macmillan, 2000), p. 174.

⁴⁹ J. Frankel, *British Foreign Policy*, p. 165.

devaluation), had convinced Whitehall of the frailty of Britain's 'great power' pretensions.⁵⁰ On the other hand, a number of academics, notably Robert. J. Lieber, maintain that Wilson's decision to apply for membership of the EEC was based on the hope that this would act as a panacea for economic under-performance; EEC membership, according to this line of argument, did not represent a rejection of Britain's world role or an acceptance of the inevitability of regionalisation.⁵¹

What Factors Influenced British Perceptions of 'World Role'?

During the late 1950s and 1960s, as in most periods, international developments and internal political changes were instrumental in determining Britain's 'world role'. As argued by Anne Deighton: 'foreign policy actions are a result of pressures from the international environment as well as forces at work within the nation state'.⁵² This inevitably leads to a degree of controversy over whether 'external' or 'internal' factors are more important in determining particular foreign policy objectives. Britain's world role, during the period under study, was inescapably influenced by two key 'external' factors - the emergence of the EEC and the Cold War. J. W. Young's *Britain and the World in the Twentieth Century* argues that the increasing weakness of Britain in relation to the EEC compelled British policy-makers to adjust their definition of 'role', by pursuing policies aimed at integrating Britain into a regional, supranational organisation.⁵³ More important to the thinking of British policy-makers was the Cold War; indeed, a central theme of this thesis will be that historians have tended to underestimate this overarching factor in determining British withdrawal from extra-European commitments. This thesis explores how the Cold War influenced the

⁵⁰ Holland, *The Pursuit of Greatness*, pp.

⁵¹ Frankel, *op. cit.*, pp. 165-166; R. J. Lieber, *British Politics and European Unity: Parties, Elections and Pressure Groups*, (London: UCP, 1970).

⁵² A. Deighton, 'British Foreign Policy-Making: The Macmillan Years' in W. Kaiser and G. Staerck, *British Foreign Policy, 1955-64: Contracting Options*, (Macmillan: London, 2000), p. 7.

⁵³ J. W. Young, *Britain and the World in the Twentieth Century*, (London: Arnold, 1997), p. 193.

thinking of senior officials, considering what role Whitehall envisaged Britain fulfilling in the all-encompassing East-West conflict.

Analysing the impact of international factors in isolation inevitably leads to an incomplete understanding of foreign policy development. It is too simplistic, as stated by Anne Deighton, to view foreign policy decisions 'as a clear and clean reaction to external factors'.⁵⁴ In the years 1959-1968, Britain's public administration and political leadership, like the universe of Descartes, were in a state of constant flux. No historian has thus far comprehensively examined the extent to which ministerial changes, alterations within the civil service hierarchy and modifications in the inter-departmental committee structures, altered the central thrust of British foreign policy. The civil service has often been criticised by politicians, academics and intellectuals for lacking foresight and being ponderous in reacting to events. Lord Hailsham, Conservative Lord Chancellor on two occasions (1970-1974 and 1979-1987), was a strong critic of the role of Whitehall in Britain's post-war decline:

The Civil Service is . . . like the Brigade of Guards, the Bank of England, the judiciary, and many other typically British institutions. But it is very close to the seat of power, and because of the eclipse of Britain, its influence must be closely studied, for, despite its many virtues, its operations must bear some responsibility for what has been happening in the past thirty-years.⁵⁵

This thesis tests to what extent Gore-Booth's assertion that, 'the object of policy had to be to ensure that a great nation could stop half-way down and establish itself as a second level power with real tasks to perform and obligations to fulfil', was readily accepted within the upper echelons of Whitehall.⁵⁶

⁵⁴ Deighton, *op. cit.*, p. 8.

⁵⁵ Lord Hailsham, *The Dilemma of Democracy*, (London: Collins, 1978), p. 156.

⁵⁶ Gore Booth quoted in Hennessy, *op. cit.*, (2001), p. 401.

Both Conservative and Labour governments undertook a number of organisational changes in respect of the administrative operation of Whitehall: most prominently, a unified Ministry of Defence was created; the Ministry for Overseas Development was established; and the Colonial Office was incorporated into the Commonwealth Relations Office (CRO), which subsequently merged with the Foreign Office.⁵⁷ Historians have not considered the full effects of this administrative reorganisation on the dynamics underpinning the formulation of foreign and defence policy. For example, did the merger of the Colonial Office - following the inordinate time Wilson took in 'killing it off', in the words of Sir Saville Gardner, Permanent Under-Secretary to the CRO at the time of amalgamation - with the CRO in 1966, and the CRO's final subsumption within the Foreign Office in 1968, alter the balance of prevalent views on Britain's international role within Whitehall.⁵⁸ The fact that the two most powerful departments, representing colonial and Commonwealth interests, lost their separate seats in cabinet, arguably illustrates a changing attitude within government as to the importance attached to Britain's perceived historic role arising from the legacy of Empire.

The thesis also assesses how the differing views of ministers helped alter perceptions of Britain's appropriate world role. Between 1959 and 1968 there were three Prime Ministers, five Chancellors of the Exchequer, six Presidents of the Board of Trade, six Foreign Secretaries, four Secretaries of State for Defence, seven Secretaries of State for Colonial Affairs and five Secretaries of State for Commonwealth Relations.⁵⁹ To assume that Whitehall functionaries drove policy would be to underestimate the important role played by senior politicians. However, a number of historians have questioned the ability of cabinet ministers to change the

⁵⁷ For further information see Chapter I.

⁵⁸ J. Garner, *The Commonwealth Office, 1925-68*, (London: Heinemann, 1978), p. 411.

⁵⁹ For information on main Holders of Office see Appendix III and *Dramatis Personae*. Also see D. Butler and G. Butler, *Twentieth Century British Political Facts, 1900-2000*, (London: Macmillan, 2000). Two further points: firstly, Edward Heath, President of the Board of Trade between October 1963 and October 1964, also held the title, 'Secretary of State for Industry, Trade, Regional Development'; secondly, the ministerial head of the Ministry of Defence did not have the title 'Secretary of State' until 1964 - prior to this, he had the title, 'Minister of State for Defence'.

direction of major policy objectives: Zara Steiner, for example, has expressed reservations about the capacity of politicians to influence foreign policy, remarking that 'only a dynamic and determined Prime Minister or Foreign Secretary can strike out in new directions'.⁶⁰ This is a contentious statement, as it underestimates the role of senior politicians in the process of policy formulation, whilst ascribing the capacity to alter policy objectives as the exclusive domain of Downing Street and the Foreign Office. This thesis contends that foreign policy development was a cross-departmental process: for example, by limiting defence expenditure to £2,000 million (at 1964 prices) between 1964 and 1970, Callaghan, when Chancellor of the Exchequer, was able to limit the parameters in which his ministerial colleagues operated. This thesis aims to evaluate the balance of influence exerted by politicians and civil servants over the direction of British policy towards extra-European commitments.⁶¹ This inexorably leads to further questions on which governments were more susceptible to the influence of officialdom, and which departments were more successful in influencing policy. Did Whitehall exert more influence on Conservative or Labour policies? What influence did the Treasury have over high foreign policy objectives? Was the Foreign Office more successful than the Treasury in making its case within Whitehall?

In regard to Britain's withdrawal from extra-European commitments, this thesis concentrates on Africa, the Middle East and Far East. It is not a study of decolonisation *per se* - rather it deals with how Whitehall framed long-term policy objectives in these three areas. As it would be impossible to examine how Whitehall planned retreat from all Britain's remaining international obligations in the late 1950s and 1960s, this thesis concentrates on those issues ministers and officials considered of fundamental importance to Britain's standing in the world. Historians of

⁶⁰ Z. Steiner, 'Decision-Making In American and British Foreign Policy: An Open and Shut Case', *International History Review*, no. 13. vol. 1, (1987), p. 16.

⁶¹ This has been an area of great debate amongst historians and political scientists. See D. C. Watt, *Personalities and Policies: Studies in the Formulation of British Foreign Policy in the Twentieth Century*, (Westport, Connecticut: Greenwood Press, 1975).

decolonisation too often focus on a particular territory or region, frequently leaving the impression that policy was formulated in a vacuum, neglecting the importance of international factors such as the Cold War, pressures emerging from the weakness of sterling, or problems arising from the relative decline of the British economy.

Consideration is given to those matters which occupied the highest echelons of government, such as the impact of decolonisation in Tanganyika, Kenya and Uganda on Britain's world-wide politico-military effort, as opposed to the actual mechanics of establishing viable constitutional frameworks in East Africa. The thesis is concerned with how Whitehall accommodated Britain's transition from global power pretensions to an outlook that was more regional in basis; it is not the intention of this study to provide a case-by-case analysis of how officials organised disengagement from every one of Britain's remaining colonies. Whitehall ascribed especial value to Britain's geo-strategic role in the Middle East and Far East. In these two regions, Britain retained an extensive military presence, designed to secure two overarching policy objectives: first, preventing each area from coming under Communist influence; and, secondly, ensuring regional stability. In the Middle East, Whitehall was also determined to safeguard the oil trade; strengthen sterling through oil operations; and counter Egyptian subversion in South Arabia and the Persian Gulf. Britain's regional role in the Far East included acting as a counter-weight to the Sino-Soviet 'threat', whether in subversive or overt form; supporting the 'forward' defence of Australia and New Zealand; maintaining conditions conducive to the expansion of British commerce and trade; and, finally, preserving close relations with the United States, so as to exert the greatest possible influence over American policies in the area. British military power in the Middle East was dependent on Britain's control of base facilities in Aden and the Persian Gulf, whilst possession of the large-scale military complex in Singapore performed a similar function in the Far East. The thesis addresses how Whitehall agreed upon on retrenchment from South Arabia, Persian Gulf and South-East Asia,

examining how ministerial and official perceptions of the economic, geo-political and strategic importance of commitments in these two regions changed.

This work does not encompass British withdrawal from the Caribbean, given its peripheral impact upon Britain's world role. Throughout the period under examination, policy-makers considered the Caribbean an area of secondary importance, ranking well below South-East Asia, the Middle East and Africa in terms of economic, strategic and geo-political value. For example, on 22 November 1961, in a minute to Reginald Maudling, Secretary of State for the Colonies, discussing British interests in the Caribbean (a term that included British Honduras and British Guiana), Lord Perth argued:

Strategically, as I see it they [Britain's interests in the Caribbean] are nil. Of course we don't want to see them in unfriendly hands, but the U.S.A. and Canada must ensure this does not come about. . .

Economically, to the Government the whole area is a constant and considerable drain whether by disguised subsidy or direct help. . .

Strategically and probably economically we can afford to be tough and only sentimentally have we reasons not to be.⁶²

The thesis concentrates on retreat from the extra-European world only to the extent that it impacted on perceptions of Britain's world role.

The Major Shortcomings of the Current Literature on British Foreign Policy during the late 1950s and 1960s.

The majority of works on Britain's post-war international decline have tended to concentrate on key events under the Attlee, Churchill and Eden governments, such as

⁶² Perth to Maudling, 22 November 1961, CO 1031/3278.

the loss of India, the onset of superpower hegemony, and the Suez fiasco.⁶³ The plethora of academic works on the late 1940s and 1950s is largely attributable to historians having had access to archival material relating to this period for over a decade; conversely, the 'thirty-year rule' has resulted in a relative dearth of documented analysis for the post-Eden years. Published works on Britain's global role and foreign policy, during the late 1950s and 1960s, have in the main suffered from two deficiencies. Firstly, texts that have sought to analyse the complexities and vagaries of British foreign policy lack substantive documentary evidence. The laudable attempt of Joseph Frankel's *British Foreign Policy, 1945-1973* to explain Britain's international decline (between 1959 and 1968) is significantly weakened by his inability to draw on substantial primary source material.⁶⁴ Similarly, C. J. Bartlett's *British Foreign Policy in the Twentieth Century* fails in its expressed objective of explaining the policy formulation process, largely because he neglects the role of key Whitehall civil servants. Bartlett was wholly dependent on parliamentary papers, memoirs and diaries in his examination of the motivation and rationale lying behind foreign policy objectives; such an approach, although justifiable in the absence of official documents, is ultimately limited. John Barber's *Who Makes British Foreign Policy* and William Wallace's *The Foreign Policy Process in Britain* suffer from similar deficiencies. It should be noted, however, that Barber and Wallace are political scientists and that this lack of historical analysis is not uncommon to the discipline of political science as a whole. Failure to pay due cognisance to the various positions adopted and advocated by senior officials in the Treasury, Board of Trade, Foreign

⁶³ For examples, see C. Barnett, *The Verdict of Peace: Britain Between her Yesterday and the Future*, (London: Macmillan, 2001); S. Croft, *The End of Superpower: British Foreign Office Conceptions of a Changing World, 1945-51*, (Aldershot: Dartmouth, 1994); A. Deighton (ed.), *Britain and the First Cold War*, (London: Macmillan, 1990); R. Ovensdale, *The Foreign Policy of the British Labour Governments, 1945-1951*, (Leicester: Leicester University Press, 1984); M. Dockrill and J. W. Young (eds.), *British Foreign Policy, 1945-56*, (London: Macmillan, 1989); J. Kent, *British Imperial Strategy and the Origins of the Cold War*, (Leicester: Leicester University Press, 1993); J. Saville, *The Politics of Continuity: British Foreign Policy and the Labour Government, 1956-64*, (London: Verso, 1993).

⁶⁴ This can also be said of a number of works on British foreign policy. Although a distinction should be made between (a) those who have not used documentary sources because they were not available and (b) those historians who have made a deliberate decision to undertake a broad survey which rely heavily on secondary works. For examples of (a) see M. Leifer (ed.), *Constraints and Adjustments in British Foreign Policy*, (London: Allen and Unwin, 1971); Northedge, *Decent from Power*. For examples of (b) see Holland, *The Pursuit of Greatness*; Kennedy, *The Realities Behind Diplomacy*; Sanders, *Losing an Empire*.

Office, Ministry of Defence, Colonial Office and the Commonwealth Relations Office, would suggest that any analysis of foreign policy formulation is incomplete.

Nevertheless, given the paucity of available documents, it would be unreasonable to be overly critical of these academics, whose works are often insightful and helpful in contributing to our understanding of the period.

Secondly, the majority of published works have tended to concentrate on specific areas of foreign policy (defence⁶⁵, East of Suez⁶⁶, nuclear policy⁶⁷, Anglo-American relations⁶⁸, European Integration⁶⁹, decolonisation⁷⁰). Consequently, many academics have disregarded the interdependent nature of policy formulation and the wider strategic context in which it was set. This is not to criticise works that specialise in a particular aspect of British foreign policy, but merely to acknowledge that a failure to appreciate the inter-relationship between different areas of policy highlights a deficiency in the available literature. While some texts are based predominately on a reworking of the available secondary literature, and others on the workings of one department or area of policy, this thesis engages with both secondary and primary sources, providing a re-evaluation of the reasons underpinning Britain's decision to withdraw from extra-European commitments.

⁶⁵ C. J. Bartlett, *The Long Retreat: A Short History of British Defence Policy, 1945-70*, (London: Macmillan, 1972), J. Baylis (ed.), *British Defence Policy in a Changing World*, (London: Croom Helm, 1977), E. Broadbent, *The Military and the Government: From Macmillan to Heseltine*, (London: Macmillan, 1988), Carver, *Tightrope Walking*, F. A. Johnson, *Defence by Ministry: The British Ministry of Defence, 1944-1974*, (London: Gerald Duckworth, 1980), R. Owendale, *British Defence Policy Since 1945*, (Manchester: Manchester University Press, 1994).

⁶⁶ Darby, *British Defence Policy East of Suez*, J. Paget, *Last Post: Aden, 1964-67*, (London: Faber, 1969), J. Pickering, *Britain's Withdrawal from East of Suez: The Politics of Retrenchment*, (London: Macmillan, 1998), K. Piergostini, *Britain, Aden and South Arabia. Abandoning Empire*, (Basingstoke: Macmillan, 1991).

⁶⁷ S. J. Ball, *The Bomber and British Strategy: Doctrine, Strategy and Britain's World Role, 1945-1960*, (Oxford: Westview, 1995), M. S. Navias, *Nuclear Weapons and British Strategic Planning, 1955-1958*, (Oxford: Clarendon Press, 1991), R. H. Paterson, *Britain's Strategic Nuclear Deterrent: From the V-Bomber to Beyond Trident*, (London: Frank Cass, 1997), A. J. Pearce, *Nuclear Politics: The British Experience with an Independent Strategic Force, 1939-1970*, (London: The Historians' Press, 1972). E. Spiers, 'The Nuclear Deterrent: Problems and Possibilities', In D. Dilks (ed.), *Retreat from Power: Studies in Britain's Foreign Policy of the Twentieth Century*, vol. ii, (London: Macmillan, 1981).

⁶⁸ C. J. Bartlett, *The Special Relationship: A Political History of Anglo-American Relations since 1945*, (London: Longman, 1992). W. R. Louis and H. Bull, *The Special Relationship: Anglo-American Relations Since 1945*, (Oxford: Clarendon Press, 1989), D. C. Watt, *Succeeding John Bull: America in Britain's Place, 1900-1975*, (Cambridge: Cambridge University Press, 1984).

⁶⁹ B. Briavati and H. Jones (eds.), *From Reconstruction to Integration: Britain and Europe Since 1945*, (Leicester: Leicester University Press, 1993), M. Camps, *Britain and the European Community, 1955-1963*, (London: Oxford University Press, 1964), D. Gowland and A. Turner (eds.), *Britain and European Integration, 1945-1998: A Documentary History*, (London: Routledge, 2000), Young, *This Blessed Plot*, J. W. Young, *Britain and European Unity, 1945-1992*, (Basingstoke: Macmillan, 1993).

⁷⁰ J. Darwin, *Britain and Decolonisation: The Retreat from Empire in the Post-War World*, (London: Macmillan, 1988). P. Gifford and W. R. Louis (ed.), *Decolonisation and African Independence: The Transfers of Power, 1960-1980*, (New Haven, CT, Yale University Press, 1988), R. F. Holland, *European Decolonisation, 1918-1981*, (Basingstoke: Macmillan, 1985).

In the process of writing this thesis, two major works on how Whitehall planned Britain's retreat from the extra-European world have emerged - Saki Dockrill's, *Britain's Retreat from East of Suez: The Choice between Europe and the World*, and Frank Heinlein's, *British Government Policy and Decolonisation 1945-1963: Scrutinising the Official Mind*.⁷¹ This thesis adopts a different approach from both these texts. Although Dockrill's work addresses British foreign policy from 1945 to 1968, it concentrates on how the Wilson government reached its decision to withdraw from East of Suez, largely neglecting the policy objectives of the previous Conservative governments. While Dockrill makes a useful contribution to the debate on how Whitehall organised global retreat, its methodological approach means that the subject requires further examination and scrutiny. Utilising Whitehall's pan-strategic reviews of policy (in addition to long-term policy papers, prepared for the cabinet and its subsidiary committees), this thesis demonstrates that the choice between a regional and a world role was under active consideration in government circles from 1959-1960, when Macmillan established the Future Policy Study (analysed in Chapter II) to examine Britain's ability to retain a global presence in the 1960s. Discussing his role in the Future Policy Study to an Institute of Contemporary British History (ICBH⁷²) Witness Seminar, Lord Carver (who was Director of Army Plans in the Far East) suggested that Whitehall had great difficulty in defining what British interests UK forces were defending in the Far East, and that, if 'confrontation' between Malaysia and Indonesia had not occurred, there would have been 'a very great reduction' of UK forces prior to the election of the Labour government, leading him to the conclusion: 'So looking at what made people withdraw from the Far East, I think you need to get back to the events before the Labour government came in'.⁷³

⁷¹ S. Dockrill, *Britain's Retreat from East of Suez: The Choice Between Europe and the World?*, (London: Palgrave, 2003); F. Heinlein, *British Government Policy and Decolonisation 1945-1963: Scrutinising the Official Mind*, (London: Frank Cass, 2002).

⁷² Now Centre for Contemporary British History (CCBH).

⁷³ Lord Carver quoted in *The Decision to Withdraw from East of Suez*, Institute of Contemporary British History seminar, 16 November 1990, (London: ICBH, 2003), p. 24.

This thesis adopts such an approach, examining how Whitehall addressed the issue of global retrenchment prior to Labour's assumption of power, as this provides a more useful chronological framework when addressing British withdrawal from extra-European commitments. Sir Frank Cooper, Assistant Under-Secretary at the Ministry of Defence in the 1960s (and later a Chairman of the ICBH), also believed that Whitehall had resigned itself to the possibility of withdrawal in the late 1950s: 'I think the period [when policy-makers began to contemplate the possibility of withdrawing from East of Suez] had in fact started before the arrival of the Labour government, because we had been in real trouble from 1958 onwards'.⁷⁴ Similarly, Lord Zuckerman, Chief Scientific Advisor to the Ministry of Defence during the 1960s, argues that 'the stage was set long before the Labour government took over in 1964'.⁷⁵ Moreover, Dockrill's decision to focus on the period 1964-68 means that she neglects other facets of Britain's world role, notably the importance of Africa in official thinking. Africa served Britain's economic, strategic and geo-political interests in several ways: for example, in addition to having strong trading links with the UK, many African countries held their currency reserves in London; Britain's position East of Suez was in itself buttressed by the possession of overflying and staging rights in East Africa, both prior to and after the granting of independence to Kenya, Uganda and Tanganyika; officials also considered it vital to retain cordial relations with former African territories in the post-colonial period, since this served to strengthen Britain's position in the Commonwealth and United Nations, both of which acted as important forums for exercising British influence. Heinlein by stopping in 1963 fails to give due consideration to the neglected theme of British policy in the post-decolonisation period and withdrawal from other strategically important areas, such as Aden and Singapore.

⁷⁴ Sir Frank Cooper, *ibid.*

⁷⁵ Lord Zuckerman, *ibid* p. 25.

Primary Sources.

This thesis is only made possible by the Wilson government's decision to revise the Public Records Act of 1958, reducing the period for the release of Departmental records from fifty to thirty-years. On 5 August 1965, Wilson informed the cabinet:

the principle implicit in the concept of a closed period as regards the availability of Departmental records had been the subject of criticism by modern historians on the ground that the period of 50 years was unnecessarily long and that the rule was inimical both to the public interest and to the requirements of genuine scholars.

On the understanding that the existing safeguards against premature disclosure in appropriate cases would be retained, Wilson believed that 'a reduction of the closed period to 30 years should not undermine the essential principles of public administration'.⁷⁶

The National Archives (Public Record Office) provides the student of contemporary British history with a wealth of material, highlighting the need to set parameters with regard to what is achievable. The voluminous nature of documents generated by Whitehall necessitates a highly disciplined and focussed approach. Fortunately from the point of view of this research, both Conservative and Labour governments undertook a number of large-scale reviews of future foreign policy. These documents represent key reference points in this thesis, as they were comprehensive in scope, involved inter-departmental debate on Britain's role in the world, and as such provide a unique insight into the foreign policy-making process. Cabinet Office (CAB) files provided the starting point for this research. In 1954, *The Report of the Committee on Departmental Records* (or Grigg Committee Report), the first serious review of the public records system in Britain since the Public Records Act (1877), stated that CAB

⁷⁶ Cabinet minutes, 5 August 1965, CAB 128/39.

files 'comprise the most valuable single collection of modern material for historical purposes that can be obtained from official sources'.⁷⁷ The Cabinet Office was responsible for the co-ordination of major areas of governmental policy, including pan-strategic foreign policy development: for example, the Macmillan government's 'Future Policy Study, 1960-70', examined in Chapter II, was drawn up by a small group of Cabinet Office officials, who attempted to reconcile inter-departmental differences on how British policy might be adapted to enable the UK to continue to play a significant role in world affairs.⁷⁸ This thesis has made use of several Cabinet Office sources, the most important of which relate to the workings of the cabinet, the Defence Committee (ministerial and official), Colonial Policy Committee, Africa (Official) Committee, Overseas Policy Committee (ministerial and official), and Defence and Overseas Policy Committee (ministerial and official).

The records of the Prime Minister's Private Office (PREM) have provided a useful insight into how various premiers initiated government policy and how they handled the business of cabinet. The utility of PREM files mainly lies in 10 Downing Street's position of *locus in quo* in British politics. PREM 11 files have offered a useful perspective on foreign policy development under Harold Macmillan and Sir Alec Douglas Home, highlighting the extent to which both Prime Ministers were dependent on their cabinet colleagues, the Cabinet Secretary, and special advisers. PREM 13 files cover the period of Harold Wilson's governments, and, since the Prime Minister's Office adopted a more overt political role during this period, are especially illuminating. The usefulness of PREM files is largely dependent on the personal style of the Prime Minister in question; as a consequence, PREM files provide a less comprehensive record of government activity, for any given period of time, than those of the Cabinet Office.

⁷⁷ *Report of the Committee on Departmental Records*, Cmd 9163, (London: HMSO, 1954), para. 147.

⁷⁸ 'Study of Future Policy', Record of a Meeting held at Chequers, 7 June 1959, CAB 134/1929.

Official documents (like all primary sources) are imperfect and suffer from a range of limitations. Memoranda put before the Cabinet and its committees, and the recorded minutes of decisions taken, are usually sanitised and refined documents, containing highly selective and limited information. This practice owes much to Sir Norman Brook, Secretary of the Cabinet under four Prime Ministers (Attlee, Churchill, Eden and Macmillan), who wrote a short handbook for committee secretaries on minute writing, which suggested: 'A good Minute of a Meeting will be: (a) brief; (b) self-contained; (c) in the main, impersonal; and (d) to the full extent that the discussion allows, decisive . . . A minute should be selective . . . It is a proper function of a Secretary to clarify, as well as record, the results of a meeting'.⁷⁹ Sir Burke Trend, Secretary of the Cabinet between 1962 and 1974, wrote of Brook: 'He wrote well and easily, but without great colour or emphasis. His prose was lean and muscular; eschewing rhetoric and emotion; and designed to reduce the most heated and confused exchanges to a record of orderly, logical, objective discussion'.⁸⁰ Similarly, as important policy documents and memoranda underwent a process of rigorous drafting and re-drafting, and tended to reconcile differing inter-departmental differences and perspectives, they can lack the relatively uninhibited quality of departmental working papers. Accordingly, special consideration has been given to the work of the two 'lead' departments in the formulation of foreign policy - the Foreign Office and Treasury. In addition, this thesis has made use of *The Conservative Government and the End of Empire, 1957-1964: British Documents on the End of Empire*, edited by Ronald Hyam and Wm. Roger Louis.⁸¹ The material presented in this volume illustrates the wide range of social, economic and political problems that

⁷⁹ Brook quoted in K. Theakston, *Leadership in Whitehall*, (London: Macmillan in association with the ESRC Whitehall Programme, 1999), p. 116.

⁸⁰ Entry on Brook by Trend in E. T. Williams and C. S. Nicholls (eds.), *The Dictionary of National Biography, 1961-70*, (Oxford: Oxford University Press, 1981), p. 141.

⁸¹ R. Hyam and Wm. R. Louis, *The Conservative Government and the End of Empire, 1957-1964: High Policy, Political and Constitutional Change*. (Part I), (London: Published for the Institute of Commonwealth Studies in the University of London by HMSO, 2000).

confronted policy-makers; by outlining the complexities of the foreign policy formulation process, this volume has been an invaluable resource.

John Tosh argues that for 'the historian of twentieth century politics, letters and diaries are of particular significance, despite the limitless volume of official records'.⁸²

Private papers have been of immeasurable value to this thesis, mainly because a large quantity of what is *actually* said in Cabinet (and, for that matter, cabinet committees) goes unrecorded. This thesis has made use of the private collections of Harold Macmillan, Duncan Sandys, Patrick Gordon Walker, Selwyn Lloyd, Michael Stewart and Sir Richard 'Otto' Clarke. The edited diaries of relevance to this thesis have been those of Sir Alec Cairncross, Richard Crossman, Tony Benn, and Barbara Castle.⁸³

Historians tend to view parliamentary sources as the poor relation of 'official' documents. Given the importance of Parliament to the political process, it is perhaps surprising that many historians have tended to either eschew the written material emanating from it or only make use of such documentation when papers covered by the 'thirty-year rule' are unavailable. As it does today, *Hansard* provided an 'edited verbatim report of proceedings' (oxymoronic though this term is) in which MPs' words were reported in accordance with 'terms of reference' set out by 'Erskine May'. Nevertheless, parliamentary sources suffer from a number of inherent deficiencies. The relevance of parliamentary sources to historical research, John Tosh rightly asserts, is undermined by 'the very fact of publication'.⁸⁴ In the main, parliamentary sources only contain what the government of the day considers appropriate for publication, usually omitting anything that might cause political embarrassment or endanger the national interest. For example, the Labour government's,

⁸² J. Tosh, *The Pursuit of History*, (London: Longman: 2000), p. 49.

⁸³ T. Benn, *Out of the Wilderness: Diaries 1963-67*, (London: Arrow Books, 1987); B. Castle, *The Castle Diaries, 1964-70*, (London: Weidenfeld & Nicolson, 1984); R. Crossman, *The Diaries of a Cabinet Minister, Minister of Housing, 1964-66*, vol. I, (London: Hamish Hamilton and Jonathon Cape, 1976); R. Crossman, *The Diaries of a Cabinet Minister, Lord President of the Council and Leader of the House of Commons*, vol. II, (London: Hamish Hamilton and Jonathon Cape, 1976); R. Crossman, *The Diaries of a Cabinet Minister, Secretary of State for Social Services*, vol. III, (London: Hamish Hamilton and Jonathon Cape, 1977).

⁸⁴ Tosh, *op. cit.*, p. 43.

Supplementary Statement on Defence Policy, issued on 18 July 1967, contained no reference of the decision to withdraw from the Persian Gulf by the mid-1970s, even though the cabinet had agreed upon such a policy on 12 July 1967.⁸⁵ Hence, historians who aspire, in Leopold von Ranke's words, 'to show how things actually were', must use parliamentary records in conjunction with 'secret' documents, such as memoranda, minutes, and letters.⁸⁶

Newspapers are another underused and undervalued historical source. Peter Hennessy has argued: 'Historians . . . suffer from an occupational disease. It's called archivitis', by which he meant, historians all too often concentrate on official documents to the exclusion of the press.⁸⁷ Newspapers are important to historians for two principal reasons: firstly, for their reporting of contemporary events; secondly, for their role as participants in the political process. The reaction of the British political establishment to Dean Acheson's West Point speech provides a useful illustration of the value of the press as a primary source: firstly, *The Times* printed a verbatim copy of the speech on 8 December 1962; secondly, *The Times* printed Macmillan's response, in the form of an open letter, on 11 December 1962; thirdly, the letters page of *The Times* carried correspondence relating to Acheson's speech for several days, allowing the historian to ascertain the views of other leading party political figures, such as Lord Attlee and Roy Jenkins.

A. J. P. Taylor described memoirs as 'a form of oral history set down to mislead historians'.⁸⁸ Whilst this viewpoint certainly contains more than a modicum of truth, it would be misguided to underestimate the utility of memoirs as a source of historical information. John Barnes has convincingly argued that memoirs often 'provide the first structuring of a period of history, identifying the major problems, at least through the

⁸⁵ *Supplementary Statement on Defence Policy*, Cmnd 3357, (London: HMSO, 1967); Cabinet minutes, 6 July 1967, CAB 128/42.

⁸⁶ Leopold von Ranke, quoted in Tosh, *op. cit.*, p. 43.

⁸⁷ P. Hennessy, 'The Press and Broadcasting', in A. Seldon, *Contemporary History: Practice and Method*, (Oxford: Blackwell, 1988), p. 17.

⁸⁸ A. J. P. Taylor quoted in G. Jones, 'The value of recent biographies, autobiographies and diaries', *Parliamentary Affairs*, 34, (1981), p. 335.

eyes of a leading participant, and [offer] some evidence on intention, which can be assessed against performance'.⁸⁹ The memoirs of leading politicians have been indispensable to this thesis, primarily because of their tendency to lean on private and official papers. Harold Macmillan's memoirs, for example, are heavily dependent on the use of diaries, letters, official memoranda, as well as verbatim copies of speeches and *communiqués*. The memoirs of Harold Wilson, Sir Alec Douglas Home, Denis Healey, James Callaghan, R. A. Butler and Reginald Maudling are also illuminating with regard to party political matters and the operation of government. Donald Watt's *Personalities and Policies* argues that the utility of memoirs depends on whether the individual prefers 'frankness to discretion'.⁹⁰ On the whole, however, memoirs are less valuable than most primary sources: for example, the author may use the memoir as a vehicle to justify a highly criticised government policy. If unchallenged, such *ex post facto* rationalisation can lead to the perpetuation of myths and their evolution into received wisdom.

Largely as a result of the reluctance of publishers to commission accounts by relatively unknown Whitehall figures, senior civil servants have been less inclined to write memoirs. Moreover, Whitehall's attitude towards the publication of memoirs has been lukewarm, if not antediluvian - only three permanent secretaries to the Foreign Office have had their memoirs published, whilst no secretary to the cabinet and no permanent secretary to the treasury has written a published autobiography. Civil servants, ill-disposed to writing an autobiography, have, on occasion, found it more convenient to write an account of their department in the manner of Lord Garner, whose work contains a critical analysis of the main objectives and motives of British foreign policy, attempting to assess the successes (as well as the failures) of the CRO. The book also examines how senior civil servants within the CRO worked with ministers, as well as each other, describing how the department reacted to key issues

⁸⁹ J. Barnes, 'Books and Journals', in Seldon, *op. cit.*, p. 33.

⁹⁰ Watt, *Personalities and Policies*, p. 224.

such as British entry into the EEC.⁹¹ In a similar vein, Sir Leo Pliatsky has produced studies on how the machinery to control public expenditure changed, while 'Otto' Clarke wrote about the need to reform the machinery of government.⁹²

This thesis has also made use of sources originating from American and Australian archives; although, it is important to emphasise that this is not a study of how US and Australian policy-makers saw Britain's changing position in world affairs. These documents have been used sparingly, only insofar as they complement the aims of the thesis and substantiate its central arguments. The *Foreign Relations of the United States (FRUS)* series presents the official documentary historical record of major US foreign policy decisions and significant diplomatic activity. *FRUS* volumes contain documents from Presidential libraries, the Departments of State and Defense, the National Security Council, the Central Intelligence Agency, the Agency for International Development, as well as the private papers of individuals involved in formulating US foreign policy. In general, the editors of *FRUS* choose documentation that illuminates policy formulation and major aspects of its execution. In researching Britain's withdrawal from South-East Asia, use has been made of digital records accessible from the National Archives of Australia.

Assessing the Role of Political Elites.

Sir Geoffrey Elton maintained that the historian should shed all prejudices and preconceptions when approaching documentation, claiming that ideological theory 'threatens his work, by subjecting him to predetermined explanatory schemes . . .', thus ' . . . forcing him to tailor his evidence so that it fits the so-called paradigm imposed from outside'.⁹³ In his polemical work, *Return to Essentials: Some*

⁹¹ J. Garner, *The Commonwealth Office, 1925-68*, (London: Heinemann, 1978).

⁹² R. B. Clarke, *New Trends in Government*, (London: HMSO, 1971); L. Pliatsky, *Getting and Spending: Public Expenditure, Employment and Inflation*, (Oxford, Blackwell, 1982).

⁹³ G. Elton, *Return to essentials. Some Reflections on the Present State of Historical Study*, (Cambridge: Cambridge University Press, 1991), p. 27.

Reflections on the Present State of Historical Study, Elton argued that documents should be read within the context of the time in which they were produced, and not judged by the standards of the present. Dominick La Carpa argues against this viewpoint, claiming that historians, all too often, carry the bias and prejudices of such documentation into their work, as all documents are invariably written from an individual viewpoint, with a specific audience and/or purpose in mind.⁹⁴ Historians should, Lawrence Stone maintains, approach documents with a critical eye, for they were written by fallible people who made errors, asserted inaccuracies, and had their own ideological viewpoint: 'they [historical sources] should therefore be scrutinised with care, taking into account authorial intent, the nature of the document, and the context in which it was written'.⁹⁵ Ellen Somekawa and Elizabeth Smith argue that documents are more than simple manifestations of their creators' intentions; accordingly, the social institutions, involved in their production, play an important part in shaping what was said and how it was said.⁹⁶ This viewpoint is of relevance to the study of political history generally, and of Whitehall particularly. Consequently, this thesis considers how official documents and private papers reflect the social, economic, educational and political backgrounds of politicians and civil servants. In a similar vein, Richard J. Evans recommends that the historian attain extensive knowledge of the institution they are studying, and 'bear this context in mind while they detach the document from it'. 'Otherwise . . .', Evans concludes, ' . . . they [historians] run the risk of violating the boundaries of its possible meaning in the service of their own particular interpretation'.⁹⁷

Sir John Seeley, Regius Professor of Modern History at Cambridge in the late nineteenth century, argued that 'History is past politics, and politics is present

⁹⁴ D. La Carpa, *History and Criticism*, (New York: Ithaca, 1987), p. 17.

⁹⁵ L. Stone, 'History and Post-Modernism', *Past and Present*, 131, (1991), pp. 189-190.

⁹⁶ E. Somekawa and E. A. Smith, 'Theorising the Writing of History, or, "I can't think why it should be so dull, for a great deal of it must be invention"', *Journal of Social History*, vol. 22. (1988).

⁹⁷ Evans, *In Defence of History*, (London: Granta, 1997), p. 92.

history'.⁹⁸ This emphasis on the role of political elites is no longer *de rigueur* in historical study. The central problem with Seeley's emphasis on political elites, Evans contends, is that leading political figures were taken to be 'morally and politically autonomous individuals, whose decisions reflected in the first place the peculiarities of their own personalities rather than wider forces of any kind'.⁹⁹ The advent of social and economic history has, according to Evans, resulted in the demise of the intellectual credibility of examining historical events from such a perspective. This debate profoundly affects this thesis on how views at the apex of Whitehall affected changes in perceptions of Britain's world role. How should an historian, concerned with elite political figures, address his subject in the light of recent developments in social and economic history? Whilst this thesis concentrates on how elite figures within the higher echelons of government saw Britain's changing international role, it also attempts to take account of the key contextual considerations arising from the changing economic, social and political environment of the period.

The researcher's approach to evidence is of vital importance to an historical work, and should be clarified, so that the reader can grasp his central objectives. This thesis has taken a largely empirical approach, and attempted to analyse documents objectively and fairly; although, the extent to which this is possible is open to conjecture, given the advent of post-modernist thought. The basis of this research questions, to some extent, the post-modern notion that 'the facts of history are nothing, interpretation is everything', accepting E. H. Carr's definition of historical objectivity:

When we call a historian objective, we mean two things. First of all, we mean he has the capacity to rise above the limited vision of his own situation in society and in history ... Secondly, we mean that he has the capacity to project his vision into the future in such a way as to give him a

⁹⁸ Sir John Seeley quoted in Evans, *ibid.*, p. 161.

⁹⁹ *ibid.*

more profound insight into the past than can be attained by those historians whose outlook is entirely bounded by their own situation.¹⁰⁰

History, as Leopold von Ranke argued, is different from writing chronicles as it attempts to illustrate how diverse historical facts are interrelated. Accordingly, this thesis has attempted to elucidate how differing views within Whitehall conspired to affect a change in the central thrust of British foreign policy during the late 1950s and 1960s.

¹⁰⁰ E. H. Carr, *What is History?*, (Harmondsworth: Penguin, 1987), p. 30.

Chapter I: The Whitehall Foreign Policy-Making Apparatus, 1959-1968.

Anthony Sampson, writing without the benefit of access to 'official' documents in 1971, predicted that the influence exerted by senior Whitehall figures, during the late 1950s and 1960s, would 'come to light in the history books, as the pre-war role of civil servants like Horace Wilson and Warren Fisher later came out'.¹ With the recent declassification of government papers under the 1967 Public Records Act, this thesis endeavours to assess the impact of Whitehall on shifting perceptions of Britain's world role. More precisely, this chapter seeks to clarify how Britain's foreign policy-making apparatus operated between 1959 and 1968; explaining how the machinery of government evolved; and assessing the extent to which such developments were a response to Britain's changed status in international affairs. Between 1959 and 1968, at one time or another, the following departments were involved in formulating policies designed to facilitate Britain's withdrawal from the extra-European world: the Foreign Office, the Commonwealth Relations Office, the Colonial Office, the Ministry of Overseas Development, the Ministry of Defence, the Board of Trade, and the Treasury. The relative importance of each of these departments changed as the 1960s progressed; indeed, some departments were subsumed within others, with others being ultimately abolished.

The period under examination was marked by a rationalisation of Whitehall's foreign policy-making machinery, as officials and ministers were forced (but, in some cases, actively sought) to create an infrastructure more reflective of Britain's changed position in global affairs. These changes, generally referred to within Whitehall as 'machinery of government reform', involved two fundamental points: firstly, the allocation (and re-allocation) of responsibilities both within and between departments; and, secondly, changes in the structure of departments and the cabinet committee system. The

¹ A. Sampson, *The New Anatomy of Britain*, (London: Hodder & Stoughton, 1971), p. 260.

Plowden Committee on Representational Services Overseas, appointed by the Macmillan government in 1962, set in train the process that led to the establishment of a single department with responsibility for Britain's external relations - the Foreign and Commonwealth Office. Importantly, Conservative ministers accepted Plowden's recommendation that the Foreign, Commonwealth and Trade Commission Services amalgamate into a single Diplomatic Service by January 1965.² The Colonial Office merged with the Commonwealth Relations Office to create the Commonwealth Office in August 1966, and this department subsequently amalgamated with the Foreign Office on 17 October 1968. In the area of defence administration, Macmillan established the position of Chief of the Defence Staff in 1959, largely to limit the counter-productive inter-service disputes that frequently occurred between the Navy, Army and Air Force. The Ministry of Defence underwent further organisational change in 1964, when responsibility for the War Office, the Air Ministry and the Admiralty came under the authority of a single Secretary of State for Defence. Many of the most important decisions on foreign and defence matters were taken at the level of cabinet committee, an essential forum for co-ordinating and determining policy decisions between departments. In the early 1960s, however, Whitehall's cabinet committee system was only at an embryonic stage of development in regard to foreign policy formulation. In July 1962 the ministerial Colonial Policy Committee (CPC) was replaced by the Overseas Policy Committee (OPC), which sought to take a broader view of international events. At the same time, the Africa (Official) Committee (A(O)C), which had been established in May 1957 to address the Foreign Office's complaint of administrative incoherence in regard to decolonisation, widened its international remit, when it became the Overseas Policy (Official) Committee (OP(O)C), assuming responsibility for 'shadowing' its ministerial counterpart. There was thus no central cabinet committee responsible for international affairs until mid-1962. Born of need to

² See *Report of the Committee on Representational Services Overseas appointed by the Prime Minister under the Chairmanship of Lord Plowden*, Cmnd 2276, (London: HMSO, 1963-63).

adopt a more coherent approach to international problems, the establishment of the Overseas Policy Committees represented a significant modification in Whitehall's foreign policy-making machinery. Conversely, the Cabinet Defence Committee (DC), the body responsible for the collective discharge of ministerial decisions in the field of defence, had existed since 1940, and was 'shadowed' by a parallel committee of permanent secretaries and Chiefs of Staff.³ In October 1963, the Overseas Policy Committees and Defence Committees merged to form a single Defence and Overseas Policy Committee (DOPC), with a corresponding official committee, both of which remain in existence to the present day.

Ministers and Officials.

Assessing the role of the senior civil service in policy formulation and decision-making is a complex and difficult task. From a constitutional perspective, ministers are the democratically elected and accountable representatives responsible for the setting and discharge of government policy, whilst the function of the senior civil servant is to facilitate, administer and advise. Of course, as one would expect, the influence of Whitehall was far greater than suggested by these formal constitutional roles, accountabilities and relationships. In the 1960s, the Secretary of the Cabinet was positioned (as he is today) at the apex of the civil service machine, exercising considerable influence over the development and implementation of foreign and defence policy. There were two cabinet secretaries during the period encompassed by this thesis - Sir Norman Brook and Sir Burke Trend. Brook and Trend, both of whom had extensive access to the Prime Minister, were responsible for co-ordinating policy between Whitehall departments with a direct interest in major foreign policy matters. Brook worked as Cabinet Secretary from 1947 until 1962, and also served as Joint

³ Prior to the establishment of the Cabinet Defence Committee in 1940, collective decisions on defence policy were taken by the Committee of Imperial Defence, which was established in 1904.

Permanent Secretary of the Treasury and Head of the Home Civil Service from 1956 to 1962. This placed Brook at the centre of administrative governance in Britain, providing vital continuity and stability in a rapidly changing political and economic environment. Anthony Sampson's description of him as 'the central cog in the British government machine' was both perceptive and apposite, accurately reflecting his pivotal role in guaranteeing the effective operation of Whitehall.⁴ Commenting on Brook's career, Trend, who based much of his approach on his predecessor's style, wrote: 'His natural disposition was that of the co-ordinator, seeking to transcend departmental boundaries and to elicit from the conflict of disparate purposes the measure of agreement which would most nearly accord with the basic policy of the government of the day and would be most likely to promote the interests of the country as a whole'.⁵ After Brook's retirement in 1963, the posts of Secretary of the Cabinet and Head of the Home Civil Service were separated, with Trend taking the former, and Sir Laurence Helsby assuming the latter; it was hoped that this division in responsibilities would lessen the considerable workload of the cabinet secretary. Trend was widely respected for his ability, diligence, and (unlike Brook) approachability. The influence of both cabinet secretaries largely derived from their key role in prioritising specific issues and setting the cabinet agenda. Both Brook and Trend were key in supervising the work of the cabinet committees and their sub-committees, setting their terms of reference and constituting their membership. Largely because of its importance, Defence and Overseas Policy (Official) Committee meetings, like those of the Africa (Official) Committee, Overseas Policy (Official) Committee and Defence (Official) Committee, were chaired by the cabinet secretary, who selected a small group of permanent secretaries to discuss major areas of foreign policy.

Not long after leaving political office, Richard Crossman, a member of the Labour

⁴ A. Sampson, *The Anatomy of Britain*, (Hodder & Stoughton: London, 1962), p. 244.

⁵ Entry on Brook by Trend in *The Dictionary of National Biography, 1961-70*, E. T. Williams and C. S. Nicholls (eds.), (Oxford: Oxford University Press), 1981, p. 141.

cabinet between 1964 and 1970, as well as a prominent critic of Whitehall and its alleged machinations, derisively remarked: 'The permanent secretaries must form the most closely knit and powerful association in Great Britain'.⁶ Crossman's comment on the influence wielded by the senior civil service was undoubtedly valid; however, it is difficult, as this thesis will demonstrate, to substantiate the notion that Whitehall's permanent secretaries formed a 'closely knit' association, given the considerable inter-departmental divisions that existed on a range of major policy issues. It is a common mistake to view Whitehall as a monolithic organisation, seeking to pursue its own agenda, even when this conflicted with the policy aspirations of the democratically elected government. Tony Benn, for example, has argued that 'the civil service sees itself as being above the party battle, with a political position of its own to defend against all-comers, including incoming governments armed with their philosophy and programmes'.⁷ In 1967, when giving evidence to the Fulton Committee, which was appointed to initiate research into the structure, recruitment and management of the civil service, Crossman depicted Whitehall's permanent secretaries as a 'coherent and organised oligarchy'.⁸ The senior civil service is thus often inaccurately presented as a united organisation, intent on pursuing its own policy agenda, immune from the strategic objectives and policies of government. In practice, the reverse was often the case during the late 1950s and 1960s: Whitehall was an extremely fragmented entity, with each department fighting for its own departmental budget, intent on pursuing its own agenda. Sir William Armstrong, Permanent Secretary to the Treasury for much of the 1960s, neatly encapsulated this point: 'The first thing to be noted about the central government of this country. . .', he argued, '. . .is that it is a federation of departments'.⁹

⁶ R. H. S. Crossman quoted in Sampson, *New Anatomy*, p. 260.

⁷ T. Benn, *Arguments for Democracy*, (London: Cape, 1981), p. 50.

⁸ K. Theakston, *The 1964-70 Labour Governments and Whitehall Reform*, (Leeds: School of Politics and International Relations, University of Leeds, 2004), p. 5. For Fulton Report see *The Report of the Committee on the Civil Service*, Cmnd. 3638, (London: HMSO, 1967).

⁹ W. Armstrong quoted in P. Hennessy, *Whitehall*, (London: Pimlico, 2001), p. 380.

An eloquent critique of Whitehall is contained in the essay, 'The Apotheosis of the Dilettante', written by the Fabian economist Thomas Balogh, who would later come to prominence as a special adviser in the Wilson government. Developing Max Weber's theory of 'permanent residents of the house of power', Balogh directly associated Britain's national decline with the amateurish approach of the 'public school', Oxbridge educated civil servant. Commenting on British foreign policy, Balogh posed the rhetorical question: 'How much of British influence and power could have been saved in the Middle-East, in Africa and Asia by a little more tact, a little more imagination and (admittedly a lot more) expert knowledge'.¹⁰ Balogh does not enlighten us to 'how much' power and influence might have been 'saved', but singles out Brook for particular criticism, castigating him for giving preference to civil servants with no professional training, favouring the 'smooth, extrovert conformist with good connexions and no knowledge of modern problems'. 'So far as Britain is concerned. . .', Balogh concludes, ' . . . there can be no doubt that the consequential deadening effect which eliminates originality has resulted in a relative decline in Britain's strength and influence'.¹¹ More recently, Correlli Barnett's *The Verdict of Peace: Britain Between her History and the Future*, the fourth volume in his extended examination of Britain's twentieth century decline, directly tied the weakening of the UK's position in international affairs, albeit in the period leading up to the Suez crisis in 1956, on Whitehall's preference for selecting individuals with a classically trained, public school background.¹² This thesis questions the extent to which this argument can be applied to the 1960s, a period that saw a radical overhaul in the demographic make-up of Whitehall: of the thirty permanent secretaries in 1970, only eleven had attended public school, with the remainder being educated at various grammar or grant-maintained schools.¹³ Moreover, there was, directly below the level of permanent (under)

¹⁰ See T. Balogh, 'Apotheosis of the Dilettante', in H. Thomas (ed.), *The Establishment*, (London: Anthony Blond, 1959), p. 101.

¹¹ *ibid.*, pp.109-110.

¹² C. Barnett, *The Verdict of Peace: Britain Between her History and the Future*, (London: Macmillan, 2001).

¹³ Sampson, *New Anatomy*, p. 262.

secretary, a growing body of officials educated in the state sector. By the 1960s, the archetypal Whitehall civil servant was not the allegedly backward looking 'public school boy', blinded by outdated notions of imperial greatness; he (and it was almost invariably a 'he') was, on the contrary, the grammar school educated meritocrat. In any case, one should not assume that social origin determines an individual's political views: for example, Michael Cary, Deputy Secretary to the Cabinet and a former Etonian, became one of the earliest advocates of the need to wind-up Britain's East of Suez role. The fact that Cary served under Brook, whose *alma mater* was Wolverhampton Grammar School, also illustrates that humble origins did not disbar advancement in Whitehall.

The 'Overseas' Departments.

In the early 1960s, Britain's foreign policy-making apparatus had the unique feature, uncommon to any other country, of having three separate departments responsible for handling major international issues. The division of responsibility between the Foreign Office, Commonwealth Relations Office (CRO) and Colonial Office largely grew out of Britain's role as a colonial power and position of *primus inter pares* in the Commonwealth. The Foreign Office was the most important of the 'overseas' departments in the late 1950s and early 1960s, reflecting its primacy in policy development and administration. At its most basic, the Foreign Office promoted Britain's interests across the world and was responsible for the conduct of British diplomatic business with other governments and international organisations. The Secretary of State for Foreign Affairs, as ministerial head of the department, was accountable to Parliament for the work of the Foreign Office. The Permanent Under-Secretary to the Foreign Office advised the Foreign Secretary and his ministerial team on all aspects of foreign policy and was responsible for the 'day-to-day' management of the department. Plans for the creation of the Foreign and Commonwealth Office

emerged in 1962, as eluded to above, when the Committee on Representational Services Overseas, chaired by Lord Plowden, reviewed the purpose, structure and operation of Britain's overseas services. Plowden's report concluded that the division of responsibility for representational functions between foreign and Commonwealth countries, and in the Commonwealth between commercial and other activities, was impractical and unadvisable in the long-term. Separate Foreign and Commonwealth Relations Offices were to be retained in Whitehall, but both departments were to draw their staff from a single Diplomatic Service. From January 1967, the Foreign and Commonwealth Offices operated a common file registry system, under the oversight of the Diplomatic Service Administration Office. Additionally, there were a number of joint Foreign Office/Commonwealth (Relations) Office departments where staff from both Offices provided common services to each other. The amalgamation of the Foreign Office and Commonwealth Office was in large part a reaction to the changing international environment: the character of the Commonwealth fundamentally altered in the 1960s, as countries became less willing to follow Britain's lead in international affairs, with some even openly hostile to the policies of the British government. The division of responsibilities between the Foreign Office and Commonwealth Office was simply not conducive to coherent policy-making. During Indonesian 'confrontation', for example, the Foreign Office was responsible for Britain's relations with Indonesia, while the Commonwealth Office conducted Britain's relations with Malaysia; during the 1960s, it became increasingly difficult to distinguish between what was a matter for the Foreign Office, on the one hand, and the CRO, on the other.

However, prior to the amalgamation of the Foreign Office and Commonwealth Office, there was a merger of the CRO and the Colonial Office, the two departments primarily responsible for the process of decolonisation. As Britain's colonies gained independence and became self-governing members of the Commonwealth, responsibility was transferred from the Colonial Office to the CRO, although the reverse was true in 1961, when, precipitated by South Africa's departure from the

Commonwealth, responsibility for Basutoland, Bechuanaland and Swaziland, was transferred from the CRO to the Colonial Office. Relations between the CRO and Colonial Office were not always harmonious, becoming especially strained over the functioning of the Central Africa Federation (CAF), for which they had joint responsibility. In order to resolve inter-departmental differences, Macmillan considered handing complete responsibility for the CAF over to the CRO, even though such a policy would have been poorly received by informed African opinion, which would have viewed such a decision as nothing less than an unjustified concession to the European settlers. Brook persuaded Macmillan of the demerits of such a course, suggesting the alternative of creating a Central Africa Office, placed under the stewardship of the suitably weighty figure of R. A. Butler, the Secretary of State for Home Affairs. Such administrative difficulties led to continual speculation as to the long-term viability of retaining the Colonial Office and Commonwealth Relations Office as separate entities. In 1960, for example, the Conservative Policy Centre produced a report recommending the merger of the Colonial Office and the CRO, arguing that the division of responsibilities was ineffectual and anachronistic.¹⁴ A merger was hampered by institutional hostility within the CRO towards the Colonial Office. Senior officials in the CRO tended to feel that they were operating in an enterprising, progressive ministry, regarding the Colonial Office as a department in decline, with a propensity towards outdated imperial sentiments. In June 1960, the Earl of Home, Secretary of State for Commonwealth Affairs, argued that the Colonial Office should be wound up, eventually becoming a department dedicated to the distribution of technical assistance:

I . . . suggest . . . the conversion of the Colonial Office into a Ministry for Overseas Administration and Technical Assistance . . . It would then become, so to speak, a supply ministry, while the Foreign Office and Commonwealth Relations Office would remain the political offices

¹⁴ *Winds of Change – The Challenge of the Commonwealth*, (London: Conservative Political Centre, February 1960).

dealing with the political and diplomatic relations of the United Kingdom in their respective spheres.¹⁵

Colonial Office civil servants favoured a merger of the two departments, but this was met with obstinate resistance from the CRO. Sir Saville Garner, Permanent Under-Secretary to the CRO between 1962 and 1968, later reflected that 'the advantages of a marriage were less apparent to the CRO, embarrassed rather than attracted by the dowry'.¹⁶ The administrative responsibilities of the CRO extended beyond decolonisation, with the department acting as a powerful advocate for Commonwealth interests during the formulation of foreign policy.

The Colonial Office exhibited a somewhat pronounced inbuilt tendency towards maintaining the *status quo*, which may have in part derived from its civil servants' feeling that they were operating on 'spent time'. In 1962, Sir Hilton Poynton, Permanent Under-Secretary to the Colonial Office, rejected Brook's suggestion of establishing a Planning Section within his department, similar to that already operating within the Foreign Office.¹⁷ This reaction differed markedly from the CRO, which had established a Planning Unit on its own initiative, 'some three years ago on a modest experimental basis'.¹⁸ Similarly, the Colonial Office discarded the idea of creating a Minister of State for Aid in the Colonial Office; rejected the proposal of establishing a Commissioner General for Africa; and ignored the suggestion of Malcolm MacDonald, High Commissioner of India, that Britain should create an aid co-ordinator for South-East Asia. The Select Committee on Estimates, which examined the relationship between the Colonial Office and CRO in 1960, noted that the witnesses from the former were in favour of merger whilst the latter were lukewarm. The committee considered the arguments 'for' and 'against' amalgamation, and eventually found in favour of merger. The arguments supporting unification were undoubtedly compelling:

¹⁵ Home to Macmillan, 10 June 1960, PREM 11/3378.

¹⁶ J. Garner, *The Commonwealth Office: 1925-68*, (London: Heinemann, 1978), p. 408.

¹⁷ Poynton to Brook, 26 September 1962, FO 371/166997.

¹⁸ Garner to Brook, 20 September 1962, FO 371/166997.

there would be greater net economy in administration; the functions of the departments were closely linked; the existence of a separate 'Colonial Office' was becoming anathema in an increasingly non-imperial world; and, most importantly, many of the economic and technical problems associated with the transition from dependence to independence could be better handled by a single department.¹⁹ However, Sandys and Macleod (respectively Secretary of State for Commonwealth Relations and Secretary of State for the Colonies) both insisted that 'early merger is out of the question - because the combined work would be too much for a single Minister'.²⁰ Macmillan concurred with this view, believing 'it would be premature to contemplate such a merger at this present time'.²¹ In spite of Macmillan's initial hesitancy towards merger, the last four years of Conservative government witnessed ever-increasing co-operation between the Colonial Office and CRO: for example, officials from both departments co-operated in the work of the Department of Technical Co-operation and the Central Africa Office, and were brought even closer together when Duncan Sandys acted as Secretary of State for both Offices between July 1962 and October 1964. Ministers from the Colonial Office and the CRO began to work in both departments in October 1963, with their responsibilities being divided on a functional basis. Finally, it was agreed in February 1964 that the two departments would merge in July 1965.

On 10 October 1964, Sir Lawrence Helsby urged the incoming Labour Prime Minister, Harold Wilson, to accept the previous Conservative government's decision to amalgamate the CRO and Colonial Office, suggesting that the latter was 'coming to the point of ceasing to be a viable department'.²² A few months later, Wilson discussed the future of the Colonial Office with Helsby, Arthur Bottomley (Secretary of State for Commonwealth Relations) and Arthur Greenwood (Secretary of State for the Colonies). At this meeting, Wilson expressed his preference for retaining two separate

¹⁹ *Fourth Report from Select Committee on Estimates, 1959-60*, PP. 260, xxxvii, 280.

²⁰ Brook to Macmillan, 25 October 1960, PREM 11/3378.

²¹ Macmillan to Brook, 25 October 1960, PREM 11/3378.

²² 'Future of Colonial Office': note by Helsby, 10 October 1964, PREM 13/2693.

secretaries of state, although it was agreed that the Colonial Office should in due course be wound up as a separate department, with officials working towards that end during the course of 1965.²³ On 10 August 1965, Greenwood, going against the wishes of his senior officials, proposed replacing the Colonial Office with a new 'Department of Territories Overseas', designed to deal with colonies which chose some form of continuing association with Britain as their 'final' status.²⁴ However, Sir Hilton Poynton, Greenwood's Permanent Under-Secretary, was determined that the Colonial Office should not be reduced to what he described, earlier in 1963, as a 'rocks and islands' Department'.²⁵ Helsby and Poynton conspired to undermine Greenwood's plans: on 6 October, Helsby wrote a curt note to Wilson, informing him that this 'alternative approach' had been examined by the Cabinet Office and Colonial Office, in the process of which it was agreed that the previously established plan for merger was the right course to pursue - adding: 'The Colonial Secretary accepts this conclusion'. Desperate to secure Wilson's agreement to an amalgamation of the CRO and Colonial Office, Helsby argued: 'From the point of view from the machinery of Government, the sooner the change can be made the better. It is getting increasingly difficult to maintain the Colonial Office as a separate department . . . It may be worth considering whether the merger could not take place even while (or if) there is a separate Secretary of State for the Colonies'.²⁶ On 12 October 1965, Helsby made another attempt to push Wilson into accepting merger, suggesting that Poynton was 'not in very good shape' (in the event, he went on to live until 1998), it being neither in his interest or that of the Colonial Office that he should remain Permanent Under-Secretary much beyond the end of 1965; accordingly, Helsby was 'reluctant' to propose the appointment of someone to replace Poynton if the Colonial Office was on the point of being

²³ 'Note of Meeting', 18 December 1964, PREM 13/2693.

²⁴ Greenwood to Wilson, 10 August 1965, PREM 13/2693.

²⁵ Poynton to C. Jeffries (Joint Deputy Under-Secretary of State at the Colonial Office, 1947-1956), 25 June 1963, CO 967/433. R. Hyam and Wm. Roger Louis, *British Documents and the End of Empire: The Conservative Government and the End of Empire, 1957-1964* (hereafter BDEE) (Part I), (London: Published for the Institute of Commonwealth Studies in the University of London by The Stationery Office, 2000), p. 337.

²⁶ Helsby to Wilson, 6 October 1965, PREM 13/2693.

abolished.²⁷ In reply, D. S. Mitchell, Wilson's Principal Private Secretary, told Helsby that the 'PM was not proposing to move for some considerable time on the Colonial Office', believing that events in Aden (examined in Chapter IV) had shown the need to retain two separate ministers.²⁸ This issue was allowed to drift until March 1966, when Lord Longford, Greenwood's replacement at the Colonial Office, informed Wilson that a 'satisfactory plan' had now been worked out between officials of the Diplomatic Administration Office, CRO and Colonial Office for the implementation of a decision to undertake merger; however, Longford and Wilson agreed that amalgamation should not be announced until after the forthcoming General Election.²⁹ Thus ended the strange death of the Colonial Office.

In early 1961, Macmillan prepared a memorandum for the cabinet, arguing that there would be a need for Britain to mobilise its strategic resources more effectively. Given the limitation of resources, Macmillan suggested that Britain would increasingly rely on the provision of experts and training facilities to preserve its influence in the developing world, particularly amongst newly independent Commonwealth nations. It was this general concern that provided the rationale for the creation of the Department of Technical Co-operation (DTC), which functioned under the leadership of a junior minister without cabinet rank, who assumed responsibility for the technical assistance work previously performed by the Foreign Office, the Commonwealth Relations Office and the Colonial Office. (The DTC was also responsible for work formally done by the Ministry of Labour on the technical activities of the United Nations.) The new department was to co-ordinate the arrangements for providing technical assistance to Commonwealth countries, the remaining colonies, and, where appropriate, to other developing nations. Macmillan favoured providing technical assistance to the Commonwealth, and was attracted to the notion of establishing a Commonwealth Advisory and Technical Service, an idea first floated by the Select Committee on

²⁷ Helsby to D. J. Mitchell (Principal Private Secretary to the Prime Minister), 12 October 1965, PREM 13/2693.

²⁸ Mitchell to Helsby, 13 October 1965, PREM 13/2693.

²⁹ 'Merger of the CRO and Colonial Office': minute by Lord Longford, 1 March 1966, PREM 13/2693.

Estimates in 1959-60. The driving force behind establishing a Department of Technical Co-operation was Brook, who first proposed the scheme to Philip de Zulueta, Principal Private Secretary to the Prime Minister, in August 1960. Brook argued that there was 'much to be said for the establishment of a Department of Oversea[s] Technical Services', given that the Foreign Office and CRO were ill-equipped to provide such services, and that the Colonial Office had become an anachronism, with many newly independent territories being 'reluctant to accept services which still carry the Colonial label'. Moreover, Brook hoped that creating a department dedicated to the provision of technical services would prove 'a useful first step towards a merger of the Commonwealth Relations Office and the Colonial Office'.³⁰ Policy-makers were anxious to ensure that the establishment of a new department, dedicated to the provision of aid and technical assistance, should not be interpreted as an attempt to continue colonial rule by other means. Macmillan addressed this problem at the 1961 Commonwealth Prime Ministers' Conference, by consulting with the leaders of those nations directly involved. Nonetheless, many of the Colonial Office's characteristics permeated the DTC, as a result of a decision to appoint officials from the Colonial Service to the new department. To some extent this was inevitable, since Brook believed that the new department should 'make the best use of the talent and expertise which is being thrown up by the shrinkage of the Colonial Service'.³¹ On 21 March 1961, Macmillan told the House of Commons of his intention to create a separate department with responsibility for aid provision and technical assistance.³² The DTC received a lukewarm reception from the other 'overseas' departments, but no serious problems arose throughout its existence, since it acted in a manner more akin to an agency than a department, being ultimately subordinate to the political departments in matters of policy. In large part, the institutional weakness of the DTC can be attributed to Poynton, who advised his Secretary of State, Iain Macleod, against his own

³⁰ Brook to de Zulueta, 15 August 1960, PREM 11/3378.

³¹ Brook to Macmillan, 25 October 1960, PREM 11/3378.

³² See *Technical Co-operation: A Progress Report by the New Department*, Cmnd 1698, (London: HMSO, 1962).

preference of making the Lord President of the Council (a position of cabinet rank) the minister with responsibility for the new department. Poynton also played a decisive role in convincing Macleod that the senior official at the department should carry the title Director-General - equivalent to that of a Deputy Under-Secretary - rather than Permanent Under-Secretary.

In late 1963, senior officials began to consider the future of the DTC. Sir Andrew Cohen, Director-General of the DTC, was in favour of creating a more powerful Ministry of Overseas Development, subject to the resolution of administrative difficulties, arising from the division of responsibilities between departments. The arguments in favour of establishing a single overseas aid department were substantive, given the increasing importance of aid as an instrument of foreign policy. Moreover, as the majority of developmental capital projects required technical assistance, it made administrative sense for proposals concerning capital development to be considered together by a single department. On the other hand, Sir Ronald Harris, who supervised the division within the Treasury responsible for overseas expenditure, believed that aid was undervalued at a senior political level: 'The truth of the matter is that at present aid is not regarded politically as a matter of the highest priority: if it were, the Treasury would be under much more constant and forceful pressure to increase the allocation of aid funds to all overseas departments'. He believed that, for as long as the government refused to make aid 'a matter of the highest priority', there would be 'considerable advantages', from the perspective of holding down overseas expenditure, in retaining the DTC, since the Treasury was under no concerted political pressure to raise the level of overseas assistance.³³ On 11 May 1964, Robert Carr, Minister for Technical Co-operation, wrote to Sir Alec Douglas-Home, now Prime Minister, seeking clarity on this issue. Carr felt that the administration of aid was 'too diffuse to obtain a sufficiently quick and comprehensive control of policy and execution or to make a proper impact

³³ R. Harris quoted in D. J. Morgan, *The Official History of Colonial Development: Changes in British Aid Policy, 1951-1960*, vol. IV, (London: Macmillan, 1980), p. 15.

presentationally'.³⁴ Home's favourable response to this request - he was prepared to hold further discussions on this issue - gave Carr the opportunity to suggest the creation of a single ministry for administering aid, although this department would remain subject to the direction of the Foreign Office and the CRO. As a result, Carr's proposal differed from Labour's manifesto commitment to establish a free-standing ministry. The difference in approach between the Labour and Conservative parties on this matter was succinctly summarised by the Secretary of State for Foreign Affairs, R. A. Butler, who maintained that ministers preferred the notion of a 'Ministry for Aid Management', as opposed to a Ministry for Overseas Development.³⁵

Following electoral victory in October 1964, Labour replaced the Department of Technical Co-operation with an independent Ministry of Overseas Development (OMD). Unlike its predecessor, the OMD had its own budget and a minister with a seat in the cabinet. Equally important, Barbara Castle, one of the most recognisable figures in the Labour government, was made the first Secretary of State for Overseas Development. Moreover, Sir Andrew Cohen, who became Permanent Under-Secretary to the OMD, was generally regarded as one of the most dynamic and able figures within Whitehall. This combination in leadership, it was widely held, enabled the new department to 'punch above its weight'. In her memoirs, Castle admitted to not getting on particularly well with her permanent secretary, claiming that she became increasingly exasperated by Cohen going into her 'ministerial room and almost literally wringing his hands over one of my latest choices of policy or people'.³⁶ Rather unfairly, Castle criticised the Conservative government's aid programme as being unplanned, uncoordinated, and for being more concerned with the interests of the donor than with the recipient. Castle claimed that she 'was delighted to be in a position to end all of this and establish a revolutionary new principle: that the purpose of aid was to promote the development of the backward countries of the world and that all other

³⁴ *ibid.*, p. 17

³⁵ *ibid.*

³⁶ B. Castle, *Fighting All the Way*, (London: Pan Books, 1993), p. 343.

considerations must be subordinated to this'.³⁷ In common with most of her Labour colleague, Castle had little experience of Whitehall; an innocence that she felt restricted her capacity to influence the direction of policy, as she later alluded to in her memoirs:

I had not realised how completely the civil service was in control. It was not that I had had a sheltered political life. I had spent nearly twenty years at the heart of political infighting, but nothing had prepared me for the inter-departmental intrigues, which lay ahead, or the civil servants determination to keep control of them.³⁸

The creation of the Ministry for Overseas Development was not welcomed by the Commonwealth Relations Office, which disagreed with its more wide-ranging approach in distributing aid to developing countries. Garner believed that the new department led to an unnecessary duplication of effort, later admitting that there was 'some mutual jealousy [between the CRO and OMD] and constant argument about jurisdiction'.³⁹ More importantly, serious difference existed between the two departments on how aid should be distributed. The CRO naturally favoured preferential treatment for new members of the Commonwealth, arguing that aid should be directed to those countries with whose history was inextricably intertwined with Britain, while the OMD preferred an approach which distributed aid objectively, based on an assessment of need. Aware of Labour's planned 'machinery of government reforms', a number of Treasury officials, doubtless with an eye on the potential economic implications of increased aid on the balance of payments, argued it would be preferable to assimilate an aid department within an amalgamated 'Department of External Affairs', as opposed to establishing an autonomous ministry.⁴⁰ Additionally, the CRO resented the fact that many of the OMD's staff came from the Colonial Office, believing that they were

³⁷ *ibid*, p. 345.

³⁸ *ibid*, pp. 340-344. Interestingly, the chapter, from which this quote is taken, is entitled, 'Revelations of Government'.

³⁹ Garner, *The Commonwealth Office*, p. 372.

⁴⁰ See Morgan, *The Official History of Colonial Development*, vol. IV, (1980).

'imbued with colonial ideas' and prone to taking an overly paternalistic approach to newly independent countries.⁴¹ Given that the OMD's *raison d'être* was essentially altruistic, this viewpoint was to some extent justified. Sir Andrew Cohen, it is worth noting, had spent most of his career in the Colonial Office, earning the sobriquet, 'King of Africa'.

Whilst the 'overseas' departments had much in common, in terms of shared policy objectives, it would be wrong - as this thesis will demonstrate - to overemphasise the level of convergence and coherence achieved. There was, for example, a clear difference of opinion between the 'overseas' departments on the importance of Britain's role East of Suez. Not wishing to see any diminution in the British contribution to stability in South-East Asia, CRO officials attached particular weight to Britain's relations with Australia, New Zealand, Malaysia and Singapore. The Foreign Office, on the other hand, tended to emphasise the primacy of Anglo-American relations in regard to British policy in the Far East, and, on the whole, was more concerned with Britain's position in the Persian Gulf.

The Creation of a Unified Ministry of Defence.

The Ministry of Defence (MoD), prior to the Macmillan reforms in the late 1950s and early 1960s, essentially functioned as a co-ordinating department, balancing the tensions arising from the competing interests of the Admiralty, the War Office, the Air Ministry, and Ministry of Aviation. By the mid-1950s, however, it became increasingly clear that this was an unsatisfactory arrangement, wasteful in terms of duplication of effort, and incompatible with the aim of producing coherent strategy. Macmillan, who briefly served as Minister of Defence in the mid-1950s, was aware of the strong vested interests that existed in favour of retaining the extant administrative arrangements, and,

⁴¹ Gamer, *op. cit.*, p. 372.

on becoming Prime Minister, immediately set about addressing this problem by appointing Duncan Sandys as his first Minister of Defence. Aware of the need for fundamental change, Sandys implemented a number of important organisational reforms in his 1957 Defence White Paper, in spite of strident opposition from the three Services: Sandys reduced the size of the Royal Navy, downgraded the role of Fighter Command to protecting nuclear bases, and began the process of phasing out national service.⁴² In July 1958, the Conservative government published another White Paper, *Central Organisation of Defence*, which strengthened the powers of the Minister of Defence, whilst correspondingly weakening the position of the Service ministers; importantly, the White Paper stipulated that it was to become standard practice for Service ministers' proposals on defence policy to be submitted to the Minister of Defence for approval. The White Paper introduced two further important centralising reforms: firstly, the Chairman of the Chiefs of Staff Committee became Chief of the Defence Staff, though the Chiefs of Staff Committee remained the body responsible for submitting military advice to the government; and, secondly, co-ordination was to be further improved by the establishment of a ministerial Defence Board.⁴³ The practices established by the 1957 and 1959 reforms were not as significant as the major modernising changes that were later implemented in 1963-64, but they did establish a platform from which further restructuring could take place.

Recognising the need to smooth relations with the Service ministries and Chiefs of Staff, in the aftermath of the 1959 White Paper, Macmillan replaced Sandys with the less forceful figure of Harold Watkinson. On 13 July 1959, Lord Mountbatten became Chief of the Defence Staff, when he took on the responsibilities of Sir William Dickson. Mountbatten, perhaps influenced by his experience as an inter-Service Supreme Commander in South-East Asia during the Second World War, was convinced (almost

⁴² *Defence: Outline of Future Policy*: Cmnd 124, (London: HMSO, 1956-7), xxiii. 489. See also S. J. Ball, 'Harold Macmillan and the Politics of Defence', *Twentieth Century British History*, 6 (1995), pp. 78-100, and S. J. Ball, 'Macmillan and British Defence Policy' in R. Aldous and S. Lee (eds.), *Harold Macmillan and Britain's World Role*, (1996), pp. 67-97.

⁴³ *Central Organisation for Defence*: Cmnd 476, (London: HMSO, 1958).

to the point of obsession) of the need to centralise control in the MoD, using his considerable influence within Whitehall to achieve this end. Like Macmillan, Mountbatten believed that Britain's defence machinery was wasteful and inefficient, claiming: 'I have come to the firm conclusion that nothing short of the abolition of the separate Service Departments and the creation of a single Ministry of Defence will get to the root of the problem'.⁴⁴

Macmillan re-visited the issue of organisational reform in 1962, believing that the Service Chiefs of Staff would be receptive to further change. It soon became apparent, however, that the Service departments were hostile towards any further re-organisation. Partly in response to such opposition, Macmillan replaced Watkinson with the more substantial figure of Peter Thorneycroft, who carried the authority of being a former Chancellor of the Exchequer.⁴⁵ Thorneycroft faithfully implemented the 'Macmillan-Mountbatten' agenda of organisational reform, but was later criticised by Mountbatten, rather unjustly, for being overly cautious in his approach. The Chiefs of Staff and Service ministries' vehement opposition to reform was not just based on reasons of simple departmental self-interest: the independence of the Service ministries had a long history, and many of those opposed to modernisation genuinely believed that it was in Britain's defence interests to retain the *in situ* arrangements. The intensity and extent of opposition differed between the three services. Sir Thomas Pike, Chief of the Air Staff, was the most dogmatic opponent of re-organisation, standing resolutely against any reduction in the autonomy of the Air Ministry and Air Council. Sir Caspar Johns, the First Sea Lord, perhaps recognising the fundamental requirement of reform, was less obstinate in his opposition, but could by no means be described as a facilitating influence in the process of organisational restructuring. Sir Richard Hull, Chief of the Army, feared that the newly organised Ministry of Defence

⁴⁴ Mountbatten quoted in P. Ziegler, *Mountbatten: The Official Biography*, (London: Fontana/Collins, 1985), p. 601.

⁴⁵ In January 1958, Chancellor of the Exchequer Peter Thorneycroft had resigned from Harold Macmillan's government over the direction of economic policy. The Economic Secretary to the Treasury, Nigel Birch and the Financial Secretary to the Treasury, Enoch Powell resigned at the same time.

would develop into a 'German-style OKW', in that the figures at the apex of the defence infrastructure would lose contact with those at ground level; however, Hull was given to understand that he would replace Mountbatten as Chief of the Defence Staff, a factor that may well have lessened his obduracy towards re-organisation. Despite his undoubted commitment to modernisation, Macmillan achieved only limited progress on reform by late December 1962, recording in his diaries that the Service ministries and Chiefs of Staff were determined to make a 'strong reactionary fight'.⁴⁶

Largely as a result of the hostility of the Service departments to fundamental change, Macmillan appointed General Lord Ismay and Lieutenant-General Sir Ian Jacob to conduct a review of Britain's defence machinery. Despite having being retired for five years, Ismay was an experienced Whitehall operator, whilst Jacob was widely respected for his prominent role in drafting the 1946 Defence White Paper. The Jacob-Ismay report took only six weeks to draft and set out three possible options for the future of the MoD: firstly, the government could retain the existing arrangements, albeit with a number of limited changes - this was not considered a viable option; secondly, Jacob and Ismay suggested creating a unified department, amalgamating the Admiralty, the War Office and Air Ministry under a single Secretary of State; finally, as a 'third-way' option, the Service departments could be subsumed within a unified structure, whilst retaining many of their existing functions. Macmillan thought that a fully unified structure was a necessary precursor to balancing defence priorities and ending internecine arguments between the Service departments over their budget allocations, but opted in favour of the 'third-way' option on pragmatic grounds, believing that this would provide a basis for further reform. In late February 1963, Mountbatten confirmed to Macmillan that he thought the decision represented an 'interim solution'.⁴⁷ Treasury officials, who had long been undermined in their determination to hold down defence expenditure by the existence of three separate Service departments,

⁴⁶ H. Macmillan quoted in A. Home, *Macmillan, 1957-1986*, vol. ii, (1989), p. 501.

⁴⁷ Ziegler, *op. cit.*, p. 601.

welcomed this decision. On 10 July 1963, Sir Richard 'Otto' Clarke, Second Secretary to the Treasury, expressed his approval of this decision, in a letter to D. J. Mitchell:

On our side, we welcome the White Paper. We have been increasingly dissatisfied with the way in which the basic questions of the allocation of resources between the Services and their functions have been handled under the existing set-up. The present system is bedevilled by the conception of "fair shares" between the Services, and the Ministry [of Defence] has not been strong enough to act as the active manager of the defence budget.⁴⁸

A Defence White Paper, proposing the establishment of a unified Ministry of Defence, in which complete authority and responsibility for the Armed Forces would be vested in a single secretary of state, was published in July 1963.⁴⁹ These proposals were given statutory authority under the *Defence (Transfer of Functions) Act, 1964*.⁵⁰ The new legislation created a unified defence structure, legitimising the supremacy of the Secretary of State for Defence. The three Services retained a separate identity as departments with their own Chiefs of Staff, but they were to be ultimately subordinate to the Secretary of State. Moreover, the authority of the Permanent Under-Secretary to the Ministry of Defence was extended to cover the civil servants operating in the Service ministries. This represented a seminal development in the organisation of Britain's defence infrastructure, creating a central focus for the development of policy and allocation of resources on a more rational and considered basis. On 1 April 1964, the three Service ministries came to an end as separate entities, and moved into a single building in Whitehall. This re-location had a beneficial psychological impact in developing effective working relationships, as is recounted by Sir Euan Broadbent, former Second Permanent Under-Secretary of State at the Ministry of Defence: 'it had the practical effect that many staff, both military and civilian, were rubbing shoulders

⁴⁸ Clarke to Mitchell, 10 July 1963, Clarke papers (Churchill College, Cambridge) CLRK 1/3/2/4.

⁴⁹ *Central Organisation for Defence*: Cmnd 2097 (London: HMSO, 1963).

⁵⁰ *Defence (Transfer of Functions)*: Bill 2., Bills Public, (London: HMSO, 1963-1964).

informally as well as formally with colleagues in related areas of work whom they had hitherto rarely, if ever, met'.⁵¹

The Treasury and the 'Overseas' Departments.

Anthony Sampson's *The New Anatomy of Britain* described the Treasury's relationship with other Whitehall departments thus: 'Of all the civil service departments, the Treasury has always been the most abused, mocked and disliked: for it is its job to say No'.⁵² This represents an apposite, although not entirely accurate, description of the Treasury's relationship with the 'overseas' and defence departments in the late 1950s and 1960s. Lord Helsby, Head of the Civil Service between 1963 and 1968, rightly argued that the Treasury was not overly concerned with its unpopularity, claiming that it could 'never be popular among departments in every way, and indeed it would probably denote a serious failure on the Treasury's part if it ever did become popular'.⁵³ The Treasury's internal cohesiveness and central discipline as a department differed markedly from its 'overseas' counterparts, all of which possessed an almost innate propensity towards intra-departmental in-fighting. The Plowden Committee on the Control of Public Expenditure (which was set up in 1959, but reported in 1961) argued that the Treasury's main functions were twofold. Firstly, in addition to its traditional responsibility as the custodian of the Exchequer, the Treasury was responsible for the management of the national economy as a whole; therefore, the Treasury was equipped with the ability to formulate the central aims of economic policy and to act as the co-coordinator of the policies of individual departments towards the achievement of these over-arching objectives. To this end, Plowden recommended that the Treasury be able to fulfil two further tasks: to relate each department's activities and

⁵¹ E. Broadbent, *The Military and Government: From Macmillan to Heseltine*, (London: Macmillan in association with Royal United Services Institute, 1988), p. 24.

⁵² Sampson, *New Anatomy*, p. 275.

⁵³ Helsby quoted in *ibid.*

requirements to the general thrust of national economic policy, to the prospective availability of resources, and to the total of claims upon them; and to provide advice to departments on all aspects of economic and financial policy, and to help them fulfil their departmental responsibilities efficiently and economically. Secondly, the Treasury was responsible for the management of the civil service, reflecting the centrality of its position within Whitehall.⁵⁴ Treasury officials, therefore, tended to take a broad overview of events when contributing to the development of foreign policy, giving consideration to how the domestic and external economic environment impacted upon Britain's ability to play a world role. Whilst Treasury civil servants emphasised the pivotal importance of the British economy in determining Britain's capacity to play a global role, officials operating within the 'overseas' departments were generally less pre-occupied with the issues of macroeconomics and resource allocation. The Treasury was often resentful of the reluctance of the 'overseas' departments and defence establishment to confront what it considered economic 'realities': for example, when commenting on the question of British financial and economic interests East of Suez in relation to the cost of defending them, 'Otto' Clarke noted: 'I am sure that neither the military nor the F.O. people understand that these "interests" are quite negligible in size in relation to the cost of defending them'.⁵⁵ It was the responsibility of the Treasury to make the 'overseas' departments aware of economic realities, although this was often met with implacable opposition. However, it would be misguided to assume that the Treasury's position as 'holder of the purse-strings' meant that it was always successful in holding down overseas expenditure.

Along with the Prime Minister (who also possessed the title, First Lord of the Treasury), the Chancellor of the Exchequer had responsibility for total government expenditure. The Treasury's position as a central department, with a key co-ordinating role within Whitehall, invariably made the Chancellor of the Exchequer the second

⁵⁴ *Control of Public Expenditure*, Cmnd 1432, (London: HMSO, 1960-61).

⁵⁵ Clarke to Armstrong, 19 November 1963, Clarke papers (Churchill College, Cambridge) CLRK 1/3/2/5.

most powerful individual in government. The ability of the Treasury to control overseas and defence expenditure depended on three fundamental factors: the authority of the Chancellor of the Exchequer within the cabinet; the degree of support the Prime Minister was prepared to give the Treasury on a particular issue; and the willingness of other departments to comply with the Treasury's requirements in relation to financial control. Importantly, when a spending minister appealed to the cabinet against Treasury policy, the Chancellor of the Exchequer had to obtain the assent of his senior colleagues on decisions of expenditure; thus, the authority of the Treasury was dependent on the willingness of cabinet ministers to comply with the views of the Chancellor. If an issue went to the cabinet and the Chancellor of the Exchequer was defeated, Treasury officials would have to implement policy it disagreed with, for all decisions reached by the cabinet were binding on the government. G. C. Peden argues, with some justification, that the cabinet was an important forum for achieving Treasury control of expenditure, as well as conducive to the efficient operation of government, since ministers were forced to contemplate the arguments both 'for' and 'against' new expenditure.⁵⁶ The Treasury used the cabinet and its subsidiary committees to highlight the fact that increased expenditure would require a corresponding increase in the level of taxation, an important factor in forcing ministers to set priorities. By bringing the Prime Minister's attention to inter-departmental disagreements on expenditure, the cabinet secretary could also play an important role in this respect: for example, in late 1961, when ministers were deciding whether to maintain Britain's commitment to Kuwait, Brook advised Macmillan: 'If this is so, we shall not be able to make any substantial reduction in our military expenditure in this theatre. I hope therefore that, if Ministers decide to accept this commitment, they will do so with their eyes open to the consequences'.⁵⁷ The Chancellor, moreover, could usually expect the support of the Prime Minister in cabinet. 'Every Prime Minister. . .',

⁵⁶ G. C. Peden, *The Treasury and British Public Policy, 1906-1959*, (Oxford: Oxford University Press, 2000), p. 523.

⁵⁷ Brook to Macmillan, 13 September 1961, PREM 11/3430.

Castle later ruefully remarked, ' . . . in the end backs his Chancellor, whose word in Cabinet is law'.⁵⁸ However, most disputes between the Treasury and other departments were not settled at cabinet level, as such a state of affairs would quickly lead to administrative gridlock. Treasury officials would therefore often reach agreement with the 'overseas' and defence departments at cabinet committee level or on a bilateral basis. In this respect, the establishment of the Defence and Overseas Policy Committee, in October 1963, greatly improved co-ordination between the Treasury and other Whitehall departments.

During the 1960s, the Treasury emerged as a predominant influence in the development of British foreign policy. This was a direct result of the progressively inter-connected nature of foreign and economic policy formulation: for example, the Treasury was the 'lead' department in Britain's efforts to defend the pound and the two applications to join the EEC in 1963 and 1967. On the other hand, in the late 1950s and early 1960s, the position of the Treasury *vis-à-vis* the 'overseas' and defence departments was arguably weakened by a succession of ineffectual, and often transient, Chancellors of the Exchequer. Derrick Heathcoat Amory, Chancellor of the Exchequer from January 1959 until July 1960, was not a particularly strong figure within the Conservative party, which undoubtedly undermined the Treasury's position in relation to the Foreign Office. Peden rightly argues that 'he [Heathcoat Amory] was far from being a born leader and he found it difficult to persuade his Cabinet colleagues to do things they did not like'.⁵⁹ Selwyn Lloyd, Heathcoat Amory's replacement, only had two years at the Treasury, an insufficiently long period to make any real impact on foreign policy, especially given his poor working relationship with Macmillan, who damned him with faint praise in his memoirs, by suggesting that he suffered 'from the effects of carrying too heavy a burden over too many years' - a strange accusation, given that Lloyd and Macmillan had both held ministerial office since 1951 and been in

⁵⁸ Castle, *Fighting the Way*, p. 342.

⁵⁹ Peden, *op. cit.*, p. 432.

the cabinet together for a similar length of time.⁶⁰ Moreover, Lloyd's personal diaries give the impression of a man more comfortable at the Foreign Office, where he did not have to deal with such mundane matters as incomes policy and balancing the budget. Following his first week as Chancellor, Lloyd noted (with some exacerbation) in his diary: 'At the end of first real week of work at the Treasury . . . [it] is apparent how different all this is from the F.O.'⁶¹ Macmillan's last Chancellor (and Douglas Home's first and only), Reginald Maudling, was a far more formidable figure than his two immediate predecessors, who had the additional advantage of direct experience of the Treasury, having served as both Paymaster-General (1952-55) and Economic Secretary to the Treasury (1957-59); Sir Robert Hall, Director of the Treasury's Economic Section, even described him as 'a reasonably good economist'.⁶² Nevertheless, Maudling's appointment could not reverse the fact that the Treasury's position had been weakened against other Whitehall departments by a lack of continuity at the highest level.

The Treasury's position was strengthened by the election of the Wilson government in late 1964, when James Callaghan, one of the government's 'big three' (the others being George Brown and Harold Wilson), became Chancellor of the Exchequer. As Chancellor, Callaghan fought for the Treasury's view in cabinet, using his considerable political influence to direct British foreign policy, particularly in relation to the reduction of defence expenditure. Callaghan was an authoritative figure within the Labour cabinet and the trade union movement, but inexperienced with regard to the workings of Whitehall, which made him particularly susceptible to Treasury influence. Referring to an informal meeting in Downing Street in late December 1964, Sir Alec Cairncross, Hall's replacement as Head of the Economic Section of the Treasury, noted in his

⁶⁰ Macmillan, *End of the Day*, p. 91. (Interestingly, in the index to his memoirs, under Lloyd, Selwyn (who, as Speaker of the House of Commons, still occupied a prominent position in British public life in 1973 - the year of publication), Macmillan inserted - lack of initiative, 89, 91, 94).

⁶¹ Personal Diary Entry, (undated, but probably late September 1960), Selwyn Lloyd papers (Churchill College, Cambridge) SELO 4/23.

⁶² A. Cairncross (ed.), *The Robert Hall Diaries, 1954-1961*, (London: Unwin Hyman, 1991), p. 11.

diary: 'He [Callaghan] talked very Otto about the need to fix a ceiling now to defence expenditure and how his proposals would mean that the growth in public expenditure for the first time would be brought under control'.⁶³ Callaghan's 'very Otto' posture was a reference to the almost osmotic influence of 'Otto' Clarke, who was leading the drive to bring public expenditure under control. Furthermore, Labour brought its own 'special' advisers into government, most notably Thomas Balogh and Nicholas Kaldor, both of whom were initially hostile towards Whitehall and its alleged machinations, but in general agreement with the Treasury's desire to reduce Britain's 'burdensome' overseas commitments.

Labour's creation of the Department of Economic Affairs (DEA) only had a marginal affect on the Chancellor of the Exchequer's authority in the field of foreign affairs. The DEA, which was responsible for mobilising resources to increase productivity and exports, was established in order to meet Labour's ambitious (but ultimately unachievable) manifesto commitment of a 25 per cent growth in national output between 1964 and 1970.⁶⁴ The new ministry's ability to achieve this objective was severely undermined by Wilson's policy of retaining sterling's parity with the dollar, a commitment requiring restrictive economic measures in order to defend the value of the pound. As a proponent of economic expansion based on greater investment in the domestic economy, the DEA was a powerful ally of the Treasury in demanding greater levels of retrenchment in defence and overseas expenditure. On 13 November 1965, for example, the Chancellor of the Exchequer and Secretary of State for Economic Affairs put a joint-memorandum before a meeting of ministers and officials at Chequers, arguing that Britain's economic difficulties would persist unless there was a reduction in the proportion of Britain's GNP devoted to overseas defence.⁶⁵ On the other hand, as noted in Wilson's own account of the Labour government, the DEA's

⁶³ A. Cairncross, *The Wilson Years: A Treasury Diary, 1964-1966*, (London: The Historians' Press, 1997), p. 26.

⁶⁴ See Labour's 1964 manifesto, 'The New Britain', in I. Dale (ed.), *Labour Party general election manifestos 1900-1997*, (London: Routledge in association with Politico's, 2000).

⁶⁵ Cabinet (Defence Policy) minutes, 13 November 1965, CAB 130/213.

assumption of responsibility for the main areas of overseas economic policy led to some friction with the Treasury, which retained its responsibilities in the field of overseas finance.⁶⁶

Along with the position of Secretary of the Cabinet, the (Joint) Permanent Secretary to the Treasury held a slightly higher rank than that of other permanent secretaries employed in the Home Civil Service, reflecting the Treasury's status of 'first among equals' within Whitehall. Lord Bridges, who served as Permanent Secretary to the Treasury between 1945 and 1956, compared the relationship of the Permanent Secretary to the Treasury with other permanent secretaries to that 'of a brother - perhaps a year or so older - the person to whom it was most natural to turn in any difficulty and to whom one could speak most easily and with complete candour'.⁶⁷ Bridges' portrait of inter-departmental harmony will be scrutinised in this thesis, as it tends to gloss-over the often-fractious interactions that punctuated relations between the Permanent Secretary to the Treasury and other permanent secretaries. Bridges' fraternal analogy contains some validity, but from the standpoint of the 'overseas' and defence departments, the Permanent Secretary to the Treasury could often appear as an elder brother prone to bullying and haranguing, intent on undermining the legitimate ambitions of its younger siblings. Moreover, it is doubtful that the Permanent Under-Secretary to the Foreign Office would have seen his relationship with the Permanent Secretary to the Treasury as akin to Bridges' description, even during the late 1960s, when Britain's international power entered a period of rapid decline.

Writing on the Treasury, Henry Roseveare observed: 'It is natural to wonder how far the permanent Treasury was really responsible for the strikingly consistent orthodoxy of successive Chancellors, regardless of party'.⁶⁸ This thesis tests to what extent both Conservative and Labour Chancellors were susceptible to the influence of their senior Treasury officials. Between 1957 and 1963, on three separate occasions, the post of

⁶⁶ H. Wilson, *The Labour Government, 1964-1970*, (London: Weidenfeld & Nicolson, 1971), p. 5.

⁶⁷ E. Bridges, *The Treasury*, (London: Allen & Unwin, 1966), p. 179.

⁶⁸ H. Roseveare, *The Treasury: The Evolution of an Institution*, (London: Allen Lane, 1969), p. 198.

Permanent Secretary to the Treasury was held on a joint basis: first, by Sir Roger Makins and Sir Norman Brook, between 1957 and 1960; secondly, by Sir Frank Lee and Sir Norman Brook, between 1960 and 1962; and, thirdly, by Sir William Armstrong and Sir Lawrence Helsby, for a brief period in 1962. Makins, who had spent the majority of his career in the Foreign Office, lacked the authority, if not desire, to press the Treasury's case in Whitehall. Largely because of his proactive and assiduous approach to the job, Lee's time at the Treasury was more productive than Makins's: for example, Lee, who had previously served as Permanent Secretary to both the Board of Trade and the Ministry of Agriculture, Food and Fisheries, established the European Economic Association (Official) Committee, which set in train Britain's first application for membership of the EEC. Sir William Armstrong was the sole Permanent Secretary to the Treasury between 1962 and 1974, and it is perhaps no coincidence that it was with his appointment (at the relatively young age of forty-seven) that the Treasury became more effective in marking its imprint on British foreign policy. It would be misleading, however, to credit the Treasury's increasing assertiveness exclusively to the influence of Armstrong: firstly, Armstrong was assisted by a number of other able Treasury figures, notably 'Otto' Clarke and Sir Alec Cairncross; secondly, the incoming Labour government shared the Treasury's objective of reducing the level of defence expenditure as a percentage of GDP; and, thirdly, the position of the 'overseas' departments gradually weakened during the mid-1960s, a development generally reflecting Britain's changed position in the world.

The Treasury's acrimonious relationship with the 'overseas' departments resulted from differing conceptions of Britain's appropriate world role. The CRO was particularly critical of the Treasury, believing it to be 'cynical and unemotional' in respect to the value of the Commonwealth. There were serious differences between the Treasury and CRO over the size of the defence budget, particularly Britain's Far Eastern defence expenditure. Garner felt that the Treasury's repeated demands for retrenchment in defence expenditure placed the CRO in a position of 'acute

embarrassment'.⁶⁹ In spite of this, Garner claimed that there was continuous collaboration with the Treasury over the problems facing the British economy and the need to strengthen sterling, although such co-operation was rather limited in reality, as will be demonstrated in chapter V.

As is often the case with 'new' departments, the OMD found it particularly difficult to establish itself within Whitehall. Castle's description of a meeting she had with the Public Expenditure Committee in July 1965 provides a useful example of the relative weakness of a department like the OMD when opposed by the Treasury: 'One of the bleakest days in my political life . . . My careful preparation of an opening submission [for the Public Expenditure Committee] went for nothing: Jim [Callaghan] didn't want to hear it'.⁷⁰ Like the other 'overseas' departments, the OMD was further weakened by the relatively poor performance of the British economy in the mid-1960s, given that the Treasury often looked to the OMD budget when attempting to make greater economies in expenditure. The OMD's strained relationship with the Treasury resulted from the differing functions of the two departments: the Treasury was responsible for controlling public expenditure, whilst the OMD was driven by a largely altruistic mandate. Personal antipathy between Callaghan and Castle damaged relations between the two departments further: the latter later criticised the Chancellor for being short-sighted and overly parsimonious, claiming that Callaghan's 'only bottom line was an accountant's one'.⁷¹

The Cabinet and its Committees.

The cabinet had essentially two functions in the late 1950s and 1960s: firstly, the

⁶⁹ Garner, *The Commonwealth Office*, p. 371.

⁷⁰ B. Castle, *The Castle Diaries*, (London: Weidenfeld & Nicolson, 1984). Also see Cabinet minutes, 5 August 1965, CAB 128/39.

⁷¹ *ibid.*

cabinet addressed issues of national importance requiring the collective commitment of the government to a particular policy course; secondly, the cabinet addressed questions on which there were irreconcilable differences between departments. The ministerial committees supporting the cabinet had two further functions. First, they relieved the full cabinet of unnecessary administrative pressures by delegating responsibility to a lower level. If the ministerial committee failed to resolve an outstanding inter-departmental problem, it would - in theory - at least define the points of disagreement between departments and clarify the main issues for consideration at cabinet level. Secondly, the ministerial committees were bound by the principle of collective responsibility, thus ensuring that important issues not considered by the cabinet would carry the authority of the government and bind all ministers.

Created in 1962, the OPC was chaired by the Prime Minister and was composed of senior governmental figures - the Secretary of State for Foreign Affairs, the Secretary of State for Commonwealth Relations, the Secretary of State for Colonial Affairs, the Minister for Defence, the Chancellor of the Exchequer, and usually one other senior member of the government. The importance of the OPC was signified by the fact that the Prime Minister chaired the meeting once a week, unlike the Colonial Policy Committee, which met on an *ad hoc* basis, and had been chaired, at various times, by the Lord President of the Council, Lord Salisbury, and the Lord Chancellor, Lord Kilmuir. The creation of the committee strengthened the position of the Treasury; unlike the CPC, the Chancellor of the Exchequer had a permanent seat on the OPC. As part of the re-organisation arising from the White Paper, *The Central Organisation for Defence*, the Defence and Overseas Policy Committee (DOPC) was formed on 1 October 1963, by direction of the Prime Minister, its terms of reference being 'to keep under review the Government's defence and overseas policies'.⁷²

⁷² Defence and Overseas Policy Committee's 'Terms of Reference' can be found in CAB 148/15.

The Defence and Overseas Policy (Official) Committee (DOP(O)C) - like its predecessor committees - was an important forum for resolving differences between departments, prior to discussion at ministerial level. The terms of reference for the Official Committee were 'to consider questions of defence and overseas policy'.⁷³ The Secretary to the Cabinet chaired the DOP(O)C, with membership including the Permanent Under-Secretary to the Foreign Office, the (Joint) Permanent Secretary to the Treasury, the Permanent Secretary to the Board of Trade, the Permanent Under-Secretary to the Commonwealth Relations Office, the Permanent Under-Secretary to the Colonial Office, the Permanent (Under-)Secretary to the Ministry of Defence, the Chief of the Defence Staff, and the Chief Scientific Adviser to the Ministry of Defence. The incoming Labour government had little knowledge of this vital cog of the governmental machine. Crossman, who had written extensively on constitutional matters, and Balogh, who criticised Whitehall in print before becoming the Economic Adviser to the Cabinet, were not even aware of the existence of such official committees. Crossman was particularly critical of the cabinet committee system, arguing that it was 'the key to the control by the Civil Service over the politicians'. The criticism of Whitehall expounded by Crossman was common to other political figures (particularly those from the Labour party), and is worth quoting further:

The Minister is not merely subject to control by his Department seeking to make him work according to their departmental policies, there is also a wider network of Whitehall control exerted through these official committees. In the Cabinet Committees the Ministers may sit down together, each with his departmental brief, and discuss policy. But then they leave it to the official committee both to prepare briefs and to carry out the policies when they have laid them down.⁷⁴

⁷³ Defence and Overseas Policy (Official) Committee's 'Terms of Reference' can be found in CAB 148/16.

⁷⁴ R. H. S. Crossman, *The Diaries of a Cabinet Minister: Minister of Housing, 1964-1966*, vol. I, (London: Hamish Hamilton and Jonathon Cape, 1975), p. 616.

Crossman's portrayal of the committee system contains a modicum of truth, but is ultimately too simplistic. Inter-departmental disagreements expressed in the official committees generally mirrored those at ministerial level: thus, the position adopted by the Permanent Secretary to the Treasury at the Defence and Overseas (Official) Committee was normally the same as that taken by the Chancellor of the Exchequer in the ministerial committee. This resulted from the fact that ministers rarely produced their own papers for cabinet committee discussion, which ought not to be taken as a criticism of the ability of ministers, as it merely reflected the realities inherent in being a cabinet minister in the late 1950s and 1960s - unlike in the age of Gladstone, ministers simply lacked the time to draft policy papers by themselves, although a few, such as Julian Amery, did have the wherewithal to do so. Senior Whitehall figures, for the most part, took their constitutional position seriously, believing that the primary task of the senior civil service was to advise on policy, with responsibility for decision-making resting with politicians. It would be wrong to attribute the Machiavellian traits of coercion and manipulation to senior civil servants, although this did not preclude officials from steering politicians in a particular policy direction. Given the constraints of the 'thirty-year rule', the work of the cabinet committees remains a neglected subject, a fact made more noticeable by the reluctance of former ministers to elaborate on their proceedings in their memoirs. Such a state of affairs is not entirely surprising: Whitehall, during the period encompassed by this thesis, exhibited a deep-seated hostility towards the publication of material relating to the workings of government. For example, on learning of Patrick Gordon Walker's plans to publish a book on how the cabinet operated, Harold Wilson applied pressure on him to omit all references to the cabinet committees.⁷⁵ Acting on the advice of his civil servants, Wilson told Gordon Walker, in the bluntest possible terms:

⁷⁵ P. Gordon Walker, *The Cabinet*, (London: Jonathon Cape, 1970).

I am sorry to learn that you apparently intend to leave the passages on Cabinet Committees substantially unchanged. It may on occasion be appropriate for a Government to disclose the existence of a particular Cabinet Committee but it does not follow that there is no objection to fuller disclosures by a former Minister on the basis of knowledge of the composition and function of Committees acquired while in Office.⁷⁶

As a result of such hostility, it is only now that the workings of the cabinet committees can be fully comprehended; in doing so, this thesis aims to further understanding of how Whitehall operated, in relation to foreign policy formulation, during the late 1950s and 1960s.

Summary.

By laying out how the structure of Whitehall's policy-making apparatus evolved and changed between 1959 and 1968, this chapter provides a frame of reference for the following four chapters, which examine how officials formulated Britain's geo-strategic objectives, in regard to Africa, the Middle East, and Far East. This chapter demonstrates that 'machinery of government reform' was under constant consideration within Whitehall, a necessity arising from the rapidly changing nature of British power and influence. The main contention of this thesis is that these administrative changes allowed foreign policy to be formulated on a rational and thoughtful basis, with a view to the long-term implications of Britain's declining international position. This is an underappreciated phenomenon, given the prevalent stereotypical view of Whitehall as short-sighted, reactive, conservative, over-concerned with tradition and incapable of strategic forward planning.

⁷⁶ Wilson to Gordon Walker, 8 August 1969, Gordon Walker papers (Churchill College, Cambridge), GNWR 2/3.

Chapter II: The Macmillan Government's, 'Future Policy Study 1960–1970'.

Winston Churchill, as Conservative Leader of the Opposition in the late 1940s, promoted the concept of 'three great circles among the free nations and democracies', which referred to the Commonwealth, Western Europe, and the English-speaking world. Churchill argued: 'These three majestic circles are co-existent and if they are linked together there is no force or combination which could overthrow them or even challenge them. Now if you think of the three inter-related circles, you will see that we are the only country which has a great part in every one of them'.¹ This analysis of Britain's world role provided a frame of reference through which civil servants and politicians formulated British foreign policy in the 1950s. In June 1958, for example, a top-level inter-departmental report, entitled 'The Position of the United Kingdom in World Affairs', concluded that Britain could still fulfil a global role, through its position as leader of the Commonwealth, its links with Western Europe, and its relationship with the United States.² There was a general consensus that it would be wrong to severely restrict British involvement in each of its various spheres of influence, though a number of Treasury officials had begun to question the wisdom and sustainability of such an approach to international affairs. A. W. France, an official in the Treasury's Overseas Finance Section, remarked that he was not sure 'whether we [Britain] shall be sufficiently skilful as a juggler to keep the three circles in the air much longer'.³ The Treasury, unlike the spending departments concerned with external affairs, namely the Foreign Office and Commonwealth Relations Office, questioned the viability of maintaining Britain's extant global commitments over the long-term. Harold Macmillan, as Chancellor of the Exchequer in 1956, graphically reflected this viewpoint, when he

¹ For Churchill's 'three circles' speech see W. Churchill, *Europe Unite! Speeches, 1947 & 1948*, (London: Cassell 1950), pp. 417-418.

² 'The Position of the United Kingdom in World Affairs', June 1958, CAB 130/139.

³ A. W. France to D. Rickett, 10 July. 1959, T 234/277. For further information on the Treasury's view of Britain's world role in the 1950s see G. C. Peden, *The Treasury and British Public Policy, 1906-1959*, (Oxford: Oxford University Press, 2000), pp. 442-452.

argued: 'it is defence expenditure which has broken our backs'. This statement referred to the pressure put on Britain's balance-of-payments by extensive overseas defence commitments, although Macmillan also sought greater economies in home defence.⁴

By 1959, Macmillan had been Prime Minister for two years, and Britain's economic difficulties had barely relented, as fears of continuing and future balance-of-payments instability persisted. Brook had been chiefly responsible for drafting 'The Position of the United Kingdom in World Affairs', but felt that it had not led to any 'radical re-assessment of our external policy as a whole - partly, perhaps, because it was not as good a document as it might have been'. On 20 February 1959, Brook asked Macmillan whether he would be prepared, some time in the spring, to invite a small group of senior civil servants and the Chiefs of Staff for a weekend at Chequers to discuss the basis of Britain's world role between 1960 and 1970 - and, after 'launching them off' on this project, leave them to grapple with it alone, so as to enable the participants to settle upon the general shape of a report.⁵ The final document, 'Future Policy Study, 1960-1970', was intended to clarify how Britain's place in the world would change over the next ten years.⁶ Sir Patrick Dean, Deputy Under-Secretary of State at the Foreign Office, was to chair the Working Group meetings and report to the Future Policy Study Steering Committee, under the chairmanship of Brook.⁷ The minutes and papers of both the working and steering groups, as well as the final report itself, provide a valuable insight into how Britain's long-term foreign policy objectives were formulated. These papers also illustrate the influence of Whitehall on the policy-

⁴ Macmillan to Eden, 23 March 1956, PREM 11/1326.

⁵ Brook to Macmillan, 20 February 1959, PREM 11/2945. Ronald Hyam argues that the 'Future Policy Study, 1960-1970' 'appears to have been initiated by Macmillan in June 1959'. The documentary evidence suggests that Brook initiated the policy review on 20 February 1959. See R. Hyam, 'Winds of Change: the Empire and Commonwealth' in W. Kaiser and G. Staerck (eds.), *British Foreign Policy, 1955-64: Contracting Options*, (London: Macmillan in association with the Institute of Contemporary British History, 2000), p. 194.

⁶ 'Future Policy Study, 1960-70', 24 February 1960, CAB 134/1929. An extract from this document can be found in R. Hyam and Wm. Roger Louis, *British Documents and the End of Empire: The Conservative Government and the End of Empire, 1957-1964* (hereafter BDEE) (Part I), (London: Published for the Institute of Commonwealth Studies in the University of London by The Stationery Office, 2000), pp. 87-108.

⁷ For structure of Future Policy *ad hoc* Committee see Appendix I.

making process and highlight how differing departmental viewpoints on major areas of policy were reconciled.

On 6 June 1959, *The Times* reported: 'To-morrow Mr Macmillan is giving a luncheon at Chequers for Marshall of the Royal Air Force Sir William Dickson, who is retiring from his position as Chief of the Defence Staff in July to be succeeded by Admiral of the Fleet Lord Mountbatten. Other senior chiefs and senior officials have been invited'.⁸ Sir William Dickson duly retired: however, the primary purpose of the meeting at Chequers was not as reported in *The Times* - officials and the Chiefs of Staff met to discuss a suitable framework and *modus operandi* for a comprehensive study of Britain's world role. Taking up Brook's suggestion, Macmillan presented officials with a lengthy list of questions, which were to act as a guide for discussion. It was not the purpose of the Chequers meeting to answer all the questions posed, as Brook noted to Macmillan: 'This looks pretty formidable. If it were an examination paper, none of the boys in this class could be expected to attempt all the questions'. The purpose of the meeting, according to Brook, was to have a 'preliminary run over the ground', to get agreement on the kind of questions to be studied, and to lay out a programme of work to be undertaken by officials.⁹ Macmillan, in setting out the purpose and parameters for the study, stated that he thought it would be useful if, after the next General Election, the ministers of a new administration could have for their consideration an 'up-to-date and comprehensive' forecast of the main economic, diplomatic and military developments in world affairs over the next decade. The senior officials were asked to consider 'how our [Britain's] policies might be adapted to enable the United Kingdom to continue to play a significant part in world affairs'. Macmillan also instructed his officials to address how the UK should pay for its world role, informing those present that Britain's aims should be kept in line with national resources and that, particularly in defence matters where decisions often took many

⁸ *The Times*, 6 June 1959, p.6.

⁹ Brook to Macmillan, 25 May 1959, PREM 11/2945.

years to make, broad strategic lines of policy should be established as far ahead as possible in order to make the best use of available resources. Officials were also invited to address a number of other important issues relating to the United Kingdom's extra-European role, namely Britain's position in the Middle East, South-East Asia and Africa.¹⁰ The approach required the working committee to have an iterative relationship with those steering the study to ensure that the work of the committees was set within the context of the general strategic policy framework.

Sir Patrick Dean, chairman of the Working Group responsible for producing the papers for consideration by the Steering Committee, met with senior officials from the departments involved on 24 June 1959, where he discussed the allocation of work necessary to support the study. The final report, Dean suggested, would fall into three main sections. Section A (The International Setting) would consider what international developments were foreseeable over the next ten years, forecasting the likely resulting situation in 1970. Section B (The Resources of the United Kingdom) would attempt to estimate how Britain's economic capacity would change over the next ten years, gauging - in broad terms only - how much the UK could realistically commit towards defence expenditure and other ways of preserving Britain's position and interests in the world. It was recognised that other prospective claims on Treasury expenditure, such as increased spending on health and education, would put pressure on the scope and magnitude of overseas policies, and that this would have to be taken into account during the study. Given the anticipated need for increased investment in social services and industry, Working Group officials were asked to consider what proportion of Britain's resources could be allocated (over the period 1960-70) to defence expenditure, assistance to under-developed nations, and 'prestige' projects. These questions inexorably led to further questions as to how much Britain should be

¹⁰ 'Study of Future Policy', Record of a meeting held at Chequers, 7 June 1959, CAB 134/1929. Another facet of Britain's world role considered by the committees was future nuclear deterrent capability. This is not considered in this chapter, as it is of not central importance to this thesis, which focuses on how Whitehall planned Britain's withdrawal from extra-European commitments.

prepared to pay for its world role over the next decade: an unchanged allocation of money, an unchanged proportion of GNP, or an increased proportion of GNP? In the light of the conclusions reached in the first two sections, Section C (The Main Objectives of the United Kingdom's Overseas and Strategic Policy) was to tackle questions of policy; however, Dean suggested that it would be helpful if members of the Working Group could keep questions relating to overseas and strategic policy in mind from the outset. Dean indicated that the first two sections should be finished by the middle of September, although a semi-completed form of Section A and Section B would be produced by the end of July. Detailed work on Section C was to commence in September 1959, when Section A and Section B had been completed. Dean emphasised the need for the study to be a 'co-operative exercise', with discussion limited to a small circle of senior officials, who should sublimate their respective departmental perspectives:

While members of the Working Group of course represented their Departments, they had been nominated as individuals to take part in the Study which, by its nature, would in many cases go beyond the range of Departmental policy. It was accordingly hoped that they would be able to think ahead and that the papers contributed to the work of the Working Group, while generally acceptable to Departments, would not be too closely bound to current doctrine on present problems.¹¹

Inter-Departmental co-operation was therefore considered vital to the success of the exercise, though this objective went largely unachieved. On the 30 July 1959, J. S. Orme, one of the committee's two secretaries¹², informed Brook that studies prepared by the departments for the consideration of the Working Group tended 'very much to reflect Departmental thinking'.¹³ After the completion of the Future Policy Study, Brook considered undertaking further such studies, but Sir Richard 'Otto'

¹¹ Future Policy Working Group minutes, 24 June 1959, CAB 134/1930.

¹² Officials from the Cabinet Office with responsibility for co-ordinating work between the Working Group and Steering Committee.

¹³ J. S. Orme to Brook, 30 July 1959, CAB 21/3841.

Clarke, one of the Treasury's representatives on Dean's Working Party, warned that it would be necessary to learn lessons from the recently completed exercise: 'This kind of Committee . . .', Clarke argued, '. . . is only useful when it is working in the rather rarefied atmosphere where political, diplomatic, military and economic considerations are inextricably linked together and you have to make a kind of synthesis of them. It should not be used to do jobs which are within normal Departmental responsibility. It breaks down at once (and we saw this from time to time in there operations) as soon as it gets into areas, in which there are definite Departmental positions'.¹⁴ Although Clarke felt the Future Policy Study a 'successful exercise', he, along with his senior Treasury colleagues, believed that the final document merely reconciled differing departmental views, failing in its stated objective of setting out a definitive foreign policy agenda.¹⁵

The International Economic Environment and Britain's World Role.

In July 1959, Treasury officials, in consultation with the Foreign Office, Commonwealth Relations Office and Colonial Office, produced a paper on the relative economic strengths of both established and emergent powers, and how these would probably change by 1970. The paper argued that it was important to recognise that two quite different conceptions of 'economic strength' existed. First, the traditional notion of economic strength related to the sum total of a nation's economic resources (technology, industry, agriculture, communications systems and manpower); the capability of a nation in war, it was argued, largely depended on the size of a state's GNP, population and industrial capacity. The other concept of 'economic strength', the paper contended, related to the total resources a nation was prepared to allocate to its defence effort (including related expenditure, such as foreign aid) during peacetime.

¹⁴ Clarke to Brook, 26 February 1960, Clarke papers (Churchill College, Cambridge) CLRK 1/3//1/1.

¹⁵ Clarke to Lee, 4 February 1960, Clarke papers (Churchill College, Cambridge) CLRK 1/3//1/1.

This was to a significant extent reliant upon a nation's resources, but also partly on the degree to which a government was prepared to deploy these resources on defence and overseas aid at the expense of social expenditure. The Working Group paper pointed out that the Soviet Union's strength was greater than its aggregate resources, primarily because its political system - undemocratic and closed - enabled its leadership to allocate a disproportionately high percentage of Russia's natural and manpower resources to military ends. Policy-makers generally agreed that this extensive reservoir of 'disposable power' put the Soviet Union in a more advantageous position than its actual economic strength suggested, recognising that this could potentially have serious implications for the final outcome of the Cold War - and, by implication, Britain's place in world affairs. The West, on the other hand, could capitalise on its superior economic position if it was prepared to devote a larger proportion of its resources to defence. Increased defence and overseas spending in Western countries entailed a simple *quid pro quo*, whereby citizens would accept a fall in living standards in exchange for devoting a larger proportion of resources to policies designed to contain Communism. It was argued that, if the American people were prepared to accept a reversion to the standard-of-living prevalent at the commencement of the Eisenhower Administration (1952), the United States could probably increase its defence effort and economic aid budget by 50 per cent. Thus, if Britain wanted to effectively preserve its position in South-East Asia and the Persian Gulf, it would be necessary to consider asking the electorate to approve the politically unpalatable option of accepting a decline in living standards - which, by the late 1950s, had begun to fall behind that of other Western countries.¹⁶

The paper made an attempt to enumerate some of the demographic and economic factors that were likely to affect Britain's military and diplomatic efforts during the 1960s; these findings would make a significant contribution to Section A of the final

¹⁶ 'Economic Strength', 20 July 1959, CAB 134/1934.

paper. Firstly, consideration was given to projected population growth of the leading powers and the two simplest indicators of economic strength - steel production and electricity generation. This was considered important because of the direct correlation between national economic capacity and the potential size of a nation's international power and influence. Accordingly, the world was divided into three main groups - Western nations, the Soviet *bloc*, and uncommitted or under-developed countries.

TABLE: 2.1. *Estimated Steel and Electricity Production/Future Growth of World Population, 1957-1970.*

	Production 1957		Population (millions)		
	Steel (mill. m. tons)	Electricity (billion kwh)	1957	1970 (est.)	Inc. 1957-70
Western Countries.					
U.K.	22	106	52	54	+2
U.S.A.	102	716	171	204	+33
Canada	5	90	16.5	21	+ 4.5
Australia & NZ	3	24	12	15	+3
E.E.C.	60	222	164	179	+15
Other non-Soviet Europe	8	122	101	114	+13
	= 200	= 1280	= 517	= 587	= +70
Communist Countries.					
U.S.S.R.	51	205	203	250	+45
European Satellites	16	85	96	109	+13
China	5	20	640	800	+160
Uncommitted or Under-developeds.					
Japan	13	81	91	109	+18
Latin America	3	50	192	265	+73
India	2	15	392	504	+112
Other non-Soviet Asia	-	15	432	554	+122
Africa	2	30	225	278	+53

Source: Study of Future Policy for 1960-1970 Working Group. 'Economic Strength', Note by Joint Secretaries. CAB 134/1934.

These key economic and demographic indicators highlighted that Britain was, in an economic sense at least, a medium-sized power. The Treasury maintained that it was necessary for the UK to pursue a foreign policy that reflected this economic reality: 'Only two countries - the U.S.A. and U.S.S.R. - now have enough "disposable power" to provide a complete and self-sustaining defence and international power apparatus'. It was argued that the EEC had the potential to move into this category, providing the 'Six' could effectively pool their resources and create the necessary supporting

infrastructure for coherent policy-making. Highlighting Britain's relative weakness in the bi-polar international system of the Cold War, the paper bluntly asserted: 'No other country or group in sight is even near the required strength. The U.K. is clearly not so: the old dominions could not add enough to make a viable and self-sustaining unit, even if they were willing'.¹⁷ The Treasury, which was the driving force behind the paper on economic strength, had consistently stressed this point throughout the 1950s.

G. C. Peden's *The Treasury and British Public Policy* highlights how Treasury officials were of the view that successive post-war governments had tried to do too much in all aspects of foreign policy, and how this served to place pressure on the balance of payments and undermined international confidence in sterling.¹⁸ The Treasury essentially had two main objectives: first, to secure a regular balance-of-payments surplus, so as to build-up the size of London's sterling and dollar reserves; and, secondly, to raise the proportion of GNP apportioned to areas such as transport and education, believing that this would provide the platform for future economic expansion. Increased domestic investment, Treasury civil servants agreed, was reliant on a corresponding reduction in the scale of overseas expenditure. In this respect, Treasury officials were fully aware of Andrew Shonfield's argument that Britain would have to reduce public expenditure on overseas defence if increased levels of domestic investment were to be achieved.¹⁹ Writing in 1974, William Wallace argued that there was 'little debate and argument in the government about the whole structure of British economic policies and about the implications of political decisions (especially foreign policy) on economic policy'.²⁰ Similarly, Stephen Blank suggests that the Treasury was more concerned with political considerations than economic factors when developing policies designed to preserve Britain's global role: 'Treasury thought was dominated by a variety of "political myths" about Britain's role in the world. . . which, in fact, operated

¹⁷ *ibid.*

¹⁸ Peden, *Treasury and British Public Policy*, p. 445.

¹⁹ A. Shonfield, *British Economic Policy since the War*, (Harmondsworth: Penguin, 1958), pp 94-153.

²⁰ W. Wallace, 'Britain's Foreign Economic Policy', *International Affairs*, vol. 50, No. 4, (April 1974), p. 251.

against Britain's economic interests. The Treasury's approach, far from being ruled by narrow economic considerations, too often evaded such economic realities as Britain's capacity to pay the costs of its international role'.²¹ The documentary evidence does not confirm this assertion - rather, Treasury officials were unable to press their case on the need to reduce overseas expenditure within Whitehall, which weakened investment in the domestic economy (designed to increase exports and secure a regular balance-of-payments surplus), thus undermining the aim of increasing London's sterling and dollar reserves - a prerequisite for avoiding speculation and retaining the position of sterling as an international reserve currency.

It was predicted that the global population would increase by around 25 per cent in 13 years: from 2,800 million in 1957 to 3,500 million in 1970. Furthermore, it was estimated that the world would experience an annual population growth rate of 1.7 per cent, contrasting markedly with the much slower rate of 0.3 per cent per year forecast for the UK.

TABLE: 2.2. *Predicted Population Growth Per Annum Between 1960 and 1970.*

	% per annum
U.K.	0.3
E.E.C.	0.7
Other Europe	1.0
U.S.A.	1.4
Japan.	1.4
U.S.S.R.	1.5
Africa	1.6
China	1.7
Other non-Soviet Asia	1.9
India	2.1
Latin America	2.5

Source: Study of Future Policy for 1960-1970 Working Group. 'Economic Strength'. CAB 134/1934.

²¹S. Blank, 'Britain: The Politics of Foreign Economic Policy, the Domestic Economy and the Problem of Pluralistic Stagnation', in P. J. Katzenstein (ed.), *Between Power and Plenty*, (Madison: University of Wisconsin Press, 1978), p. 104.

This demographic projection would have a profound impact on Britain's international standing. In June 1959, 'Otto' Clarke stressed this point in a background note to his Permanent Secretary, Sir Roger Makins, in advance of the meeting at Chequers:

I think the conclusion . . . will inevitably be that [the] U.K's power will continue to fall (quite fast) *vis-à-vis* [the] U.S.A., the Soviet Union, probably Western Europe and indeed the world at large. This simply reflects the fact their populations are growing much faster than ours; and that a 50-million country cannot match the width of industrial, scientific and military effort carried out by the 200-million countries.²²

The final officials' report highlighted the constraints of population growth on future British foreign policy, arguing that inexorable global demographic changes would weaken Britain's position relative to the Soviet Union, Western Europe and the United States.

The extremely complex and difficult task of forecasting economic growth was assigned to the Treasury as part of the Future Policy Study. Clarke was pleased with the final outcome of the Treasury's economic forecasts, noting to Sir Thomas Padmore, a fellow Second Secretary to the Treasury: 'I don't think we have ever had before such a systematic appraisal of rates of economic growth (in relation to Government policy)'.²³ In the period from 1948 to 1956, Britain's GNP grew by 3½ per cent per annum, of which around one per cent was attributable to a growth in the working population and 2½ per cent to an increase in output of goods and services per head of the population. Over the period 1960-1970, it was estimated that the growth of the working population would decline, and that Britain could expect an annual growth rate of 2¾ per cent for the period 1960-65. Britain's economic growth was expected to lag behind that of the United States and the EEC: over the forthcoming decade, it was estimated that the US economy would grow by 4.2 per cent per annum, the EEC by 3.5

²² Clarke to Makins, 4 June 1959, T 325/65.

²³ Clarke to Padmore, 26 February 1960, Clarke papers (Churchill College, Cambridge) CLRK 1/3//1/1.

per cent, and the UK by 3.1 per cent.²⁴ Comparisons between the predicted level of growth in Britain and the USSR were considered invidious, as growth was seen as representing the success of an economy in satisfying the wants of its population - which was not the central objective of Soviet economic policy. Industrial production was viewed as a more valid guide to the relative military and geo-political strength of the USSR. The Soviet Union's Seven-Year Plan (1958-65), which was approved in January 1959, estimated an 80 per cent increase in industrial production and a 60 per cent rise in energy consumption. The Treasury anticipated that the Soviet Plan would be largely fulfilled, postulating that the industrial ratio between the United States and Soviet Russia would decline from 2½: 1 in 1957 to perhaps 1½: 1 in 1970; moreover, improvements in Russia's industrial and scientific infrastructure would enlarge the USSR's capacity to devote increased resources to defence and overseas purposes.²⁵ Greater Soviet involvement in the international sphere, particularly in the East of Suez region, would have serious implications for Britain, whose industrial output was likely to grow at a slower rate. The Treasury clearly saw political power as being inextricably wedded to economic strength: therefore, Britain as a relatively small country, in terms of economic capacity and population size, would continue to lose influence internationally. This straightforward equation neglected the less tangible influences of diplomatic skill and international standing, factors emphasised by the Foreign Office, Commonwealth Relations Office and Colonial Office.

The 'Economic Strength' paper highlighted the important contribution of overseas

²⁴ In the event, growth rates of gross domestic product and gross domestic product per head of population, 1960-1970 (percentages), were as follows:
Gross domestic product (%).

	U.K.	U.S.	W. Germany.	France.
1960-70	2.5	3.8	4.1	5.6

Gross domestic product per head of population (%).

	U.K.	U.S.	W. Germany.	France.
1960-70	2.2	1.6	6.5	3.5

Source: J. Eatwell, *Whatever Happened to Britain?*, (London: Duckworth, 1982), p. 12.

²⁵ 'The Soviet Seven-Year Plan', memorandum by the Treasury, 28 February 1959, T 234/768.

development aid to Britain's future international influence, projecting that none of the under-developed nations (with the possible exception of India) would develop a significant industrial base by 1970: 'The struggle in Asia and Africa in the 1960s is to get towards a "threshold" of development, from which expansion can move steadily forward'. The Treasury endorsed Professor Tinbergen's estimate that Western countries would have to invest \$7.5 billion annually in non-industrialised nations (in excess of these states' savings) in order to obtain a 2 per cent per annum increase in income per caput, provided recipients invested aid wisely.²⁶ (The policy paper, it should be noted, was produced before kleptocracy and political corruption became widespread practices in under-developed and developing countries.) The paper argued that 'this order of magnitude does not seem *prima facie* unreasonable as a measure of what might be needed to make a significant impact'. Britain's interest in the successful economic performance of under-developed countries was considered vital, given that many such states - 'a band of countries running from Freetown to Singapore' - held their reserves in sterling and had their currency pegged to the pound:

A weakening of sterling - and even more a depreciation of sterling - could have deleterious results for these countries. This area will be suffering considerable political and social instability in any case. . . to add to this the depreciation of their currency reserves would be calamitous indeed. To sustain the financial stability of the area is one of the U.K.'s overriding responsibilities in the 1960s.²⁷

As more countries in the sterling area acquired independence, Britain would become less able to control the extent to which these politically autonomous states drew on the gold and dollar reserves held in London. Concerned about this possibility, Treasury officials maintained that it would be necessary to strengthen Britain's reserves, so as to

²⁶ Professor Jan Tinbergen was Professor of Development Programming at the Netherlands School of Economics.
²⁷ 'Economic Strength', 20 July 1959, CAB 134/1934.

prevent a drain on them by sterling and non-sterling countries.²⁸ When the Bank of England's reserves came under pressure, the government reacted by defending the pound's value through deflation, which curbed growth and retarded imports. The consequent rise in interest rates, which helped attract short-term capital back to London and limit speculation against sterling, served to undermine industrial investment. Strengthening the reserves held in London, Treasury civil servants argued, necessitated a reining back of certain international commitments - specifically those that were economically unproductive, such as those located in the Far East. In the early 1970s, Susan Strange argued that the British government had incurred high levels of defence expenditure to protect overseas investments and members of the sterling area, criticising policy-makers for having been unwilling to reduce international obligations and failing to give adequate attention to the problems of the domestic economy.²⁹ This approach was questioned by the Treasury, which was a consistent opponent of increased expenditure on overseas defence, believing that the best means of defending the sterling area lay in reducing the scale of international commitments. As will be demonstrated in Chapter V, American pressure undermined Britain's ability to reduce its commitments in South-East Asia, a policy that weakened the UK balance of payments, resulting in spells of acute speculation against the pound - ending in the devaluation of sterling in November 1967. Paradoxically, Washington's coercion ran counter to American financial interests: if speculation against the pound was sufficient to force a UK devaluation, as American policy-makers later recognised, speculators would focus their attention on the world's remaining reserve currency, the US dollar. The Foreign Office, CRO and Colonial Office disagreed with the Treasury's stance on the need to revise commitments, generally viewing Treasury officials as overly cautious and parsimonious. Officials from the 'overseas' departments were invariably hostile to

²⁸ See Future Policy Working Group minutes, 1 and 7 October 1959, CAB 134/1934.

²⁹ Susan Strange was right to argue that policy-makers failed to manage the changing role of sterling from a 'Top' or 'Master' currency to a neutral one, but wrong to argue that Whitehall was more concerned with the preservation of sterling as an international reserve currency than the need to secure future economic growth. S. Strange, *Sterling and British Policy*, (London: Oxford University Press (for) the Royal Institute of International Affairs, 1971), p. 300.

Treasury involvement in foreign policy development, many doubtless subscribing to Lord Beloff's view that Treasury civil servants were 'a bunch of bank clerks who think they are mandarins'.³⁰

Resources and Overseas Expenditure.

On 31 July 1959, Treasury officials circulated an interim report setting out the economic limitations on Britain's future external policy. The Treasury favoured a general reduction in the level of overseas expenditure, but had to concede that the ultimate decision for such a policy would lie with the politicians of the day. Increased overseas expenditure was dependent on the will of the public to accept a decline in living standards, a reduction in the level of consumption, less investment in social services, and, if necessary, an increase in the rate of taxation. The Treasury took a long-term perspective on the issue of Britain's overseas expenditure, contending that the issue was not what the public were 'prepared to provide now, but a judgement of what the public will be prepared to go on supporting until 1970'. Policies over a long period, it was suggested, would have to be kept within the 'community's comfortable capacity'.³¹ In early October 1959, this point was reinforced at a meeting of the Future Policy Working Group, when it was argued: 'Although an abnormally high level of defence expenditure might be tolerated for a short period in special circumstances (as for example on the outbreak of the Korean War), in the long term the level was governed by the extent to which the public would tolerate a diversion of resources from other purposes'.³² If the resources required to support Britain's overseas policies seemed likely to conflict with what the public was prepared to accept, Treasury officials

³⁰ Lord Beloff quoted in P. Hennessy, *Whitehall*, (London: Pimlico, 2001), p. 392.

³¹ 'United Kingdom Resources for Defence, 1960-1970', 20 July 1959, CAB 134/1935.

³² Future Policy Working Group minutes, 1 and 7 October 1959, CAB 134/1934. Perhaps significantly, Richard Clarke chaired both these meetings.

believed that there would be considerable difficulties in sustaining such a policy over the next ten years.³³

The Treasury argued that this problem was exacerbated by the inflexible nature of Britain's defence and overseas expenditure, which was seen as difficult to 'cut down at a time of economic need'. The unit costs of equipment and weapons, for example, tended to increase as technological capability advanced, and new developments in weaponry committed the government to increasing expenditure over an elongated time-frame. The Treasury also believed that the cost of personnel was increasing at an unsustainable rate, noting that increases in the wages of civil industry resulted in a corresponding rise in soldiers' pay. When military pay grew at the same rate as industrial pay, the result was an increase in the proportion of GNP devoted to defence expenditure, as Clarke later explained to Sir Solly Zuckerman, Chief Scientific Advisor to the Ministry of Defence:

If GNP goes up at 4 % p.a, in real terms, and defence expenditure *ditto*, then there will be a substantial increase in the proportion of defence expenditure to GNP (always appearing in money terms). This is because the price of defence is always rising faster than that of prices generally: the soldier's pay increases *pari passu* with the industrial worker's, but his "productivity" (as defined for calculating GNP) does not increase at all - if there is no inflation, the price of boots is falling all the time as productivity increases in the boot industry, but the price of soldier's pay remains constant. Therefore a given quantity of defence absorbs an ever-increasing proportion of GNP.³⁴

The cost of stationing troops overseas was a particular bone of contention for the Treasury, which argued that the 'overseas component of defence expenditure is even more inflexible - when we are committed to keep troops overseas, the foreign

³³ See 'Defence and Economic Aid: The Resources Balance Sheet', Memorandum by the Treasury, 23 December 1959, CAB 134/1935.

³⁴ Clarke to Zuckerman, 22 April 1964, Clarke papers (Churchill College, Cambridge) CLRK 1/3//3/1. This principle was known within the Treasury as 'Clarke's Law'.

exchange cost is there willy-nilly'. The denial of this important pool of skilled and unskilled (and, moreover, youthful) labour further inhibited Britain's capacity to produce the exports necessary to secure a regular balance-of-payments surplus. In October 1959, at a meeting of the Future Policy Working Group, officials agreed that 'the employment in the forces of large numbers of young people, many of them with special technical abilities, tended to reduce the national income which otherwise might be attained'.³⁵ Similarly, 'political' expenditure, like colonial grant programmes, had to be continued at a steady and sustained rate in order to succeed, and could not be turned 'on and off' in accordance with the vagaries of economic circumstances. In consequence, Treasury officials questioned the economic rationale underpinning Britain's world-wide commitments, at least on the scale maintained throughout the 1950s:

If there is some "built-in" tendency for defence and related expenditure to rise, and very little practical possibility of reducing it at a time of economic stress (internal or external), it is indeed asking for trouble to have a policy that is even at the beginning *threatening to burst out of the economic seams*.³⁶

The Treasury paper argued that overseas expenditure had to be seen within the context of overall government spending, providing statistics, on the division of Britain's GNP (at market prices) in 1958, to substantiate its point.

³⁵ Future Policy Working Group minutes, 1 and 7 October 1959, CAB 134/1934.

³⁶ 'United Kingdom Resources for Defence, 1960-1970', 20 July 1959, CAB 134/1935. Added emphasis.

TABLE 2.3. *Claims on Gross Domestic Product, 1958.*

	Per cent.
(1) Consumption by individuals.	66
(2) Education, health, administration and other public internal current expenditure on goods and services, other than defence.	9
(3) Replacements of capital equipment and increase in stocks "keeping the economy going"	8 ½ = 83 ½
<hr/>	
(4) Defence and Government overseas current expenditure	7 ½
(5) Increases in capital equipment	7
(6) Overseas investment (balance-of-payments current surplus)	2
	= 100

Source: Study of Future Policy for 1960-1970 Working Group. 'United Kingdom Resources for Defence, 1960-1970', Note by Joint Secretaries. CAB 134/1934.

These figures demonstrated that around five-sixths of Britain's national production was devoted to 'keeping the economy going'. Importantly, sixty-six per cent of GNP was taken up by the consumption of individuals; accordingly, increased investment in Britain's overseas role would require a reduction in consumption. This would be politically difficult, given that increased access to consumer goods was electorally rewarding, in what has been coined 'The Age of Affluence'.³⁷ The Treasury was also of the opinion that cuts in spending on education, social services and healthcare would be unpopular, stressing that 'there is continuous pressure to increase expenditure [on education, social services and healthcare], rather than the reverse'. Treasury officials did not see realistic scope for cutbacks in these fields of social provision, making clear that such a policy would require strong political leadership over a sustained period:

As a matter of practical politics, it cannot be assumed that this proportion over a period of time could be reduced. Of course it could be reduced if under strong and continuing Government leadership, the public were willing to accept and go on accepting for an indefinite period more taxes and less social services in order to contribute more to security and the under-developeds.³⁸

³⁷ V. Bogdanor and R. Skidelsky (eds.), *The Age of Affluence, 1951-1964*, (London: Macmillan, 1970).
³⁸ 'United Kingdom Resources for Defence, 1960-1970', 20 July 1959, CAB 134/1935.

The Treasury indicated that Britain was now a consumer society with an ever-expanding welfare state, which impeded its ability to play a substantive international role. If a large defence and economic aid budget were to be sustained, government expenditure would have to be matched by taxation: if a political party were committed to a reduction in the overall level of taxation (as the Conservatives were) or greater social investment (as Labour were), increased overseas expenditure would become unsustainable.

While accepting the necessity of 'keeping sterling strong', Foreign Office civil servants generally emphasised the importance of retaining international commitments, particularly in the Persian Gulf and Far East - a policy that put pressure on Britain's limited resources and actually damaged sterling by negatively distorting the balance of payments. By way of contrast, Treasury officials were concerned about the impact of overseas defence expenditure on the UK economy, sterling, and the sterling area. The Treasury contended that a major sterling crisis would destroy any British pretension to act as a world power broker. The repeated sterling crises of the 1950s, it was argued, had devalued Britain's reputation, whilst a 'return to such troubles in the 1960s might well destroy our [Britain's] influence altogether'.³⁹ As sterling provided the currency reserves for British (and many formerly British) colonies, its weakness might create financial instability in these countries, potentially igniting wider political unrest. The view that the sterling area acted as an important link between Britain and the Commonwealth - as had been argued by the Radcliffe Committee in July 1959 - was reaffirmed in the Future Policy Study.⁴⁰ Yet, academics have disagreed on whether the sterling area was actually of benefit to Britain. Andrew Shonfield, in 1958, argued that British leadership of the sterling area had a negative impact on economic growth,

³⁹ *ibid.*

⁴⁰ *Report of the Committee on the Working of the Monetary System*, Cmnd 827, (London: HMSO, 1959); 'Future Policy Study, 1960-70', 24 February 1960, CAB 134/1929. On 15 April 1958, Derrick Heathcoat Amory, the Chancellor of the Exchequer, told the House of Commons: 'sterling and the sterling area are indispensable to the smooth functioning of a large part of the world's trade, as well as to the unity and strength of the Commonwealth'. See HC Deb., 15 April 1958, cols.51-52.

by weakening the level of investment in Britain.⁴¹ Catherine Schenk, on the other hand, has recently claimed that the sterling area had no significant effect on British growth, as the ratio of overseas investment to domestic capital formation was relatively small.⁴²

An examination of national defence expenditure, as a proportion of GNP, illustrated the scale of Britain's expenditure *vis-à-vis* its main allies.

TABLE 2.4. *Defence as a Percentage of GNP, 1949-1958.*

	Highest Year	Average: 1949-58	1958 (prov.)
U.K.	11.2 (1953)	8.9	7.9
U.S.A.	14.9 (1952)	10.9	11.5
Canada	9.0 (1953)	6.6	6.5
France	11.0 (1953)	8.6	8.2
W. Germany	5.1 (1953)	4.7 ('53- '58)	4.2
Netherlands	6.7 (1954)	5.9	5.7
Belgium	5.1 (1952)	3.8	3.9
Italy	5.6 (1952)	4.8	4.4
Norway	5.8 (1953)	4.2	4.1
Denmark	3.7 (1953)	3.0	3.3
Australia			3.3 (1956-7)
New Zealand			2.5 (1956-7)

Source: Study of Future Policy for 1960-1970 Working Group. 'United Kingdom Resources for Defence, 1960-1970', Note by Joint Secretaries. CAB 134/1934.

Unlike the majority of its Western allies, Britain consistently expended more than eight per cent of GNP on defence during the post-war period. France had spent a similar proportion, but it is important to note that the franc (unlike sterling) was not subject to the pressures arising from being an international reserve currency; indeed, the franc had been devalued in 1958.

Treasury civil servants divided Britain's overseas and security spending into three main categories: defence, economic aid and diplomatic expenditure. In 1959, the 'aggregate' cost of these categories to the Exchequer was around £1,750 million,

⁴¹ Shonfield, *British Economic Policy*, (1958), ch. 5.

⁴² C. Schenk, *Britain and the Sterling Area: From Devaluation to Convertibility in the 1950s*, (London: Routledge, 1994).

representing 8½ per cent of GNP at factor cost. The Treasury rightly emphasised that this was a disproportionately high percentage when compared to the 'old' dominions and other high-income European nations. On 29 December 1959, Dean's Working Group considered a Treasury memorandum, 'Defence and Economic Aid: The Resources Balance Sheet', which underlined this point. This paper was processed at the highest levels of the Treasury: after meetings with Sir Roger Makins it had been submitted to the Chancellor of the Exchequer, Derrick Heathcoat Amory, for approval. The principal point made by the memorandum was that the UK could afford, if it 'wished', a defence and overseas programme which absorbed 8 ½ per cent of GNP, but that this could not be afforded without economic damage (i.e. a sterling crisis which would frustrate the objectives of the programme itself), unless the government was prepared to moderate other competing claims on public expenditure. The Working Group thought that Britain ought to devote this proportion of GNP to overseas defence and aid, whilst recognising that the adoption of such a policy would entail a 'halt' in the process of reducing the share of GNP devoted to the public sector and thus of lowering the rate of taxation.⁴³ Clarke was unhappy at the Working Party's response to the Treasury memorandum, noting to Makins that members of the committee had had 'a good go at our paper'.⁴⁴ Described by David Hubback as someone who 'was usually certain he was right', Clarke was a dominating figure within the Treasury, regarding the intellectual merits of his argument as irrefragable.⁴⁵ The consensus that Britain should devote 8 ½ per cent of GNP to defence and overseas claims, Clarke argued, was only 'valid . . . if the consequential action is taken - limiting other claims upon the economy'. As the proportion of GNP allocated to the public sector was likely to remain stable 'at best' over the next five years, Clarke felt that there was a 'great danger' in Whitehall becoming 'committed to the defence and overseas programmes, without the

⁴³ 'Defence and Economic Aid: The Resources Balance Sheet': Memorandum by the Treasury, 23 December 1959, CAB 134/1930; Future Policy Working Group minutes, 29 December 1959, CAB 134/1930.

⁴⁴ Clarke to Makins, 30 December 1959, CAB 21/3843.

⁴⁵ D. Hubback, 'Sir Richard Clarke, 1910-1975': A most Unusual Civil Servant', *Public Policy and Administration*, vol. 3, (1988), p 20.

corresponding action being taken - and this will lead straight into balance-of-payments trouble'. Conversely, Foreign Office officials believed that Britain's NATO allies and the 'old' dominions could be convinced to devote 8½ per cent of their GNP to defence and related expenditure, arguing that this would reduce problems in regard to the balance of payments. Clarke was sceptical about such a possibility, contending that, if Britain's allies did not make an adequate contribution, 'we are much more vulnerable, and there is no sign of [the] Benelux [countries] or Germany or Australia or New Zealand or the Scandinavians doing anything like as much as they should'.⁴⁶

Officials in the 'overseas' departments thought that the Treasury was unduly pessimistic as to the possibility of allocating 8 ½ per cent of GNP to defending Britain's overseas and security interests. As late as 28 January 1960, P. E. Ramsbotham, Head of the Foreign Office's Planning Department (described by Tim Bligh, Macmillan's Principal Private Secretary, as 'the long-range crystal gazer in the Foreign Office'⁴⁷), suggested to Dean that 'we [the Foreign Office] may have let the Treasury get off too lightly in the general conclusion that . . . we shall be doing rather well if we keep spending 8 ½% of our GNP on defence, aid, etc'. Taking up a point made to him by Christopher Eastwood, Assistant Under-Secretary of State at the Colonial Office, Ramsbotham suggested that 'we [the Foreign Office] should back up the Colonial Office when they are championing the collective interests of the Overseas departments', thus highlighting the tendency of the 'overseas' departments to work in concert against the Treasury. Ramsbotham was less circumspect about the public's willingness to accept a reduction in consumption, implying that the Treasury's case was *argumentum ad captandum vulgus*:

The fact is that, if the public can be taxed in some way or another so that they have less money for television sets, then we shall have more money for aid and other overseas expenditure. . . it is all a question of how

⁴⁶ Clarke to Makins, 30 December 1959, CAB 21/3843.

⁴⁷ T. J. Bligh to H. Macmillan, 1 June 1959, CAB 134/1930.

seriously the public takes the threat of the new competitive world. If they can endure 50% per cent of the GNP being devoted to defence in war-time then surely it is not *prima facie* absurd that they should be asked to raise their contribution from 8 ½% to 9% in 1960 or later, if this is shown to be manifestly necessary to avoid having to cut commitments which cannot yet be safely abandoned or to take up new ones (e.g. aid) because of new challenges.⁴⁸

Largely reflecting the Treasury's viewpoint, Section B of the final Future Policy Study report stipulated that Britain's overseas policies depended upon three factors: first, world economic conditions; secondly, the adaptability and growth of the UK economy; and, finally, the willingness of the British people to devote a substantial proportion of their incomes towards such ends. Although the UK economy would remain the most vulnerable of all the major international economies in the 1960s, it was thought that sterling would retain its status as an international reserve currency. However, a note of warning was issued: if, as in early 1960, London's gold reserves remained less than one-third of the sterling liabilities to other countries, Britain's world-wide defence effort would come under threat, as this was 'precarious backing for an international currency that by its nature must take the strain of political and financial pressures throughout the world'. This led the Future Policy Study to the following important conclusion:

It follows that the United Kingdom's first economic responsibility, *and the necessary condition for maintaining our place in the world, is to keep sterling strong*. This means keeping commitments within resources. If the future claims on the economy are allowed to accumulate so that the prospective increases in resources are already mortgaged in advance, there will be no margin available to meet unforeseen needs or to cope with the adverse changes in circumstances - which are bound to happen some time in a ten-year period.⁴⁹

⁴⁸ Eastwood to Ramsbotham, 27 January 1960, FO 371/152131; Ramsbotham to Dean, 28 January 1960, FO 371/152131.

⁴⁹ 'Future Policy Study, 1960-70', 24 February. 1960, CAB 134/1929. Added emphasis.

Britain's interests, as well as those of the West in general, were dependent on the government striking an appropriate balance between doing too little and doing too much. Doing too little would have a deleterious impact on Britain's external power, whereas attempting to do too much would result in a series of sterling crises that would reduce British influence. This part of the report, compiled almost entirely by the Treasury, warned that Britain would have to constantly monitor the external financial position and the balance-of-payments, which were likely to forbid any ambitious expansion of overseas spending and to limit internal spending too.⁵⁰

The Future Policy Study made five main points on the relationship between Britain's resources and international commitments. Firstly, it was possible for a country with Britain's standard-of-living and productivity to devote, 'if it wished', 8½ per cent of its GNP to support overseas policy objectives; although, as previously highlighted and reaffirmed in subsequent chapters, Treasury officials did not favour this approach. This aim would be made easier if productivity grew at a faster rate than expected or if Britain's allies increased their overseas and defence budgets to a similar level. Secondly, overseas expenditure was in direct competition with other competing demands for resources: lower rates of taxation, expectations of higher living standards, demands for greater social expenditure, increased consumption and more leisure time, would also absorb valuable resources in the 1960s. The public sector's share of GNP was unlikely to decline, which meant that, if the government wanted to increase overseas expenditure, modifications in the level investment in the domestic economy and/or the rate of taxation would become necessary. Thirdly, keeping the public sector's share of expenditure stable would mark a major shift in the general thrust of government policy. Between 1953 and 1958 the public sector shrank from 29½ per cent of GNP to 26½ per cent, and overall overseas expenditure fell from 11¾ per cent to 8¼ per cent. This proportionate decrease in overseas spending had made room for

⁵⁰ *ibid.*

expansion in other areas of the public sector, notably spending on roads and education. It was argued that these two areas of investment, along with tax cuts, had made a major contribution to the improved performance of the British economy in the late 1950s. Fourthly, if the defence and aid programmes were carried out without moderation in public and private spending, 'the impact would fall on the balance of payments and on sterling. . .' which would overload the economy ' . . . with large and inflexible commitments'. Finally, a depreciation in the value of sterling would force drastic cutbacks in Britain's defence and aid programmes. If this were to occur, the stability of Asia and Africa - where many of the currencies were backed by sterling - would be severely undermined.⁵¹

The Three Circles.

Officials viewed Britain's contribution to the freedom and stability of the world as pivotal, it being thought inappropriate for the UK to restrict itself to a role limited to the European continent: 'we [Britain] are much too important a part of the free world to be able to retreat into a passive role like Sweden or Switzerland'.⁵² Regionalisation (that is to say, confinement to a European regional role) was not an issue under serious consideration by the Future Policy Study committees, although sympathy for this idea was rapidly gaining ground in both the Treasury and Board of Trade. On 17 March 1960, not long after the completion of the Future Policy Study, Whitehall established the inter-departmental Economic Steering (Europe) Committee, chaired by Sir Frank Lee, Makins's replacement as Permanent Secretary to the Treasury.⁵³

Representing opinion within the Foreign Office, Section C of the Future Policy Study argued that Britain's ability to play a global role was bolstered by a range of 'intangible' assets: namely, Britain's leadership of the Commonwealth, a 'special' relationship with

⁵¹ *ibid.*

⁵² *ibid.*

⁵³ For minutes and memorandum of Economic Steering (Economic) Committee see CAB 134/1852 to CAB 134/1854.

the United States, and an association with the EEC. It was also suggested that Britain's influence was enhanced by the legacy of its imperial past, the maturity of its political experience outside Europe, a national propensity to rise to an emergency, and a reliability in the defence of freedom and justice. A lengthy Foreign Office memorandum, 'Britain's Obligations Overseas', written in 1958, stressed this exact point: 'our influence and prestige have not declined to the same extent as our material power. This influence and prestige are assets which cannot be assessed in money'.⁵⁴ On 13 November 1959, Brook's Steering Committee endorsed the Foreign Office's view on this subject:

Although the economic strength of this country was expected to decline over the next decade in relation to the rest of the world, our influence need not shrink in proportion. By courage and ingenuity we should still be able to play a world-wide role by taking our part in countering the growing power of the Sino-Soviet *bloc*, by fostering our overseas trade, and by maintaining the strength of sterling and the cohesion of the Commonwealth . . . Besides the purely physical assets, the importance of the national character and its ability to rise to an emergency should not be underestimated.⁵⁵

These 'intangible' assets, it was claimed, gave Britain 'a leading position among the Powers and a higher place in their counsels than our material assets alone would strictly warrant'. Britain's 'intangible' assets were seen as being of genuine value, although it was recognised that this might not always be the case. If Britain was to retain its position as a nation with global interests and responsibilities, it would be necessary to devote sufficient resources to the task, even if this was at the expense of domestic living standards. Highlighting the viewpoint of the 'overseas' departments, above all the Foreign Office, the officials' final report affirmed:

⁵⁴ 'Britain's Obligations Overseas': Memorandum by the Foreign Office, 14 April 1958, T 234/768.

⁵⁵ Future Policy Steering Committee minutes, 13 November 1959, CAB 134/1930.

We have the capacity to play a world-wide role only if we are willing as a nation to devote our actions and resources to this purpose. There are many desirable ways of using our resources at home, especially the improvement of our standard of living through better social services and the increasing of our wealth through productive investment. But we cannot exert influence in the world unless we devote resources sufficient to underwrite our external responsibilities.

Nevertheless, Britain would need to increasingly think in terms of the interests of the free world as a whole, it being judged necessary to work more as a member of international alliances and groupings - indeed, the Steering Committee concluded: 'it may be our [Britain's] role in the 1960s to set an example in making international action of this kind effective'.⁵⁶ It is perhaps salutary to reflect that Britain had rejected membership of the EEC in 1957, an act of 'alliance-building' with the express aim of creating greater West European prosperity. Remarkably, UK membership of the EEC was not mentioned as a possible policy option in the 'Future Policy Study, 1960-1970', which can partly be explained by the commitment of officials to a global role.

Britain's 'special relationship' with the United States was seen as the most important facet of UK foreign policy.⁵⁷ The containment of the Soviet Union and China would provide the central underpinning of US geo-political strategy, since concerns over national security and fears over 'losing the struggle for ideological and political mastery [in the Cold War]' dominated political thinking in Washington.⁵⁸ Despite the proximity of the Suez *débâcle*, Britain's 'special' relationship with the United States was seen as an existing source of power and influence, which could be further strengthened. Foreign Office officials believed that the UK would act in 'partnership' with the Americans on major international issues, albeit as a junior partner. A Foreign Office working paper,

⁵⁶ 'Future Policy Study, 1960-70', 24 February. 1960, CAB 134/1929.

⁵⁷ The phrase 'special relationship' was first used by Winston Churchill in the House of Commons on 7 November 1945. On the term 'special relationship', one Foreign Office official noted: 'this term has changed during the past 20 years and has been misconstrued to imply that there is some kind of preferential relationship between this country and the USA. This is certainly not our view. The "special relationship" is a fact, e.g. we speak the same language and have the same cultural antecedents; a "preferential relationship" is part of popular mythology and is frequently put up as a cock-shy to enable its detractors to knock it down'. See R. M. K. Slater to A. Henderson, 5 May 1965, FO 371/179573.

⁵⁸ *Ibid.*

on likely American policy in the 1960s, argued:

There is no reason why the habit of prior political discussion with us should not continue world-wide, *provided that we go on playing the game as we are now doing*. This does not mean that we will always get the Americans to do what we want. But it does mean that we shall have a better chance than anyone else. As our political as well as our commercial and defence interests cover the seven seas, it is not hubristic to believe that *our experience and insight* will continue to be of interest to those who have the appalling task of trying to make the American machine work.⁵⁹

The Foreign Office thus shared the rather condescending assumption, most famously expressed by Harold Macmillan, that Britain would act as 'Greeks in America's Roman Empire'.⁶⁰ The British Embassy in Washington, in an annual review of the United States (which considered the ramifications of the election of President Kennedy), made a similar point, in a despatch to the Foreign Office:

For our part we may have some uncomfortable moments as Mr Kennedy tries to grow into the mantle of Roosevelt. But we shall have many opportunities to exert our influence. . . We shall start as the most important and, what is more, the most reliable of America's allies. . . Consequently we should not be anxious that the new United States Government will not be disposed to listen to our counsel. Whether they follow it or not will largely depend on their judgement of its soundness and practicability in meeting the challenges of a changing world. Their judgements will be as liable to error as those of previous American governments, and during the course of 1961 we may well have occasion to reflect that to err is human, to forgive divine.⁶¹

⁵⁹ 'Note on United States Policies, 1960-1970': Memorandum by Washington Embassy for Future Policy Study Working Group, 8 July 1959, CAB 134/1934. Added Emphasis.

⁶⁰ Macmillan, when British Minister Resident to Allied Forces Headquarters in the Middle East during the Second World War, expressed this view to Richard Crossman, who was later a prominent critic of Britain's East of Suez role: 'We, my dear Crossman, are Greeks in this American Empire. You will find the Greeks much as the Greeks found the Romans - great big, vulgar, bustling people, more vigorous than we are and also more idle, with more unspoilt virtues but also more corrupt'. See A. Sampson, *Macmillan: A Study in Ambiguity*, (London: Penguin Press, 1967), p. 61.

⁶¹ 'Annual Review', Washington Embassy to Foreign Office, 1 January 1961, FO 371/156435.

Nevertheless, cordial Anglo-American relations were not seen as 'a law of nature'. The Future Policy Study identified several points of potential friction between London and Washington: Sino-British relations were seen as having the potential to create divisions between Britain and the United States - for example, if the United Nations General Assembly took a vote on China joining the UN, Britain would probably oppose America's negative position on such a proposal. Furthermore, Britain's ambiguous relations with Europe might lead to further Anglo-American disagreement, since Washington favoured the concept of a 'United Europe' - despite the potential for dollar discrimination - and were anxious that the EEC should form a strong and cohesive political unit. Unless Britain reached a 'permanent understanding' with Western Europe, Washington might become increasingly indifferent towards British policy.⁶² The emphasis on 'permanent understanding', and not 'membership', is stark; as this issue was cited as an area of potential friction over the next decade, it is clear that Whitehall had not yet attained a settled view on the issue of Europe.

With regards to Western Europe, it was agreed that Britain's main objective should be to contribute towards the 'unity and strength' of NATO and the Atlantic Alliance. The main threat to Western European unity, it was suggested, lay in the future of Germany, which, in turn, depended on the course of French policy. A strong France, committed to the principles underpinning NATO, was regarded as essential to the future stability of Western Europe, and it was generally thought that only General de Gaulle could 'hold France to such a pitch'. It was recognised, however, that de Gaulle was a strong proponent of French individualism and nationalism; such ideals, if carried to their logical conclusion, 'would wreck the Atlantic Alliance'. The movement towards greater West European unity was deemed beneficial to Britain's future interests: this would offer the best means of preventing German neutralism; limit the possibility of a *rapprochement* between Germany and the Soviet Union; guard against a reversion to

⁶² 'Future Policy Study, 1960-70', 24 February 1960, CAB 134/1929.

Franco-German disharmony and a return to German militarism; and, most importantly, firmly tie Western Europe to the Atlantic Alliance. The Future Policy Study indicated that Britain would have to adapt itself 'to the idea of living alongside a very powerful West European group', making it essential to cultivate a more intimate relationship with the EEC, since 'it would seriously weaken our own [Britain's] standing in the Commonwealth and in the Atlantic Alliance and the cohesion of the Alliance itself if we found ourselves excluded from Europe'. As a 'relatively small economic Power', Britain would become increasingly exposed to the economic and trade policies of the EEC, making it necessary, at some point over the next ten years, to form 'a satisfactory association with it'.⁶³ A little under three years later, following Britain's failed negotiations to join the EEC, Macmillan's own view on this subject had undergone a dramatic transformation, noting in his diary: "What is the alternative to the European Community (?)" If we are honest, we must say there is nothing'.⁶⁴

The 'overseas' departments generally viewed the Commonwealth as an asset that enhanced Britain's international status. Macmillan's own view was not that the Empire was 'breaking up', but, on the contrary, it was 'growing up' through the Commonwealth.⁶⁵ The Future Policy Study's arguments as to the value of the Commonwealth largely reinforced the conclusion of Whitehall's 'audit of Empire', conducted at Macmillan's behest in 1957.⁶⁶ The existence of the Commonwealth, it was held, would 'demonstrate to coloured and not least to colonial peoples the possibility and advantage of an independent but close relationship with White Western Powers'; not, it should be noted, exclusively Britain. The colonial character of the Commonwealth would be replaced by 'a more wide-spread community of sentiment' that had the potential to adopt a concerted approach to international issues - later

⁶³ *ibid.*

⁶⁴ Harold Macmillan's Diary (hereafter HMD), Department of Western Manuscripts, Bodleian Library, University of Oxford, d. 49, entry for 4 February 1963.

⁶⁵ H. Macmillan, *Riding the Storm, 1956-1959*, (London: Macmillan, 1971), p. 200.

⁶⁶ For a detailed account of Macmillan's 'audit of Empire' see T. Hopkins, 'Macmillan's audit of Empire, 1957' in T. Hopkins, 'Macmillan's audit of Empire, 1957' in P. Clarke and C. Trebilcock, *Understanding Decline: Perceptions and Realities of British Economic Performance*, (Cambridge: Cambridge University Press, 1997), pp.238-239.

events, examined in subsequent chapters, showed this to be somewhat wishful thinking. Britain would also benefit from continued 'intimate co-operation' with Australia, New Zealand and Canada, and it was believed that mutual advantage would ensue from the economic expansion of these countries. Reflecting pressure from the CRO, the final draft of the Future Policy Study concluded: 'The Commonwealth association is a very important source of political influence, which buttresses our standing as a Power with world-wide interests'. At the outset of the study, CRO officials had taken a forceful position on the value that ought to be attached to the Commonwealth, as Orme noted to Brook: 'The Commonwealth Relations Office, with some support from the Colonial Office, has caused increased emphasis to be given to . . . the Commonwealth. They pressed their point of view rather extremely at the beginning, but now seem . . . to be reasonably content that their interests are not being overlooked'.⁶⁷ Officials in the Treasury and Board of Trade were less impressed by the perceived benefits of the Commonwealth, viewing it as an unwieldy and disparate organisation, a viewpoint that was also reflected in the Future Policy Study: 'politically it [the Commonwealth] can be sometimes more of an embarrassment than an asset'.⁶⁸ Moreover, officials in the 'overseas' departments saw the Commonwealth as an important bulwark against the spread of Communism in Africa and Asia, arguing that it helped 'keep away from Communist clutches a very large part of the world's population, which might otherwise be vulnerable'.⁶⁹

The maintenance of Britain's position in Churchill's 'three circles' provided the central underpinning of British foreign policy in the late 1950s and early 1960s. It was predicted that this would remain the case throughout the decade, although it was recognised that it might not be possible to retain an equally close relationship with all three groupings. It was generally hoped that Britain would act as a bridge between

⁶⁷ J. S. Orme to Brook, 30 July 1959, CAB 21/3841.

⁶⁸ 'Future Policy Study, 1960-70', 24 February, 1960, CAB 134/1929.

⁶⁹ *ibid.*

Western Europe and the United States, avoiding being placed in a situation where it would have to choose between the two:

One basic rule of British policy is clear: we must never allow ourselves to be put in a position where we have to make a final choice between the United States and Europe. It would not be compatible with our vital interests to reject either one or the other and the very fact that the choice was needed would mean the destruction of the Atlantic Alliance. The continued cohesion of the alliance, though not necessarily in its present form, is essential. We must therefore work to ensure the continuation of a wide economic and political community of interests embracing both the United States and Western Europe. In so far as the United Kingdom can help to keep Western Europe steady in the alliance we shall enhance our own standing in American eyes.

If this course could be followed in the decade ahead, Britain would be able to exert influence over American policy and 'not need slavishly to follow their [the United States'] line'. By securing greater interdependence in the 1960s, Britain would be able to act with some degree of independence. If the interests of the Commonwealth conflicted with those of the Atlantic Alliance (which covered both the United States and Western Europe), Whitehall agreed that Britain should choose the latter: 'if such a clash of interests should arise . . .', it was agreed, '. . . then we should never forget that the preservation of the Atlantic Alliance is, in the last resort, the most basic of all our interests'.⁷⁰ In April 1961, the Earl of Home, Secretary of State for Commonwealth Relations, wrote an article for *International Affairs*, in which he argued: 'When I hear people talk . . . of our having to choose between the United States or Commonwealth or Europe, my reply is that that is not the choice . . . The choice is not between one or the other'.⁷¹ This sentiment may have characterised the views of Home and the CRO, but it did not represent the general consensus within Whitehall.

⁷⁰ *ibid.*

⁷¹ The Earl of Home, 'Interdependence: The British Role', *International Affairs*, vol. 37, no. 2, (April 1961).

Britain's Extra-European Role.

Policy-makers divided Britain's role outside Europe into four discrete areas: Africa, south of the Sahara; the Middle East and North Africa; Asia and the Far East; and, least importantly, Latin America.⁷² It was generally believed that it was in Britain's interests to check Sino-Soviet expansionism in all these areas; to keep local governments and populations 'on our side' or, at least, benevolently neutral; and to promote general prosperity.

The Future Policy Study's conclusions in regard to Africa were largely informed by an inter-department report carried out by the Africa (Official) Committee in 1959, which will be examined in greater detail in Chapter III.⁷³ In sub-Saharan Africa, it was argued that British policy should be aimed at fostering stability and freedom in the newly independent states, helping to establish self-governing societies founded on the 'rule of law' and respect for individual liberty. The immediate problem in multi-racial African states was to reduce inter-racial tensions, since only when this was attained could there be progress towards self-government or full independence. Although a commitment to creating integrated multi-racial societies might potentially lead to 'difficulties with impatient African nationalists', officials in the 'overseas' departments (particularly the Colonial Office) attached priority to ensuring a harmonious transition to self-government. It was accepted, nevertheless, that it might be impossible for Britain to satisfactorily accomplish its 'historic duty' of creating self-governing countries in Africa: 'Pressures may well so build up that we shall find it difficult to pursue the more orderly and less precipitate progress towards independence which we judge to be desirable in East and Central Africa'. An accelerated approach to decolonisation was favoured by the Treasury, which had disagreed with the Colonial Office's approach throughout the 1950s. A. G. Hopkins is right to argue that Britain would have

⁷² Given its relative unimportance in relation to Britain's world role, projected British policy towards Latin America will not be considered in this thesis.

⁷³ See 'Africa: The Next Ten Years' (Foreign Office print), June 1959, FO 371/173972; 'Study of Future Policy, 1960-1970': Note by J. S. Orme and P. E. Ramsbotham, 18 June 1959.

undertaken a faster process of decolonisation had Treasury officials been able to assert greater influence on the direction of policy.⁷⁴

In the 1960s, Britain's defence responsibilities in sub-Saharan Africa would be mainly limited to the fulfilment of its remaining colonial responsibilities, being generally met by local forces, reinforced by British soldiers stationed in the region. Additionally, UK troops based in Kenya could be called upon to settle disturbances, when not committed to their core function of defending British interests in the Persian Gulf and Arabian Peninsula. Whitehall policy-makers still believed that former British colonies should be economically nurtured by the metropole, a role attributable to the country's imperial past: Exchequer loans for independent territories and Commonwealth Assistance Loans for independent members of the Commonwealth were viewed as important in this respect. Britain would also commit itself to financing schemes of technical assistance to Ghana and Nigeria, and to the provision of grants to dependent territories under the Colonial Development and Welfare Acts.⁷⁵ Between 1960 and 1970, such expenditure was expected to be in the region of between £24 and £28 million a year, although it was thought that there would 'be pressure to increase this figure'.⁷⁶

Britain's 'direct' interests in the Middle East and North Africa were more substantial than those located in sub-Saharan Africa. Officials divided the Middle East/North Africa region into two main areas, lying north and south of the Middle East land barrier. North of the barrier, Britain had four major commitments in 1960: membership of Central Treaty Organisation (CENTO), a 'moral' obligation towards Jordan, and treaty agreements with both Cyprus and Libya. Cyprus provided the base facilities for the support of CENTO and for operations in the Levant. The primary purpose of Britain's presence in Libya was to provide protection against Nasser's United Arab Republic (UAR). It was forecast that the unearthing of new oil fields in Libya would make it an

⁷⁴ Hopkins, 'Macmillan's audit of Empire, 1957' in Clarke and Trebilcock (eds.), *Understanding Decline*, p. 257.

⁷⁵ See *Colonial Development and Welfare Acts, 1929-70: A Brief Review*. Cmnd 4677, (London: HMSO, 1971).

⁷⁶ 'Future Policy Study, 1960-70', 24 February, 1960, CAB 134/1929.

even more 'tempting target' for Egyptian expansionism, leading Foreign Office officials to conclude that 'the discovery of oil in Libya will do more harm than good'.⁷⁷ Besides Libya, Britain's remaining commitments in the area lying North of the Barrier were viewed as burdensome, albeit necessary, if the general interests of the West were to be secured:

With the partial exception of Libya . . . the burden which the United Kingdom carries North of the Barrier is in the general Western interest. Notwithstanding this, it is unlikely that our allies will accept a greater share of this burden. The Americans are as fully committed to CENTO as they are ever likely to be and are already contributing much to Jordan, though with increasing reluctance.

These commitments were to be met by forces stationed in Cyprus, Libya and Malta, and by plans to reinforce the area with naval forces, air power and units of the army strategic reserve. These forces might also participate with the US in support of the existing regime in Lebanon, or join in operations South of the Barrier, most probably in Kuwait's defence against Iraq. Conversely, it was argued that it was 'doubtful' whether Britain would wish to intervene again in Jordan, as it had in 1958. Britain's military presence in the Middle East was seen as acting as a buffer against Soviet expansionism - a central policy objective of Britain and the West: 'Indirectly the presence of the United Kingdom land forces in the area and the knowledge that they can be quickly reinforced will continue to be an important factor in strengthening the will of the regional members of CENTO and the Levant countries to stand up to Russia or other threats'.⁷⁸

Foreign Office officials emphasised the importance of halting the spread of Arab nationalism, led by Nasser's UAR, in the Middle East. A Working Group paper,

⁷⁷ J. S. Orme to Brook, 30 July 1959, CAB 21/3841.

⁷⁸ 'Future Policy Study, 1960-70', 24 February, 1960, CAB 134/1929.

prepared by the Foreign Office, speculating on future developments in the Middle East, argued that Nasser (assuming he retained power) would seek a union with Syria, to bring Iraq, Jordan, Saudi Arabia and Kuwait into association with the UAR, and to undermine Britain's position in Southern Arabia and the Persian Gulf. Nevertheless, it was thought that Egyptian expansion, whether by influence or the acquisition of territory, would be checked by the evolution of Iraq, either as a rival republican and Arab nationalist state or as a Soviet satellite. Between 1960 and 1970, it was predicted that the furthest progress towards a united Arab state, under Egyptian leadership, was an enlarged UAR consisting of Egypt, Syria, and Jordan, associated in some way with the Yemen and Saudi Arabia. In the absence of a Communist take-over in Iraq (which was considered unlikely, but not ruled out), it was thought that Qassim (Prime Minister of Iraq, who deposed the Anglophile Hashemite monarchy on 14 July 1958) might succeed in forming an anti-Communist military government, possibly with National Democrat participation, with the tacit support of moderate and radical opinion. The rivalry between such a government and Nasser's Egypt for leadership of the Arab world, and particularly for the allegiance of Syria, would represent a major issue in Arab politics.⁷⁹

In the southern Middle East, policy-makers were less inclined to equate Britain's interests with those of its allies, despite the fact that these had general implications for the West: for example, Britain and Western Europe were both heavily dependent on the Persian Gulf for oil supplies; thus, if the region came under Communist or pan-Arab nationalist influence, the general Western interest would suffer. On 4 November 1959, Dean's Working Group considered a paper on Middle East oil, prepared by the Ministry of Power, in consultation with the Treasury and Foreign Office. After lengthy discussion, Dean summarised the conclusions reached by the Working Group: there would be a growing demand for Middle East oil over the next decade; it was unlikely

⁷⁹ 'Main Trends of Development in the Middle East': Memorandum by the Foreign Office for Future Policy Working Group, 16 July 1959, CAB 134/1934.

that Middle Eastern oil-producing states would overcome their mutual jealousies to coordinate a policy of expropriation against the West; Kuwait was the only country in which Britain might wish to intervene to protect supplies by force; for this purpose, and for the general containment of Communism, Britain would have to maintain forces in the region; unless one or both of these purposes lessened in importance over the next decade, it seemed unlikely that the level of UK forces could be reduced; but it was important to do all that was possible to get Britain's allies to share the defence burden.⁸⁰ The final draft of the Future Policy Study reflected these arguments: 'To the extent that our [Britain's] position in the Persian Gulf area safeguards the supply of oil and preserves the political *status quo*, we are serving a general interest'.⁸¹ 'Otto' Clarke disagreed with this prognosis, believing that it was unlikely that Arab states would 'cut off' the supply of oil in the absence of a UK military presence.⁸²

The Foreign Office believed that demands for political and social reform would gain momentum in all the Persian Gulf states, indicating that it was conceivable that some measure of popular participation in government, at least in Kuwait and Bahrain, would be conceded by 1970. Such a development would not necessarily be conducive to British interests: 'Substantial concessions to popular demands . . .', it was contended, '. . . might lead rapidly to the destruction of the existing regimes and of the special British position in the Persian Gulf'. It was recognised that it would be necessary for Britain to make political concessions to the ruling dynasties. For this reason, Selwyn Lloyd, Secretary of State for Foreign Affairs, advised the cabinet, on 4 January 1960, to accept Kuwait's demand that Britain reduce its jurisdiction in the country, so as to preserve the 'Ruler's confidence'.⁸³ This led to further calls for greater autonomy amongst Persian Gulf states: on 4 April 1960, Lloyd informed the cabinet that the Ruler

⁸⁰ Future Policy Working Group minutes, 4 November 1959, CAB 134/1930.

⁸¹ 'Future Policy Study, 1960-70', 24 February. 1960, CAB 134/1929.

⁸² Clarke to Serpell and Makins, 21 December 1959, CAB 21/3843.

⁸³ Cabinet minutes, 4 January 1960, CAB 128/34.

of Abu Dhabi was anxious that UK jurisdiction in his territory be reduced, as was being done in Kuwait.⁸⁴

Increasing oil production in Qatar, and the possible discovery of oil in the Trucial states and Muscat and Oman, would tend to create 'types of outlook and behaviour familiar in the more advanced Arab countries', although Foreign Office officials believed that the prospects for orderly progress would depend very much on the individual rulers. In Kuwait, for example, it was believed that the ruling family would keep abreast of nationalist and reformist currents. Conversely, it was considered doubtful that the rulers of Bahrain, Qatar, the Trucial States, and Muscat and Oman would have the will to move with demands for greater political participation. Kuwait would, in all probability, be fully independent by 1970, possibly retaining a 'special treaty relationship' with Britain. Identifying the problem of Iraqi expansionism, Foreign Office civil servants believed that Baghdad's policy, in the long run, would 'undoubtedly aim' to absorb Kuwait.⁸⁵ As will be highlighted in Chapter IV, this prediction would come to pass in 1961, an event which forced Britain to prosecute a large-scale military operation in defence of Kuwait's independence.

Britain's policy towards the Middle East, Foreign Office officials advised, should be aimed at terminating extant commitments, whilst avoiding undue damage to the security of oil supplies and the general political stability of the area. Given Whitehall's concerns over the predatory predilections of Iraq, Britain's most important military commitment was to ensure the security of Kuwait - 'at very short notice'. To meet this commitment (in addition to defending other minor Sheikhdoms), naval, land and air forces were stationed in the Persian Gulf and Aden, in addition to the theatre reserves based in Kenya. The Treasury questioned whether Britain should continue to carry out such a burdensome role, asking why Britain's European competitors could not do more to defend the West's general interest in preserving access to Middle Eastern oil.

⁸⁴ Cabinet minutes, 5 April 1960, CAB 128/34.

⁸⁵ 'Main Trends of Development in the Middle East': Memorandum by the Foreign Office for Future Policy Working Group, 16 July 1959, CAB 134/1934.

The Foreign Office was also concerned that the Shah's regime might not survive in Iran. The USSR would work for its replacement by a regime that would be, at the very least, neutralist. Discontent with the Shah, it was predicted, might 'erupt in revolution at any time', though a successful insurrection would be dependent on the emergence of a viable leader, or the Shah 'committing some act which appeared to be a surrender to imperialism'. Prior to any revolutionary faction consolidating its base, it was feared that the Soviet Union would make an effort to capture it through the indigenous Communist Party, possibly precipitating a struggle between Communists and nationalist army officers, similar to that which had taken place in Iraq. Even a non-Communist revolutionary government (except perhaps an extreme right wing junta) would play into Soviet hands, since the accompanying upsurge in nationalist fervour would press for the denunciation of agreements with the West.⁸⁶ It was against this background that British policy towards Iran was framed.

The Future Policy Study argued that Britain's policy in Asia and the Far East was 'one in which the responsibilities and commitments of the United Kingdom. . . ' were '. . . largely inherited from our imperial past'. A large proportion of Britain's Far East land forces were tied up in ensuring the internal security of Singapore for the purpose of using it as a base for all three services. If political developments in Singapore and Malaya were to curb the full use of the base facilities, it was recognised that Britain's position in Singapore might become untenable. The prospects of maintaining UK troops in the area until 1970 would be 'improved', Dean's Working Party agreed, if Singapore and Malaya were able to 'unite or confederate'.⁸⁷ The final report suggested that Australia and New Zealand ought to make a greater contribution to the defence of the area, although it was acknowledged that it would be difficult to convince Canberra and Wellington to increase expenditure in this field.⁸⁸ Dean's Working Group feared that this might have serious ramifications for the Commonwealth, with Australia and

⁸⁶ *Ibid.*

⁸⁷ Future Policy Working Group minutes, 23 and 25 September 1959, CAB 134/1934.

⁸⁸ 'Future Policy Study, 1960-70', 24 February 1960, CAB 134/1929.

New Zealand becoming increasingly dependent on the United States: 'If neither country were willing to make a larger contribution, we (and they) might have to face the fact that they would both tend to gravitate towards the United States'.⁸⁹ The Treasury was sceptical about the value of retaining Singapore, regarding the cost of Britain's military deployment as disproportionate to UK economic interests; as a consequence of pressure from the Treasury, it was recognised that the abandonment of Singapore might have to be contemplated 'before the end of the decade'.⁹⁰ When it was decided to present a version of the Future Policy Study to the Prime Ministers of Australia, New Zealand and Canada, W. A. W. Clark, Assistant Under-Secretary of State at the CRO, argued that the prospect of abandoning Singapore should be referred to in 'rather different terms', as to put such a possibility 'so bluntly' might 'alarm and dismay' Australia and New Zealand.⁹¹ Despite having asked officials to sublimate their departmental views at the outset of the study, Sir Patrick Dean also reflected the viewpoint of his department on this issue, informing J. S. Orme that it was important 'not to give Australia and New Zealand the impression that we are ready to abandon Singapore as a base'.⁹²

Britain's role in South-East Asia was seen by the 'overseas' departments as vital to the wider strategic interests of the West, and this was reflected in the final report: 'The United Kingdom, by virtue of its imperial history and Commonwealth position, plays a role here which cannot be discarded within the next ten years. *We shall have to continue to make a significant contribution*'. The key question, from the perspective of the Foreign Office, was whether the independent countries of South-East Asia could maintain their independence in the face of Communism. Western assistance took two main forms: first, mutual defence arrangements which directly covered Thailand and the Philippines (South-East Asia Treaty Organisation - SEATO) and Malaya (Anglo-

⁸⁹ Future Policy Working Group minutes, 17 November 1959, CAB 134/1934.

⁹⁰ 'Future Policy Study, 1960-70', 24 February 1960, CAB 134/1929.

⁹¹ W. A. W. Clark to J. S. Orme, 3 May 1960, T 298/59.

⁹² P. Dean to J. S. Orme, 4 May 1960, T298/59.

Malayan Defence Agreement - ANZAM), and indirectly Laos, Cambodia, and South Vietnam (designated as part of the SEATO area in a Protocol to the Treaty); secondly, economic and other assistance, aimed at strengthening the economies and governmental machines of South-East Asian countries. Yet, it was recognised that the scale of this defence commitment would have to be reduced over the next ten years, albeit in an incremental and pragmatic fashion, being constrained by Britain's 'interest in the cohesion and development of the Commonwealth and the need to retain some influence over United States policy in the area'.⁹³ Britain's economic aid effort in South-East Asia was to be primarily devoted to Malaya, a country that was a significant 'dollar-earner' for the sterling area. Grants and loans to Malaya were expected to average £7 million per annum, generally seen within Whitehall as an investment yielding a long-term return.

The Reaction of Ministers and Officials.

Macmillan circulated the 'Future Policy Study' to the cabinet on 29 February 1960, instructing the ministers present that, having this picture before them, they ought to formulate policies that corresponded with this broad overview.⁹⁴ On 23 March 1960, a month after the completion of the Future Policy Study, Macmillan met in the Prime Minister's Room in the House of Commons with his senior colleagues: Selwyn Lloyd, Secretary of State for Foreign Affairs; Derrick Heathcoat Amory, Chancellor of the Exchequer; the Earl of Home, Secretary of State for Commonwealth Relations; Harold Watkinson, Minister of Defence; along with R. A. Butler, Secretary of State for the Home Office. Macmillan concurred with the main findings of the Future Policy Study, agreeing that Britain's relative power would decline *vis-à-vis* the United States, the Soviet Union, and possibly the EEC. However, he also believed that the exercise of

⁹³ 'Future Policy Study, 1960-70', 24 February 1960, CAB 134/1929.

⁹⁴ Cabinet minutes, 29 February 1960, CAB 129/100.

'intangible' influence could compensate for the inevitable decline in Britain's economic strength:

Even though the material strength of the United Kingdom would decline relatively, we should still have other assets which would enable us to play a significant part in world affairs. The best periods in our history had by no means been those, such as the nineteenth century, when we had a preponderance of wealth and power, and for the future we must be ready to consider how we could continue to exercise influence in the world other than through material means alone.⁹⁵

Nevertheless, Britain would have to think increasingly in terms of inter-dependent alliances, being ready to sublimate specific British interests in favour of the interests of the West as a whole.

Butler considered the forecast of the international setting unduly pessimistic, arguing that it 'did not sufficiently bring out the possibilities of development of the Commonwealth and Colonial system'. Butler's opposition to accelerated decolonisation was fairly implacable: 'Why. . .', he asked, '. . . should we assume that we had to follow an inevitable course in granting independence to our colonial territories and thus create trouble for ourselves in the United Nations? Did the Nigerians really want independence?'. The predicted economic growth rates of Germany and France, and of the EEC generally, concerned Butler, who postulated (possibly as a 'Devil's advocate') whether Britain ought to take over the 'leadership' of Europe: 'Should we not "invade" Europe and take the lead before it was too late, thus forestalling the possibility of France adopting isolationist policies with the consequent risk of [the] collapse of West European unity'.⁹⁶ The views expressed by Butler at the meeting might well have been deliberately disingenuous and provocative, in an attempt to raise the tempo of debate amongst senior colleagues; as Home Secretary, Butler

⁹⁵ 'Future Policy Study, 1960-70': Minutes of Ministerial Meeting, 23 March 1960, CAB 134/1929.

⁹⁶ *ibid.*

was not obligated to defend the viewpoint of a particular department, giving him a 'free hand' in the discussion.

The Earl of Home, whilst accepting the general analysis that British power would decline, felt that the final document failed to give due weight to the Commonwealth 'circle' in supporting Britain's world role: 'Without the USA we should be defenceless, without Western Europe we should be poorer, but without the Commonwealth our position in the world would rapidly decline'. If the Future Policy Study was carried out to its logical conclusion, Home contended, Australia and New Zealand would become 'satellites' of the United States and India might be 'cut off' from the West altogether. Similarly, Harold Watkinson accepted that 'the United Kingdom could not stand alone in the world in the 1960s', although, like Macmillan, did not think that this would preclude Britain from playing a significant role in international affairs. Even so, Watkinson was incapable of great original thought, having been appointed to the Ministry of Defence, at least according to Macmillan's diaries, in part for being a 'self-made man', an attribute Macmillan often equated with sound judgement.⁹⁷ Rather mysteriously, Watkinson suggested that 'the United Kingdom could take the lead behind the scenes', directing the policies of other countries, namely the United States. Britain, according to Watkinson, could 'discreetly exert leadership in many fields where the Free World was in need of leadership', by working through international alliances and the Commonwealth.⁹⁸

The Chancellor of the Exchequer, representing the department most in favour of reducing the level of overseas expenditure, criticised the Future Policy Study for not adequately questioning the economic viability of Britain's world role. Heathcoat Amory candidly asserted that 'he could not see how we could continue to carry out present commitments overseas, even with the help of our friends and allies'. In particular, he doubted whether it was right to assume that Britain 'must continue indefinitely to carry

⁹⁷ HMD, d 37, entry for 18 October 1959.

⁹⁸ 'Future Policy Study, 1960-70', Minutes of Ministerial Meeting, 23 March 1960, CAB 134/1929.

part of the defence burden in Asia and the Far East'. In this respect, Heathcoat Amory was very much reflecting the views of 'Otto' Clarke, who questioned the long-term viability of retaining such commitments: 'Our forces are stretched over a hotchpotch of commitments (mostly of dubious relevance to our own needs and those of the West). Any of a dozen happenings, none unlikely and none even originating in the Sino-Soviet *bloc*, would compel us to withdraw from these commitments'.⁹⁹ Embracing a subject other members of the committee had neglected, Heathcoat Amory suggested that it could 'not lightly be assumed' that Britain could continue to devote 8½ per cent of GNP to support overseas policies throughout the following decade, as expanding public programmes in the social services and investment in industry would make it extremely difficult to maintain such levels of overseas expenditure. In order to preserve a reasonable balance-of-payments and the strength of sterling, it would be necessary for Britain to curtail some of its 'existing overseas commitments, as regards both defence and aid'. Accurately articulating the views of his senior officials, Heathcoat Amory asserted: 'At present we were trying to undertake more than we could expect to achieve, especially if the declared policy of the Government to reduce taxation rates were to be maintained'. In discussion there was general agreement that securing a stable balance-of-payments was important; however, it was also agreed that it might be preferable to maintain the existing burden of taxation rather than reduce the proportion of national resources allotted to overseas expenditure. In order to secure greater economies in expenditure, ministers agreed that further efforts should be made to encourage the United States, Western Europe and the older Commonwealth countries to bear a greater proportion of Western defence and economic aid spending.¹⁰⁰

Sir Frank Lee, (Joint) Permanent Secretary to the Treasury, thought that the major value of the study lay in setting Britain's capacities and resources within the context of the international environment. This had been a central objective of the Treasury from

⁹⁹ Clarke to Serpell and Makins, 21 December 1959, CAB 21/3843.

¹⁰⁰ 'Future Policy Study, 1960-70': Minutes of Ministerial Meeting, 23 March 1960, CAB 134/1929.

the outset and was recognised in the final report. On 5 April 1960, in a meeting at the Treasury, Lee claimed that the 'general background setting out our place in the world and showing our dependence upon alliances rather upon our own independent military efforts was well done'. Lee also felt that the importance of a sound economy for carrying out Britain's world role had been 'given its proper weight'. 'Otto' Clarke shared this view, adding that he thought Section B - 'The Resources of the United Kingdom' - was particularly important, as 'this was the first serious attempt at a detailed survey of this kind, covering as it did the prospective development of the U.K. economy'. Sir Robert Hall, Director of the Treasury's Economic Section, believed that the most important conclusion, emerging from the study, 'was the necessity of a contraction and concentration of our efforts, which were spread out much too thin - with the result that we were failing to make as effective impact as we should'. Senior Treasury officials were therefore content with the first two sections of the Future Policy Study; the conclusions in Section C, on the other hand, were seen as incompatible with the rest of the report, thus reducing its applicability. Clarke argued that it was 'more difficult to justify our defence policy in the Middle East and Far East (particularly the latter) which assumed that these were areas where the U.K. had special responsibilities'. 'The role we were trying to carry out in these areas . . .', Clarke argued, ' . . . did not really fit in with the criteria in the report governing the desiderata of the U.K.'s policy in the 1960s'.¹⁰¹

The size and scope of other countries' defence and aid efforts was highly significant in the Treasury's view, as this influenced the level of expenditure Britain was required to devote towards its overseas commitments. Consequently, when it was decided to present a version of the 'Future Policy Study, 1960-70' to the Canadian, Australian, and New Zealand governments, a number of senior Treasury officials thought it essential to take a robust line with the 'old' dominions. Brook felt such an approach to

¹⁰¹ 'Future Policy: Minutes of a Meeting held in Sir Frank Lee's Room, 5 April 1960, T325/65.

be lacking in diplomatic tact, believing it better to present these countries with a 'bowdlerised version' of the report (particularly Sections A and B). There was even disagreement within the Treasury on how to approach this issue. Frederick Vinter, a senior Treasury official, argued that 'the reference to the so-called "old dominions" is not particularly tactful, and the main question is how much we should leave in order to be able to get across the message to them'.¹⁰² Clarke strongly disagreed with this view, and in a reply to Vinter, asserted: 'I cannot really see why we should be "tactful" - surely the point of giving it to them is to give them the facts'. The implementation of strategy into tangible action was intrinsic to Clarke's thinking, and he urged Lee to use his influence within Whitehall to prevent the 'overseas' departments deflecting from the central economic realities outlined in the study. Clarke, in a note to Lee, contended: 'it would be absurd to water this down to meet their [the 'old dominions'] susceptibilities. Indeed, one of the purposes, I suppose, is to teach them the facts of life. (Nevertheless, I should not be at all surprised if the Commonwealth Relations Office wanted to cut this out - if so, I would press you to resist strongly)'.¹⁰³ As Clarke predicted, CRO officials strongly opposed such an approach: on 3 May 1960, W. A. W. Clark, writing on the behalf of Sir Alexander Clutterbuck (Permanent Under-Secretary to the CRO), argued that to 'present the Commonwealth Prime Ministers with such a critical and unvarnished analysis of the Commonwealth could only leave them with the impression that we do not rate it very high nor give it much weight in our assessment of world affairs and developments'.¹⁰⁴ Taking up Clarke's recommendation, Lee wrote to Brook on 4 May, suggesting that Britain had 'got into a position *vis-à-vis* the Commonwealth of being frightened of ghosts under the bed and of believing that the Commonwealth prefer illusions to plain and realistic speaking . . . Indeed, surely one of the purposes of letting the Prime Ministers see this document is precisely to rub in the particular point about the inadequacy of the Canadian, Australian and New Zealand

¹⁰² R. F. P. Vinter to Clarke, 19 April 1960, T298/59.

¹⁰³ Clarke to Lee, 28 April 1960, T 298/59.

¹⁰⁴ Clark to Orme, 3 May 1960, T 298/59.

defence contributions'.¹⁰⁵ Despite Clarke's Gradgrindian concern with presenting Britain's allies with the 'facts', the Treasury was unsuccessful in getting its 'world view' accepted within the rest of Whitehall. This can be explained by two major factors: firstly, the Treasury was heavily outnumbered in the Future Policy Study committees by departments that had a vested interest in maintaining overseas commitments; secondly, there was no appetite within the Conservative Party or Whitehall (Treasury and Board of Trade apart) for a radical revision of Britain's global role. On 13 May 1961, Macmillan met with the Prime Ministers of Australia, New Zealand and Canada to discuss the Future Policy Study, but was unable to secure a solid commitment from the 'old' dominions to contribute more to Western defence, a failure attributable to Whitehall's reluctance to present these countries with the 'facts'.¹⁰⁶

Summary.

The Macmillan government's 'Future Policy Study, 1960-1970' represented an important attempt to assess the best means of maintaining British power and influence in the world. Although it was hoped that the final review would not be too closely bound up with departmental thinking on international problems, officials and ministers generally represented the views of their respective Whitehall departments in committee discussions, resulting in a final report containing contradictory conclusions; this can be accredited to Section A (The International Setting) and Section B (The Resources of the United Kingdom) being largely drafted by the Treasury, and Section C (The Main Objectives of the United Kingdom's Overseas and Strategic Policy) being produced by the Foreign Office. It is difficult to substantiate the claim that Whitehall was motivated by an outdated imperial sentiment when preparing the Future Policy Study - rather a stalemate had been struck between those who favoured a change in the central thrust

¹⁰⁵ Lee to Brook, 4 May 1960, T 298/59.

¹⁰⁶ 'Note of a Meeting between Mr Diefenbaker, Mr Menzies, Mr Nash and Mr Macmillan held at 10 Downing Street', 13 May 1960, T 298/59.

of British foreign policy away from extra-European commitments (the Treasury and the Board of Trade) and the departments which believed that the retention of global responsibilities served Britain's wider interests (the Foreign Office, Commonwealth Relations Office, and Colonial Office). Senior Treasury civil servants argued that Britain's overseas obligations were incompatible and inconsistent with the capacity of the UK economy, but were unable to engineer a reversal in British geo-strategic objectives, a fact that can be largely attributed to the make-up of Dean's Working Party and Brook's Steering Committee, which contained representatives from the three 'overseas' departments and the Ministry of Defence, all of which had a vested interest in maintaining the *status quo*. The following chapters analyse how these fundamental differences were played out and reconciled between 1959 and 1968.

Chapter III: British Policy Towards Africa, 1959-1968.

John Darwin argues that historians will be hard pressed to find any coherent rationale behind the process of British withdrawal from Africa.¹ As a provisional judgement, Darwin suggests that officials were more influenced by the 'constraints of the local situation on the African continent than by the new international considerations', but cautions (as all historians with limited access to archival material should reflect) that the causes of this decisive shift in policy will remain 'obscure until the archives of the 1960s are opened up'. On the other hand, Robert Holland has claimed that British withdrawal stemmed from a fundamental change in national priorities, whereby public expenditure was focused towards domestic rather than overseas objectives. He concedes, however, that officials were conscious of the difficulties associated with governing indefinitely, with seminal events such as the publication of the Devlin Report on Nyasaland (which condemned the colonial authorities for running a 'police state') hastening the pace of decolonisation.² Conversely, J. D. Hargreaves maintains that British policy towards Africa, during the late 1950s and 1960s, was informed by fears that the Anglo-American relationship 'could be jeopardised if Britain remained too closely identified with the residues of her colonial empire in eastern and southern Africa'. With increased pressure on Britain's limited resources, Hargreaves contends, Africa was one of the few areas 'where many commitments could be safely contracted'.³

Most academic works on Britain's retreat from Africa neglect the role of Whitehall, preferring to concentrate on a single territorial possession, or the process of decolonisation as it was administered 'on the ground'. Thus, how leading politicians and civil servants - the individuals responsible for the formulation and prosecution of 'high'

¹ J. Darwin, *Britain and Decolonisation: The Retreat from Empire in the Post-War World*, (London: Macmillan, 1988), p. 278.

² R. Holland, *The Pursuit of Greatness: Britain and the World Role, 1900-1970*, (London: Fontana, 1991), p. 198.

³ J. D. Hargreaves, *Decolonisation In Africa*, (London: Longman, 1988), p. 187.

foreign policy - reacted to the 'winds of change' remains an under-examined theme. This thesis concentrates on the economic, geopolitical, and strategic importance of Africa in the thinking of senior officials and ministers, examining the extent to which such considerations informed perceptions of Britain's world role; it is not a study of decolonisation *per se* - rather it seeks to examine the changing significance of Africa in the thinking of Whitehall. Utilising recently released documents, this chapter questions a number of the central arguments put forward to explain Britain's decision to relinquish its leading role in Africa, providing a re-evaluation of Darwin's emphasis on local constraints over international factors. Historians have hitherto tended to underestimate the extent to which British withdrawal from Africa was informed by wider global politico-strategic considerations. African nationalist opinion not only had an impact on the internal stability of the colonies and the ability of the colonial authorities to govern, it also had to be accommodated in order to secure wider British interests: for instance, Britain's position within the Commonwealth and the United Nations was dependent on securing close relations with former territories; UK bases and over-flying rights in East Africa were strategically valued assets, supporting Britain's position in the Middle East and South-East Asia; many African states held large sterling balances, the withdrawal of which could cause serious damage to the sterling area, something policy-makers aimed to avert because of the potential ramifications on Britain's international status (as demonstrated in Chapter II); Whitehall also had to consider the implications of disengagement on the position of Britain (and, by extension, the West) in the Cold War. Was decolonisation accelerated so as to prevent (or, at least, limit) damage to Britain's international position, thus making the whole process not so much an aspect of continuing decline as a rational attempt to maintain international power and influence? Was an obstinate stance against decolonisation rejected on the grounds that it might inflict long-term damage on Britain's

position in both the Commonwealth and the UN, as opposed to avoiding a series of expensive colonial wars?

Policy-makers also had to balance the impact of Anglo-South African relations on Britain's standing amongst developing nations. Throughout the period under examination, British officials were torn between two competing interests in regard to South Africa: first, Anglo-South African trade was important to Britain's balance of payments, making it difficult to adopt an overly hostile stance against Pretoria's policies; secondly, since developing nations (both inside and outside the Commonwealth) generally looked for unequivocal condemnation of South Africa, a failure to openly oppose *apartheid* had the potential to precipitate the disintegration of the Commonwealth. This thesis will highlight the importance of this issue, largely neglected by historians, on Whitehall's thinking towards Africa during the 1960s.

Finally, historians have tended to ignore how Whitehall adapted to the immediate post-colonial world. Britain's relations with its former colonies did not come to an end with the achievement of independence: UK trade with the former colonies continued; British companies continued to operate in Commonwealth Africa; Whitehall's interests in securing stability - in a potentially fractious area - did not end with the termination of British rule. What were Britain's main objectives in the immediate post-colonial period? Did policy-makers hope to retain *de facto* control in the former colonies? How sensitive was Whitehall to charges of neo-colonialism?

'Africa: The Next Ten Years': A Policy Agenda for the 1960s?

On 12 April 1957, Sir Frederick Hoyer-Millar, Permanent Under-Secretary to the Foreign Office, asked Sir Norman Brook, Secretary to the Cabinet, to give consideration to the possibility of establishing 'some kind of Africa Committee'. Having had informal

discussions with Brook on this subject beforehand, Hoyer-Millar added, in parenthesis: 'Under Cabinet Office chairmanship, of course'.⁴ Brook followed up this request some five days later, informing Macmillan: ' . . . the international importance of Africa is increasing rapidly. Problems are consequently arising which transcend the Departmental responsibilities of the FO, CRO and CO for their respective territories. There is a clear mood for some standing machinery for inter-departmental co-ordination in matters affecting Africa as a whole or large areas of it'.⁵ Consequently, on 9 May 1957, Macmillan established the Africa (Official) Committee (A(O)C), its terms of reference being: 'To keep under review political and economic problems concerning Africa (excluding problems concerning the Suez Canal or problems in which Egypt and Libya are the only African states concerned) which raise important questions of policy calling for inter-departmental discussion'.⁶

In January 1959, officials on the A(O)C began work on an inter-departmental review of Britain's future policy towards Africa. The genesis for this reappraisal arose from talks between Selwyn Lloyd, the Foreign Secretary, and John Foster Dulles, the US Secretary of State, at Brize Norton in October 1958, when Britain and the United States agreed to undertake a joint review of policy with respect to Africa. Sir Burke Trend, the civil servant entrusted with the chairmanship of the A(O)C, was tasked with synthesising varying departmental views on a range of relevant issues. On 14 January 1959, at the first meeting of his committee, Trend clarified the need to identify Britain's main interests, as well as the best means of defending these over the next ten years, given Africa's strategic position as the likely 'next object' of Soviet attack. In discussion, officials also agreed that the committee should, against the need to formulate a comprehensive Anglo-American policy towards Africa, seek to establish inter-departmental consensus on issues

⁴ Hoyer-Millar to Brook, 12 April 1957, CAB 21/4580.

⁵ Brook to Macmillan, 17 April 1957, CAB 21/4580.

⁶ 'Africa (Official) Committee: Terms of Reference', 9 May 1957, CAB 21/4580.

specifically relating to Britain's own interests: for example, it was important to strike an appropriate balance between the political advancement of the remaining colonies and the strategic requirement of maintaining UK defence facilities in Africa. Whilst appreciating the significance of consultations with the Americans, the committee agreed on the need to avoid giving 'the impression of allowing these to determine' Britain's future policy towards its colonial territories. Discussions with the United States, the committee agreed, should take place in two distinct stages: first, officials would ascertain American views on likely future developments in Africa; and, secondly, after Whitehall had reached agreement on Britain's own policies, further talks should be held to determine how a coherent Anglo-American approach could be devised to promote the achievement of agreed strategic aims. Officials hoped that talks with the United States would increase British influence in shaping future American policy, believing that such discussions would provide an 'opportunity of influencing their [American] thinking . . .', which ' . . . underlined the importance of crystallising our [Britain's] own ideas in advance'.⁷

The Committee, following these initial considerations, turned its attention to Britain's main political, strategic and economic interests in Africa. Provisionally, Britain's fundamental political interests were defined as the maintenance of stability and a 'pro-Western outlook' in former and newly independent African territories. Over a large part of the continent, however, officials recognised that a pro-Western outlook would be too much to hope for, and it might be necessary to accept some form of neutrality, similar to that practiced in India. This led attention to be focused on the crucial question of whether British interests would be best served by the retention or relinquishment of political control in dependent territories. The A(O)C agreed that it could not be assumed that ceding control would necessarily represent the best means of ensuring a pro-Western or politically neutral Africa: for example, East Africa lacked a 'reasonably educated middle

⁷ 'Africa (Official) Committee Minutes, 14 January 1959, CAB 134/1353.

class', and it was feared that a poorly timed withdrawal would lead to 'administrative chaos' and a 'dangerous power vacuum', making the area more susceptible to Communist incursion. It was recognised, nevertheless, that it would be impossible to retain control of the dependent territories indefinitely, and that the general thrust of British policy would have to be aimed at establishing 'an adequately educated middle class capable of advancing the territory after independence'. If Britain pursued this objective during the period prior to withdrawal, there would be a better chance of minimising the effects of anti-Western influence, resulting in a final outcome 'more in accord with our [Britain's] general political interests than would otherwise be the case'.⁸

In considering Britain's strategic interests, officials had to assess how crucial UK defence rights and facilities in Africa were to wider geo-political objectives. C. W. Wright, Assistant Secretary to the Ministry of Defence, indicated that Britain's strategic interests in Africa centered on the stationing of the strategic reserve in Kenya and the possession of over-flying and staging rights in several East African territories. The need to retain the strategic reserve in Kenya depended wholly, and that of over-flying and staging rights partly, on the extent to which Britain would be prepared, in the long-term, to safeguard its oil supplies in the Persian Gulf by military means. Provided control of Aden could be retained, Wright maintained, Britain would be able to secure its interests in the Persian Gulf and Arabia without an embedded military presence in East Africa; to do so, however, would be prohibitively expensive.⁹ Arguably because of its relative weakness as a department within Whitehall, the Ministry of Defence was only prepared to offer advice on the strategic viability of maintaining a military presence in Africa, as opposed to articulating a considered view as to the *desirability* of such a policy course, reflecting its subordinate

⁸ *ibid.*

⁹ *ibid.*

position to the 'lead' departments - Foreign Office, Commonwealth Relations Office and Treasury - in shaping Britain's foreign policy agenda.

Trend's committee then turned its attention to Britain's economic interests in Africa. While alternative sources of supply might be available for some of the raw materials produced in Africa, A(O)C officials felt that the continent would remain an important market for Western (particularly British) exports. On the other hand, the withdrawal of European administrators was liable to limit the capacity of African countries to absorb the capital necessary to develop their economic and social infrastructure on a significant scale. Importantly, Trend's committee accepted that Britain's economic (as well as strategic) interests might have to be sacrificed in the interests of preserving general political stability. Officials did not, however, view stability as being necessarily commensurate with democratic rule, and, in discussion, it was suggested that 'the time might come when the United Kingdom should support political groupings which fell short of those which we regard as ideal, in order to prevent a much worse outcome'.¹⁰ Such pragmatism does not lie easily with Macmillan's claim that British decolonisation was guided by a sense of 'duty', whereby Britain passed on to its former colonies the 'advantages' it had gained 'through the course of centuries'.¹¹

In June 1959, the A(O)C produced its final report, entitled 'Africa: The Next Ten Years'. The purpose of the officials' paper was to survey the strategic development of Africa over a ten-year period; not, it should be noted, stipulate detailed recommendations on individual problems. The report sought to provide a framework within which Britain could determine, with its allies, the future policy course to be adopted 'towards the rapid march of events in the African continent'. There was general agreement that the "scramble out of Africa" presented a unique dilemma: unlike other areas of the world where the imperial powers

¹⁰ *ibid.*

¹¹ H. Macmillan, *Pointing the Way, 1959-61*, (London: Macmillan, 1972), pp. 116-117.

had transferred sovereignty, as in the case of the Indian sub-continent and the Far East, where 'the political immaturity' of the countries had been compensated by an 'indigenous culture' with 'roots stretching far back into the past', officials saw much of tropical Africa as not 'far removed from primitive savagery'. In consequence, it was suggested that the 'outstanding personalities', that is to say prominent African nationalist leaders, were few and disproportionately important, and that much depended on 'a handful of key men' - Kwame Nkrumah, President of Ghana; Sir Abubakar Tafawa Balewa, Prime Minister of Nigeria; M. Houphouet-Boigny, President of the Ivory Coast.¹²

The officials' paper divided Africa (excluding those countries on the Mediterranean littoral which were generally considered within the context of policy towards the Middle East¹³) into two geographical regions: first, the predominately 'black' (a word consistently used by policy-makers to denote an area with a small settler population) area north of the Congo, extending from Senegal in the west to the Somali territories in the east; and, secondly, the area lying south of the Congo, which incorporated several multi-racial societies, the most important being Kenya and Southern Rhodesia. Forecasting ten years ahead, officials argued that an 'emerging patchwork' of independent and semi-independent states would be established in the area north of the Congo. The two most important states in West Africa, from Whitehall's standpoint, were Ghana (formerly known as the Gold Coast) and Nigeria. The committee predicted that a form of semi-authoritarian government, enforced by Nkrumah's 'democratic' party, or some other 'dominant personality', would continue in Ghana. The A(O)C paper concluded that such a system of government offered the best means of securing internal political security - and, in spite of probable attempts to improve diplomatic relations with Moscow, the most effective way of suppressing internal Communist subversion. It was considered unlikely that the

¹² 'Africa: The Next Ten Years', June 1959, FO 371/173972.

¹³ See Chapter IV.

relationship between Ghana and Guinea would develop into a formal federation, although Whitehall hoped that this 'partnership' would provide the basis for a wider and looser grouping of West African states. Trend's committee considered itself 'on surer ground' in forecasting that Ghana would become a republic during the next five years, whilst remaining in the Commonwealth.

Officials hoped that Nigeria, a nation on the verge of independence when the paper was completed, would maintain cordial relations with London during the post-colonial period. Although Nigeria was a federal construct, potentially capable of fragmentation into a number of regional entities, Whitehall felt that 'regional patriotism', although strongly rooted, would be replaced by a growing 'sentiment of Nigerian unity'. Moreover, if policy-makers played their 'cards well', Nigeria would sign a defence agreement with the UK on attaining independence, remaining a 'fully co-operative' member of the Commonwealth for the remainder of the decade, whilst adopting an implacably hostile stance towards both the UAR and the Soviet Union.¹⁴ Establishing a defence agreement with Nigeria was important from the perspective of Britain's wider geo-political interests, as this would provide the communication facilities necessary for reinforcing the defence of South-East Asia. When the Anglo-Nigerian defence treaty came to be negotiated, Treasury officials expressed concern not about the direct cost of the agreement but the benefit gained from Britain's military role in South-East Asia. Sir Richard Clarke, Second Secretary to the Treasury, argued: 'I must say that I have considerable doubts, after going through the "future policy" exercise, whether this complicated system of communication facilities to the Far East (the maintenance of which is the purpose of this agreement [with Nigeria]) will look as important in 10 (or even 5) years' time as it does now'.¹⁵ By the latter half of the 1960s, as Nigerian politicians became less preoccupied with internal matters, officials

¹⁴ *ibid.*

¹⁵ Clarke to Bell, 8 March 1960, Clarke papers (Churchill College, Cambridge) CLRK 1/3/1/1.

hoped that Lagos would assume a leading role in the affairs of tropical Africa, with the capacity to act as an important pro-Western bulwark against Communist expansion.¹⁶

In the area south of the Congo, the officials' report suggested that the pace of political development would be particularly rapid in non-Commonwealth countries, being most marked in the Belgian Congo.¹⁷ Conversely, constitutional change in British East and Central Africa would vary in accordance with local circumstances. The paper rejected, at one extreme, a policy of prompt withdrawal of UK control and, on the other, a die-hard policy of 'digging-in' and refusing to contemplate any possibility of relinquishing control in the foreseeable future, coming down in favour of a 'middle of the road' policy.¹⁸

As Britain's three main territories in East Africa (Kenya, Tanganyika and Uganda) were to a large extent economically interdependent, A(O)C officials concluded that it would be advisable to promote constitutional advancement at a similar pace. On the other hand, as each state had differing domestic circumstances - Kenya contained a particularly large settler population; Uganda was dominated by Buganda, but relatively 'advanced'; and Tanganyika was a UN Trust Territory - it would be difficult, on a practical level, to promote contemporaneous progress. In Kenya, policy was aimed at establishing a viable, 'non-racial' state, in which the interests of all communities were secured, with Britain maintaining 'full responsibility' until this was achieved at 'some stage' during the mid-1970s. In Uganda, the main difficulty lay in reconciling the conflicting ambitions of 'traditionalists', headed by the tribal rulers, and the aspiring nationalist movements; and, on a regional basis, managing the tensions between Buganda and the rest of the protectorate. Officials did not envisage Uganda being ready for full internal self-government by 1965, but tentatively suggested that this would 'probably' be attained by 1970. Despite possessing an 'educationally backward' population, the African nationalist

¹⁶ 'Africa: The Next Ten Years', June 1959, FO 371/173972.

¹⁷ As envisaged in the far-reaching constitutional plans announced by Brussels in January 1959.

¹⁸ 'Africa: The Next Ten Years', June 1959, FO 371/173972.

movement in Tanganyika was considered to be particularly 'strong and undivided'. Projecting ten years ahead, the A(O)C suggested that the 'main retarding factor' to progress towards Tanganyikan independence would be a lack of personnel 'capable of governing with any hope of success'. Tanganyika, it was argued, would be 'well on the way' to responsible government by 1965 - 'probably' achieving self-government by 1970, whilst remaining heavily dependent on external economic and administrative assistance. Even so, as pressure for constitutional reform fermented, it would be necessary to deploy 'great skill and judgement' in preventing too rapid a move towards independence, a development that could, if too premature, result in 'economic and political chaos. . .', which could potentially ' . . . throw the door wide open to influences hostile to the West'.¹⁹

The plans set out by the A(O)C were quickly thrown into disarray by events in East Africa. On 27 February 1961, following the victory of the Tanganyika African National Union (TANU) in the Tanganyikan Legislative Council elections, Macleod informed the Colonial Policy Committee (CPC) that it would be necessary to grant independence to Tanganyika 'in the very near future'. Fearful about the potentially destabilising impact of Tanganyikan independence on Britain's other colonies, ministers and officials endorsed the idea of establishing an East African Federation, being further hastened by pressure from Julius Nyerere (leader of TANU and Chief Minister of Tanganyika), who argued that the East African territories 'must move towards independence at one and the same time'; accordingly, Macleod advised that Kenya and Uganda should be brought rapidly to a stage of constitutional development, roughly corresponding to the stage reached by Tanganyika.²⁰ Impatient for independence, Nyerere effectively ended Whitehall's hopes of launching an East African Federation, which might precede the attainment of independence by the individual constituent territories, by asserting that Tanganyika should

¹⁹ *ibid.*

²⁰ 'Independence of Tanganyika': CPC memorandum by Macleod, 27 February 1961, CAB 134/1560; 'Constitutional Development in Uganda': CPC memorandum by Macleod, 12 April 1961, CAB 134/1560.

go ahead separately to independence. The cabinet felt unable to stop Nyerere, since it would be difficult to deter the United Nations (UN) from prematurely terminating the Trusteeship Agreement; therefore, it was considered necessary to accept a date for independence not later than March 1962, and possibly as early as December 1961.²¹ Nevertheless, Whitehall refrained from setting a date for self-government in Kenya and Uganda, as Duncan Sandys, Secretary of State for Commonwealth Relations, explained to President Nkrumah, who desired a resolution in the UN setting target dates for the independence of the remaining colonies: 'in Uganda fixing a date would not help to solve the problem created by differences between Buganda and the rest; in Kenya . . . we accepted the view that the majority must rule, but we wished to see independence achieved in circumstances in which the European and Asian minorities would have sufficient confidence to stay on in the community, thereby preventing its economic collapse'.²² With Tanganyika moving towards independence, however, the CPC was forced to accept that 'it would be impossible to justify to the Kenyan Africans the maintenance of United Kingdom rule in Kenya merely on account of the presence of significant numbers of Europeans'.²³ Macmillan feared that there was no possible solution to the problem of Kenya, noting in his diary: 'If we have to give independence to Kenya, it may prove another Congo. If we hold on, it will mean a long and cruel campaign - Mau Mau and all that'.²⁴ Following a London constitutional conference in 1962, Kenya was granted self-government, leading to full independence in 1964.

The circumstances in Central Africa were different from those in East Africa, presenting even greater difficulties from the perspective of Whitehall. The Federation of Rhodesia and Nyasaland, otherwise known as the Central African Federation (CAF), consisted of

²¹ Cabinet minutes, 7 March 1961, CAB 128/33.

²² 'Note of Topics the Secretary of State Discussed with President Nkrumah' (Covering Note - Linnott to Clutterbuck), 3 May 1961, Sandys papers (Churchill College, Cambridge) DSND 8/18.

²³ CPC minutes, 6 January 1961, CAB 134/1560

²⁴ Macmillan, *Pointing the Way*, p. 291.

Southern Rhodesia, a self-governing colony, with an independently minded and expanding European community, and the two British protectorates of Northern Rhodesia and Nyasaland, each of which had large indigenous African populations.²⁵ In Southern Rhodesia, the politically active 'white' settlers, unlike the Europeans in East Africa, were anxious for independence from British control, despite being 'intensely loyal' to the Commonwealth. The Europeans in Southern and Northern Rhodesia wished to amalgamate and achieve 'dominion status', with or without Nyasaland. The Africans in Northern Rhodesia and Nyasaland, on the other hand, looked to Britain to protect their interests against encroachment by the European settlers; moreover, there was mounting pressure for universal adult suffrage in these territories, leading to African political control and independence. In response to these conflicting ambitions, the compromise idea of the CAF evolved: it was hoped that a multi-racial partnership, based on 'civilised standards', would emerge, preventing Southern Rhodesia from allying itself too closely to South Africa, and avoiding 'a direct clash between a white-dominated Africa south of the Zambezi and a black dominated Africa to the north'. In order to counter African fears, the pledges contained in the preamble to the CAF's constitution and reiterated by Conservative ministers in parliament, confirmed that British protection of the indigenous population would be maintained for so long as the African people so wished, whilst simultaneously agreeing to a 'high qualification' for the franchise, based 'on a necessarily arbitrary interpretation of "civilised standards"'. Despite achieving a seemingly workable *modus vivendi*, the CAF was hampered by mutual suspicion: African opinion feared being permanently dominated by a European ruling elite, whereas the settlers harboured concerns of being submerged by an 'uncivilised' African nationalism.²⁶

²⁵ For a detailed account of the creation of the Central African Federation see. R. Hyam. 'The Geopolitical Origins of the Central African Federation: Britain, Rhodesia and South Africa, 1940-1953', *Historical Journal*, 30, (1987), 145-72.

²⁶ 'Africa: The Next Ten Years', June 1959, FO 371/173972.

During March 1959, a state of emergency was announced in Nyasaland, when latent discontentment with the policies of the federal government erupted into mass riots. Under emergency powers, the authorities arrested Hastings Banda, leader of the opposition Malawi Congress Party (MCP), along with some 60 party members. Following calls from the Labour opposition for an official inquiry into the circumstances surrounding the emergency, Macmillan established an independent commission, under the chairmanship of Sir Patrick Devlin, a senior high-court judge, who was dispatched to Nyasaland to gather evidence. In July 1959, Devlin released his findings, which were severely critical of the police and army, accusing the governor, Robert Armitage, of presiding over a 'police state where it is unsafe to make any but the most restrained criticism of Government policy'. Moreover, Devlin found that the majority of Africans were opposed to the concept of federation:

The government's view is that these nationalist aspirations are the thoughts of only a small minority of political Africans, mainly of self-seekers who think their prospects of office will be worse under Federation; and that the great majority of people are indifferent to the issue. We have found this not to be so. It was generally acknowledged that the opposition to Federation was there, that it was deeply rooted and almost universally held.²⁷

On 1 June 1959, just a month or so prior to the release of the Devlin report, the Earl of Home, Secretary of State for Commonwealth Affairs, advised Macmillan to establish a commission of inquiry into discontent in the CAF.²⁸ Macmillan appointed Walter Monckton, believing that he would accurately represent his own views, which were that the indigenous Africans could not be 'dominated permanently . . . without any opportunity of

²⁷ *Report of the Nyasaland Commission of Inquiry*, Cmnd 814 (London: HMSO, 1959).

²⁸ Home to Macmillan, 1 June 1960, PREM 11/2588.

development and ultimate self-government. Nor can the Europeans be abandoned'.²⁹

With the appointment of Macleod as Colonial Secretary in August 1959, a clear change in the direction of government policy was in the offing. With the support of Macmillan and Home, Macleod released Banda on 1 April 1960, just prior to the completion of the Monckton Commission, allowing him to submit evidence as an independent witness. In August 1960, Banda visited London, where it was agreed that Nyasaland should have a new constitution, with a government based on majority rule. This decision had profound implications for Northern Rhodesia, with its majority black population, leading Macleod to argue in favour of holding a constitutional conference for Northern Rhodesia in 1961. Macleod was helped in this respect by the findings of the Monckton Commission (released in October 1960), which recommended several far-reaching constitutional changes, including equal representation for blacks in the Federal Assembly and a new constitution with a black majority for Northern Rhodesia, with individual territories being able - if they so wished - to secede from the federation.³⁰ On 30 November 1961, Macmillan agreed to a constitutional conference for Northern Rhodesia in February 1961. On 10 December 1960, Sandys and Macleod met with the political leaders of the CAF: Sir Edgar Whitehead, Prime Minister of Southern Rhodesia; Sir Roy Welensky, Prime Minister of the Federation of Rhodesia and Nyasaland; Hastings Banda, leader of MCP; Kenneth Kaunda, leader of the Zambia African National Congress; and Joshua Nkomo, President of the African National Congress (ANC) in Southern Rhodesia. Starting off the discussion, Sandys suggested that political opinion on the federation could be divided into two groups: those who wanted the Federation to continue; and those who wanted it dissolved. Whilst accepting the legitimacy of the respective arguments, Sandys insisted that Britain could not be expected to consider the dissolution of the Federation, with all that entailed, unless

²⁹ A. Home, *Macmillan: 1957-1986*, vol. II, P. 211.

³⁰ *Report of the Advisory Commission on the Review of the Constitution of Rhodesia and Nyasaland*, Cmnd 1148, (London: HMSO, 1960).

he had first satisfied himself that it was impossible to introduce changes, which would make it generally more acceptable. Banda wanted Nyasaland to leave the Federation immediately. In imposing the 1953 Federation on Nyasaland, he argued, Britain had acted contrary to the trust placed in it. Banda believed that some form of association between the three territories might be possible, but only if they became 'truly representative' and based on an equitable electoral franchise.³¹ Following a failure to reach agreement at the constitutional conference on Northern Rhodesia in early 1961, Macmillan, fearing a possible 'white rebellion', accepted Welensky's demands for the continuation of white minority rule - a decision opposed by Macleod. In August 1961, Banda's MCP secured electoral victory in Nyasaland, paving the way for self-government in 1963. This left Conservative ministers to deal with, in the words of Macleod, the 'true problem' of Northern Rhodesia.³² Reginald Maudling, Macleod's replacement at the Colonial Office, feared that the situation in Northern Rhodesia would 'get out of hand', unless the constitution could be amended in such a way as to give the indigenous Africans a chance of winning a small majority in any forthcoming election.³³ After great deliberation, Northern Rhodesia's new constitution came into force in February 1962, effectively ensuring majority rule. R. A. Butler, who assumed responsibility for Central Africa in March 1962, was given the task of overseeing the dissolution of the Federation. Believing that Banda's support was more important than damaging relations with Welensky, Butler finally agreed to Nyasaland's secession from the Federation, officials considering it impossible to hold Nyasaland by the use of force.³⁴ Nyasaland's departure provided the final death knell to the ill-fated CAF, which was dissolved on 30 December 1963, quickly followed by independence for Nyasaland (which became Malawi) on 6 July 1964 and Northern

³¹ 'Federation of Rhodesia and Nyasaland: Record of Conversation after Dinner at Chequers', 10 December 1960, DSN 8/18.

³² MacLeod to Macmillan, 31 May 1960, PREM 11/3240.

³³ Cabinet minutes, 26 February 1962, CAB 128/36.

³⁴ A(O)C minutes, 24 October 1962, CAB 130/189.

Rhodesia (which became Zambia) on 24 October 1964. With the break up of the federation, Southern Rhodesia also demanded independence, although with no change in its existing constitution, which effectively prevented majority rule. As the leader of the 'Rhodesian Front government (elected in 1962), Winston Field, was unprepared to provide adequate safeguards for the African majority, Macmillan, who feared the establishment of 'a bloc of White power from the Cape to the Zambezi', refused to accept his demands. The issue of independence for Southern Rhodesia remained unresolved until Ian Smith, Field's successor, announced a unilateral declaration of independence in November 1965.

Whitehall agreed that it was highly unlikely that the racial policies pursued by South Africa would change in the foreseeable future: in consequence, Pretoria's relations with other African states and the rest of the developing world would be characterised by 'increasing bitterness'. The South African government's plans for the resettlement of the native population, the A(O)C paper argued, would mean that Africans had 'less chance and less desire to rise against their white masters'; accordingly, the A(O)C concurred that South Africa would move into 'deeper and deeper' isolationism over the next ten years. Nevertheless, the officials' paper predicted that South Africa would remain a member of the Commonwealth for the remainder of the decade, though Pretoria's policies of racial separation might debar her future membership from the United Nations.³⁵

Fulfilling an important aspect of its remit, the A(O)C identified a number of common Western interests in Africa, which can be summarised as the maintenance of peace and stability, the promotion of economic prosperity, and the exclusion, so far as possible, of Soviet Communism. Except in extreme cases, it was considered unlikely that Britain would 'wish' to deploy troops, solely for purposes of internal security, in any of its former colonies, after they had achieved self-government within the Commonwealth. In the wider context of pan-global strategy, Africa was important to Britain for two principal reasons.

³⁵ 'Africa: The Next Ten Years', June 1959, FO 371/173972.

Firstly, UK military facilities in East Africa increased Britain's ability to use armed force in South Arabia and the Persian Gulf. Adopting a stronger position than that taken by C. W. Wright at the first meeting of the A(O)C, Trend's final paper argued that logistical considerations required the UK to maintain elements of the strategic reserve in Kenya to reinforce forces stationed in the Persian Gulf and Aden, adding that it would also be advantageous to retain the use of the naval facilities in Mombassa. Secondly, Britain required the ability to reinforce the defence of South-East Asia by the 'eastabout' route from the UK; this would be impossible without the use of over-flying and staging rights in Africa, since the only available aircraft, over the next ten years, would have ranges requiring the use of Kano in Nigeria and either Entebbe in Uganda or Nairobi in Kenya. However, if it were decided that it was no longer necessary to support Britain's oil interests by military force, or reinforce the defence of South-East Asia from Africa or the UK, Africa's importance in relation to global strategy would require re-assessment. Consequently, over the next ten years, Britain might find it 'expedient' to 'modify' its strategic role in Africa, either in response to mounting nationalist pressure or as a consequence of a re-appraisal of the benefits derived from defending the Middle East and South-East Asia by military means.³⁶

The A(O)C agreed that Britain had a vested interest in meeting requests for substantial economic assistance to newly independent African states, but cautioned that it might be necessary to limit aid in accordance with the capacity of states to absorb capital. The Treasury favoured an 'international approach' to aid distribution, involving a variety of multilateral bodies, namely the International Bank, the International Finance Corporation, the United Nations Special Fund and the International Development Association. Treasury officials believed that an 'international approach' would enable greater 'flexibility' in expenditure. As Frederick Vinter told Clarke: 'It would mean on the one hand [Britain]

³⁶ *ibid.*

would not have to be quite so nervous about additional commitments, and on the other, one would not have to niggle quite so much about emergencies as they arose'.³⁷

Moreover, multilateral aid was deemed more acceptable by African nations than bilateral assistance, and viewed as advantageous to the West in the wider context of the Cold War. Even so, international organisations would be incapable of addressing this problem in isolation, and it would be necessary to try and convince the United States, West Germany and other industrialised countries to do substantially more in the sphere of African economic development.³⁸

Despite being the product of inter-departmental debate, 'Africa: the Next Ten Years' very much reflected the views of the 'overseas' departments, particularly the Foreign and Commonwealth Relations Offices. Selwyn Lloyd told Macmillan that it was a 'most interesting and instructive document', claiming that it was 'quite an achievement' to have a report in which the views of the 'overseas' departments were 'so closely harmonised' - Lloyd's comment, it should be noted, did not encompass the Treasury or the Board of Trade, both of which also had representatives on the committee.³⁹ Conversely, Macmillan's Private Secretary with responsibility for Foreign Affairs, Philip de Zulueta, criticised the document for 'being permeated by the unimaginative spirit of a colonial administration in decadence'.⁴⁰ If the conclusions of the paper were to be followed through in practice, de Zulueta claimed, it would result in the adoption of the wrong policies, or, at best, no policy at all. In a minute to Macmillan, he lamented the fact that the paper had made no attempt to compare the progress and success of the colonial policies adopted by other European powers. For example, he asked: Is the Congo system going, in the end, to give better results than that in Portuguese East Africa? Why had the French managed to produce a higher type of politician than Britain? De Zulueta believed it important to

³⁷ Vinter to Clarke, 19 July 1959, T 234/768

³⁸ 'Africa: The Next Ten Years', June 1959, FO 371/173972.

³⁹ Selwyn Lloyd to Macmillan, 28 June 1959, PREM 11/2587.

⁴⁰ De Zulueta to Macmillan, 1 July 1959, PREM 11/2587.

answer these questions, since Africa was 'one of the few parts of the world in which we [Britain] still have the power to influence events'. In correspondence with Lloyd, Macmillan reiterated the arguments of de Zulueta, adding that problems relating to Africa would become more important to Britain over the next ten years. Macmillan instructed Whitehall to consider how far Britain could co-ordinate its policies with those of the other colonial powers, urging that officials give consideration to the success of the various colonial approaches in developing an African political system capable of 'standing on its own two feet and favourably disposed to the West'.⁴¹ Alan Lennox-Boyd, Secretary of State for the Colonies, feared that this might give an impression that the colonial powers were 'ganging up', especially if Ghana and South Africa were excluded from such discussions. He was also sceptical as to the potential for co-ordinating Britain's policies with those of the other colonial powers. On 30 July 1959, in a letter to Macmillan, Lennox-Boyd argued: 'It may or may not be possible for us to coordinate our policies with those of other Colonial powers. We should certainly exchange views freely. But I fear that it is fifty years too late for the Metropolitan powers to indulge in an exercise to adjust territorial boundaries'.⁴² On this issue, the Colonial Office's view prevailed, with talks between the colonial powers confined to a few sub-ministerial discussions on matters of minor detail.

The Chancellor of the Exchequer, Derrick Heathcoat Amory, agreed with the general thrust of Trend's paper, but hoped that officials would, in future discussions with other countries, emphasise the 'desirability' of a 'genuinely international approach' to the difficulties facing Africa, particularly with respect to aid and development. The Treasury believed that African political advancement depended on economic development (and *vice-versa*), and this should be achieved by channelling substantial investment into Africa through international agencies. Heathcoat Amory, reflecting the dominant viewpoint in his

⁴¹ Macmillan to Selwyn Lloyd, 3 July 1959, PREM 11/2587.

⁴² Lennox Boyd to Macmillan, 30 July 1959, PREM 11/2587.

department, maintained that it should be possible 'to promote a sense of partnership between black Africa and the West, which should be valuable in a political no less than in an economic sense'.⁴³

Britain and the Continuing Problem of Apartheid.

South Africa's *apartheid* policies severely compromised Britain's leading position in both the Commonwealth and the United Nations. In December 1959, in an extensive minute to Macmillan, the Earl of Home, Secretary of State for Commonwealth Relations, argued for the need to confront a 'sharp dilemma' between two conflicting UK interests in this regard. On the one hand, Britain had a large economic and strategic 'stake' in maintaining close relations with South Africa. (Moreover, South Africa could, if it wished, make 'life very unpleasant' for the High Commission Territories - Basutoland, Bechuanaland, Swaziland.) On the other hand, Britain's support of South Africa, in the UN and at Commonwealth Prime Ministers' Conferences, was often construed by others as condoning *apartheid*, leading to a diminution of Britain's reputation amongst many developing countries. 'The goodwill and confidence of the emerging masses of Asia and Africa . . .', Home advised Macmillan, ' . . . are of vital and increasing importance to us, and there is no doubt that our support of South Africa tends to damage that confidence and raise doubts about the sincerity of our political thinking, especially on race relations'. In an ever-expanding Commonwealth, premised on multi-racial co-operation, the promulgation of extreme policies of racial discrimination by a member state was becoming increasingly unacceptable. Home argued that, in the battle against Communism for 'men's minds in the uncommitted countries', South Africa was a 'liability' for the West, and Britain's continued support for Pretoria would cost the UK 'more and more'. Home believed that

⁴³ Heathcoat Amory to Macmillan, 30 July 1959, PREM 11/2587.

the consequent damage to British prestige and influence was 'great', being most apparent at the UN, where Britain was becoming 'increasingly exposed'. Washington had also expressed disquiet about Britain's support for South Africa, intimating that this was damaging to the West. This led Home to question how long Britain could add fuel to the perception of supporting South Africa? On this important matter, Home urged Macmillan to consider abstaining from resolutions relating to *apartheid*, recognising that whilst this would not satisfy the main critics of South Africa, it would lessen Britain's exposure to international condemnation and help ameliorate damage to its moral authority. Although such a modification in Britain's voting practice would be bitterly resented by Pretoria, Home believed that 'sober argument' would remind South Africa that retaliation - for example, by closing its market to UK exports - would serve to antagonise its 'only reliable friend'. Home thought it unlikely that South Africa would leave the Commonwealth over this issue, but suggested that Britain might be denied the use of naval facilities in Simonstown, Capetown and Durban, which could assume strategic importance in the event of a global conflict with the Soviet Union. As Britain's wider international interests and its relations with the new African states (especially Nigeria) were likely to be of increasing significance in the future, Home felt that the balance of advantage lay in altering Britain's voting policy in the UN, leading him to conclude that the Commonwealth would 'undoubtedly be happier and closer-knit were the ugly duckling out of the nest'.⁴⁴

Concurring with Home's proposition, Selwyn Lloyd informed Macmillan of the Foreign Office's view on 2 January 1960:

We have, I believe, reached a stage in which, in the United Nations, *more harm is being done to our reputation as a Colonial Power by our attitude on these South African items, than is done by any troubles that may occur in the colonies themselves. . .* When we join the few who vote with South

⁴⁴ 'Policy Towards South Africa: The United Nations Items', Home to Macmillan, 17 December 1959, DO 35/10621.

Africa at the United Nations, *we stand amongst the retrograde*, and doubt is thrown on the sincerity of our progressive attitude.⁴⁵

Less pre-occupied than the Foreign Office with how other nations viewed Britain's 'reputation', Treasury officials concentrated on how a revised British approach in the UN might impact upon the status of sterling and London's position as one of the world's major gold markets. On 5 January 1960, R. S. Symons, a senior official in the Treasury, argued that it 'would not be a disaster', from the point of view of South African gold production, if Pretoria decided to leave the sterling area. Having consulted the Bank of England, however, Symons also felt that 'presentationally the departure of such an important member could have far-reaching consequences for the cohesion of the Sterling Area and the status of sterling'.⁴⁶ In general, Treasury officials did not believe that South Africa would retaliate, to a changed British position in the UN, by reducing its sterling reserves.

To this extent the Treasury and Commonwealth Relations Office were agreed: Sir Algernon Rumbold, Deputy Under-Secretary of State for Commonwealth Relations, described by his Permanent Under-Secretary as the 'dominating influence in the Office' on economic matters, suggested: 'I think that the South Africans tend to keep their politics and economics, so far as possible, separate'.⁴⁷ Indeed, South Africa's departure from the sterling area would not necessarily entail the withdrawal of large sterling balances, since Pretoria held its reserves almost entirely in gold and dollars. On 26 February 1960, J. R. A. Bottomley, another Deputy Under-Secretary at the CRO, indicated that he was unsure if a change in Britain's voting position in the UN would result in South Africa abandoning its practice of selling the bulk of its gold on the London market: 'Membership of the Sterling

⁴⁵ 'Policy Towards South Africa: The UN Items', Selwyn Lloyd to Macmillan, 2 January 1960, FO 372/145291. Added emphasis.

⁴⁶ Minute by R. S. Symons, 5 January 1960, T 236/4874.

⁴⁷ J. Garner, *The Commonwealth Office: 1925-68*, (London: Heinemann, 1978), p. 400. Minute by A. Rumbold, 1 March 1960, DO 35/10621.

Area might well seem to South Africans to have a pro-British political flavour . . .', he argued, '. . . but this would not be true of the choice of gold markets'.⁴⁸

The Bank of England was more concerned than the Treasury with respect to the potential financial implications of South Africa's departure from the sterling area. M. H. Parsons, a senior figure within the Bank of England, confirmed that South Africa regarded sterling as their main currency of external settlement and that its Reserve Bank had held reasonably substantial sterling balances over the greater part of the post-war period. Whilst conceding that there had been periods when South Africa's sterling balances had dwindled down to insignificant levels, Parsons suggested that South Africa had tended to hold certain dollar balances because of its post-war habit of borrowing on the New York capital market, a practice stemming from its inability to meet its total requirements from London. There had also been occasions when South Africa had come to the direct assistance of the Exchange Equalisation Account by increased sales of gold for sterling. If South Africa were to leave the sterling area, Parsons cautioned, it would tend to use other currencies, rather than sterling, when purchasing goods from non-sterling area countries - a development which had the potential to be costly to Britain in terms of exchange; in any case, South Africa would probably cease to hold sterling in its reserves, which totalled around £40 million in 1960. Reflecting the dominant viewpoint within the higher echelons of the Bank of England, Parsons argued that the departure of South Africa from the sterling area, involving the defection of the world's leading gold-producer, would be regarded by the rest of the world as 'a major crack in the Sterling Area system'.⁴⁹ Lord Cobbold, Governor of the Bank of England, was anxious that the Chancellor should be made aware of the 'Bank's strong view' on the serious psychological and political ramifications of South Africa's removal from the sterling area - a viewpoint undoubtedly

⁴⁸ Minute by J. R. A. Bottomley, 26 February 1960, DO 35/10621.

⁴⁹ Minute by M. H. Parsons, 7 January 1960, T 236/4873.

influenced by the impact of Iraq's earlier withdrawal from the sterling area, which, although not terminally damaging, had produced serious repercussions for sterling.⁵⁰

Sir Frank Lee, (Joint) Permanent Secretary to the Treasury, believed that the Bank was 'much too alarmist' in implying that Home's proposed policy changes would result in South Africa leaving the Commonwealth and the sterling area, but felt it right to inform the Chancellor of the Exchequer of these concerns.⁵¹ Similarly, Sir Robert Hall, Head of the Economic Section of the Treasury, believed that it was imperative for South Africa to continue to sell its gold in order to purchase the imports necessary to survive - Hall held that the main issue for consideration should be the impact on UK investments in South Africa.⁵² On 17 February 1960, Heathcoat Amory told Macmillan that 'the financial and economic consequences *might* be very serious' for Britain, if Anglo-South African relations were allowed to deteriorate to the point where Pretoria considered leaving both the Commonwealth and the sterling area. The Chancellor provided the Prime Minister with a Treasury paper on this issue, written in consultation with the Bank of England, but appended a covering note, which stated: 'I am not, of course, arguing against the line of action in the United Nations which the Commonwealth Secretary has proposed'.⁵³ Thus, the Treasury did not whole-heartedly defend the Bank of England's position within Whitehall; it merely acted as a conduit for communicating the Bank's fears and apprehensions.

An Economic Price Not Worth Paying: A Colombo-Style Plan for Africa.

At a time when Britain's relations with the Commonwealth were overshadowed by the South African question, Home felt that it would be advantageous to launch a 'constructive

⁵⁰ Minute by Lord Cobbold, 7 January 1960, T 236/4873.

⁵¹ Minute by Lee, 18 January 1960, T 236/4873.

⁵² Minute by Hall, 19 January 1960, T 236/4873.

⁵³ Heathcoat Amory to Macmillan, 17 February 1960, T 236/4873.

and positive action in relation to Africa in a non-political field'. This led him to propose the establishment of a 'Commonwealth Plan' for the giving and receipt of aid to under-developed countries in Africa; this would be analogous to the Colombo Plan, but restricted to Commonwealth countries, both as recipients and donors.⁵⁴ All the territories in Africa would be members, some as beneficiaries, some as contributors, with all independent Commonwealth countries outside Africa being invited to take part. Like the Colombo Plan, recipients would be free to make their own bilateral arrangements for technical and other aid, with a small central Bureau providing administrative support and publicity. Home argued that the scheme had several advantages: firstly, as emergent Commonwealth countries in Africa were dependent on considerable quantities of aid and technical assistance, a greater contribution from countries such as Australia, Canada and New Zealand would reduce the pressure on overseas expenditure; secondly, such an approach was consistent with the Montreal principle of mutual help between Commonwealth countries⁵⁵; thirdly, newly independent countries often encountered 'psychological and political difficulties' in obtaining aid solely from the UK, with assistance being more acceptable 'under a Commonwealth label'; and, finally, Home posited that the British public would welcome such a policy.⁵⁶

Nevertheless, the proposed scheme suffered from a number of innate defects: for example, it would be difficult to get Australia and New Zealand, both pre-occupied with the affairs of South-East Asia, to participate in the provision of an aid programme for Africa; among the Asian Commonwealth countries, the majority of which were also economically deprived, CRO officials predicted that only India would be able to participate in such an

⁵⁴ The Colombo Plan was created in a cooperative attempt to strengthen the economic and social development of the nations of South-East Asia and the Pacific. Officially the Colombo Plan for Cooperative Economic Development in Asia and the Pacific, it came into force in 1951 as the Colombo Plan for Cooperative Economic Development in South and Southeast Asia. It is still in existence today.

⁵⁵ In September 1958, Canada held a Commonwealth Trade and Economic Conference in Montreal, where important measures of Commonwealth cooperation were agreed, including an agreement in principle to construct a Commonwealth cable system, and, of greatest significance, a decision to fund a comprehensive system of scholarships for Commonwealth students.

⁵⁶ 'A Commonwealth Colombo-type Economic Plan for Africa': minute by Lord Home, 3 May 1960, DO 35/8378.

enterprise; the scheme might also be viewed as a 'piece of window dressing', which could lead to a devaluation of the Colombo Plan itself. The Treasury, fearful that such a scheme would put the UK under pressure to subvent another aid programme, quickly endorsed the perceived difficulties with the proposals. Indeed, Treasury intransigence on this issue led some figures in the CRO to question the wisdom of the entire plan: Sir Henry Linlott, Deputy Under-Secretary of State to the CRO, who like Rumbold took an interest in economic matters, suggested that it might make sense to shelve the scheme, given that the department already had 'a number of expensive proposals . . . ' which it had ' . . . to get through the Chancellor of the Exchequer'.⁵⁷ What is more, South Africa's role in such a scheme was particularly problematic, given that Nigeria and Ghana would in all likelihood reject South African aid as a matter of principle. Heathcoat-Amory believed that the membership of South Africa would be an 'embarrassment' and act as a 'disincentive' to other members. He feared that Britain would be put under pressure to increase the 'very large sums' which it was already contributing to African development, expressing concern about the potentially detrimental impact of such expenditure on the balance of payments, suggesting that there was 'no advantage - and obvious disadvantage - in creating yet another new institution for development'. Reflecting the Treasury's objection to committing to schemes that had not been fully costed, Heathcoat Amory suggested that Britain (as well as the supposed beneficiaries) would suffer if, as a result of the new Plan, other institutions felt that they were now no longer under so strong or immediate an obligation to provide aid to Africa. If implemented, Heathcoat Amory thought that Home's scheme would end in catastrophe - 'an undignified and discreditable "flop"'.⁵⁸

Expressing concerns held within the Foreign Office, with respect to setting up a new organisation to disburse Britain's limited resources, Selwyn Lloyd informed Macmillan that

⁵⁷ Linlott to Clutterbuck, 21 April 1960, DO 35/8378.

⁵⁸ Heathcoat Amory to Macmillan, 4 May 1960, DO 35/8378.

he was 'not very happy about Lord Home's proposal'. Whilst conceding that Home's plan might underline the value of the Commonwealth to the newly independent countries in Africa, Lloyd felt that such a scheme would be liable to bring the organisation into 'disrepute and make it appear as an instrument of "neo-colonialism"'. The Commonwealth had, in Lloyd's opinion, remained remarkably untainted from such accusations, believing that the 'intangible nature' of the organisation was essential to its future survival in Africa. The Foreign Office questioned whether it was necessary to give up on the aspiration of shifting the emphasis from bilateral aid provision towards developing 'genuine' multilateral approaches, involving countries other than those who were members of the Commonwealth: for example, the possibility for expanding the role of the Foundation of Mutual Assistance in Africa South of the Sahara (FAMA) - a 'promising organisation' in Lloyd's view - might be impaired by the establishment of a separate Commonwealth body.⁵⁹

The opposition of the Treasury and Foreign Office to Home's proposal led to its abandonment, although the documentary evidence confirms that the CRO had considered such an outcome a distinct possibility from the outset. The CRO had largely accepted the arguments advanced by the two 'lead' departments in foreign policy, as is confirmed in a note by J. R. A. Bottomley to Home, which established three points: Britain could not afford increased capital aid; no other Commonwealth country could afford to make the required increase in expenditure; and a scheme that produced no new resources would be wasteful and could cause resentment.⁶⁰ Unexpectedly, this issue re-emerged at the 1960 Commonwealth Prime Ministers' Conference, when Nkrumah advanced a similar proposal, which gained the general support of African nations. On 6 May 1960, when cabinet ministers considered this matter in some detail, Home expressed doubts as to whether the

⁵⁹ Selwyn Lloyd to Macmillan, 5 May 1960, DO 35/8378.

⁶⁰ Bottomley to Home, 21 July 1960, DO 35/8378.

resources required for the scheme, even on a relatively modest scale, could be made available from within the Commonwealth alone. Similarly, Heathcoat Amory maintained that it would be impossible for Britain to increase economic aid to Africa beyond the £26 million per annum already committed. Within the limit of available resources to the Commonwealth, the cabinet agreed that it was unlikely that a Colombo-style Plan could be successfully adopted and that it would be preferable to encourage the International Bank of Reconstruction and Development to extend its activities in African countries.⁶¹

The Ramifications of South Africa's Departure from the Commonwealth.

During the early 1960s, South Africa's membership of the Commonwealth came under increasing criticism from developing nations in Africa and Asia, it being commonly held that Pretoria's *apartheid* policies stood for the denial of the very principles of individual liberty and racial equality on which the organisation was based. Sir Abubakar Tafawa Balewa, Prime Minister of Nigeria, believed that the Commonwealth would be strengthened in the eyes of the world by the expulsion of South Africa.⁶² Similarly, Tunku Abdul Rahman, Prime Minister of Malaya, was 'passionately opposed' to the South African policy of *apartheid*, although he did not think that it was for Malaya, as a newcomer to the Commonwealth, to take the lead in expelling a founder-member.⁶³ Despite such hostility, Conservative ministers supported South Africa's continued membership of the Commonwealth. On 1 May 1961, Sandys met a deputation of Labour MPs (including David Marquand and George Thomson), in advance of a Commonwealth Prime Ministers' Conference, later that month. Whilst accepting that South Africa was a 'liability' and its 'continued presence in the Commonwealth damaged the "Commonwealth image" in the

⁶¹ Cabinet Minutes, 6 May 1960, CAB 128/34.

⁶² 'Note of Talk Between the Prime Minister of Nigeria and the Commonwealth Secretary' (Sandys to Macmillan), 5 October 1960, Sandys papers (Churchill College, Cambridge) DSND 8/8.

⁶³ Sandys to Macmillan, 18 October 1960, Sandys papers (Churchill College, Cambridge) DSND 8/8.

world', Sandys contended that it would be misguided to seek expulsion, since, if the non-Europeans in South Africa were able to vote on the matter they would support remaining in the Commonwealth. In any case, Sandys maintained, it was 'fortuitous' that an opportunity might arise for expelling South Africa from the Commonwealth during 1961. This opportunity arose because of South Africa's proposed change of status from a monarchy to republic - in itself, Sandys argued, this would certainly not justify the ejection of South Africa. If members of the Commonwealth started judging other members on moral grounds, Sandys insisted, there was no saying where the process might end: 'Several other members would not get a "clean bill of health" for their present standing in relation to human rights'.⁶⁴

On 15 March 1961, South Africa withdrew from the Commonwealth, when it failed to win re-admission to the organisation as a republic. Just two days earlier, Macmillan had tried to rectify the damage caused by Verwoerd's indomitable defence of *apartheid* at the first meeting of the Commonwealth Prime Ministers' Conference, when he suggested that South Africa make the 'gesture' of exchanging High Commissioners with other Commonwealth countries.⁶⁵ Verwoerd considered this an unwarranted intrusion on Macmillan's part, maintaining that he would not make a friendly approach to countries (such as Ghana, Nigeria, Malaya and Tanganyika) which actively sought to undermine South Africa's international standing. South Africa's reputation as the 'ugly duckling in the nest' was confirmed the next day when Canada and Ceylon adopted an even more robust stance against South African intransigence. The Prime Minister of Canada, J. G. Diefenbaker, bluntly asserted: 'There was no doubt that to accept South Africa's request [for membership of the Commonwealth, as a republic] would be construed as approval of, or at least acquiescence in, South Africa's racial policy. This could not but

⁶⁴ 'Relationship of the Republic of South Africa with the Commonwealth: Note of a Meeting held in the Secretary of State's Room', 1 March 1961, Sandys papers (Churchill College, Cambridge) DSND 8/18.

⁶⁵ Macmillan to Verwoerd, 13 March 1961, PREM 11/3535.

damage the future of the Commonwealth association and assist Communist propaganda in Africa and elsewhere'.⁶⁶ With the notable exception of Britain and South Africa itself, this viewpoint had a strong resonance with other Commonwealth countries. Finding himself unable to compromise on the issue of *apartheid*, Verwoerd announced that South Africa would immediately leave the Commonwealth. Britain's inability to reconcile the fundamental differences between South Africa and the rest of the organisation illustrated the frailty of Britain's supposed position of *primus inter pares* in the Commonwealth, and represented a major policy failure in the eyes of British officials. In the immediate aftermath of South Africa's departure, Home wrote a short note to Macmillan, in which the former attempted to exonerate (with some degree of justification) the latter of any blame:

This is a very sad day for you & all of us but I don't see how with emotion overcoming reason it was possible to get a different result. Certainly you must not reproach yourself as you did everything which was humanely possible to keep South Africa in.⁶⁷

On 15 March, Macmillan held a meeting in his room in the House of Commons, with the Home Secretary, R. A. Butler, and the Chief Whip, Martin Redmayne, where they discussed the potential ramifications of South Africa's withdrawal from the Commonwealth. Macmillan informed his colleagues that he believed he could have gained unanimous support for his paper, which proposed the continued membership of South Africa whilst also recording the detestation of all other Commonwealth countries to *apartheid*, but felt that this might precipitate the fall from power of Abubakar, a development that would have very serious repercussions for the future of Nigeria. Even if Abubakar 'survived' giving his tacit support of a document accepting South Africa's continued membership, Macmillan thought that he would be compelled to put down a formal motion calling for formal

⁶⁶ Minutes of the Sixth Meeting of 1961 Commonwealth Prime Ministers' Conference, 13 March 1961, CAB 133/251.

⁶⁷ Home to Macmillan, 15 March 1961, PREM 11/3535.

expulsion at the next Commonwealth Prime Ministers' Conference. In the subsequent vote on South Africa's continued membership, Britain (possibly with the support of Australia and New Zealand) would be isolated in voting against such a motion.⁶⁸ Thus, any attempt on Britain's part to keep South Africa in the Commonwealth would be ill-fated - an act of postponing the inevitable.

In late June and early August 1961, officials and ministers conducted detailed discussions on South Africa's immediate and future relations with Britain. On 29 June, cabinet ministers agreed that 'it would be important to *avoid giving the impression* that after her withdrawal South Africa was to remain a member of the Commonwealth in all but name'.⁶⁹ Harold Watkinson, Minister for Defence, informed the cabinet that he believed Britain should continue to supply South Africa with military arms and equipment, subject to the usual international procedures. In return, the Simonstown Agreements, which preserved British control of the Cape sea routes, would be maintained.⁷⁰ Concerned about the possible reaction of other Commonwealth countries, Sandys told Macmillan that time was needed for Britain's relations with South Africa to 'settle down', considering it necessary to 'avoid giving a handle of this kind to our critics'.⁷¹ On 3 August, the cabinet considered a memorandum by the Lord Chancellor, Lord Kilmuir, on future Anglo-South African relations, a document prepared in large part by the Africa (Official) Committee. The A(O)C suggested that Britain should 'avoid continuing to give South Africa the "Commonwealth treatment" unless it was clearly in our [Britain's] interests to do so'. In order to safeguard Britain's substantial financial and economic interests in South Africa - and to keep Pretoria within the sterling area - Kilmuir recommended that policy be aimed

⁶⁸ 'South Africa's Departure from the Commonwealth': Minutes of Meeting between Macmillan, Butler and M. Redmayne, 15 March 1961, PREM 11/3535.

⁶⁹ Added Emphasis.

⁷⁰ Cabinet Minutes, 29 June 1961, CAB 128/35/1.

⁷¹ Sandys to Macmillan, 22 June 1961, Sandys papers (Churchill College, Cambridge) DSND 8/9.

at maintaining 'present trade relations as nearly as possible unchanged'. The cabinet was in general agreement with Kilmuir's recommendations.⁷²

British Policy Towards Sub-Saharan Africa: The View of the 'Overseas' Departments.

The rapid turn of events in Africa forced policy-makers to re-assess the policy course outlined in 'Africa: The Next Ten Years'. To this end, in August 1961, the Foreign Office, Commonwealth Relations Office and Colonial Office produced an inter-departmental paper, entitled 'Policy Towards Africa South of the Sahara'. Whilst this paper cannot be viewed as constituting the 'official' policy of the three departments, since it was not read (and, therefore, not approved) by Home and MacLeod, it does provide an instructive insight into the thinking of the 'overseas' departments, illustrating their adeptness at forging a common position prior to discussions with the Treasury. The paper argued that the strategic importance of Africa lay in its 'political fluidity' at a time when the rest of the world had assumed reasonably firm positions in the East-West struggle. Accordingly, the principal objectives of Western policy in Africa were twofold: firstly, securing stability and growing prosperity; and, secondly, encouraging support towards the West, or at least, 'genuine neutrality'. The paper identified pan-Africanism, which possessed a strong emotional appeal, as a potential counter-force to the problem of instability.⁷³ Some months later, Sandys revisited this issue, at his own behest, asking his senior ministers and officials whether pan-Africanism was hostile to Britain's interests, and whether it was necessary to oppose it. When Sir Geoffrey de Freitas, Minister of State at the CRO, confirmed that it was not, Sandys replied that there might be something to be said for an

⁷² Cabinet Minutes, 3 August 1961, CAB 128/35/2.

⁷³ 'Policy Towards Africa South of the Sahara': Foreign Office, CRO and Colonial Office officials' paper, August 1961, DO 168/60.

initiative on these lines.⁷⁴ Even so, cordial relations between Africa and the West would be undermined by several interrelated factors: namely, indigenous dislike of colonialism and racial discrimination, African fears of continued economic exploitation by Western governments, and widespread resentment of foreign bases located in Africa. As a consequence of the European colonial powers' record in Africa, the officials' paper maintained that the West was judged by 'harsher standards' than the Soviet Union, although the 'overseas' departments concurred that Africans were 'not blind to the threat of Communist imperialism': for example, at the All-African Peoples' Conference in 1958, Nkrumah declared: 'imperialism may come to us yet in a different guise - not necessarily from Europe'. Conversely, as a result of their 'colour and own poverty and under-industrialisation', officials believed China's policies towards Africa were guided by the fact that their presence was more acceptable to indigenous peoples than either the West or the Soviet Union. Whilst there was some evidence to support this belief, officials believed that China was handicapped by factors such as physical remoteness, inexperience, language difficulties and a shortage of foreign exchange.⁷⁵

As African leaders were 'exaggeratedly conscious' of the threat of neo-colonialism and were on the 'lookout for any political content' in Western aid, officials suggested that there were considerable limitations associated with the use of multilateral organisations. On the whole, resources expended by the West on technical assistance (which the UK was particularly well placed to provide) were deemed more advantageous than economic aid. In this field, as in aid generally, Britain would need to encourage other Western countries, not 'handicapped by colonial histories', to direct their efforts to where it would have the greatest impact. The fear of Western aid being portrayed as 'neo-colonialist' was a constant theme in Foreign Office thinking, with one official exclaiming: 'The extension of

⁷⁴ 'Africa – General Policy Questions: Record of a Meeting in the Secretary of State's Room', 16 April 1962, Sandys papers (Churchill College, Cambridge) DSND 8/19.

⁷⁵ 'Policy Towards Africa South of the Sahara': Foreign Office, CRO and Colonial Office officials' paper, August 1961, DO 168/60.

aid by a recipient is often taken for granted by the recipient or recognised only as what is due. Aid is in any case available from several sources often in competition with each other. . . Thus, the effectiveness of aid may depend more on the skill with which it is directed than its volume'.⁷⁶ The officials' paper also suggested that detailed study be given to the advantages of 'spot treatment', in which technical aid was applied to those countries where it would be most effective. Aid, it was argued, was particularly valuable when devoted to the development of national administrations and social infrastructure.⁷⁷

The retention of overflying rights in African countries was seen as essential to the maintenance of Britain's 'position in the rest of the world'. Even so, Africa south of the Sahara was not considered an area of 'prime strategic importance', in the same sense as the Middle East or South-East Asia. What mattered in Africa, in a geo-political sense, was preventing the spread of Communism, at a time when Europe and, to a lesser extent, Asia had frozen into fixed attitudes in relation to the Cold War. The loss of Africa to Communism would present nothing like so immediate a threat to the West as the loss of say France and Germany; however, the latter two could only be lost to the West as the result of a 'cataclysm', whereas African countries could drift into the Communist camp in the absence of violent disturbance. It was for this reason that Africa was significant to the West and why officials in the 'overseas' departments called 'for an effort from us [Britain and the West] quite disproportionate to its intrinsic importance'.⁷⁸

The 'overseas' departments believed that the Commonwealth could act as a "third force" in international affairs, softening the stark, and often uncomfortable, choice between East and West. It was argued that the Commonwealth acted as a bridge between 'neutralists' and 'imperialists', a connection that 'the Communists would dearly like to see destroyed'. The officials' paper recommended that UK policy should attempt to preserve its existing

⁷⁶ Maynard to Warner, 13 April 1962, FO 371/166997.

⁷⁷ 'Policy Towards Africa South of the Sahara': Foreign Office, CRO and Colonial Office officials' paper, August 1961, DO 168/60.

⁷⁸ *ibid.*

cultural, educational and commercial ties with Africa. In maintaining such links with the West, it was essential that Western policy disengaged itself, as far as possible, from internal African affairs. The Commonwealth and the grouping of former French colonies were considered essential to the future stability of Africa as a whole. Speculating on how future events might develop, the officials' paper asserted: 'Moderate African Powers such as Nigeria, Tanganyika and Senegal, working closely in association with each other and with the former metropolitan power, could act as a stabilising force in the continent'.⁷⁹

The bulk of UK aid to African countries (over £30 million in 1959-60) was allocated on a bilateral basis to dependent and formerly dependent territories. Interestingly, the officials' paper accepted the Treasury's central argument on the need to reduce overseas expenditure, concluding that the underlying weakness of the British economy lessened the possibility for increasing expenditure on aid: 'In our present balance of payment difficulties we ourselves cannot hope to make further substantial increases in our aid to Africa, nor to alter its pattern. We must face the consequences of this: they might well be serious'. Multilateral aid to Africa took various forms: capital aid through the World Bank and International Development Agency; technical assistance through the UN and several other specialised agencies; and bodies specifically concerned with Africa such as the Special Commonwealth African Assistance Plan. It was essential for the standing of the West that a few countries, namely Nigeria, Senegal and Tanganyika, should prosper and be seen to prosper:

Though we shall have to be careful not to damage particular countries by obviously favouring them and creating Governments as vulnerable as was the Nuri regime in Iraq, we should do what we can to build up certain pro-Western countries into positions where they can take the lead economically and politically.

⁷⁹ *ibid.*

The traditional pattern of aid - from the former colonial powers to their colonies - could not be broken, at least without adverse political consequences, though officials agreed that West Germany, Sweden, Switzerland and Japan should do more in the field of economic assistance to Africa.⁸⁰

Senior officials in the 'overseas' departments were united in the belief that Britain should be 'energetic' in dissociating itself from the policies of Portugal and South Africa; similarly, the support of these countries for Britain's policies had become 'more of an embarrassment than an asset'. This did not mean that officials in the 'overseas' departments were in favour of adopting a policy of outright opposition to Britain's recalcitrant allies, but it did mean that they were prepared to withdraw support on certain issues. In consequence, it was recommended that each issue should be considered on its own merits, with 'non-involvement' acting as the guiding principle in dealings with the two countries. Officials also believed that the United States would press for the urgent ending of colonialism, largely in order to curry favour with emerging African states.⁸¹

Assessing the 'Balance of Advantage' between South Africa and Commonwealth Africa.

Difficulties in diplomatic relations with Pretoria led the Defence and Overseas Policy (Official) Committee (DOP(O)C) to invite Michael Cary, Chairman of the Official Overseas Co-ordinating Committee (OOCC), to arrange the preparation of papers on South Africa. Cary's committee was asked to answer the following question: 'In the developing conflict between the Government of South Africa on the one hand and Black Africa and the rest of the world on the other, where does the balance of our interests lie and how can we best minimise damage to them?' Cary suggested that the ideal solution would involve a

⁸⁰ *ibid.*

⁸¹ *ibid.*

peaceful transition towards a representative form of government in South Africa; however, as such a prospect was remote, he argued that Britain would be under increasing pressure to declare a position in favour of either South Africa or 'Black' Africa.⁸²

For the purposes of assessing the relevant arguments, Cary's committee considered whether it would be advantageous for Britain to come down firmly on either the side of South Africa or 'Black' Africa. Cary did not attempt to draw up a detailed political balance sheet, but rather set out a number of general considerations. Under existing tensions, Cary argued, Britain's policies already diverged from those of the United States and the 'old' Commonwealth (and from many of the former colonial powers). Consequently, African nationalist opinion increasingly saw Britain as the main obstacle to the effective application of pressure on South Africa, leading Cary's committee to the conclusion: 'It is at least arguable that in the long term our political relations with the independent states of Black Africa are more important than those with South Africa'. Whilst the Western powers retained a 'substantial margin of advantage' in the competition for influence with the Communist powers, Cary considered it 'illusory' to ignore the opportunities open to the Soviet Union 'if the West failed to take sufficient account of the views of Black Africa in determining our policies on South Africa'. 'The most important potential British asset in Black Africa . . .', Cary's OCCC paper asserted, ' . . . is the complex of special relationships with African Commonwealth countries'.⁸³

Between 1958 and 1962, Britain's exports to South Africa were worth approximately £150 million per annum, although this figure rose sharply to £200 million in 1963. Moreover, the UK had a favourable balance on invisible trade with South Africa, valued at around £80 million per annum, including an investment income of some £60 million (a figure which included shipping, but excluding insurance and oil). Between 1958 and 1962,

⁸² 'South Africa': OCCC memorandum for DOP(O)C by A. L. M. Cary, 18 March 1963, CAB 148/3.

⁸³ *ibid.*

Britain's exports to the rest of Africa averaged £315 million per year of which £220 million went to Commonwealth countries. In 1963, Britain's exports to Commonwealth countries in Africa fell to around £200 million, although a substantial proportion of this figure, perhaps as much as one-fifth, was financed out of British government aid. As a result of Britain's importance to African states as a market (and as a source of private investment), Cary argued that sheer self-interest would debar African governments from imposing economic sanctions or boycotting UK goods because of British policy towards South Africa. The CRO thought it necessary to explain this to other Commonwealth countries, with Sandys and his senior officials agreeing that the 'best defence of the British position was that trade was the very basis of Britain's existence, that we were a nation of traders, and that to go in for trade boycotts would have a disastrous impact on Britain's economy and on the position of sterling'.⁸⁴ Experience demonstrated that short of direct interference, trade was 'fairly insensitive to political emotion', though it was possible that 'mass emotion' would oblige African governments to impose 'some form of economic sanction' against British exports. It was difficult, therefore, to exclude the possibility of collective sanctions being imposed by some African Commonwealth nations in the 'heat of the moment'. By the same token, it was unlikely that South Africa would take action against UK trade or investment, except possibly under circumstances of 'considerable provocation'; hence, an embargo on the export of arms would be unlikely to produce reprisals by way of interference with trade. However, if other countries, such as France, failed to participate in such an embargo, South African orders (not only for military equipment) might be diverted to French companies. The imposition of full economic sanctions, banning trade both ways, might well produce retaliatory action in other fields - for example, in the High Commission Territories or by the seizure of British assets. If

⁸⁴ 'Africa - General Policy Questions: Record of a Meeting in the Secretary of State's Room', 16 April 1962, Sandys papers (Churchill College, Cambridge) DSND 8/19.

South Africa were to take action against Britain, Cary maintained that it would be likely to do so more efficiently than the many disparate countries of Commonwealth Africa.⁸⁵

TABLE 3:1. *UK Economic Relations with Africa, 1959-1962.*

	<i>British Exports</i>				Average 1959- 1962
	1959	1960	1961	1962	
Nigeria	72	80	77	63	
Ghana	42	45	50	37	
Sierra Leone	9	10	14	11	
East Africa (1)	43	45	45	43	
Federation of Rhodesia and Nyasaland	49	46	48	41	
Commonwealth	215	226	234	195	218
Other South of Sahara (2)	32	33	33	37	34
Africa South of the Sahara	248	259	267	233	252
North Africa (3)	51	66	68	75	65
Total	299	325	335	308	317
South Africa	150	155	151	148	151

(1) Kenya, Uganda, Tanganyika.

(2) All foreign countries South of Sahara, High Commission territories and Gambia. Does not include Rwanda, Burundi or Spanish Guinea.

(3) Morocco, Algeria, Libya, Tunisia, Mauritania, Egypt, Sudan Ethiopia, Somalia.

Importantly, South Africa produced over £300 million of gold a year, which constituted approximately two-thirds of the free world's annual gold production. Gold represented a significant item in relation to South Africa's balance of payments, accounting for approximately 40 per cent of its current earnings in 1963. An interruption in this supply would put the market price of gold under severe pressure, potentially undermining both the dollar and the pound. Cary believed that South Africa would only withhold gold from the international market if Britain and the United States applied exacting economic sanctions. What is more, in the event of severe economic sanctions being applied, it would be difficult to prevent South Africa from flying gold to Switzerland (which was not a member of the UN

⁸⁵ 'South Africa': OCCC memorandum for DOP(O)C by A. L. M. Cary, 18 March 1963, CAB 148/3.

and unlikely to participate in sanctions), where the gold could be remelted, lose its South African identity, and sold elsewhere in the world. The immediate consequences of a steep reduction in the normal year's supply of £300 million of new South African gold would be less damaging to South Africa than to the West as a whole. New production from other sources, including Russia (£200 million) would be insufficient to meet industrial and hoarding demands at the required levels (up to £400 million). This would almost certainly put the market price of gold under severe pressure, forcing the United States and Britain to choose between three policy options. Firstly, it would be possible to allow the market price of gold to rise indefinitely above the monetary price, although this would generally be regarded as a first step to raising the monetary price, potentially stimulating heavy speculation against both the dollar and the pound. Secondly, the West could allow an immediate and substantial rise in the official monetary price of gold; however, President Kennedy had repeatedly pledged not to allow this to happen, and it might cast doubt on the future of the dollar and sterling as reserve currencies - the chief beneficiaries, in such an event, would be South Africa and the Soviet Union. Finally, it might be possible for Western governments to organise a collaborative defence of the gold price by pledging themselves not only to take in more dollars (perhaps much more) but also to sell some of their gold reserves. The combined gold holdings of the leading Western nations could swamp even large-scale speculation, but the success of the co-operative defence of the gold price would depend on political solidarity on the issue of South Africa. Provided all the main countries acted in concert, the loss of South African gold would be manageable for a period; conversely, any breach in political solidarity would result in 'a very serious situation'. In these circumstances, the combined available Anglo-American resources, including assistance through the IMF, might prove insufficient in supporting the two major reserve currencies of the Western world.⁸⁶

⁸⁶ *ibid.*

Given the inherent difficulties in forecasting whether South Africa or 'Black' Africa would provide the better trading terms or the safer areas for investment (in both the short and longer term), Cary asserted that strategic and political factors would be decisive in determining future UK policy. In the absence of British territory overseas, UK world-wide strategy depended on the provision of facilities by others; whilst the denial of facilities by one nation could usually be compensated by recourse to another, this would not always be the case. Although Britain no longer sought any contribution from Pretoria to Western defence, Cary argued that the loss of UK facilities in South Africa would reduce flexibility in the choice of routes for sea and air operations. South African co-operation, at least to the extent of endowing Britain with overflying rights, was essential to UK military reinforcement of Basutoland and, unless Portugal offered access through Mozambique, for Swaziland. Similarly, the loss of UK naval facilities in South Africa would reduce Britain's ability to deal with any maritime threat that might develop - for example, the onset of hostile Soviet naval activity in the South Atlantic or the establishment of a Soviet satellite state in Africa with significant naval facilities. Therefore, the maintenance of South African co-operation on the lines of the Simonstown Agreements (docking, refuelling and communications facilities), in addition to the retention of overflying and staging arrangements, would remain important to achieving UK military objectives. Against the prevailing strategic context, however, Cary classified Britain's defence facilities in South Africa as 'important rather than essential'.⁸⁷

The principal strategic air route to the Middle and Far East was dependent on the goodwill of Libya and the Sudan. As a result of outstanding UK responsibilities towards the High Commission Territories and in Central Africa, these facilities were classified as 'essential military requirements', as were the staging and overflying facilities for military

⁸⁷ *Ibid.*

aircraft in East Africa. Cary emphasised the importance of paying due cognisance to such strategic assets when considering policy towards South Africa:

If we appear to the Black Africans to lean too far towards preferring defence relations with South Africa we might well endanger our defence facilities in Black Africa. On the other hand we cannot tell for how long we shall in any case be able to retain these facilities, although a lessening of tension over South Africa would obviously make it easier to do so.

Cary accepted that Britain's attitude to South Africa might turn out to be 'irrelevant' in regard to the retention of defence facilities in 'Black' Africa, but this conclusion did not lead him to recommend greater support for Pretoria, since increased cooperation might 'lose us [Britain] at once rather than later facilities which are now essential to us and which cannot in the short term be replaced'. For the UK to come down firmly in support of either South Africa or 'Black Africa' represented, in Cary's opinion, 'extreme courses'. Cary advanced the view that the 'immediate problem' facing policy-makers was to maintain a compromise position that would limit pressure from both sides. Britain's objective should be to 'buy time, to keep the temperature down and to avoid so far as possible the damage to our interests which must follow open support for one side or the other'. As international pressure on South Africa intensified, however, Britain's position would become increasingly precarious.⁸⁸ This sentiment was similar to that of Sir John Maud, British Ambassador and High Commissioner to South Africa, who in his valedictory despatch, which was circulated to the cabinet by Home, argued: 'It will become increasingly difficult to continue treating South Africa as half-ally and half-untouchable; we shall have more difficult choices to make between our conflicting interests in keeping on terms with the *régime* on the one hand and avoiding outrage to black African opinion on the other'.⁸⁹

⁸⁸ *Ibid.*

⁸⁹ 'South Africa': Cabinet memorandum by Home, 19 June 1963, CAB 129/114

The cabinet re-visited the issue of UK policy towards South Africa on 11 July 1963, since it was highly likely that resolutions, calling for South Africa's expulsion from the UN and the application of full economic sanctions, would shortly be moved in the Security Council. Home, now Secretary of State for Foreign Affairs, informed his colleagues that the United States had 'indicated' its preparedness to vote against these resolutions, thus meaning that both could be defeated without the use of the veto. However, the countries opposed to South Africa would then put forward an alternative resolution, proposing a total arms embargo. The United States was not committed to opposing such an embargo, although they would be prepared to join the UK in sponsoring a more moderate resolution, distinguishing between arms for external defence and arms for repressing 'internal disorder'.⁹⁰ On 31 July 1963, Sir Burke Trend, in a briefing note to Macmillan, reiterated the importance of maintaining good relations with the 'new' Commonwealth and the United States on this issue:

We should not risk allowing ourselves to be isolated, without American support; and, if the Americans accepted a total arms embargo, we should do so too, subject to the fulfilment of outstanding contracts. We should, admittedly, stand to lose substantial export orders; but our economic interests in the Commonwealth countries of Africa are greater than our economic interests in South Africa and the balance of advantage lies in endorsing the view of Commonwealth Africa, if the Americans incline in that way.

The position with regard to economic sanctions was more complex. Trend argued that South Africa could survive for 'some time' without imports, but suggested that Britain would 'suffer severely' from any substantial loss of exports, especially 'invisibles' (export earnings gained through the trading of services, as opposed to goods). Such a development would have a detrimental impact on the UK balance of payments, potentially

⁹⁰ Cabinet Minutes, 11 July 1963, CAB 128/37.

leading to heavy speculation against the pound. The likelihood of a severe sterling crisis would be further heightened by South Africa being under no obligation to export gold, possibly precipitating speculation against both the dollar and sterling. On the other hand, if Britain vetoed a resolution on economic sanctions (or, for that matter, decided to abstain), it would be exposed to a hostile reaction from other Commonwealth countries, as well as the world community in general.⁹¹ On 1 August 1963, when the cabinet re-addressed this issue, Home confirmed that Washington and London would exercise the veto on any resolutions to expel South Africa from the UN or to enforce economic sanctions, but suggested that the 'Afro-Asian *bloc*' would attempt to introduce a new resolution restraining UN member states from exporting *all* types of military supplies to South Africa. Home hoped that, with the support of Norway and the United States, Britain would be able to secure an amendment, exempting military supplies necessary for defence against external aggression. A resolution on this basis, Home told the cabinet, would probably enable the UK to maintain its existing policy as regards the supply of arms to South Africa, provided that it could be stipulated that Britain would remain free to complete existing contacts and continue to supply spare parts.⁹² On 9 August 1963, Britain (along with France) abstained from a UN resolution stating that all member states would cease forthwith the sale and shipment of arms to South Africa.⁹³ Serious concerns over the potential repercussions of this stance soon emerged within diplomatic circles. On 25 September, Sir Patrick Dean, British Ambassador to the UN, sent a despatch to Home, stressing his difficulties in convincing Commonwealth members of Britain's sincerity in trying to eradicate *apartheid*; until this was addressed, the UK would become increasingly isolated in the UN, a position prejudicial to the furtherance of wider British interests.⁹⁴

⁹¹ 'Policy Towards South Africa', Briefing note by Trend for Macmillan, 31 July 1963, PREM 11/4487.

⁹² Cabinet Minutes, 1 August 1963, CAB 128/37.

⁹³ For resolution see www.un.org/documents.

⁹⁴ Dean to Home, 25 September 1963, PREM 11/4568.

When the Defence and Overseas Policy Committee (DOPC) met (with Butler in the chair) to discuss Cary's paper on 27 November 1963, two main issues were raised: firstly, whether Britain should be prepared to enforce more stringent measures on the export of arms to South Africa; and, secondly, whether the UK should participate in the study group proposed by the UN to examine alternative solutions to the problems of racial conflict in South Africa. Whilst UK commercial activities in South Africa were more substantial than those of other countries, and should not be carelessly jeopardised, the DOPC agreed that Britain could not allow itself to become isolated from international opinion, which was resolutely opposed to the *apartheid* policies pursued by Verwoerd's government. On the other hand, it would be equally important to avoid provoking Pretoria into adopting retaliatory measures, especially in view of the value of UK exports to the balance-of-payments and South Africa's record of prompt payment. The DOPC agreed that 'there was little point in depriving ourselves of this income if our place as a supplier of arms were to be taken by another nation, such as France'.⁹⁵ On 18 June 1964, Butler informed the cabinet that a vote would be taken that day in the UN Security Council on a resolution concerning *apartheid* in South Africa. This resolution avoided any reference to economic sanctions, confining itself to proposing the establishment of an expert committee to study the feasibility and implications of measures which could be taken by the Security Council under the Charter of the UN. In addition it reaffirmed the Council's exhortation to all member states to cease forthwith the sale and shipment of military equipment to South Africa. Abstention from voting on this resolution, Butler suggested, would leave Britain internationally isolated. In discussion there was general agreement that the balance of advantage lay in favour of participating in the work of the proposed expert committee, if

⁹⁵ DOPC minutes, 27 November 1963, CAB 148/1.

only to ensure some degree of control into any inquiry into the feasibility of economic sanctions.⁹⁶

A Post-Independence Pax Britannica in East Africa?

The importance of East Africa to British policy-makers was highlighted by their reaction to the outbreak of civil unrest in the region during January 1964. On 23 January 1964, Duncan Sandys, now Secretary of State for both Commonwealth Relations and the Colonies, informed the DOPC that Jomo Kenyatta, Prime Minister of Kenya, was concerned that the dissatisfactions, which had led native troops in Tanganyika to mutiny, might spread to Kenya - accordingly, Kenyatta had requested that UK troops be made available to support the civil authority in the event of disorder. At the same time, news was received that the 1st Battalion of the Uganda Rifles had mutinied, leading the Ugandan Prime Minister, Milton Obote, to ask for the immediate despatch of British troops in order to secure Entebbe airfield. As a result of the strategic benefits Britain derived from stability and the maintenance of pro-British regimes in East Africa, Conservative ministers agreed to provide assistance to the states concerned; however, Home, now Prime Minister, instructed ministers to make every effort to prevent international opinion from misconstruing this as an act of neo-imperialism: 'It would be necessary to try to anticipate attempts, at the UN and elsewhere, to misrepresent our actions as an example of neo-colonialism and an indication that we were seeking to reinstate our influence in territories to which we had granted independence'. One week later, at a further meeting of the DOPC, Home indicated that the decision to intervene in East Africa had clearly been justified by the outcome, but cautioned that it would be impossible to contemplate maintaining UK security forces indefinitely. It was thus essential to consider how to

⁹⁶ Cabinet minutes, 18 June 1964, CAB 128/38.

extricate UK forces at the earliest opportunity.⁹⁷ On 28 January 1964, Home told the cabinet that Britain could not carry 'indefinitely' the responsibility of maintaining order in territories over which it no longer exercised any political control. In discussion there was general agreement with this view, although it was argued that it would not be in Britain's interest to leave the countries concerned to the 'mercy' of the subversive movements that had prompted the recent mutinies. There were some indications that the East African governments themselves were beginning to think of organising their security on some kind of collective or federal basis. Ministers agreed that it would be to Britain's advantage to 'encourage this tendency' and to seek to promote a pattern of regional co-operation.⁹⁸

On 29 January 1964, Trend informed his colleagues on the DOP(O)C that ministers had asked for advice on the policy implications flowing from recent developments in East Africa. Although there was no evidence of direct Communist influence in Kenya, Uganda and Tanganyika, Trend revealed that there were some indications that Oscar Kambona, Tanganyika's Foreign Minister, had played a part in inspiring the army to mutiny, despite being deterred from carrying through his initiative by the support given to Nyerere by Kenyatta (as well as some units of the Tanganyika Rifles).⁹⁹ The DOP(O)C concluded that there was no immediate danger of further internal disturbances in Kenya, Uganda and Tanganyika. In Zanzibar, conversely, the possibility of extreme left wing elements moving to oust the 'relatively moderate' government of Sheik Abeid Amani Karume was considered a distinct possibility; accordingly, DOP(O)C officials considered whether British military support should be given, if requested, to Karume. In view of the possible reaction of the Soviet Union, officials concluded that it would be essential, in the event of a decision to intervene in Zanzibar, to have assurance of American support. More importantly,

⁹⁷ DOPC minutes, 23 January 1964, CAB 148/1. Also see Cabinet minutes, 23 January 1964, CAB 128/38. In discussion there was general agreement that 'these developments afforded disquieting evidence of the extent to which subversive elements were seeking to establish a footing in Commonwealth territories in East Africa'.

⁹⁸ Cabinet minutes, 28 January 1964, CAB 128/38.

⁹⁹ On 23 March 1964, Sandys noted: 'Mr. Kambona was probably playing his own game, but for the moment he was loyal to President Nyerere'. 'Note of a Meeting Held in the Secretary of State's Room at the Commonwealth Relations Office', 23 March 1964, Sandys papers (Churchill College, Cambridge) DSND 8/21.

DOP(O)C officials agreed that it would be beneficial to encourage the governments of Kenya, Uganda and Tanganyika to co-operate in a joint defence force. Collaboration of this kind, the DOP(O)C agreed, might reactivate the proposals for a political union (including, if possible, Zanzibar), which had been halted by the reluctance of the Tanganyikan government to fully participate in 1961. If the Kenyan government were willing for UK forces to remain in the country after December 1964, when the defence agreement between the two nations was due to expire, this would have the added advantage of providing a continued British military presence in the region.¹⁰⁰

On 4 February 1964, DOP(O)C officials, under the chairmanship of Trend, produced a paper on the policy implications of developments in East Africa. The conclusions of Trend's committee were guided by the over-arching UK interest of promoting stable governments in East Africa. Trend pointed out that, rightly or wrongly, Britain's Western allies considered it the responsibility of the UK government to arrest the spread of Communism in this part of the world. 'To abrogate this responsibility . . .', Trend asserted, ' . . . could not fail to diminish our [Britain's] international standing'. Trend's paper maintained that the best means of promoting stability in the area lay in encouraging the local governments to develop 'some form of joint security system' as 'a prelude to eventual political federation'. The DOP(O)C considered the timing as opportune to undertake an initial step in this direction, since the governments concerned had been 'badly shaken' by their inability to maintain internal control during the recent disturbances, having 'been brought face to face with the realities of independence'. With order restored, however, officials feared that this 'mood' would quickly dissipate, recognising that all East African governments contained, to varying degrees, either Communist or radical nationalist groupings. Officials were concerned that radical elements had grasped the 'crucial importance' of winning over the armed forces as a precursor to assuming power: in

¹⁰⁰ DOP(O)C minutes, 29 January 1964, CAB 148/4.

Uganda, for example, a movement was already conspiring to replace the existing army by one recruited from 'youth movements'. The significance of this development lay in the fact that, if the present unstable democratic governments were unable to function, there would be a distinct possibility (as had been the case in other parts of Africa) that they would be succeeded by stratocratic rule. On the other hand, it was arguable that military regimes might, in certain circumstances, offer better prospects of stability than the governments presently occupying power. Officials agreed that Britain should attempt to 'establish its influence' over leaders within the armed forces who had the potential to opportunistically seize power. Given the lack of experienced and trained personnel, it was questionable whether the East African armed forces were in a position to do this on their own. If this plan were to succeed, it would be essential to establish a nucleus of British officers attached to the various national military contingents. Such an arrangement would have the additional advantage of reassuring British settlers that they were not going to 'be left to the mercy of the Africans'. It would be a 'major error of judgement', Trend's paper concluded, to 'lose' this opportunity to contribute to stability in East Africa.¹⁰¹

Aware of the need to enlist American support on East Africa, Sandys held discussions with W. Averell Harriman, US Under Secretary of State for Political Affairs, giving him notice of the fact that he had told the East African mainland governments, without commitment, that if President Karume was in danger of being overthrown and asked for help, and they supported his request, Britain should be prepared to consider giving him assistance.¹⁰² On 8 April 1964, Sandys informed the DOPC that the 'extreme left-wing faction' in Zanzibar had assumed control of the government, in large part helped by military and financial assistance from the Soviet Union and East Germany.¹⁰³

¹⁰¹ 'The Policy Implications of Developments in East Africa': DOP(O)C minute by Trend, 4 February 1964, CAB 148/1.

¹⁰² 'Record of the Commonwealth Secretary's Meeting with Mr. Averell Harriman at the Commonwealth Relations Office', 20 March 1964, Sandys papers (Churchill College, Cambridge) DSND 8/21.

¹⁰³ DOPC minutes, 8 April 1964, CAB 148/1. Also see Cabinet minutes, 9 April 1964, CAB 128/38.

On entering office, leading figures in the Labour government expressed enthusiasm for Britain's role in East Africa. During private defence discussions with the Americans on 7 December 1964, for example, Denis Healey, the newly appointed Secretary of State for Defence, used the example of UK military action in East Africa to illustrate how Britain could contribute to stability in the extra-European world: 'Had it not been for the UK's prompt action in throwing "nugatory forces" into East Africa earlier this year, the West might have had another Congo on its hands'.¹⁰⁴ Similarly, Harold Wilson told Dean Rusk: 'In some parts of the world, such as East Africa there were jobs which only Britain could do'.¹⁰⁵ By early 1966, however, Britain's preparedness to undertake independent military operations in East Africa came into question. The importance of East Africa to the defence of Britain's interests in South Arabia and the Persian Gulf was lessened by the decision, reached by DOPC ministers on 24 November 1965, to give up any 'obligations to, or defence facilities in, Aden or the South Arabian Federation', when South Arabia became independent in 1967 or 1968.¹⁰⁶ On 23 January 1966, Healey was forced to concede to the Americans that the Labour government's 'Defence Review' had not taken 'into account African needs which may eventuate'.¹⁰⁷

'A Position of Secondary Importance Among our Interests in the World'. The Labour Government's Withdrawal from Africa: 1964-1968.

Despite its ambitious domestic agenda, promising the creation of a 'New Britain', involving large scale investment in industry, science and technology, regional planning, education, transport, housing, social security provision and the National Health Service, the Wilson

¹⁰⁴ 'Defense Problems': Memorandum of Conversation, 7 December 1964, *FRUS, Western Europe*, vol. XII, Document 236.

¹⁰⁵ 'Record of Conversation between Wilson and Rusk at 10 Downing Street', 14 May 1965, PREM 13/214.

¹⁰⁶ DOPC minutes, 24 November 1965, CAB 148/18. See Chapter V, pp. 225-226.

¹⁰⁷ 'UK Defense Review - Principal UK Presentations and U.S. Responses', Memorandum of Conversation, 27 January 1966, *FRUS, Western Europe*, vol. XII, Document 255.

government entered office firmly committed to the ideal of a British world role. At the heart of Labour's agenda was the Commonwealth, an entity to which the party had a strong sentimental attachment, proudly proclaiming responsibility for its inception. Labour considered Britain's association with the Commonwealth more important than its relations with the EEC: 'Though we [an incoming Labour government] shall seek to achieve closer links with our European neighbours, the Labour Party is convinced that the first responsibility of a British Government is still to the Commonwealth'. Moreover, Labour's manifesto promised a 'New War on Want': the poverty of developing countries, it was argued, presented the western industrialised nations with a 'tremendous challenge which we ignore at our peril'. Labour promised to discuss, with other countries, proposals for expanding the trade of developing nations and increase the share of national income devoted to essential aid programmes. Labour's commitment to tackling global poverty was enshrined in its pledge to create a Ministry of Overseas Development (OMD), a new department with an almost altruistic agenda for distributing aid and providing technical assistance. This ambitious programme for overseas development and the Commonwealth were particularly important in relation to Africa, since the continent was poverty-stricken and comprised the majority of Britain's former (and soon to be former) colonies. Labour's manifesto also highlighted the potentially damaging effects of Anglo-South African relations on Britain's standing within the Commonwealth and the UN, criticising the Conservative's 'equivocal attitude' to Pretoria's racial policies, and their failure to end the sale of arms to the *apartheid* regime.¹⁰⁸

On 10 February 1965, DOP(O)C officials established a sub-committee on Africa, under the chairmanship of Paul Rogers, the Deputy Secretary to the Cabinet. In what was the first attempt at establishing inter-departmental consensus on UK policy towards Africa

¹⁰⁸ For manifesto see 'The New Britain', in I. Dale (ed.), *Labour Party general election manifestos 1900-1997*, (London: Routledge in association with Politico's, 2000). For a detailed account of Labour's main foreign policy objectives in opposition see P. Catterall, 'Foreign and Commonwealth Policy in Opposition: the Labour Party'. W. Kaiser and G. Staerck (eds.), *British Foreign Policy, 1955-64: Contracting Options*, (Macmillan: London, 2000).

since 1959, Rogers' sub-committee drew its membership from the Foreign Office, Commonwealth Relations Office, Colonial Office, Ministry of Defence, Board of Trade and the Treasury. The sub-committee produced papers and recommendations for a parallel ministerial sub-committee, chaired by Cledwyn Hughes, Minister of State at the Commonwealth Relations Office. At the sub-committee's first ministerial discussions, Hughes argued that the Americans would press the UK to take 'an increasing lead' in African affairs on the grounds that Britain's 'special relationship with many of the countries in Africa made it our prime responsibility to do so'. Hughes felt this presumption open to question, since Britain's relationship with many Commonwealth countries was, in some ways, 'a handicap rather than an advantage' - a viewpoint certainly not expressed in Labour's 1964 manifesto. On the other hand, it was recognised that Britain was in a better position to intercede in African affairs than the United States, which had damaged its credibility, at least in Hughes's opinion, through 'hasty and ill-considered actions'.¹⁰⁹ Although a number of draft sections of a report were completed in the first half of 1965, the sub-committee temporarily suspended its work in July because of the deteriorating situation in Rhodesia. As a number of important members on the sub-committee were heavily engaged on urgent issues relating to Rhodesia, it became impossible to complete any realistic assessment of developments in Africa over a ten-year period.

With the dissolution of the Central African Federation and the imminent independence of Zambia and Malawi, Southern Rhodesia's European ruling elite called on Whitehall to accede to independence. Independence, it was argued, should be on the basis of the 1961 constitution, which envisaged eventual majority rule, but limited participation in elections by means of a restrictive property franchise, effectively confining power in the hands of the white minority; accordingly, if independence were granted on the basis of the 1961 constitution, responsibility for African political advancement would lie with Salisbury,

¹⁰⁹ DOPC (ministerial sub-committee on Africa) minutes, 18 March 1965, CAB 148/39.

not London. In response to increasing African demands for equal democratic rights, moreover, Rhodesia's 'moderate' European party leaders were supplanted by more 'hard-line' elements in the early 1960s. In April 1964, Winston Field, Rhodesia's Prime Minister, was replaced by Ian Smith (his deputy), when he failed to move rapidly enough, during independence negotiations with Britain, for the more authoritarian elements in his party. Representatives of Rhodesia's indigenous African population (who outnumbered the Europeans by a ratio of 20 to 1¹¹⁰) argued that it would be wrong for Britain to grant full independence to a minority, maintaining that priority should be given to the establishment of majority rule, as was the case in other East and Central African colonies formerly under British control. The British government's preparedness to grant independence to Southern Rhodesia was dependent on the fulfillment of five principles: (i) unimpeded progress to majority rule; (ii) guarantees against retrogressive amendment of the 1961 constitution; (iii) immediate improvement in the political status of Africans; (iv) progress towards ending discrimination; (v) independence to be acceptable to the people of Rhodesia as a whole.¹¹¹

On 27 April 1965, Wilson told the cabinet that it was increasingly probable that Southern Rhodesia would have recourse to a unilateral declaration of independence (UDI), despite apprehensions amongst local industrial and commercial interests as to the consequences of such an action. At the 1965 Commonwealth Prime Ministers' Meeting (CPM), African leaders pressed Wilson to convene a constitutional conference on Rhodesia; if Smith did not agree to attend and failed to release imprisoned African nationalist leaders, it was argued that Wilson should suspend the Rhodesian constitution and impose direct rule, if necessary by military means.¹¹² In response to this request, Wilson contended that it was 'unrealistic' to suppose that Britain could compel Smith to accept such a proposal and that

¹¹⁰ Rhodesia's estimated population of 4,350,000 was composed of about 4,105,000 Africans, 224,000 Europeans (white), and 21,000 of other ethnic groups. See 'Southern Rhodesia': Paper prepared by the Department of State, 23 January 1967, *FRUS, Africa*, vol. XXIV, Document 553.

¹¹¹ E. Windrich, *Britain and the Politics of Rhodesian Independence*, (New York: Africana Publishing Company, 1978), pp. 41-42.

¹¹² The African Prime Ministers were supported by all the other leaders at the meeting except Australia and New Zealand.

it would be impossible to contemplate the use of force. Concerned that such a stance might precipitate several African states leaving the Commonwealth, Wilson offered an undertaking that, if future discussions with Smith did not lead to a constitutional conference in a reasonably 'short time', Britain would 'promote' such a conference, so as to ensure Rhodesia's progress towards independence on a basis acceptable to majority opinion. Although there was some risk that this would precipitate UDI, Wilson considered such an outcome 'unlikely'.¹¹³ At this time, however, pressure was growing within Southern Rhodesia, particularly on the part of the country's influential farming community, for independence. In response to fears within Whitehall that Rhodesia was on the brink of declaring UDI, Cledwyn Hughes was dispatched to Washington to enlist American support. Hughes told Rusk that Britain was doing everything possible to "'postpone the evil day" when UDI would come', confirming that there was not the 'slightest chance' that force would be used to quell any rebellion.¹¹⁴ On 23 September, Arthur Bottomley, Secretary of State for Commonwealth Relations, informed the cabinet that it seemed increasingly likely that Rhodesia would follow the 'unconstitutional course' of UDI, but suggested that much might be gained by making one 'final effort' to dissuade Smith from doing so. As a consequence, Wilson travelled to Salisbury in late October, whereupon he urged Smith to lead Rhodesia away from UDI towards more constitutional methods of behaviour.¹¹⁵ The difference between the two leaders was straightforward: Smith wanted to control the pace of African political advancement, while Wilson was unprepared to hand that power over to the South Rhodesian government. Despite Wilson's best efforts, Anglo-Southern Rhodesian discussions proved inconclusive, largely due to Smith's determination

¹¹³ Cabinet minutes, 24 June 1965, CAB 128/39.

¹¹⁴ 'Southern Rhodesian UDI and Ramifications': Memorandum of Conversation, 20 September 1965, *FRUS, Africa*, vol. XXIV, Document 467.

¹¹⁵ Cabinet minutes, 2 November 1965, CAB 128/39.

to prevent the emergence of majority rule.¹¹⁶ On 11 November 1965, Wilson notified the cabinet that it seemed 'almost certain' that Smith would make an 'illegal declaration of independence (IDI)'.¹¹⁷ In turn, cabinet ministers focused their attention on measures to be taken in the event of UDI. James Callaghan, Chancellor of the Exchequer, expressed concerns on the effect on sterling of blocking the Reserve Bank of Rhodesia's sterling balances in London. If Britain appeared to be restricting sterling balances for political reasons, Callaghan argued, this could well affect the attitude of other holders of sterling and diminish confidence in the pound.¹¹⁸ Wilson took the opposite view, maintaining that it was right to prevent a 'usurping authority' from accessing funds which belonged not to them but to Rhodesia. Such an action, Wilson contended, so far from undermining confidence in sterling, would reassure other holders of sterling balances, who might be threatened by revolt or illegal pressure within their territories. Even so, Wilson was prepared to concede that blocking Rhodesia's sterling reserves should not be among the 'initial measures' taken in the event of UDI.¹¹⁹ On action to be taken at the UN, cabinet ministers agreed that it would be essential to oppose pressure to use military force, especially from the Soviet Union; consequently, it would be argued that the application of economic sanctions, if firmly enforced, would represent the best means of bringing any rebellion to an end. Halfway through this cabinet meeting, Wilson was informed that Smith's government had announced UDI.¹²⁰ The next day, the Wilson government passed

¹¹⁶ Sir Saville Garner, Permanent Under-Secretary to the Commonwealth Relations Office, wrote of Wilson's efforts in these discussions: 'No man could have done more to avert the clash than Wilson did in October 1965 in Salisbury. He did not spare himself, but devoted himself for a week, working hard every day until after midnight, to dreary repetitive discussions with Smith and his colleagues, yet always patient, tolerant, making his points with skill and clarity and taking care to inform himself in detail of all matters that came up'. Garner, *The Commonwealth Office*, p. 396.

¹¹⁷ As regards the term IDI, Wilson told the cabinet that this expression was 'preferable to a unilateral declaration of independence and should henceforth be adopted to describe and act of this kind'. See Cabinet minutes, 11 November 1965, CAB 128/39.

¹¹⁸ This issue had been under consideration in the Treasury for a number of months beforehand. The diary entry of Sir Alec Cairncross, Head of the Government's Economic Section, for 10 October 1965 notes: 'I asked [Sir] William [Armstrong] if thought had been given to the cost of UDI in Rhodesia and he said 'Yes, £200 million'. A. Cairncross, *The Wilson Years: A Treasury Diary, 1964-1966*, (London: The Historians' Press, 1997), p. 84.

¹¹⁹ On 3 December 1965, the Board of the Reserve Bank of Rhodesia was dismissed and a new board, chaired by Sir Sydney Caine, Director of the London School of Economics, appointed by the British government; as a result of this action, Rhodesia's balances outside London became legally worthless.

¹²⁰ Cabinet minutes, 11 November 1965, CAB 128/39.

the Southern Rhodesian Act, 1965, conferring powers to impose sanctions. On 12 November, the UN Security Council adopted, by a vote of 10 to 0, with France abstaining, a brief interim resolution condemning UDI and calling upon all states not to recognise or render any assistance to the illegal regime. On November 20, at the request of the UK, the UN Security Council adopted, by a vote of 10 to 0, with France abstaining, a compromise resolution calling upon all states not to provide arms and military equipment to Rhodesia and to do their utmost to break all economic relations, including an embargo on oil and petroleum products.

In late November 1965, Wilson received a request from the President of Zambia, Kenneth Kaunda, that UK forces should be stationed in Zambia both in order to safeguard the hydroelectric power station at Kariba and to protect the country against attack from the Rhodesian Air Force. If Britain rejected this request, cabinet ministers agreed, Kaunda might be overthrown. In such an event, Wilson prophesied, there would then be 'no obstacle to the outbreak of a racialist war which could lead to the disintegration of the Commonwealth and would expose the whole of Central Africa to Communist infiltration and subversion'. For this reason, preparations were made to send a squadron of Javelin fighters, with the necessary radar equipment, into Zambia. It was hoped that this action would strengthen Zambian morale and reinforce Kaunda's political position. According to Sir Alec Cairncross (Head of the Government Economic Service), Callaghan, who had been at 'odds' with Wilson on policy towards Rhodesia, believed that the Javelins would make Smith's regime 'most conscious of their dependence on the UK and that they would take the risks more seriously'.¹²¹ As there was some risk that the Rhodesian Air Force might launch a pre-emptive attack on the Javelin squadron before it was fully operational, HMS *Eagle* (which possessed a strike capability) was secretly moved from the Far East to a position off the East African coast. The cabinet rejected Kaunda's second request of

¹²¹ Cairncross, *The Wilson Years*, p. 98.

sending British ground forces into Zambia to protect the power supplies from Kariba. Nevertheless, Wilson believed that the dispatch of the Javelin squadron might mark the 'first stage' in a new and developing commitment.¹²² As a result, cabinet ministers considered it even more important to implement further economic and financial measures designed to bring the rebellion to an end as rapidly as possible. Wilson informed his colleagues that the possibility of instituting an oil embargo, at least to the extent of preventing the delivery of crude oil to Beria (in Mozambique), was under urgent consideration. In order to be effective, however, this would require collective international action.¹²³ On 16 December, Washington agreed to 'help' in an oil embargo of Rhodesia, subject to an Order in Council providing protection for US oil companies against any damage claims. Wilson believed that such an embargo would succeed in removing Smith from power, with Britain resuming responsibility for the government of Rhodesia: 'It will put us back 40 years . . .', Wilson told Johnson, '. . . but it can't be helped'.¹²⁴ While Wilson did not give a specific estimate of the time it would take for sanctions to succeed, Oliver Wright, Private Secretary to the Prime Minister, suggested to David Bruce, US Ambassador to London, that Smith's government would fall in a 'matter of weeks'.¹²⁵

At the January 1966 CPM in Lagos, Wilson rejected African demands for Britain to intervene militarily to bring an end to UDI, deflecting attention away from such a course by establishing a Commonwealth Sanctions Committee, claiming that sanctions would force Smith's government to fall in 'weeks, not months'.¹²⁶ Wilson considered this a 'victory for moderation', which 'strengthened the Commonwealth *vis-à-vis* the extremists of the Organisation of African Unity'.¹²⁷ Four months later, Ian Smith initiated discussions with

¹²² Moreover, Healey told the cabinet that an attack on the Javelins would constitute an 'act of war' against Britain.

¹²³ Cabinet minutes, 29 November 1965, CAB 128/39.

¹²⁴ 'Memorandum of Conversations: Visit to Washington of Prime Minister Wilson, December 16-18, 1965', Cabinet Room Meeting, 16 December 1965, *FRUS, Africa*, vol. XXIV, Document 513.

¹²⁵ 'Memorandum of Conversations: Visit to Washington of Prime Minister Wilson, December 16-18, 1965', White House Lunch for Prime Minister and Subsequent Conversation, 17 December 1965, *FRUS, Africa*, vol. XXIV, Document 513.

¹²⁶ H. Wilson, *The Labour Government, 1964-70: A Personal Memoir*, (London: Weidenfeld & Nicolson, 1971), p. 196.

¹²⁷ 'Message From Prime Minister Wilson to President Johnson', 14 January 1966, *FRUS, Africa*, vol. XXIV, Document 528.

Britain to try and bring about a settlement. Informal talks between officials followed, so as to ascertain whether there was a basis for meaningful discussions. On 10 June 1966, Wilson told Rusk that 'things were going a good deal better' in regard to Rhodesia. The effects of the credit squeeze, tobacco boycott, oil embargo and growing unemployment, Wilson argued, was 'a case of sanctions having real effects in a hundred different ways'. At the end of the day, Wilson insisted, all of this would force Smith (a 'sophisticated economist') into 'real' negotiations.¹²⁸ In late August 1966, Anglo-Southern Rhodesian 'talks about talks' were adjourned because of the decision of the Smith government (now referred to in cabinet minutes and memorandum as the 'illegal regime') to introduce legislation that would endow it with permanent powers of preventative detention. On 1 September 1966, at a meeting of the cabinet, ministers considered ways to increase pressure on Salisbury. The cabinet ruled out the use of force, reaffirming its decision of 7 October 1965.¹²⁹ Handing responsibility over to the UN was also rejected, as this might serve to increase Smith's obstinacy to reaching a settlement. A mandatory resolution under Chapter VII of the UN Charter, either in respect of economic sanctions or in respect of supplies of oil alone, was similarly dismissed, on the grounds that this would 'inevitably' lead to the imposition of sanctions against South Africa, an event that would have 'disastrous' consequences for the UK economy. The cabinet also considered whether Britain should declare acceptance of independence in Rhodesia before the institution of majority rule. Such a statement would undoubtedly strengthen Britain's position at the forthcoming CPM in September; however, since this course would irretrievably damage any prospect of achieving a settlement, ministers considered it 'unacceptable'. In these circumstances, ministers decided to take the following line with the Commonwealth Prime Ministers. It would be conceded that sanctions had not proved as effective as was hoped

¹²⁸ 'Rhodesia': Memorandum of Conversation at 10 Downing Street, 10 June 1966, *FRUS, Africa*, vol. XXIV, Document 538.

¹²⁹ Cabinet minutes, 7 October 1966, CAB 128/39.

at the previous CPM meeting at Lagos in January 1966 (when it was promised that Smith's regime would fall in 'weeks, not months'), but that it would be wrong to assume that they were having no effect: on the contrary they were creating substantial difficulties for the Rhodesian economy. The policy dilemma facing policy-makers was neatly encapsulated in cabinet discussion:

To grant independence before majority rule would undoubtedly upset African opinion, but to declare that our policy was not to grant such independence meant destroying any hope of a settlement of the Rhodesian problem, would inevitably drive that country into the arms of South Africa and would therefore in practice be responsible for the indefinite postponement of the very majority rule which the policy sought to secure.¹³⁰

Moreover, Herbert Bowden, Bottomley's replacement as Secretary of State for Commonwealth Affairs, believed that there was a possibility of Smith leading Rhodesia 'back to legality'.¹³¹ Wilson had two main objectives throughout the September CPM discussions on Rhodesia: to hold the Commonwealth together and to keep the Rhodesian question, so far as possible, under British control. After rancorous discussion, extending over three days, Wilson was forced to concede the principle of no independence before majority African rule (NIBMAR) in Rhodesia. The final *communiqué*, however, recorded the British government's intention to give the illegal regime one last chance to return to constitutional rule before the end of the year. If this were not accepted, the *communiqué* noted, Britain would jointly sponsor mandatory sanctions in the UN prohibiting the import by member states of selected Rhodesian products. Wilson clearly hoped to avoid the implementation of mandatory sanctions and NIBMAR; with this publicly expressed threat of action, he hoped to force Smith's acquiesce in a settlement, within three months. The

¹³⁰ Cabinet minutes, 1 September 1966, CAB 128/41.

¹³¹ Cabinet minutes, 29 September 1966, CAB 128/41.

acceptance of African demands on NIBMAR and mandatory sanctions, Wilson explained to President Johnson, was the 'price we had to pay to buy this additional time for a last showdown with Smith'.¹³²

In early December 1966, matters between Britain and Rhodesia came to a head, when Wilson held talks with Smith on HMS *Tiger*.¹³³ Sir Saville Garner, Permanent Under-Secretary to the Commonwealth Office, later described the negotiations on HMS *Tiger* as a 'gamble – but a gamble that did not come off'.¹³⁴ Although Wilson hoped that it might be possible to reach a settlement with Smith, he concurred with Garner's assessment: 'If I was a betting man. . .', Wilson told President Johnson, '. . . I should wager against a settlement. But the odds are not so steep that the gamble is not worth taking: and the stakes, for all of us, are high'. On the issue of returning Rhodesia to constitutional rule, Smith refused to agree to an immediate return to the 1961 Constitution or that a broadly-based government should be formed. Smith also asked that a test of public opinion in Rhodesia in respect of amendments to the 1961 Constitution be conducted by a Royal Commission before a return to legality. In reply, Wilson and Bowden insisted that an interim government should be formed under the 1961 Constitution. Thereafter a Royal Commission would be formed to test public opinion and report whether or not the revised Constitution would be acceptable to the people of Rhodesia as a whole. Wilson made it clear that, if subsequently independence were illegally declared for a second time, there would be no question of legal independence before majority rule; mandatory sanctions against Rhodesia would be sought and imposed; and there could be no further guarantee that Britain would not use force in applying such sanctions. When Smith's cabinet rejected the 'working document' drawn up on HMS *Tiger*, on the grounds that it could not accept a

¹³² 'Telegram From the Department of State to the Embassy in the United Kingdom (message received by President Johnson from Wilson, 23 September 1966)', 24 September 1966, *FRUS, Africa*, vol. XXIV, Document 542.

¹³³ On the eve of the talks with Smith, Wilson told President Johnson that this would be the 'final showdown' between the two leaders. See 'Telegram from Prime Minister Wilson to President Johnson', 29 November 1966, *FRUS, Africa*, vol. XXIV, Document 547.

¹³⁴ Garner, *The Commonwealth Office*, p. 396.

return to legality (i.e., rule by the Governor for an interim period of about four months) prior to a test of Rhodesian public opinion on the new Constitution, Wilson was left with little option but to proceed with mandatory sanctions. On 13 December, Bowden informed the cabinet of his intention to propose the imposition of limited mandatory sanctions against Rhodesia at the UN Security Council. It was believed that these would have a substantial, but 'not crippling' effect on the Rhodesian economy, reducing annual GDP by some 25 per cent compared with the situation prior to UDI. Bowden believed that Pretoria would be unprepared to alter its 'normal trade' with Rhodesia; this would inhibit the efficacy of mandatory sanctions, since Rhodesia would remain economically viable for as long as South Africa continued to trade with the illegal regime. As it seemed probable that South Africa would fail to comply with mandatory sanctions, Bowden suggested that there were three options open to the government: first, to do nothing, which would leave Britain 'open to violent attack' in the UN and the Commonwealth; secondly, prepare measures leading to economic 'confrontation' with South Africa, although it was concluded that this would involve 'unacceptable risks' to the UK economy; or, thirdly, invite consultation in these matters with Pretoria. On the advice of Bowden, cabinet ministers approved the third course; however, it was agreed that exchanges with the South African government should be conducted 'unobtrusively'. Bowden informed the cabinet that it was 'vital' to Britain's interests that the imposition of mandatory sanctions should not be allowed to develop into 'economic warfare' with South Africa, as this would involve an annual loss of over £250 million in exports, a large rise in the prices of imports, and £80 million net loss of investment income and invisible exports. Since Britain's economic interests in other African countries approximately balanced those in South Africa, British policy was aimed at bringing economic sanctions to the 'pitch of maximum effectiveness', limited only by the need to avoid 'confrontation' with South Africa.¹³⁵ Garner, with some degree of

¹³⁵ Cabinet minutes, 13 December 1966, CAB 128/41.

justification, described South Africa as 'key to the Rhodesian problem'.¹³⁶ On 16 December 1966, the UN Security Council approved the imposition of limited mandatory economic sanctions against Southern Rhodesia to strengthen and supplement the voluntary programme. In the short term, sanctions did not succeed in bringing down the illegal regime, which fell over a decade later, when Rhodesia achieved independence as Zimbabwe in 1980.

On 17 January 1967, at the behest of Sir Burke Trend, officials on the DOP(O)C sub-committee on Africa resumed its work, again under the chairmanship of Paul Rogers, with a view to completing the study by April of the same year. Officials in the Foreign Office were opposed to resurrecting the committee, feeling that the exercise would be time-consuming and of limited value. Martin Le Quesne, Deputy Under-Secretary at the Foreign Office, felt that his department would be unable to contribute to 'a paper of this degree of complexity and difficulty', complaining that the Foreign Office was already having problems keeping abreast of its day-to-day responsibilities, and that it would be difficult to 'vet' an inter-departmental paper.¹³⁷ Melvyn Brown, a fellow Deputy Under-Secretary at the Foreign Office, wanted to make sure that the sub-committee's report would be based, as far as possible, on a paper produced by the Foreign Office Planning Staff on Southern Africa.¹³⁸

The final officials' report, 'Future Policy on Africa', predicted that the next decade would witness a number of far-reaching changes in British policy in different areas of the world, resulting from an inexorable 'diminution of our role as a world power'. As a consequence, officials concentrated on how British political, economic and strategic interests could be furthered in such an international environment. (Although North African countries bordering the Mediterranean and Red Sea had significant impact on the rest of Africa - for

¹³⁶ 'Southern Rhodesia': Memorandum of Conversation, 1 December 1966, *FRUS, Africa*, vol. XXIV, Document 548.

¹³⁷ Le Quesne to Brown, 17 January 1967, FCO 25/043.

¹³⁸ Brown to Le Quesne, 25 January 1967, FCO 23/043.

example, through the Organisation of African Unity (OAU) - officials considered these countries within the context of general policy towards the Middle East.) The African political scene had undergone a dramatic transformation in the period dividing the two major inter-departmental studies: most of Middle Africa had been under colonial rule in 1959, and officials had believed that this would remain the case for most of the following decade. Whitehall generally agreed that former British territories had achieved independence too quickly, leading officials to the melancholy conclusion: 'the fears of those who argued at the time in favour of a slower rate for granting independence have been largely borne out by the price which a number of Middle African countries have now begun to pay for it in terms of internal stability and economic viability'.¹³⁹ Thus, officials believed that decolonisation had been pursued at too fast a pace, a view that contradicts Macmillan's portrayal of events in his memoirs.

As a result of its colonial past, Britain retained 'substantial' economic interests in the more important Commonwealth states of Middle Africa, an area with a sizeable expatriate population, totalling approximately 140,000, including 82,000 dependents. Moreover, Britain was still held to have 'some degree of special responsibility' for the welfare of independent Commonwealth nations in Africa. With the passing of time, however, it would be natural, if not 'justifiable', for Britain's 'sense of special responsibility . . . to diminish and eventually cease'. Any sense of sentimentality in UK policy towards Africa had largely evaporated by 1967, with the inter-departmental report stating: 'We also should base our policies in Africa, as elsewhere, not on the legacy of the past but on our assessment of British and Western interests'. Accordingly, once Britain's remaining responsibilities had come to an end, Africa would 'recede into a position of secondary importance among our interests in the world'.¹⁴⁰

¹³⁹ 'Future Policy on Africa', 17 October 1967, CAB 148/77.

¹⁴⁰ *ibid.*

Whilst Britain's economic interests in Africa were not negligible, they were not as significant as those located in the Middle East and Europe. Politically, Britain had special responsibilities in Rhodesia, and whilst Whitehall agreed that no immediate termination of this commitment was in sight, the sub-committee agreed that this problem should be resolved as soon as possible, so as to prevent further damage to Britain's relations with the developing nations of the 'Afro-Asian' bloc:

While this problem is among the most intractable that we have to face, it is *not crucial* for our essential interests: but it would be unwise to overlook the fact that it bedevils our relations with non-white African countries and in international bodies causes us constant embarrassment not only with the Africans but with the Communists and Asians too.

In both Middle and Southern Africa, Britain's long-term interests were primarily economic. The ability of Britain to safeguard these interests was affected by the racial conflict between the white minorities in southern Africa, who were determined to maintain the *status quo*, and the 'black' leaders of Middle Africa, who were resolutely opposed to the continuation of minority rule. The officials' paper accepted the imperative of supporting majority rule in colonial and former colonial territories: for this reason, Britain had been willing to break-up the Central African Federation and to accept the 'disadvantages' of seeking to secure majority rule in Rhodesia. Nevertheless the problem of British policy towards South Africa remained: on the one hand, Britain unreservedly disagreed with the South African government's policy of *apartheid*; on the other, Britain's material interests made it important to 'remain on the best possible terms' with South Africa, a policy that had a detrimental impact on its relations with Central Africa. Demonstrating the extent to

which Whitehall had failed to resolve this problem, it was merely agreed that Britain should 'avoid throwing in . . . [its] lot exclusively with either Middle or Southern Africa'.¹⁴¹

Britain's economic interests in sub-Saharan Africa were proportionately far greater than any other industrialised power: the region took 12 per cent of Britain's exports, with 20 per cent of its imports coming from the UK. About 15 per cent of Britain's long-term private investment was in Africa (60 per cent of which was located in South Africa). The GNP of southern Africa was £3,800 million, which was less than that of Middle Africa (£6,000 million), though slightly more than that of Commonwealth Middle Africa (£3,600 million). More importantly, economic growth in southern Africa out-stripped central Africa during the 1960s, and it was anticipated that this would remain the case for the foreseeable future. By 1966, South Africa was Britain's second largest market; significantly, South Africa took a high proportion of 'sophisticated' exports, which would be difficult to replace through the development of alternative markets. Between 1960 and 1967, Britain's exports to South Africa ran at an average annual value of over £300 million, increasing by 50 per cent over the period; moreover, these exports were paid for in cash or on strictly commercial credit terms, which was almost unique for an African nation. By way of contrast, overall British exports to Middle African countries totalled £270 million annually, of which £215-£235 million went to Commonwealth Middle Africa. It was estimated that Britain's trade with South Africa would increase by 4-6 per cent over the next five years, as opposed to a rise of 2-3 per cent in Middle Africa. Towards the end of 1966, approximately 15 per cent of Britain's total long term private investment was in sub-Saharan Africa (excluding Rhodesia), totalling around £1,300-£1,400 million, of which about £835 million was invested in South Africa - British investments in South Africa had increased substantially

¹⁴¹ *ibid.*

since 1962, whereas investments in the rest of Africa had witnessed only a marginal increase.¹⁴²

On the other hand, Commonwealth African countries held large sterling balances - £423 million, equating to 13.5 per cent of gross overseas sterling area holdings. The officials' paper argued that there was 'a major United Kingdom interest in avoiding any rapid run-down of the balances of the African Commonwealth countries', as this might precipitate a chain reaction of events leading to devaluation. However, South Africa produced 75 per cent of the free world's gold, and the maintenance of this flow (and the continuation of London's position as the world's largest free gold market) was another essential British interest. Policy-makers advised against forgoing trade with, and investment in, either Middle or Southern Africa: 'It is. . . important that we [Britain] should eschew any situation which may lead us into a situation where we cannot avoid choosing between Middle and Southern Africa'.¹⁴³ In early December 1967, nevertheless, cabinet ministers were forced into a situation where they had to choose between Commonwealth Africa and South Africa.

On 8 December 1967, at a meeting of the Defence and Overseas Policy Committee, ministers considered whether the ban on South African arms shipments should be rescinded.¹⁴⁴ A week later, George Brown, Secretary of State for Foreign Affairs, informed his cabinet colleagues that they faced a 'very difficult' decision arising from an approach by the South African government for the supply of maritime defence equipment, valued at £100 million. If Britain were to supply this equipment, Brown conceded, there would be political difficulties 'not merely in Parliament and liberal circles in this country, but also among Commonwealth countries and in the United Nations'. Whilst fully sharing this 'general repugnance' for the South African policy of *apartheid*, Brown believed there were

¹⁴² This general trend discounted a sharp increase in investment in Ghana and Nigeria in 1965.

¹⁴³ 'Future Policy on Africa', 17 October 1967, CAB 148/77.

¹⁴⁴ DOPC minutes, 8 December 1967, CAB 148/26.

'strong economic and strategic reasons' for meeting this request. Failure to do so would not only lose Britain a valuable order for defence equipment, but would also put at 'risk' a large number of export orders in 'our second largest export market in the world'. The total loss of trade might well amount to not less than £200 million up to 1980. Given the economic situation following devaluation (on 18 November 1967), Brown maintained that Britain could not afford to lose these orders. Moreover, a refusal to supply arms might result in Britain losing its naval facilities at Simonstown; in such an event, France might replace Britain as South Africa's main source of arms and reach a separate defence agreement with Pretoria. In discussion, some support was expressed for Brown's proposal, mainly on the grounds that a refusal would cast 'grave doubts' on the will and ability of Britain to take, following devaluation, the measures necessary to restore the economy. If Britain was seen to be deliberately foregoing trade for political reasons, which on some estimates might amount in total to as much as £300 million, confidence in the Labour government would be impaired, especially among British exporters on whom a restoration of the balance of payments was dependent. If this opportunity to improve the balance of payments was 'sacrificed', it might be necessary to make even more drastic reductions in public expenditure, including politically unpalatable cuts in the fields of education and social services. Wilson, summing up the discussion, suggested that the government's political, economic and moral 'credibility' was at issue: 'To agree to supply the proposed military equipment to South Africa would be contrary to the principles for which the Government stood: and if they were to do so in order to carry economic credibility with British industry, they would risk being pushed into other policies advocated by the Opposition and thus lose all political credibility'. As the balance of opinion was in favour of deferring a decision, until the problem of arms to South Africa could be considered in the broader context of a comprehensive review of all policies at home and overseas, Wilson proposed to make a holding statement in the House of Commons in the

following week.¹⁴⁵ On 18 December 1967, in the light of 'inaccurate and tendentious' press speculation, Wilson thought it right to give the cabinet a further opportunity to reconsider the decision reached on 15 December. The cabinet concurred that a holding statement would not be sufficient, agreeing that Britain should reject the South African request for arms.¹⁴⁶

Officials on the DOP(O)C sub-committee agreed that the policies of other powers involved in Africa had the potential to either complement or frustrate British interests. The majority of countries in Middle Africa aimed to make non-alignment a central component of their foreign policies, although some countries, particularly the former French colonies, harboured Communist sympathisers.

Africans, like other self-styled non-aligned peoples draw a distinction between their policy of non-alignment and a policy of neutrality or disinterest. For them a policy of non-alignment means judging issues as they arise on their merits without any prior commitment to support the attitude of one or other of the great power *blocs*. It can alternatively be described as a policy of playing one *bloc* off against the other.

Whitehall was convinced, nonetheless, that flirtation with Soviet Communism had led some African countries to become disillusioned with Marxist ideology, concluding that it was clear that most of them had no intention of 'swapping the status of a colony for that of a satellite'. Most Africans, it was argued, found the devaluation of the individual in favour of the State (or party *nomenclature*), inherent in Soviet political doctrine, 'repugnant'.¹⁴⁷ This view had been fermenting in Whitehall for some time: for example, on 28 July 1966, Trend informed the Americans that the 'Soviets do not appear to place Africa at the top of

¹⁴⁵ Cabinet minutes, 15 December 1967, CAB 128/42.

¹⁴⁶ Cabinet minutes, 18 December 1967, CAB 128/42. For Wilson's account see H. Wilson, *The Labour Government, 1964-70: A Personal Memoir*, (London: Weidenfeld & Nicolson, 1971), pp. 470-476.

¹⁴⁷ 'Future Policy on Africa', 17 October 1967, CAB 148/77.

their priority list'.¹⁴⁸ The Soviet Union had suffered severe setbacks in Ghana, Guinea, and the Congo, leading officials to believe that they would fail in their attempt to establish a permanent presence in countries such as Somalia and Tanzania. The greatest Soviet threat lay in adding to general instability, primarily through the 'dumping' of their surplus armaments on the continent.

In an admission of failure with regard to decolonisation, it was agreed:

Now that the euphoria of independence has worked off the serious fundamental weaknesses of all these states are becoming apparent: lack of national identity, ill-adapted and insecurely based political institutions, inadequate resources of trained manpower, are enormous if not insuperable obstacles to the attainment of a politically acceptable level of economic development.

The political systems of Middle African countries were at once too weak to tackle the problems they faced and too rigid to allow for constitutional change. As a result, policy-makers characterised Middle Africa as unready for democracy: 'the common pattern is a military take-over since, outside the party, the armed forces are the only other source of organised power. There are no grounds for supposing that we have seen the last military coup in Middle Africa'. Officials regarded the oft-expressed claim of military regimes, that they intended to re-establish civilian government when 'order was restored', as essentially meaningless. The experience of Dahomey (modern-day Benin), where Colonel Soglo had twice given power to a civilian authority and then subsequently reassumed power, was cited as an example of how events might unfold in many areas of Middle Africa over the coming decade. The shortage of trained and politically literate personnel meant that the only civilian group, to whom the military could return power, was precisely those they had

¹⁴⁸Circular Telegram From the Department of State to Posts in NATO Capitals', 30 July 1966, *FRUS, Western Europe*, vol. XII, Document 266.

initially replaced; thus, military regimes would continue to be a permanent feature of the geo-politics of Middle Africa. Officials did not welcome this development, believing that 'the realisation of this sombre prospect' had produced an 'atmosphere of disillusion and introspection' in Middle Africa.¹⁴⁹

As regards the racial tensions between Middle and Southern Africa, officials thought it right to pursue a general policy of disengagement: 'if we could avoid involvement in African racial conflict and effect a complete political disengagement from the problems of Africa there would be much to be said in favour of doing so'. The paper argued that Africa was 'a political embarrassment rather than a source of influence', since it subjected Britain to political pressure both in the UN and Commonwealth, often working against the balance of British interests. Whitehall agreed that Britain should avoid involvement in conflicts involving two non-white groups, whether between separate African states or internal dissension between tribal or racial groups inside a particular country, as any intervention in a purely African dispute would risk the charge of neo-colonialism. Any hint of paternalism in British policy towards Africa had been largely eroded: 'In respect of Commonwealth Africa we should work towards a relationship which is more appropriate to their status as fully independent members of the Commonwealth and in which the extent of our involvement in their affairs is determined primarily by our own essential interests'. Therefore, Britain would no longer seek to maintain a 'leading role' in Middle and Southern Africa, making it clear to each side that there were 'definite limits beyond which we [Britain] are not prepared to go in alienating the other'. The paper concluded:

It is not a heroic position to take, nor even a comfortable one. It is all too vulnerable to the sort of strictures on our behaviour with which we must expect the Communist powers to be continually filling the ears of Middle African governments. We shall no doubt be charged by both sides with

¹⁴⁹ *ibid.*

inconsistency and insincerity; and there is always the possibility that we may reach a point in the end where in a particular crisis any decision we take will alienate one side or other beyond the limit we have set ourselves to observe.

The Ministry of Overseas Development felt unable to fully subscribe to the report, believing that it failed to position aid in its appropriate strategic context, as a key lever for the development and maintenance of long-term relations with countries in Middle and Southern Africa.¹⁵⁰

Summary.

From the perspective of Whitehall, British disengagement from Africa was largely informed by geo-political considerations, namely preventing the spread of Communism and furthering the position of the West in the Cold War. By granting independence on the best terms possible, even to nations considered unready for such a step, officials and ministers hoped to secure the creation of regimes that would act as constructive members of the Commonwealth and allies at the United Nations - thereby supporting Western interests in the Cold War. By demonstrating that the highest echelons of Whitehall were primarily concerned with containing the spread of Communism in Africa, this thesis refutes John Darwin's contention that the 'constraints of the local situation on the African continent' were more important than 'international considerations' in determining how Britain approached the process of decolonisation. Furthermore, it is difficult to substantiate Harold Macmillan's claim that British decolonisation was directed by a 'duty to spread to other nations those advantages which through the course of centuries they had won for

¹⁵⁰ 'ODM Reservations: Africa Sub-Committee on Future Policy on Africa', 17 October 1967, CAB 148/77.

themselves', as evidenced by Britain's preparedness to accommodate undemocratic governments.

Throughout the period under examination, policy-makers were faced with the constant difficulty of how to deal with South Africa. Whitehall was torn between two competing interests: first, Anglo-South African trade was important to Britain's balance of payments, making it difficult to take an overly hostile stance against Pretoria's policies; secondly, since developing nations generally looked for unequivocal condemnation of South Africa, a failure to openly oppose *apartheid* had the potential to precipitate the disintegration of the Commonwealth. Under both Conservative and Labour governments, Britain attempted to steer a 'middle course' between these two conflicting objectives. This undermined the Commonwealth ideal in Africa, even after South Africa's departure from the organisation in 1961.

The Labour government's initial hope that Britain could occupy a post-colonial role in Africa, through the Commonwealth and cultivating better relations with developing nations by means of a principled stance on South Africa, went largely unachieved, being undermined by considerations of *realpolitik*. Britain's relatively poor economic performance and continuing balance-of-payments difficulties inhibited the fulfillment of Labour's ambitious programme: cabinet ministers were reluctant to pursue policies that might undermine Britain's trade with South Africa, a stance that had an adverse impact on UK relations with the rest of Commonwealth Africa. Whitehall reacted to Labour's plans by setting up a sub-committee on Africa, bringing policy more in line with that of the previous Conservative government, emphasising the 'secondary importance' of African affairs to Britain's wider interests. The Ministry for Overseas Development was fairly ineffective in making its case within Whitehall, finding itself unable to alter the central conclusions of 'Future Policy in Africa', the most important inter-departmental examination on Britain's relations with Africa since 1959.

Chapter IV: British Policy in the Middle East, 1959-1968.

In August 1949, Ernest Bevin, Labour Foreign Secretary under Attlee, told the cabinet that 'in peace and in war, the Middle East is an area of cardinal importance to the UK, second only to the UK itself'.¹ The centrality of the Middle East to Whitehall's perception of Britain's world role continued into the 1960s, in spite of a loss of prestige arising from the ignominious Suez *débâcle* in 1956, when President Eisenhower's threat of withdrawing support for sterling forced Eden (who subsequently resigned as British Prime Minister) to undertake a complete reversal of policy and strategy.² Utilising recently released documents from British and American archives, this chapter refutes Anthony Clayton's claim that the Suez crisis represented 'the effective end of the British era' in the Middle East and 'brought home to the British government the reduction of British power and influence'.³ Similarly, Ritchie Ovendale's contention that the 1958 Anglo-American intervention in Lebanon and Jordan 'marked the assumption by the United States of Britain's traditional role in the Middle East', is questioned.⁴ It is erroneous to suggest that British officials had accepted that such a 'transfer of responsibility' had taken place, even if Whitehall was in favour of greater US involvement in the region. Washington and London disagreed on a number of important issues throughout the period, including the diplomatic recognition of Yemen, the scale of the threat posed by Nasser, the likelihood of Soviet expansionism, and general policy towards the emergent nationalist movements in the region. In early January 1963, Macmillan warned the cabinet that to follow Washington's lead and recognise Yemen would risk Britain losing its 'identity' amongst Arab opinion, which

¹ Ernest Bevin quoted in N. Ashton, 'Macmillan and the Middle East' in R. Aldous and S. Lee (eds.), *Harold Macmillan and Britain's World Role*, (Basingstoke: Macmillan, 1996), p. 38. For the purpose of this thesis the Middle East is defined as the area covered by Libya in the west and Iran in the east, and Syria in the north and Sudan in the South.

² L. Johnman, 'Defending the Pound: The Economics of the Suez Crisis', in A. Gorst, L. Johnman, and W. S. Lucas (eds.), *Postwar Britain, 1945-64: Themes and Perspectives*, (London: Pinter in association with Institute of Contemporary British History, 1989), pp. 166-81.

³ A. Clayton, 'Imperial Defence and Strategy, 1900-1968' in J. M. Brown and Wm. Roger Louis (eds.), *The Oxford History of the British Empire: The Twentieth Century*, (Oxford: Oxford University Press, 1999), p. 300.

⁴ R. Ovendale, *Britain, the United States and the Transfer of Power in the Middle East, 1945-1962*, (London: Leicester University Press, 1996), p. 211.

would 'feel that the independent United Kingdom role in Arabia had been swallowed up in the *Pax Americana*'.⁵ For much of the period under examination, it makes sense to speak of an independent British role in the Middle East: Britain, after all, remained the only colonial power in the region until 1963; retained close diplomatic relations, established over previous centuries, with many of the ruling dynasties; and UK forces were the most prominent in the area, resulting from Britain's possession of a number of strategically important bases - something the US lacked. As one of the two global superpowers, the United States naturally commanded substantial power and influence in the Middle East, but this was not so overwhelming as to negate Britain to the status of pliant satellite state in the post-Suez period, as is alleged by John Charmley.⁶

The inextricable linkage between international power and economic strength also meant that Britain's position in world affairs was in significant part underpinned by Middle Eastern oil. In 1959, Britain obtained around sixty per cent of its oil requirements from the region, a dependency that was accentuated throughout the 1960s, due to the lack of viable alternative energy sources.⁷ Additionally, oil from the Middle East made a significant contribution to the strength of sterling in two important ways: firstly, oil was purchased at a preferential foreign exchange cost, which eased Britain's balance-of-payments difficulties; secondly, Kuwait alleviated pressure on London's dollar reserves, by selling its oil in sterling. The Kuwaiti government built-up substantial sterling reserves - totalling £300 million out of £2,631 million banked by overseas sterling holders in 1961⁸ - which were reinvested in the UK economy. The Macmillan government's 'Future Policy Study, 1960-1970', as noted in Chapter II, emphasised the fundamental importance of a strong currency to Britain's continued

⁵ Cabinet minutes, 10 January 1963, CAB 128/112.

⁶ J. Charmley, *Churchill's Grand Alliance: The Anglo-American Special Relationship, 1940-1957*, (London: Hodder and Stoughton, 1995), p. 353.

⁷ On 20 September 1963, the Earl of Home, Secretary of State for Foreign Affairs, told Macmillan: 'despite the diversification of sources of oil, Europe's dependence on Middle Eastern oil would continue to increase. Because of this, Her Majesty's Government will be concerned in 1970 even more than today, to secure the uninterrupted flow of oil imports at reasonable prices, and there is no foreseeable alternative to the Middle East as a source of a high proportion of the supplies needed'. Home to Macmillan, 20 September 1963, PREM 11/4936.

⁸ *The British Economy: Key Statistics, 1900-1970*, (London: London and Cambridge Economic Service by Times Newspapers, 1970), p. 17.

world role - the final report concluding: 'the necessary condition for maintaining our place in the world, is to keep sterling strong'.⁹ On the other hand, Britain's military complexes in Cyprus, Libya, Kenya, Aden and the Persian Gulf, designed to defend UK commitments in the Middle East, involved, as Macmillan recognised, 'enormous cost, both in foreign exchange and in Government expenditure'.¹⁰ Similarly, Britain's military presence and support for several autocratic regimes tended to aggravate Arab nationalist opinion, leading to constant accusations of imperialism - an allegation that devalued British standing amongst many newly independent countries in Africa and Asia. During the 1960s, Whitehall continually reviewed the economic and political costs of Britain's military deployment in the region against the benefits acquired from the acquisition of cheap oil. This chapter addresses how Britain's strategic, military, economic and political interests in the Middle East changed between 1959 and 1968, analysing the forces which led Whitehall to pursue a strategy of withdrawal from the area.

Britain's Main Interests and Obligations in the Middle East.

Policy-makers considered Britain's overriding objectives in the Middle East as threefold: first, safeguarding the oil trade; secondly, strengthening sterling through oil operations; and, finally, containing Russian expansionism, countering Soviet and Egyptian subversion, and preventing the spread of Communism, especially in South Arabia and the Persian Gulf.¹¹ Whitehall, with the exception of a few dissenting voices in the Treasury, viewed Britain's military deployment in the region as a prerequisite to achieving these aims. In the northern Middle East, Britain had three major military commitments - membership of the Central Treaty Organisation (CENTO) and treaty obligations towards Cyprus and Libya. The members of CENTO were Iran, Turkey,

⁹ 'Future Policy Study, 1960-70', 24 February 1960, CAB 134/1929.

¹⁰ Macmillan to Selwyn Lloyd, 12 August 1961, PREM 11/3452.

¹¹ 'Britain's Obligations Overseas': Memorandum by the Foreign Office, 14 April 1958, T 234/768.

Pakistan and the UK, while the United States, perhaps mindful of George Washington's injunction of 'no tangling alliances', adopted associate member status.¹² Britain's basic undertaking with regard to CENTO was 'to co-operate for security and defence'; though military planning was directed mainly against the threat of Communist incursion.¹³

Cyprus supplied the base facilities necessary to support CENTO and operations in the Levant, while the Anglo-Libyan Treaty (1953) committed Britain to providing military assistance in the event of attack from Nasser's United Arab Republic (UAR). The treaty with Libya also provided Britain with staging facilities and overflying rights necessary for the defence of Kuwait - Britain's 'most important interest' in the Middle East.¹⁴ In addition, Britain was able to access base facilities on an 'informal' basis from the Sudanese and Ethiopian governments during the early 1960s.

In the southern Middle East, Britain's main interests were centred on Aden, South Arabia and the Persian Gulf states. These interests were safeguarded through a range of treaties and agreements with the states in the region: Britain was committed to assisting the armed forces of the Sultanate of Muscat and Oman through a 1958 exchange of letters; responsible for the defence and protection of several South Arabian sheikdoms, a commitment subsequently extended to encompass the whole of the British-sponsored South Arabian Federation (SAF), when it was established during the late 1950s and early 1960s; allied to Kuwait through the Anglo-Kuwaiti Agreement of 1899, which was replaced by an exchange of letters in June 1961; and had treaties and other obligations for the defence and protection of Bahrain, Qatar and the Trucial States (Abu Dhabi, Dubai, Sharjah, Ajman, Umm al Qaiwain, Ras al Khaimah and

¹² CENTO in the form of the Baghdad Pact originated on 24 February 1955 when Turkey and Iraq signed a pact of mutual co-operation aimed at ensuring the stability and security of the Middle East against aggression and subversive penetration. The Pact was open to accession by any other states concerned with the security and peace of the region. The UK acceded on 5 April 1955, Pakistan on 23 September 1955 and Iran on 3 November 1955. After the July 1958 revolution, Iraq took no further part in the work of the Pact and formally withdrew on 25 March 1959. The headquarters were transferred to Ankara in October 1958 and the new name, CENTO, was adopted on 25 August 1959. See *Pact of Mutual Co-operation between His Majesty the King of Iraq and the President of the Republic of Turkey, Baghdad*, Cmd 9859, (London: HMSO, 1955).

¹³ A DOP(O)C paper, submitted to ministers in November 1965, argued: 'CENTO commits us in practice only against the Soviet threat; it does not involve us in awkward commitments to Iran against the Arabs, to Pakistan against the Indians or to Turkey against the Greeks'. 'Defence Review': Cabinet note by Trend, 8 November 1965, CAB 130/213.

¹⁴ DC minutes, 17 October 1960, CAB 131/21.

Fujairah).¹⁵ In the absence of these military commitments, officials believed that local rulers would seek the best terms possible with their larger neighbours, a development that would endanger Britain's oil interests, as well as those of other Western powers. Whitehall generally agreed that the maintenance of the Persian Gulf sheikdoms served to fill a 'power vacuum' that would otherwise be susceptible to Soviet infiltration. Britain's political presence in Bahrain, Qatar and the Trucial States consisted of two elements: firstly, the conduct of foreign relations, based on exclusive treaties; secondly, jurisdiction, and a number of other administrative functions, derived partly from custom and partly from formal agreements. Kuwait had been a British protectorate since 1899, when the Salisbury government promised support to Mubarak the Great in exchange for control of Kuwaiti foreign policy. The demand by the Emir of Kuwait for independence, in early 1961, caused considerable consternation in Whitehall, as policy-makers were forced to find a way of securing Britain's most important interest in the Gulf, whilst avoiding undue offence to Kuwaiti sensibilities. On 19 June 1961, as part of the exchange of letters with the Emir, Kuwait assumed ownership for its own foreign affairs, but British officials were able to secure an important clause in the agreement: 'nothing in these conclusions . . .', it was agreed, '. . . will affect the readiness of Her Majesty's Government to assist the Government of Kuwait if the latter request such assistance'.¹⁶ This statement was less specific than was customary in instruments constituting a formal defence agreement; however, Sir William Luce, UK Political Resident in the Persian Gulf, was unable to secure the Ruler's agreement to more precise terms.¹⁷ Politically, Kuwait's independence, especially from Iraq, was deemed important for the stability of the Gulf and the continuance of good relations between Britain on the one hand and Iran and Saudi Arabia on the other; both the latter, it was held, would consider their position weakened by Iraqi annexation of

¹⁵ 'Her Majesty's Government's Defence Commitments to Foreign Countries': Memorandum by the Foreign Office for the DOP(O)C, 22 January 1964, CAB 148/4.

¹⁶ 'Exchange of Notes Regarding Relations Between the United Kingdom of Great Britain and Northern Ireland and the State of Kuwait', 19 June 1961, PREM 11/3427.

¹⁷ Cabinet minutes, 13 July 1961, CAB 128/35.

Kuwait. To forestall an Iraqi attack on Kuwait, naval, land and air forces were stationed in the Persian Gulf, Aden and Kenya. The base facilities in Aden enabled Britain to intervene directly in Kuwait by supplying 'follow-up' forces to the spearhead units located in Bahrain. In extreme circumstances, Aden also supplied the capability for the rapid deployment of British forces elsewhere in the region, by providing the command and logistical infrastructure necessary to support UK troops stationed in the southern Gulf.¹⁸ The strategic significance of Aden was further enhanced with Kenyan independence in December 1963, a development that was particularly exasperating for policy-makers, since Britain had invested £7.5 million on military facilities in Kenya to mitigate the impact of losing the Suez complex. Even so, officials and ministers had long been aware about the possibility of such an eventuality. On 23 October 1961, when Whitehall was attempting to re-cast Britain's defence strategy for the medium and longer term, Macmillan sent a directive to the Cabinet Defence Committee (DC), indicating that it should be 'assumed that severe restrictions will be placed on our freedom to use military facilities in Kenya when it becomes independent not later than 1963; in particular we could no longer count on its use in support of operations in the Persian Gulf'.¹⁹ Britain, along with the United States, depended on CENTO and NATO to inhibit Soviet ambition in the Persian Gulf, relying also on Iran and Jordan as bulwarks of pro-Western stability. Economic aid and technical assistance, including large subsidies to the Sultan of Muscat and Oman and technical assistance to Bahrain, also played an important role in securing Britain's interests and influence in the Persian Gulf. With the loss of bases in Egypt, Iraq, Jordan and Palestine in the post-war years running up to 1959, Whitehall policy-makers recognised that it would be difficult for Britain to defend its interests in the Persian Gulf in the absence of control of the Aden base. On 17 October 1960, ministers agreed that retaining military facilities in Aden

¹⁸ In 1960, Aden was chosen to become Headquarters of Middle East Command.

¹⁹ DC directive (originally a letter from Macmillan to Watkinson), 23 November 1961, CAB 131/26.

was of the 'greatest importance. . . [as] only in this way could we satisfactorily ensure the protection of our other interests throughout the whole of the Arabian Peninsula'.²⁰

The Decision to Act Unilaterally Against Iraq, 1961.

During the late 1950s, Britain's position in the Middle East was compromised by deteriorating Anglo-Iraqi relations: in early 1958, for example, the normally Anglophile Prime Minister of Iraq, Nuri es-Said, expressed open discontent at Britain's refusal to countenance his plan to invite Kuwait to join the Iraqi-Jordanian Arab Union. On 14 July 1958, underlying tensions were transformed into outright hostility, when Nuri es-Said and the Hashemite monarchy were removed in a *coup d'état*, orchestrated by Brigadier Abdul Karim Qassim, a fervent anti-British irredentist, who quickly established close links with the Iraqi Communist Party and adopted a belligerent posture towards Kuwait. This new threat forced senior ministers to re-consider Britain's military stance in the Middle East. On 6 May 1959, Selwyn Lloyd, Secretary of State for Foreign Affairs, urged Macmillan to consider establishing in the Persian Gulf a smaller British version of the US Navy's Mediterranean 6th Fleet, with the capacity to deploy a strike capability in a 'matter of hours'. For political reasons, Lloyd argued, it was increasingly difficult to base an adequate number of troops on Arab land to defend UK interests, but suggested, with a seeming disregard for the cost involved, that 'nobody minds ships sailing about the sea'.²¹ On 12 May 1959, in view of the unsettled situation in Iraq, Macmillan informed the DC that he 'was anxious that all possible preparations to deal with any threat which might arise to British interests in Kuwait and the Persian Gulf were being made'.²² Intervening to prevent an Iraqi attack on Kuwait was more than a

²⁰ DC minutes, 16 and 17 October 1960, CAB 131/23.

²¹ Selwyn Lloyd to Macmillan, 9 May 1959, PREM 11/2753. On 16 and 17 October, when the DC met at Chequers and Admiralty House, to discuss military strategy for circumstances short of total war, this idea was finally shelved, it being agreed that it was 'doubtful' whether Britain's strategic interests in the Arabian Peninsula 'could be met by an alternative seaborne/airborne strategy which, in any case, would be prohibitively expensive'. DC minutes 16 and 17 October 1959, CAB 131/23.

²² DC minutes, 12 May 1959, CAB 131/21.

matter of simply defending Britain's stake in Middle Eastern oil: policy-makers also had to consider the possible political repercussions of such a military operation - notably, the potential reaction of the Commonwealth. The Commonwealth Relations Office (CRO) was concerned that such an intervention might cause irreparable damage to the Commonwealth. On 5 June 1959, the Earl of Home, Secretary of State for Commonwealth Relations, presented a memorandum to the DC, warning that military action against Iraq, or any other Arab state, could 'mean the break up of the Commonwealth as we at present know it', advising that the 'new' Commonwealth (and Canada) would be bitterly opposed to such an action, raising the possibility of India and other countries feeling obligated to secede from the organisation.²³ To use military means to forestall an Iraqi attack thus ran the risk of causing acute damage to the Commonwealth, an organisation many policy-makers considered vital to Britain's position as a world power. On the other hand, Britain's standing in the Commonwealth might be seriously impaired by Kuwait's loss to Iraq, by causing severe disruption to the delicate balance of the sterling area. In mid-1959, Macmillan was so concerned about the Iraqi threat that he agreed to Selwyn Lloyd's recommendation of attempting to forge a *détente* with Nasser. The Foreign Office hoped that this initiative (which eventually failed due to mutual hostility) would serve to create tensions between Baghdad and Cairo, thus preventing the creation of a powerful pan-Arab *bloc*.²⁴

On 25 June 1961, British fears concerning a potential Iraqi attack on Kuwait were heightened, when Qassim rejected the validity of the Anglo-Kuwaiti exchange of letters (which had been agreed only six days earlier). Qassim declared Kuwait to be an 'inseparable part of Iraq', on the grounds that Kuwait had been part of the Ottoman Empire subject to Iraqi suzerainty, indicating his intention to appoint the Emir as *Qaimmaqam* (cantonal chief) of Kuwait under Basra province.²⁵ This statement

²³ 'Likely Commonwealth Reactions to UK or UK/US Military Intervention in the Middle East': DC memorandum by Lord Home, 5 June 1959, CAB 131/21.

²⁴ Lloyd to Macmillan, 25 May 1959, PREM 11/3266.

²⁵ *The Times*, 26 June 1961. p. 10.

exacerbated tensions between Baghdad and London, leading to the mobilisation of 7,000 British troops - the largest UK military deployment in the Middle East between Suez in 1956 and the 1990-91 Gulf War - to counter a potential Iraqi attack. Since UK armed forces lacked the capability to expel an occupying Iraqi army, requiring a minimum of four days' notice in which to prepare to defend Kuwait, Britain invited the Emir to submit a formal request for assistance under clause (d) of the Anglo-Kuwaiti agreement - on two separate occasions: 29 and 30 June 1961. Once the concentration of Iraqi forces in the Basra area had been completed, British officials warned the Emir, Iraq might invade Kuwait in a 'matter of hours, possibly under cover of darkness'.²⁶ As soon as British troops landed in Kuwait, ministers considered it 'highly likely' that Iraq would break off diplomatic relations with the UK and would seize the assets of the Iraq Petroleum Company, but agreed that this 'risk had to be accepted'.²⁷ On receipt of the request for assistance from Kuwait on 30 June, DC ministers took the decision to mobilise British troops on 1 July 1961.²⁸ This action, known within government circles as 'Operation Vantage', forced Qassim to abort any plans for invasion.²⁹ On 6 July 1961, Macmillan informed the cabinet that the military situation in Kuwait was 'satisfactory', with 'no indication of an imminent Iraqi attack'.³⁰ Nevertheless, Britain's military intervention was subjected to strong international criticism, especially from Arab countries: for example, in a debate in the United Nations Security Council, the UAR representative condemned Britain's action, even though Egypt had allowed a substantial force of British warships - *en route* to Kuwait - access through the Suez Canal.³¹ Despite such condemnation, 'Operation Vantage' ensured

²⁶ See DC minutes, 29 and 30 June 1961, CAB 131/26; Cabinet minutes, 29 and 30 June 1961, CAB 128/35. On 27 April 1959, ministers agreed to establish military plans on the means required to evict an occupying Iraqi army from Kuwait, but it was subsequently decided that such an operation would be militarily unviable. DC minutes, 27 April 1959, CAB 131/25.

²⁷ DC minutes, 29 June 1961, CAB 131/26.

²⁸ DC minutes, 30 June 1961, CAB 131/26; Cabinet minutes, 3 July 1961, CAB 128/35.

²⁹ For a detailed account of 'Operation Vantage' see M. Alami, *Operation Vantage: British Military Intervention in Kuwait* (London: LAAM, 1990); M. Snell-Mendoza, 'In Defence of Oil: Britain's Response to the Iraqi Threat to Kuwait, 1961', *Contemporary Record*, vol. 10, No. 3, (1996); N. Ashton, 'A Microcosm of Decline: British Loss of Nerve and Military Intervention in Jordan and Kuwait, 1958 and 1961', *Historical Journal*, vol. 40, No. 4, (December, 1997); N. Ashton, 'Britain and the Kuwaiti Crisis, 1961', *Diplomacy and Statecraft*, vol. 9, No. 1, (March, 1998).

³⁰ Cabinet minutes, 6 July 1961, CAB 128/35.

³¹ *Repertoire of the Practice of the Security Council: Supplement, 1959-1963* (New York: United Nations, 1965), pp. 192-193. Also available at <http://www.un.org/Depts/dpa/repertoire/>.

Kuwait's continued membership of the sterling area, whilst securing the continued flow of oil on favourable terms, with no serious damage caused to Britain's relations with the wider Commonwealth. Although not actively opposed by the United States, Britain's intervention to defend Kuwait provides a tangible illustration of the UK assuming a leading role in Middle Eastern affairs; Macmillan even felt able to decline an offer of assistance from the US Secretary of State, Dean Rusk, who proposed making a US naval force off the coast of Madagascar available to support British operations in the Persian Gulf.³² John Charmley's claim that Britain's post-Suez policy was based on 'total subservience' to the United States therefore requires re-assessment. Britain retained the ability to act independently in the Middle East after Suez; for this reason, Charmley's argument that the UK was 'not so much a forty-ninth state as a satellite state' over-emphasises the weakness of Britain's position *vis-à-vis* the United States.³³

A Questioning of the Kuwait Commitment?

The Future Policy Committee (FPC), as part of its examination of British overseas military expenditure and commitments, considered the success of 'Operation Vantage' and the value of Britain's relations with Kuwait.³⁴ The Whitehall *post-mortem* into the Kuwaiti intervention was not wholly positive, highlighting serious inter-departmental differences as to how Britain should defend its commitments in the Middle East. The British mobilisation, whilst an operational success, demonstrated the need to be able to deploy forces more quickly in the defence of Kuwait. Harold Watkinson, Minister of Defence, warned his cabinet colleagues that Britain would now require 36 hours' notice to put a 'substantial force' into Kuwait.³⁵ In order to meet the commitment towards

³² DC minutes, 3 July 1961, CAB 131/26.

³³ Charmley, *Churchill's Grand Alliance*, p. 353.

³⁴ The Future Policy Committee was an *ad hoc* inter-departmental committee, which reported to the Defence Committee.

³⁵ 'Kuwait': Cabinet memorandum by Watkinson, 1 September 1961, CABS 129/106; Cabinet minutes, 5 September 1961, CAB 128/35.

Kuwait, Ministry of Defence (MoD) officials advised that it would be necessary to deploy troops in a 'more forward position', entailing the construction of new air-conditioned barracks in Bahrain, at a cost of approximately £600,000. The Treasury, resolutely committed to reducing the total level of governmental defence spending, opposed this additional expenditure. Sir Norman Brook, Secretary to the Cabinet, supported this viewpoint, a somewhat unusual occurrence, given that he rarely (in spite of also holding the position of Joint Permanent Secretary to the Treasury) acted as an advocate for the Treasury's position in matters of foreign policy. On 4 September 1961, Brook told Macmillan that he saw the Kuwaiti intervention as an out-dated policy of 'extracting oil concessions from an autocratic Ruler in return for military protection . . .' and that he believed Britain was fighting ' . . . a losing battle in propping up these reactionary regimes'.³⁶ Such sentiment was not far removed from the views expressed by Hashim Jawad, Iraq's Foreign Minister, in an address to the United Nations General Assembly: 'Under the guise of nominal independence of Kuwait and with the support of military forces stationed in a number of points in this area, Britain is trying to safeguard its colossal oil interests, and ensure the continued vast financial investment of the Shaikh of Kuwait in Britain which have been, and still are, important factors in the British economy'.³⁷ Furthermore, Brook contended that the Emir of Kuwait's *rapprochement* with the Arab League (which Kuwait joined on 31 July 1961) would make him less reliant on his 'special relationship' with Britain. The Emir, he suggested, was bound to come under increasing pressure to make a greater proportion of his oil revenues available for Arab development; in order to achieve this, he would have to extract a larger contribution from Western oil companies, resulting in a decline (or, at least, no increase) in his sterling balances. In these circumstances (which Brook felt highly likely to materialise), the *raison d'être* of the MoD plan for new facilities in Bahrain would become obsolete in a relatively short period of time. Accordingly, Brook

³⁶ Brook to Macmillan, 4 September 1961, PREM 11/3430.

³⁷ *The Times*, 7 October 1961, p. 6. Joseph Gobder, Minister of State for Foreign Affairs, replied that such accusations were a 'misrepresentation' of British policy.

believed that British policy should rely upon political and diplomatic means of influence, arguing that there were fewer and fewer places where garrisons of foreign troops represented an acceptable and advisable instrument of foreign policy.³⁸ On 5 September 1961, similar views were expressed at a meeting of the cabinet, where it was argued that Britain would have to 'rely increasingly on political methods' to secure its interests in Kuwait.³⁹ Brook tried to convince Macmillan that greater economies in expenditure could be achieved if the UK reduced its obligations towards Kuwait, suggesting that it would be unwise to maintain this commitment for more than a 'few years'. British policy, Brook lamented, took no account of the rising tide of nationalism in the Middle East; and, for so long as this was the case, he believed that Britain was bound, in the end, to find itself on the 'losing side'. Additionally, Britain's ability to intervene in Kuwait would soon be undermined by Kenyan independence, since it was doubtful that the UK could find, or even afford, facilities as extensive as those in Kenya.⁴⁰

Conversely, Foreign Office officials rejected the suggestion that Britain should abrogate, or even revise, its commitment to defend Kuwait. The Foreign Office, allied with the other 'overseas' departments and the Ministry of Defence, worked in concert to outmaneuver the powerful Whitehall axis of Brook and the Treasury, whose opposition to building new facilities in Bahrain merely served to postpone a final decision on Britain's long-term commitment towards Kuwait. On October 1961, Edward Heath, Lord Privy Seal and Minister of State at the Foreign Office, told the cabinet that there was no practicable alternative, at any rate for some time ahead, to military measures as the most practical means of safeguarding Kuwaiti independence. The cabinet approved Heath's recommendation that new facilities be constructed in Bahrain, on the grounds that this would 'provide a reasonable military insurance against Kuwait being

³⁸ Brook to Macmillan, 4 September 1961, PREM 11/3430.

³⁹ Cabinet minutes, 5 September 1961, CAB 128/35.

⁴⁰ Brook to Macmillan, 13 September 1961, PREM 11/3430.

over-run by Iraq'.⁴¹ Brook had tried to prevent such a decision, advising Macmillan that the Foreign Office would be 'more likely' to take a 'realistic view' of political developments, if it knew that the cabinet was 'unwilling to authorise the increased expenditure'.⁴² Despite its operational success, Britain's intervention in Kuwait was in effect a Pyrrhic Victory, as it served to inhibit attempts to re-evaluate British policy in the region. The Foreign Office repeatedly cited the Kuwaiti intervention as an example, *par excellence*, of Britain's ability to maintain regional stability, which was seen as a pre-requisite for the continued flow of oil (on reasonable terms) and the containment of Soviet and pan-Arab influence. The success of 'Operation Vantage' merely served to reinforce the traditional British policy of defending Middle Eastern oil interests through military means.

The Treasury's ability to make its case on the need to reduce overseas expenditure was severely compromised by the membership of the FPC, which consisted of representatives from the Foreign Office, Commonwealth Relations Office, Colonial Office, and Ministry of Defence, in addition to the Chief of the Defence Staff, First Sea Lord, Chief of the Air Staff and Chief of the Imperial General Staff, all of whom had a vested interest in maintaining high levels of defence and overseas expenditure. On 7 September 1961, when the FPC considered a Treasury paper on the relationship between overseas military expenditure and the balance of payments, the potent combination of the 'overseas' departments and military establishment conspired to oppose the Treasury's case. The Chief of the Defence Staff, Lord Mountbatten, in spite of his limited appreciation of macroeconomic matters, questioned the Treasury's

⁴¹ Cabinet minutes, 5 October 1961, CAB 128/35; 'Kuwait': Cabinet memorandum by Heath, 2 October 1961, CAB 129/106. Heath's memorandum contained an annexed report, reviewing future UK policy towards Kuwait, by an *ad hoc* official committee, under the chairmanship of the Foreign Office, but containing representatives from the Ministry of Defence, Treasury and Ministry of Power. This report concluded: 'Our economic stake in Kuwait itself, and the central importance of Kuwait to our oil operations in this whole area, are such that we should take all reasonable measures that we can to protect Kuwait. . . a British military presence in the area must be maintained which is sufficient both to deter Iraq by being demonstrably in a position to prevent Iraqi forces overrunning Kuwait and, failing deterrence, to intervene in time to hold Kuwait itself in the face of Iraqi attacks on the scale and timing we believe possible. No lesser military presence will achieve our objective in Kuwait'.

⁴² Brook to Macmillan, 4 September 1961, PREM 11/3430.

argument that balance-of-payments difficulties should be addressed by an examination of Britain's international commitments:

There was grave objection to seeking to remedy this [the balance-of-payments position] by means of [an] arbitrary and unjustified reduction in military expenditure overseas. . . Instead of seeking economies by limiting our military ability to meet our international obligations, the right course should be to pursue more vigorously positive policies designed to improve the nation's economic efficiency and competitiveness.

Similarly, Sir Frederick Hoyer Millar, Permanent Under-Secretary to the Foreign Office (described by Macmillan as 'so skilled and reliable'⁴³), suggested that a reduction in military efforts overseas would disproportionately affect Britain's international influence, making it imperative 'to concentrate on positive policies to improve our overseas earnings'.⁴⁴ The composition of the FPC thus made it difficult for the Treasury to secure the economies in overseas expenditure it deemed necessary to ensure improved economic performance, through increased exports and a balance-of-payments surplus - a precondition, in the view of Treasury officials, for 'keeping sterling strong'.

South Arabia and Aden: A Seemingly Intractable Problem.

Britain's position in the Middle East was complicated by the constitutional situation in the Protectorate of South Arabia (or Aden Protectorate) and the Crown Colony of Aden. Successive British governments had been content to leave the governance of the South Arabian hinterland to the ruling Sheiks and Sultans. As a result, Britain possessed only limited jurisdiction in the East and West Protectorates of South Arabia -

⁴³ HMD, Department of Western Manuscripts, Bodleian Library, University of Oxford, d 37, entry for 23 October 1959.

⁴⁴ Future Policy Committee minutes, 7 October 1961, CAB 134/1932.

an area that has been aptly described as 'informal' Empire.⁴⁵ Unfortunately, from the perspective of British policy-makers, the Protectorate rulers were prone to fractious disagreement; such disputes jeopardised the security of Aden, as they served to destabilise South Arabia, making the area more susceptible to pan-Arab infiltration. The Conservative government tried to rectify this situation in 1958, when it encouraged six sultanates in the Western Protectorate (Beihan, Audhali, Fadhi, Dhala, Upper Aulaqi and Lower Yafa) to join together in a federation. This objective was achieved in 1959, when the six states formed the Federation of Arab Emirates of the South (restyled in 1962 'the Federation of South Arabia'), with Britain underwriting the enterprise by retaining its role as the protecting power.⁴⁶ Macmillan claimed in his memoirs that the Federation was established to 'improve prosperity' in South Arabia, though the rulers were largely persuaded by the necessity of being able to collectively resist annexation by neighboring Yemen.⁴⁷ Later in 1959, Lahej was admitted to the Federation, while Lower Aulaqi, Dathina, Wahidi, Sha'ibi, Haushabi and Upper Aulaqi joined in subsequent years.

As the Protectorate rulers feared that 'nationalist' elements in Aden might precipitate the Colony's absorption into Yemen, an event that would undermine their position in the hinterland, pressure was put on Whitehall to include Aden within the federal structure. South Arabian fears had been greatly accentuated by Yemeni migration into Aden; by 1965, the population of Aden contained 50,000 Adenis and 80,000 Yemenis.⁴⁸ As the South Arabian sheikdoms' support was essential to continued British control of the base facilities in Aden, Whitehall was eventually moved to appease demands for merger, but only after prolonged inter-departmental debate. The

⁴⁵ See G. Balfour-Paul, 'Britain's Informal Empire in the Middle East' in Brown and Louis (eds.), *Oxford History of the British Empire*.

⁴⁶ The full text of the 1959 Treaty can be found in Cmnd 2451, (London: HMSO, 1964). Article III of the 1959 Treaty stated: 'Britain shall take such steps as may at any time in the opinion of Britain be necessary or desirable for the defence of the Federation and after consultation with the Federation for its internal security'.

⁴⁷ H. Macmillan, *At the End of the Day, 1961-63*, (London: Macmillan, 1973), p. 264.

⁴⁸ 'The Security Situation in Aden', CIA Intelligence memorandum, 9 June 1965, *FRUS, Near East Region*, vol. XXI, Document 61. Aden's 250,000 population was divided between 50,000 Aden Arabs, 80,000 Yemenis (mostly labourers), 40,000 hillmen from the hinterland and 80,000 people of Indian origin.

Foreign Office viewed holding on to Aden and retaining the support of the Federal rulers as of paramount importance:

It seems clear that the present British system in the Arabian Peninsula forms a delicate structure of which the parts are mutually supporting. The removal of any one prop may result in the collapse of the whole structure. For if Her Majesty's Government seemed to waver in their determination to hold Aden or reduce their support of any member of the "Rulers' Club", the whole area would be affected . . . we should have embarked upon a process which would almost certainly end in the elimination of our influence, and the division of the area between the local Powers.⁴⁹

On the other hand, a merger of Aden Colony and the Federation was questioned by Julian Amery, Parliamentary Under-Secretary at the Colonial Office, who maintained that Britain should 'work to separate the Colony from the Protectorate as much as we can both by administrative measures and more particularly by encouraging the Federation to develop along traditional South Arabian lines and the Colony along modern diarchical lines'. Amery, a *rara avis* who took a specialist interest in strategically important colonies, argued that Aden was a vital 'fortress colony' of such geo-political value that British control should be defended at all costs.⁵⁰

Aden's Legislative Council was prepared to co-operate in a merger with the SAF, but unwilling to enter serious negotiations with the Protectorate rulers until Aden Colony had attained a degree of political and constitutional responsibility. Specifically, it was proposed that well before January 1963, when the Legislative Council's term was due to come to an end, Aden's constitution be amended in such a way as to allow the elected representatives responsibility for internal matters, leaving Britain to administer Aden's external relations and defence; once this constitutional change was implemented, a negotiated merger with the Federation would take place. Iain Macleod,

⁴⁹ 'Britain's Obligations Overseas': Memorandum by the Foreign Office, 14 April 1958, T 234/768.

⁵⁰ 'Long-term policy in Aden': minute by Amery, 10 March 1959, CO 1015/1910.

Secretary of State for the Colonies, argued that to thwart this expectation of further self-government would disappoint 'moderate' opinion in Aden, which would become 'unable to sustain its position against the [Yemeni] nationalists'.⁵¹ The Federal rulers of South Arabia, like Whitehall and Aden's Legislative Council, characterised the Yemenis living in Aden - who were disenfranchised but well represented in the pro-Nasser Aden Trade Union Congress (ATUC) - as "enemies within", requiring containment. On 12 July 1960, Macleod informed the Colonial Policy Committee (CPC) that the activities of the ATUC were closely linked with 'hostile elements' in other Arab countries, whose 'aim was to use industrial unrest as a means of undermining the British position in both the Colony and the Aden Protectorate'.⁵²

In March 1961, Sir Charles Johnston, Governor-General of Aden, proposed that British policy should be aimed at 'a merger of the Colony and Protectorate into a single Union', as this offered the best means of enabling Britain to retain free use of Aden's defence facilities with the greatest practicable measure of consent.⁵³ Three months later, at a meeting of the CPC, Macleod argued that 'the best chances of preserving our defence facilities in Aden lay in the proposal for a merger of the Colony and the Protectorate, since only in this way could the friendship of the Protectorate Rulers, which was of vital importance, be maintained'.⁵⁴ At an earlier meeting of the CPC, Harold Watkinson questioned the wisdom of such a policy, asserting that he 'would prefer to leave matters in Aden as they now were'.⁵⁵ On 30 May 1961, this matter came to a head in cabinet, with Macleod and Amery submitting separate memoranda on the subject of constitutional development in Aden. Macleod repeated the familiar arguments in favour of amalgamation, maintaining that, since constitutional change in Aden was 'inescapable', it was 'imperative' that new franchise arrangements be

⁵¹ 'Constitutional Development in Aden': CPC memorandum by Macleod, 3 May 1961, CAB 134/1560.

⁵² CPC minutes, 12 July 1960, CAB 134/1559; 'Aden Colony - Industrial Unrest': CPC memorandum by Macleod, 6 July 1960, CAB 134/1559.

⁵³ Johnston to Macleod, 3 March 1961, CO 1015/2392. Also see 'Constitutional Development in Aden': CPC memorandum by Macleod, 3 May 1961, CAB 134/1560.

⁵⁴ CPC minutes, 16 May 1961, CAB 134/1560; 'Constitutional Development in Aden': CPC memorandum by Macleod, 12 May 1961, CAB 134/1560.

⁵⁵ CPC minutes, 5 May 1961, CAB 134/1560.

worked out before the next elections, so as to preserve the position of the 'moderate' political leaders in the Legislative Council; in parallel with this process, Macleod suggested, it would be 'expedient' to encourage amalgamation, 'partly because this was the best way of preserving the friendship of the Rulers and partly because a union of the British territories in South Arabia would hold out the best hope of retaining our defence facilities for the longest possible period'. Amery, who had moved from the Colonial Office to become Secretary of State for Air, adopted an uncompromising position, contending that merger would lead to earlier demands for independence, in which case use of Aden's defence facilities would rest on a treaty agreement, rather than British sovereignty. In view of the likely spread of 'nationalist' influences in Aden, Amery thought it 'doubtful' whether much reliance could be placed upon a treaty, particularly as the defence facilities would be needed mainly for operations against other Arab states. Pulling his support behind Macleod, Watkinson said that, while it would suit Britain better if the 'present position remained unchanged', some constitutional development in Aden was 'inevitable', if the support of the moderates was to be maintained; this made merger 'unavoidable', and if this was not encouraged, Britain might 'lose the support and friendship' of the Protectorate rulers.⁵⁶ After further discussion, ministers rejected Amery's argument, accepting Macleod's contention that to keep the Federation and Aden separate would be 'disastrous' for Britain's relations with the Federal Rulers. In May 1962, Johnston neatly summarised Aden's new found importance: 'The fact is that, after many years as the imperial Cinderella, Aden has suddenly been promoted to prima ballerina'.⁵⁷ In July 1962, when the rulers of the Federation and Aden ministers met at a conference in London to discuss merger plans, British officials agreed that Aden Colony (excluding Perim and the Kuria Muria islands) should become part of the SAF not later than 1 March 1963, securing agreement that

⁵⁶ Cabinet minutes, 30 May 1961, CAB 128/35.

⁵⁷ Johnston to Maudling, 17 May 1962, FO 371/162784/B 1051/20.

British sovereignty of Aden Colony (which was to become Aden State) would not be affected.⁵⁸

Britain's difficulties in South Arabia were further accentuated when Colonel Abdullah al-Sallal seized power from Imam Muhammad al-Badr during the September 1962 Yemeni revolution. Sallal was a close political ally of Nasser, who quickly cemented his support for the coup by sending two Egyptian divisions, totalling 20,000 troops, into Yemen, ostensibly to help the "People's struggle in Southern Arabia". (Nasser, it should be noted, was trying to re-establish his reputation in the Arab world following Syria's acrimonious departure from the UAR on 28 September 1961.) In Aden, Abdullah al-Asnag, leader of the PSP-ATUC, welcomed the coup and demanded the immediate withdrawal of British troops so that the colony could join the new Yemeni Republic. The tripartite grouping of Nasser, Sallal and Asnag collaborated to undermine Britain's position in Aden, with the last organising strikes and demonstrations that were to lead to outbreaks of violence. All the same, Foreign Office officials tended to exaggerate the closeness of Asnag's ties to Cairo: the American Central Intelligence Agency (CIA) believed it more apt to describe him as 'a Baathist rather than a Nasserist'.⁵⁹

On 23 September 1962, Aden's Legislative Council, after much cajoling from Johnston, voted in favour of joining the Federation. In bringing about this outcome, of which a substantial body of Adeni opinion was opposed, Johnston noted that it would have been wrong for 'us [Britain] to be inhibited by distorted versions of our own democratic belief'. If Aden had refused to merge with the SAF and had evolved separately towards independence, Johnston believed that the Protectorate rulers would have been forcibly reoriented towards Yemen.⁶⁰ Nevertheless, Aden's incorporation into the Federation (in January 1963) failed to solve Whitehall's problems, as a

⁵⁸ See *Report of the South Arabian Conference*, Cmnd 2414, (London: HMSO, 1964).

⁵⁹ 'Outlook for Aden and the South Arabian Federation': Special Memorandum Prepared in the Central Intelligence Agency, *FRUS, Near East Region*, vol. XXI, Document 67.

⁶⁰ 'Aden: Valedictory Reflections of Sir Charles Hepburn Johnston K.C.M.G.', 16 July 1963, PREM 11/4936.

dangerous conflict soon developed between the Adenis and the leaders of the Protectorate. Aden, a possession of the British Crown since 1839, had a reasonably developed political infrastructure and well-educated population when compared to the rest of South Arabia, which incorporated a number of semi-feudal sheikdoms. To complicate matters further, the People's Socialist Party (PSP), which was based on the ATUC, had begun to emerge as a political force.⁶¹ The tribal leaders, on the other hand, feared at worst their overthrow, or at best a reduction in their traditional powers, resulting from increased political and economic participation by an Adeni population that included many non-Muslims and non-Arabs. Denis Healey, who was highly critical of the Conservative government's policy, later remarked that this 'was like expecting Glasgow City Council to work smoothly with seventeenth century Highland chiefs'.⁶²

In November 1962, Macmillan explained to President Kennedy the rationale underpinning Britain's policy towards South Arabia: 'If we lost the Protectorate we should be left with Aden. But Aden was not like Gibraltar, which could be defended. If we lost the Protectorate and were in serious trouble in Aden, still worse if we lost Aden, we should be deprived of all means of defending *our clients* in the Gulf'.⁶³ Taking account of recent events in Yemen, Johnston argued in favour of reducing British control over the Federation: 'We shall need to think and act in a very different way to get the Federation to assume adult responsibilities as quickly as possible and to move away from the present system of controls and supervision to one of aid and co-operation'.⁶⁴ This policy course implied giving an independent SAF responsibility for protecting the base in Aden. Duncan Sandys considered this approach too radical and argued in favour of establishing an 'advisory relationship' with Aden (similar to the other states in the Federation), believing that Britain had to retain sovereignty over the

⁶¹ Duncan Sandys described the PSP as an 'extreme nationalist and pro-Yemeni movement. See' 'Aden': DOPC memorandum by Sandys, 2 December 1963, CAB 148/15.

⁶² D. Healey, *Time of my Life*, (London: Penguin, 1989), p. 281.

⁶³ Macmillan, *End of the Day*, p. 272. Added emphasis.

⁶⁴ Johnston to J. C. Morgan, 6 November 1962, CO 1015/2597.

essential base areas.⁶⁵ As both Johnston and Sandys were looking for the best way of preserving Britain's Middle Eastern role, it would be misguided to view Johnston as far seeing and his ministerial superior as not. In his valedictory dispatch, Johnston gave a trenchant defence of Britain's global role:

Nationally speaking the British have been an extrovert people since the reign of the first Elizabeth. The habit of looking outwards over the seas has supplied a stimulus which their rather stolid national character badly needs, a welcome element of leaven in what General de Gaulle so disobligingly describes as "la lourde pâte" of the British temperament. . . Unless somehow or other she can continue to look outwards Britain may all too easily find herself becoming a very dull place - a sort of poor man's Sweden. . . All the more reason, in my submission, for keeping up our special links with which, like South Arabia, are of traditional British concern.⁶⁶

The desire to avoid becoming 'another Sweden', highlighted in Chapter II, permeated Britain's political establishment, which remained committed to a global, not merely a regional, role. Philip de Zulueta brought Johnston's valedictory dispatch to the attention of Macmillan, who described it as 'a brilliant document which deserves to be acted upon'.⁶⁷ Johnston recommended that South Arabian independence should be granted by 1969, believing that 'the easiest relationship with an Arab country is in the post-Treaty or last phase of all'. Home, now Secretary of State for Foreign Affairs, found this difficult to reconcile with another passage in Johnston's dispatch, which argued: 'What cannot be provided for in South Arabia is any guarantee of stability in the mid-term period, that is to say in the years immediately following independence'. Granting independence to the SAF in 1969, Home suggested, would have to be decided, not so much on the terms enunciated by Johnston, but on a 'hard-headed

⁶⁵ Sandys to Macmillan, 9 October 1963, PREM 11/4936.

⁶⁶ 'Aden: Valedictory Reflections of Sir Charles Hepburn Johnston K.C.M.G.', 16 July 1963, PREM 11/4936.

⁶⁷ P. de Zulueta to Macmillan, 30 August 1963, PREM 11 August 1963; Macmillan to Home, 2 September 1963, PREM 11/4936.

assessment' as to whether Britain in 1969 would have the same interest in supporting the independence of Kuwait, and whether in the light of this it was necessary to have use of the Aden base.⁶⁸

On 3 February 1964, Sandys told a delegation of Conservative MPs, who had recently returned from a visit to Aden, that he was 'rather chary' about giving increased powers to the Federation to control Aden State, whilst accepting that this would no doubt be the right course to follow eventually.⁶⁹ After much inter-departmental discussion, the cabinet rejected Sandys' position (despite support from Home), on the grounds that Aden's political leaders were opposed to such an 'advisory relationship'.⁷⁰ During May 1964, Sandys visited Aden, holding separate talks with the Federal rulers, representatives of the PSP and ATUC, and ministers of the Aden Legislative Council. Representing the opinion of the Federal rulers, Sultan Ahmed bin Abdullah al-Fadhli [OBE] said that after independence it would be possible for Britain to retain the base areas on similar arrangements made to those in Malaysia. At the same time as becoming independent, however, it would be necessary for the Federation Government to assume full power over all its subjects, including those in Aden itself.⁷¹ At the meeting of representatives of the PSP/ATUC, Mohamed Salem Ali argued that Aden and the Protectorate constituted part of 'the national Yemen', reiterating his party's belief in Arab unity. Asked about independence for South Arabia, he said that the PSP was against the British Government granting any kind of "counterfeit" independence, i.e. independence to Governments not based on the whole of the people'.⁷² At the final meeting with members of the Aden Legislative Council, Baharoon, Aden's Chief Minister, said that he would like a 'target date' to be set for the independence of the Federation; the preliminary view of the Aden Ministers was that this should be in about

⁶⁸ Home to Macmillan, 20 September 1963, PREM 11/4936.

⁶⁹ 'Note of a Meeting Between the Secretary of State and Three Conservative MPs on Aden', 3 February 1964, Sandys papers (Churchill College, Cambridge) DSND 8/21.

⁷⁰ Cabinet minutes, 24 February 1964, CAB 148/1

⁷¹ 'Note of a Meeting Between the Secretary of State and Federal Rulers at Government House, Aden', 11 May 1964, Sandys papers (Churchill College, Cambridge) DSND 8/21.

⁷² 'Note of a Meeting Between the Secretary of State and Representatives of the PSP and ATUC at Government House, Aden', 12 May 1964, Sandys papers (Churchill College, Cambridge) DSND 8/21.

two years time. After independence, he thought the relationship between Britain and the Federation would have to be based on 'mutual interests'; accordingly, there was no reason why the British Government should not be able to retain the base, provided the local governments benefited from it. In July 1964, Sandys informed representatives from the Federation and Aden governments that Britain was prepared to accede to their request that British sovereignty over Aden should be renounced as soon as possible (in order that the constitutional status of Aden should be raised to that of the other states in the Federation), subject to the continued exercise by the British government of such powers as may be necessary for the defence of South Arabia and the fulfillment of Britain's world-wide responsibilities.⁷³ Sandys announced this in a written reply on 31 July 1964, the last working day of Parliament before the General Election; Anthony Greenwood, Sandys' successor at the Colonial Office, informed the incoming Labour government that this was done 'so that there was no opportunity to challenge it'.⁷⁴

With funds and arms supplied by the UAR from its base in Yemen, nationalists groups were able to instigate an increasingly active terrorist campaign in Aden. In the spring of 1964, UAR support in the SAF was given further impetus by the British retaliatory bombing of Harib, a small Yemeni town - an action deplored by the United Nations Security Council, and condemned as being incompatible with the principles and purposes of the United Nations (UN).⁷⁵ During cabinet discussion on the response that should be made in the Security Council, R. A. Butler (now Foreign Secretary) informed his colleagues that the United States might vote against Britain. If Washington felt unable to support the UK position in debate, Butler predicted 'serious repercussions' for Anglo-American relations.⁷⁶ Following a vote on Harib in the UN

⁷³ *Report of the South Arabian Conference*, Cmnd 2414, (London: HMSO, 1964).

⁷⁴ 'Policy in Aden and the Protectorate of South Arabia': DOPC memorandum by Greenwood, 30 December 1964, CAB 148/17.

⁷⁵ See *Repertoire of the Practice of the Security Council: Supplement, 1965-65* (New York: United Nations, 1968), pp. 127-129. Also available at <http://www.un.org/Depts/dpa/repertoire/>.

⁷⁶ Cabinet minutes, 9 April 1964, CAB 128/38.

(China, France and the Soviet Union voted for the resolution; Britain and the United States abstained), Home, Macmillan's successor as Prime Minister, told the cabinet that the 'incident had shown that we should be liable to encounter increasing difficulty in maintaining our position in southern Arabia', but urged the need to make a renewed attempt to enlist Washington's co-operation in the measures that would be required to maintain possession of the Aden base. Whilst it was important for Britain not to 'imperil' its relations with other Arab states, particularly Kuwait and Libya, by appearing to indulge in unnecessary aggression against Yemen, Home believed it essential to 'be resolute in maintaining our position in southern Arabia'.⁷⁷ On 5 May 1964, following up on Home's request that ministers make greater efforts to enlist American support on Britain's position in Aden, Sandys met with Senator William Fulbright, Chairman of the Senate Foreign Relations Committee. Stressing the need for Anglo-American unity on this issue, Sandys argued that it was disappointing that Britain found 'considerable' American reluctance to come out 'firmly and clearly in support of their friends' when the UK needed to take action in defence of its interests in other parts of the world; on such occasions, Washington seemed to be 'easily deterred' by their wish not to do anything which would be criticised by Afro-Asian opinion. It had been necessary for Britain to take 'strictly limited measures' against the Harib Fort, Sandys contended, in order to deter the Yemen from continuing their long-standing policy of provocation and incursions into British territory, expressing regret that the United States had intended to vote against the UK in the Security Council and would have done so but for a personal appeal by the Prime Minister to the President.⁷⁸

On 27 April 1964, Butler met with Rusk to discuss issues arising from Nasser's policies towards the SAF. Butler argued that the UK and US should frame a joint Anglo-American policy to cope with Nasser, informing Rusk that he doubted whether American aid to Egypt (or 'any act of friendliness') was in the Western interest. Butler

⁷⁷ Cabinet minutes, 16 April 1964, CAB 128/38.

⁷⁸ 'Note of the Commonwealth Secretary's Talks with Senator Fulbright in the Commonwealth Relations Office', 5 May 1964, Sandys papers (Churchill College, Cambridge) DSND 8/21.

labelled Nasser as unreliable and untrustworthy, pointing out that he had reneged on his promise to reduce the military strength of the UAR in Yemen, which had risen to 40,000 troops. Butler reaffirmed his commitment to establishing a stable federation and the continued use of the Aden base facilities, informing the Americans that the base facilities and the hinterland constituted a 'vital interest to the British government which *must be preserved at all costs*'. Butler proposed that Britain and the United States should recognise the link between Moscow, the UAR, Yemen and Somalia, going as far as to claim that the Soviet Union was now in a position to undertake a 'pincer movement' on the region.⁷⁹ In September 1964, Butler submitted a detailed memorandum on Anglo-American relations to the cabinet, arguing that the United States ought to bring greater pressure to bear upon Nasser to moderate his campaign against Britain's position in the Middle East and in particular to curb Yemeni subversion in South Arabia. Butler suggested that Washington was 'not prepared to be too closely associated with our [Britain's] activities in the area and in particular our connection with reactionary Arab *régimes*'.⁸⁰ Britain's determination to create a stable and viable federation in South Arabia, even in the face of American hostility, provides a further illustration of how Washington and London pursued differing policies in the Middle East during the early 1960s.

The hesitant and protracted nature of constitutional change in South Arabia, deriving from the desire of the British government to retain control of the Aden base, resulted in increased nationalist activity in both Aden and the surrounding Protectorate. To this end, Sandys argued that Britain should make a greater effort in promoting the economic development of Aden and the SAF, for 'generosity in this context would ultimately be more economical than an attempt to hold the country down by military force'. Peter Thorneycroft, Minister of Defence, was in full agreement with Sandys, contending that it was 'essential to retain our base at Aden', for it was the 'focal point of

⁷⁹ 'Countering UAR Pressure against the British Position in Aden': Memorandum of Conversation between Butler and Rusk: Washington, 27 April 1964, *FRUS, Near East Region*, vol. XXI, Document 55. Added emphasis.

⁸⁰ 'An Anglo-American Balance Sheet': Cabinet memorandum by Butler, 2 September 1964, CAB 129/118.

our arrangements for protecting our interests and discharging our commitments in the Middle East'. Moreover, Aden acted as an important link in the chain of communications with Singapore, which played a corresponding role in the Far East: 'If we withdrew from Aden, we should be unable to hold Singapore; and we should leave, in each area, a vacuum which our enemies would seek to fill'.⁸¹

The Treasury's Losing Battle to end Britain's Middle East Role.

Writing on Britain's decision to withdraw from East of Suez, Patrick Gordon Walker argued: 'The decision was taken by a Labour Cabinet after thirteen years of Conservative rule, during which time the Government never seems to have examined the question: a British role East of Suez was taken for granted'.⁸² In reality, divisions over the value of Britain's politico-military presence in the Middle East (and Far East) persisted throughout the period of Conservative government - contrary to Gordon Walker's assumption, Britain's East of Suez role was subject to extensive examination. On 9 February 1963, Thorneycroft argued that, on the assumption that expenditure on the nuclear deterrent had already been largely settled at Nassau, the only scope for restraining defence spending lay in the reduction of UK forces in Europe or East of Suez. Thorneycroft maintained that in terms of commitments, forces in all areas, including the reserves held in the UK, were 'stretched to the limit'; thus, if commitments remained unchanged, force levels could not be cut. If the size of the forces could not be reduced, Thorneycroft concluded, defence expenditure could not remain constant - it would be required to rise in step with the increasing cost of modern weapons and transportation. If no acceptable reduction in commitments could be found, it would be impossible to hold defence expenditure at a level of seven per cent of GNP. In response, the Chancellor of the Exchequer, Reginald Maudling, contended that

⁸¹ Cabinet minutes, 14 May 1964, CAB 128/38.

⁸² P. Gordon Walker, *The Cabinet*, (London: Jonathon Cape, 1970), p. 122.

Britain's major commitments 'could not be revised in isolation', intimating that considerations should be informed by a realistic appreciation of the financial and economic context in which Britain was operating. The discomfiture of the Treasury was accentuated by the fact that the level of defence expenditure forecast for 1963-64 represented a 10 per cent increase on the previous year. Maudling believed that the economy was incapable of meeting such an increase in the defence budget, suggesting that it should, if possible, be reduced, or, at the very least, held at current levels. Repeating arguments consistently advanced by his predecessors at the Treasury, Maudling insisted that it was wrong for Britain to effectively carry the burden of defending the economic interests of its European competitors in the Middle East. In examining Britain's commitments and the extent to which it might be possible to reduce them, Maudling put forward the idea of 'realistically' examining the benefits which other countries derived from UK defence expenditure, identifying against what enemies, in what circumstances, and with what allies, British forces would be called upon to act.⁸³

In light of this meeting, when it was agreed that defence expenditure should be contained within a limit of seven per cent of GNP, Sir Burke Trend (along with the permanent secretaries of the departments mainly concerned and the Chiefs of Staff) produced a paper, entitled 'Future Defence Policy'. As part of this review, Trend commissioned a study examining the cost of maintaining the British base in Aden in relation to the value and importance of the interests which it was designed to protect. The officials' paper defined Britain's interests in the Middle East as threefold: to ensure the maintenance of oil supplies on reasonable terms by defending the independence of Persian Gulf oil-producing states, particularly Kuwait; to contain the southward expansion of the Soviet Union by participation in CENTO and by support for Iran and Jordan; and, if possible, to keep open the direct sea routes to the Far East. The cost of the military effort involved to secure these objectives was estimated at £170 million

⁸³ DC minutes, 9 February 1963, CAB 131/28.

annually; however, it was projected that this figure would rise, by 1970, to perhaps £220 million. Trend's committee concluded that 'our strategy hinges [in the Middle East] on Aden' - if ministers wished to seek greater economies in expenditure, they would have to contemplate leaving Aden and devise an alternative strategy, more limited in its application and less expensive in cost.⁸⁴ On 19 June 1963, when ministers considered Trend's paper, Macmillan confirmed that the main justification for stationing UK forces in Aden was to protect British oil interests, but accepted that the 'threat of force would be increasingly less effective' for achieving this purpose. Although confronted with the option of withdrawal by officials, ministers rejected the idea - a fact largely attributable to irreconcilable differences between the Treasury and Foreign Office.

Given that departure from Aden was not seen as likely in the immediate future, Treasury officials argued for a reduction in the number of troops stationed at the base, submitting that Kenyan independence would lessen the requirement for maintaining the current level of forces. Foreign Office civil servants claimed that the opposite was true, indicating that the changed status of Kenya enhanced Aden as a strategic asset. More generally, Treasury officials thought that the nature of British power had changed within a global context, viewing bases such as Aden as anachronistic and a vestige of Britain's imperial past. The Treasury contested the claim that beating a retreat from Aden would lead to an interruption in the oil trade and a diminution of British interests. Past experience gave this argument some force: for example, British ships continued to pass freely through the Suez Canal, despite Britain's loss of its bases in the Canal Zone. The Treasury believed that, irrespective of whether or not British troops were stationed in Aden, oil-exporting countries would continue to sell their most valuable commodity. As early as August 1961, Selwyn Lloyd (when Chancellor of the Exchequer) had floated this idea with Macmillan, questioning whether Britain's military

⁸⁴ 'Future Defence Policy': D(O)C memorandum by Trend for DC, 14 June 1963, CAB 131/28.

deployment in the Middle East was 'in fact . . . effective either for the protection of our oil interests or the sterling balances'.⁸⁵ On 1 March 1963, 'Otto' Clarke complained to his Permanent Secretary, Sir William Armstrong, that the cost of defending Middle Eastern oil (£120/125 million rising to £150/160 million a year) was 'disproportionate' to the profits of the British oil-producing companies (estimated at £100 million a year): 'Much too big a premium . . .', Clarke noted, '. . . even if the forces protected [UK oil interests] effectively'. If Britain was really concerned about the supply of oil, Clarke argued, it would make better sense to build an oil stockpile; actively discourage the substitution of oil for coal (for example, tax oil, encourage other sources of supply, subsidise coal-oil conversion, etc); and conduct foreign policy to propitiate oil states, working closely with the United States to protect joint interests in the Middle East. In Clarke's view, all these policies were 'immensely cheaper' than £120 million a year. If oil were nationalised, Clarke believed it 'most unlikely' that Middle Eastern countries would refuse to sell their sole economic asset: 'They could grind our margins - but we would not invade even Kuwait to stop that'.⁸⁶ Whilst recognising that this contention had some merit, Foreign Office officials argued that British 'prestige' would decline if it were perceived that the UK had been compelled to withdraw its forces because it could no longer afford to maintain them.

Representing the Foreign Office case, Home maintained that it was essential to retain the commitment to CENTO, since Britain 'must co-operate with people of a like mind for collective security in the face of Sino-Soviet expansion', claiming that, as ministers had rejected the idea that 'we must "choose between Europe and a world role"', it was necessary to defend UK global interests by a world-wide military presence. Accordingly, it was essential to 'hold on to Aden' (as well as Singapore), as to run down UK forces would 'encourage our enemies, dismay our allies and precipitate the disorder we are anxious to avoid'. As regards the level of defence

⁸⁵ Lloyd to Macmillan, 2 August 1961, PREM 11/3452.

⁸⁶ Clarke to Armstrong, 1 March 1963, Clarke papers (Churchill College, Cambridge) CLRK 1/3/2/4.

expenditure, Home suggested that it was not 'wise to . . . be dogmatic on the exact percentage of the GNP which should be earmarked for it'.⁸⁷ On 10 July 1963, Reginald Maudling called on his colleagues to accept a reduction in the level of defence expenditure, asserting that spending of such magnitude (over £2,000 million a year, which exceeded the figure of £1,850 million for 1965-66 agreed by the cabinet) would raise serious problems affecting other areas of public expenditure, such as housing and education. In this respect, Maudling was reflecting the concerns of 'Otto' Clarke, who told Armstrong: 'The social programmes are going up much faster - education, roads, pensions, etc; and if a higher rate of defence expenditure is to be permitted, the whole Budget will run away'.⁸⁸ Maudling thought it wrong to 'allow the Government to drift into a position in which defence expenditure was absorbing an increasing proportion of national resources without having been able to weigh up the consequences'. If defence expenditure were to be brought down to levels that he regarded tolerable, some major strategic decision would have to be taken. Maudling did not accept that 'the Government had already taken a firm decision to maintain our world-wide strategy unchanged and to accept the economic consequences'.⁸⁹

Michael Cary's Review of Britain's Role East of Suez, 1963.

In mid-1963, Michael Cary, Deputy Secretary to the Cabinet, conducted an inter-departmental review of British policy East of Suez. This was in direct response to the Defence Committee's decision of 9 February to hold the defence budget at a level of seven per cent of GNP. In the process of Cary's review, ministers reached agreement

⁸⁷ 'Future Defence Policy': DC memorandum by Home, 17 June 1963, CAB 131/28.

⁸⁸ Clarke to Armstrong [and D. J. Mitchell], 4 February 1963, Clarke papers (Churchill College, Cambridge) CLRK 1/3/2/4.

⁸⁹ DC minutes, 10 July 1963, CAB 131/28; 'Future Defence Policy': DC memorandum by Maudling, 5 July 1963, CAB 131/28.

on troop levels in Europe, meaning that any reduction in UK commitments would have to be looked for East of Suez.⁹⁰ As late as March 1963, senior Whitehall civil servants had considered the possibility of scaling down Britain's military commitments in Europe in order to enlarge the UK effort East of Suez. On 4 March 1963, when senior officials considered a draft version of Cary's 'Strategy East of Suez' paper, it was even suggested that expanding NATO to include countries such as Japan and India might solve the problem of British military over-stretch; accordingly, NATO would assume a world-wide, rather than a merely European, role.⁹¹ Cary's re-assessment of Britain's East of Suez policy was heavily influenced by the arguments advanced by Maudling and Thorneycroft, as is demonstrated in the opening paragraph of one of his preparatory papers: 'Our forces in all areas are already stretched to the limit in terms of commitments, the cost of equipping and transporting them is rising faster than the GNP and there is no scope for further savings by measures of economy'.⁹² (As will be demonstrated below, this did not stop the Labour government from attempting to maintain Britain's world role by seeking economies in defence expenditure when it assumed office in October 1964.) Importantly, Cary's paper set out to answer four main questions: could it reasonably be assumed that Britain would be able to use the Aden military base after 1970? If so, could it be presumed that military conditions would remain such that Britain would be able to use the Aden base to intervene effectively in Kuwait and elsewhere in the Gulf if needed? If so, could the Aden base be used without prejudice to Britain's wider politico-strategic interests? Finally, would Britain be able to continue to regard the Aden base as a 'major contribution' to the joint Anglo-American effort to secure these wider interests?

⁹⁰ DC minutes, 1 April 1963, CAB 131/28.

⁹¹ 'United Kingdom Defence Commitments Overseas': minute of a meeting considering the paper 'Strategy East of Suez', prepared by A. L. M. Cary, 4 March 1963, CAB 21/5902. Those present included: Sir Burke Trend, Secretary to the Cabinet; William Armstrong, (Joint) Permanent Secretary to the Treasury; Sir Harold Caccia, Permanent Under-Secretary to the Foreign Office, Sir Robert Scott, Permanent Secretary to the Ministry of Defence; Sir Saville Garner, Permanent Under-Secretary to the Commonwealth Relations Office; and Sir Hilton Poynton, Permanent Under-Secretary to the Colonial Office.

⁹² 'Future Policy in the Middle East and Far East': Memorandum (draft) by A. L. M. Cary, 2 May 1963, CAB 21/5902.

Cary's paper questioned the long-term viability of British policy in the Middle East, arguing that Britain would find it difficult to hold on to the Aden base for more than a few years. Even if Aden were retained, Cary argued, Britain would find it increasingly untenable to support the existence of the Gulf sheikdoms against the rising tide of Arab nationalism - a position adopted by Sir Norman Brook and the Treasury, two years earlier. Accordingly, the UK could not reasonably expect, in the long term, to preserve, by force or other means, the advantageous position of British oil producing companies, as to try and do so would undermine other fundamental interests.⁹³ This viewpoint was supported by Sir Richard Powell, Permanent Secretary to the Board of Trade, who, when commenting on a draft version of Cary's paper, told Trend: 'I have never been able to convince myself that the physical presence of forces confers a benefit, though the actual use of those forces would bring unacceptable political consequences. Nor do I believe that the presence of forces has any but the slightest effect upon our economic and commercial relations or our ability to trade'.⁹⁴ As regards the utility of Britain's military deployment in protecting UK interests, Treasury officials were 'sceptical about the need to deny the Soviet Union access to oil' and did not see how conventional forces could 'stop them if they really wanted it'.⁹⁵ On the other hand, if British oil producing companies lost their preferential position, Cary recognised that the cost to Britain's balance-of-payments, resulting from the subsequent decline in their profits, might be of the order of £100 million per annum. If Middle Eastern countries were to combine to extract higher oil prices from both British and West European consumers, and if UK oil companies were forced to halt their operations in the Middle East altogether, the additional cost to the UK balance-of-payments might be in the order of £200 to £300 million per annum.⁹⁶

⁹³ 'Strategy East of Suez': Memorandum by Cary, 9 July 1963, CAB 21/5902.

⁹⁴ Powell to Trend, 1 March 1963, CAB 21/5902. On a trip to the United States, Powell was unable to attend the meeting that considered the paper 'Strategy East of Suez', prepared by Cary, on 4 March 1963,

⁹⁵ A. D. Peck (Treasury) to P. A. Wilkinson (Cabinet Office), 2 May 1963, CAB 21/5902.

⁹⁶ 'Strategy East of Suez', memorandum by A. L. M. Cary, 9 July 1963, CAB 21/5902.

Cary suggested that Britain would have to consider whether, as in other areas where the UK had historically secured its interests by the exercise of military power, the time had come to replace a policy of 'divide and rule' by an approach based on 'unify and withdraw'. Such a policy shift would involve the pursuit of four main objectives: firstly, withdrawing Britain's military deployment or, at least, drastically reducing capacity to intervene in local disputes; secondly, 'honourably' disengaging from commitments in Kuwait, the Gulf and South Arabia; thirdly, participating in the creation of a strong and stable anti-Communist Arab *bloc*; and, finally, encouraging an effective regional economic development programme, subvented by oil revenues. *Pari passu* with the formulation of a revised Middle Eastern policy, Britain would have to identify an alternative means for meeting its military commitments in Africa, the Indian Ocean and the Far East. The difficulties and risks involved in the process of transition from the *status quo*, Cary felt, made 'an argument for making it [withdrawal] sooner rather than later'.⁹⁷ By 1968-1970, Cary suggested that Britain's military commitments in the Middle East should be 'nil' apart from a general undertaking, preferably under the auspices of the UN, to help defend South Arabia from external aggression.⁹⁸ Cary's paper was produced for the benefit of senior officials, that is to say the permanent secretaries of the departments with a direct interest in this area of policy, and was not considered by ministers. However it would be mistaken to dismiss the Cary paper as irrelevant, for it served two essential functions: firstly, it demonstrated the fragility of Britain's position in the Middle East and forced officials, in the highest echelons of Whitehall, to consider the possibility of withdrawing from Aden - 'sooner rather than later'; and, secondly, it required senior policy-makers to consider an 'alternative' strategic direction in the region. Even so, Cary felt that officials from the 'overseas' departments, 'in spite of vigorous argument by the Treasury', had a tendency of 'harking back' to the assumption that the only sensible course was to 'wait and see'

⁹⁷ 'Future Policy in the Middle East and Far East', memorandum (draft) by A. L. M. Cary, 2 May 1963, CAB 21/5902.

⁹⁸ Cary to Trend, 8 May 1963, CAB 21/5902.

and that this would not necessarily result in adverse financial implications. In a letter to Trend, Cary bemoaned the rigidity of departmental opinion: 'They [the 'overseas' departments] have not really accepted the point that our military posture in 1968-70 is being determined today'.⁹⁹

The Cabinet Defence (Official) Committee (D(O)C) met on 21 May 1963 to discuss the potential implications of British withdrawal from the Middle East. Officials were clearly aware that a decrease in defence expenditure, which was the general policy of the government, implied 'some reduction' in the ability of the UK to meet current commitments. Ideally such a balance between increased risk and reduced expenditure would take account of likely developments in the political situation in five or six years' time, since only towards the end of such a period would the effects of any decision taken not to proceed with certain aspects of the defence programme become clear. Nevertheless, Sir Harold Caccia, Permanent Under-Secretary to the Foreign Office, believed it impossible to cost-account military expenditure on a 'profit' and 'loss' basis, contending that defence planning should take account of wider political factors. Caccia insisted that Britain's primary interest in the Middle East was to secure the main source of oil on which Britain and Western Europe depended, rather than the oil trade or British investments *per se*; he suggested that if the Russians seized these sources, if they came under local monopolist control, or if the area fell into chaos, the whole fabric of industrial life in Western Europe would be threatened. Caccia believed that the value of Aden should be assessed in this context, not against a balance sheet of narrow national interests and expenditure.¹⁰⁰ After similar discussion, Defence Committee ministers merely agreed that 'no hard and fast equation could be drawn between the cost of maintaining forces at Aden and the value of the interests thus safeguarded'.¹⁰¹

⁹⁹ *ibid.*

¹⁰⁰ D(O)C minutes, 21 May 1963, CAB 130/190.

¹⁰¹ DC minutes, 20 June 1963, CAB 131/28.

The Foreign Office's Case for Retaining Britain's Position in the Middle East.

On 19 July 1963, Sir Roger Stevens, Deputy Under-Secretary of State at the Foreign Office, produced a detailed memorandum for Caccia on British strategic and policy objectives in the Middle East. This document provides a comprehensive overview of how the Foreign Office saw policy developing over the next five years, and was in response to the President of the Board of Trade, Frederick Erroll, who suggested that Britain would benefit from establishing a mutually beneficial and straightforward commercial relationship with oil producing states, with policy based less on 'past imperialist traditions'. Stevens felt that such a policy would be difficult to implement in practice, insisting that military withdrawal would undermine Britain's substantial Persian Gulf oil interests. In this respect, the topography and political relationships within the Gulf, specifically its remoteness from Egypt, and the fact that Nasser, Iraq and Saudi Arabia were on consistently poor terms, assisted Britain. A combination of these factors provided Britain with a 'breathing space', allowing it to arrive at 'a sort of *modus vivendi*' with the major Arab powers: this '*modus vivendi*' was, to some extent, realised by Saudi Arabia's voluntarily resumption of normal diplomatic relations with Britain, despite the disputed territory of Buraimi; Iraq's desire to purchase arms from the UK government; and Nasser speaking of the British position in the Gulf with an 'air of detachment'. Stevens concluded:

We must not be under any illusions about the fragility of this state of affairs but *the longer it can be made to last the better*. This suggests the conclusion that we should do nothing to disturb British arrangements in the Gulf and Aden, even if they appear to conflict with the ideal commercial relationship. In fact I think I would go further than that and say that even if the major Arab powers were considerably more vocal than they are at present we should still hold our ground. If we were to

dismantle our position in the Gulf and Aden, I doubt if we should gain anything very solid in terms of either goodwill or commerce.¹⁰²

Finally, Stevens set out a few *obiter dicta* conclusions about British policy in the Middle East. With respect to the appropriate degree of British involvement in the Middle East, Stevens' memorandum suggested that it was necessary to draw a distinction between the eastern end of the Mediterranean and the Arab Peninsula. In the first of these areas, Britain's 'only real concern', like that of the United States and the United Nations, was to avoid the renewal of hostilities between the Arab States and Israel, or developments which might lead to the deployment of sophisticated weaponry. On the other hand, Stevens believed that Britain had 'special and unique' interests in the Arabian Peninsula, leading him to conclude that the UK should 'keep in the area for as long as we can a military presence for quite clear-cut defined reasons which have everything to do with trade'. Tellingly, Stevens saw the reasons for maintaining a military deployment in purely economic terms, arguing that 'politically . . . we [Britain] should be better off without it', although he was worried that the Treasury was becoming increasingly vocal in its opposition to the financial rationale underpinning Britain's regional role:

And yet within the last few months the Treasury, the supposed guardians of our balance of payments and of the contribution which sterling oil makes to that, have been at pains to argue (in the defence context) that the present arrangements for obtaining oil from Middle East producers has little value for HMG.

Stevens informed Caccia that the Treasury was making this argument 'by innuendo rather than explicit statement', but advised against pressing this issue too firmly within Whitehall, since current policy was based 'on FO rather than current Treasury theory

¹⁰² 'Review of Middle East Policy, Objectives and Strategy': Memorandum by Stevens (sent to Caccia), 19 July 1963, FO 371/170165. Added emphasis.

and it may be better to let sleeping dogs lie'. On the question of British investment and commercial interests, Clarke told Armstrong: 'I am sure that neither the military nor the F.O. people understand that these "interests" are quite negligible in size in relation to the cost of defending them. I do not, myself, think that one can even nearly justify our Middle East expenditure on the grounds of defence of oil supply or oil interests'.¹⁰³

Interestingly, Stevens did not think that it would be appropriate to defend Kuwait in the event of losing Aden. If Aden were lost, Stevens recommended that it 'might be better to fall back on non-military means of insurance'.¹⁰⁴

On 10 June 1964, in the light of internal debate on the relationship between oil and the balance of payments, the Defence and Overseas Policy (Official) Committee (DOP(O)C) met to consider UK policy in the Middle East and East Africa. In discussion, it was agreed that Britain's overall balance of payments depended significantly on the investment (valued at £350 million) of the two main "British" oil companies in the region: British Petroleum (BP) and Shell. If BP and Shell were excluded from operating in the Middle East, it was estimated that the additional foreign exchange cost of oil would probably be no less than £200 million. British trade with the area (including oil imports) was valued at £665 million in 1963, representing 23 per cent of total British trade with the developing world. The cost of Britain's military presence in the area was estimated at £170 million per year, which denoted approximately 14 per cent of the operational component of UK defence expenditure. In comparison, expenditure on other non-military means of influence, such as aid programmes and diplomacy, was small: between 1960 and 1963, such expenditure only averaged £34 million per year, representing about 12 per cent of total overseas non-defence expenditure. Summing up the discussion, Trend stated that policy should be directed towards influencing the oil producing states to distribute their wealth more equitably, by seeking redistribution of Western aid and converting the Arab perception

¹⁰³ Clarke to Armstrong, 19 November 1963, Clarke papers (Churchill College, Cambridge) CLRK 1/3/2/4.

¹⁰⁴ 'Review of Middle East Policy, Objectives and Strategy': Memorandum by Stevens (sent to Caccia), 19 July 1963, FO 371/170165.

of Britain to one of 'benevolent non-interventionist'. It was concluded that the *long-term* objective of the UK should be 'to establish a relationship which is governed *primarily by considerations of mutual economic advantage*'.¹⁰⁵

The Policy of the Labour Government on Assuming Office: 1964-1965.

In late April 1964, perhaps with an eye on the likelihood of a forthcoming General Election, Trend asked Home for permission to create a sub-committee, under the DOP(O)C, to consider long-term strategy. The sub-committee would, in Trend's words, ask 'whether it would be realistic either to contract out some of our existing commitments or to find alternative means - mainly diplomatic and economic - of trying to maintain our international position and protect our global interest on the basis of a reduced military effort'.¹⁰⁶ As a consequence, in May 1964, the DOP(O)C established the Long Term Study Group (LTSG), under the chairmanship of Paul Rogers, Deputy Secretary of the Cabinet. The membership of the LTSG came from the Foreign Office, Commonwealth Relations Office, Colonial Office, Ministry of Defence, Board of Trade and the Treasury. Despite being commissioned during the period of Conservative government, the final LTSG covering report, 'Britain's Interests and Commitments Overseas', was considered by Labour ministers at Chequers on 21 November 1964 - the meeting at which it was decided to limit annual defence expenditure to £2,000 million at 1964 prices.¹⁰⁷ Trend thought it necessary to publish this figure as a target for planning purposes, rejecting the Foreign Office's concern that this might be interpreted by other countries, whether friends or enemies, as 'implying that we intend to pull in our horns - i.e. the risk that, once we are seen to be on the run, we shall have lost our main negotiating card'. Highlighting inter-departmental differences on this

¹⁰⁵ DOP(O)C minutes, 10 June 1964, CAB 148/10. Added emphasis.

¹⁰⁶ Trend to Home, 30 April 1964, PREM 11/4731.

¹⁰⁷ 'British Interests and Commitments Overseas': report by DOP(O)C for the DOPC, 12 October 1964, CAB 148/7; Cabinet (Defence Policy) minutes, 21 November 1964, CAB 130/213.

matter, Trend added: 'This risk is discounted by the Economic Departments (another example of divergence of Departmental views!'.¹⁰⁸ The Foreign Office accepted that Britain should aim to achieve the £2,000 million target, but opposed specifying the date by which this figure would be realised. Patrick Gordon Walker, Secretary of State for Foreign Affairs, told Wilson: 'We must start our journey towards the £2,000 million target at once, but when we may arrive is known only to God'.¹⁰⁹

Senior civil servants agreed that the central problem facing the Labour government related to the strain of overseas commitments on Britain's limited resources. At a meeting of the DOP(O)C on 14 October 1964, just one day before the General Election, officials re-affirmed the broad strategy required to address this problem:

A balance would have to be struck between the pressing need to restore our own economy and the value to us, as a trading nation, of being able to continue to exert through our overseas commitments an influence on world affairs out of proportion to our actual resources.¹¹⁰

The LTSG took a different approach to the Macmillan government's 'Future Policy Study, 1960-1970', in that none of Britain's commitments were taken 'as given'.¹¹¹ As 'Otto' Clarke noted in May 1964, when the work of the LTSG was getting under way: 'It is easy (but desperately wrong-headed) to create a logical and self-interested series of assumptions about the future and act on that basis: you are then logical, but certain to be in the soup because your assumptions are bound to be wrong. On the other hand, you can behave like a plain common-sense down-to-earthier, and do whatever seems reasonable at the time. What we really have to do is to find a self-consistent course that makes as much sense as possible over a wide range of possible futures'.¹¹² The LTSG was asked to consider the impact of Aden's loss on Britain's position in the

¹⁰⁸ Trend to Wilson, 11 June 1965, PREM 13/215.

¹⁰⁹ Gordon Walker to Wilson, 11 June 1965, PREM 13/215.

¹¹⁰ DOP(O)C minutes, 14 October 1964, CAB 148/4.

¹¹¹ DOP(O)C minutes, 12 October 1964, CAB 148/4.

¹¹² Clarke to Bell, 24 May 1964, Clarke papers (Churchill College, Cambridge) CLRK 1/3/3/1.

Middle East. This *modus operandi* was chosen in the hope that it would 'throw fresh light' on the relevance of Britain's existing commitments in relation to its 'real' interests. Trend thought that this change in the 'terms of reference' represented an important innovation in pan-strategic policy analysis, believing that previous approaches had always resulted in the same conclusions:

namely, that there are no interests which we can afford to cease to defend and no commitments which we can afford to discharge; from which it follows we must maintain the pattern of our overseas military deployment intact; from which it follows that we must continue to shoulder the rising cost of defence without very little hope of reduction.¹¹³

The final LTSG study paper, 'Regional Study on the Middle East', concluded that Britain's principle interests in the Middle East were the prevention of Communist hegemony and the maintenance of secure oil supplies.¹¹⁴ But how were these major objectives to inform policy? The LTSG argued that Iran was the 'most exposed' of the oil producing countries and that Britain should do its utmost to prevent Iran's defection into the Communist camp. Iran's autocratic system of government meant that Tehran's Western orientation depended largely, if not entirely, on the attitude of the Shah. The Foreign Office was concerned that the Shah might be tempted to adopt a neutralist stance, suggesting that the likelihood of such a policy shift would increase in the absence of resolute British support of CENTO. During 1964-65, UK forces committed to CENTO consisted of four squadrons of Cyprus-based Canberra light bombers, each with a nuclear capability. In addition, Britain provided CENTO with annual military and economic aid amounting respectively to £600,000 and £1 million in 1964.¹¹⁵ If the Shah were to adopt a non-aligned position, the LTSG report indicated that 'we [Britain] should have no confidence that Iran could for long resist Communist penetration and

¹¹³ Trend to Wilson, 19 November 1964, PREM 13/26.

¹¹⁴ 'Report of the Long Term Study Group – Regional Study on the Middle East': Memorandum by the Foreign Office for DOP(O)C, 21 October 1964, CAB 148/10.

¹¹⁵ 'Military Aid to the Central Treaty Organisation': DOPC memorandum by M. Stewart, 19 February 1965, CAB 148/20.

eventual domination'. Such a development would carry the danger of further Communist infiltration into the oil-rich countries of the Persian Gulf littoral.¹¹⁶

On 31 March 1965, at a meeting of the Defence and Overseas Policy Committee (DOPC), the Chancellor of the Exchequer and the Foreign Secretary openly disagreed on the issue of military aid to Iran. The Committee had to make a decision on the provision of a fourth radar station to Iran, at a cost of £1.75 million over the three years 1966-69. Michael Stewart, Gordon Walker's replacement at the Foreign Office, emphasised the paramount importance of good Anglo-Iranian relations, claiming that this was vital to maintaining Iran's 'moderate oil policy' and UK overflying rights.¹¹⁷ Britain's reliance on Iranian goodwill had been accentuated by a change of regime in Sudan on 3 December 1964 - the new Sudanese government, Anglophobic in outlook, having decided to deny Britain the use of its southern air route through the Sudan and Libya. The only alternative to the Libya/Sudan route, which had been of considerable strategic benefit in moving troops and aircraft to Aden and thence to the Far East, was the route *via* Turkey and Iran using Cyprus.¹¹⁸ Stewart, who was due to attend the annual meeting of the CENTO Ministerial Council in Tehran during early April 1965, feared that a refusal to provide a fourth radar station might precipitate a chain of events leading to the dissolution of CENTO. The Chancellor of the Exchequer, James Callaghan, believed that there was no military case for the radar station and that Iran was capable of self-financing the installation. Callaghan told the DOPC that he was against finding funds for the station because of the need, wherever possible, to avoid any undue strain on Britain's limited resources. In any case, Callaghan thought it unlikely that the Shah would take any action likely to jeopardise CENTO. Siding with the viewpoint of the Foreign Secretary, the committee agreed to the provision of the

¹¹⁶ 'Report of the Long Term Study Group - Regional Study on the Middle East': Memorandum by the Foreign Office for DOP(O)C, 21 October 1964, CAB 148/10.

¹¹⁷ DOPC minutes, 31 March 1965, CAB 148/18.

¹¹⁸ 'British Interests and Commitments Overseas': report by the DOP(O)C for the DOPC, 18 November 1964, CAB 130/213. This route was nevertheless imperfect, as it was not suitable for all types of aircraft at all times of the year. Also see Cabinet minutes, 3 December 1964, CAB 128/39. Patrick Gordon Walker told the cabinet: 'the new Government of the Sudan, by suspending our right to overfly Sudanese territory, had placed us in a position of considerable difficulty in relation to the reinforcement of our positions in the Middle East and the Far East'.

radar station, on the grounds that this was essential in maintaining the good relations necessary for the continuance of British overflying rights.¹¹⁹

Even so, it would be mistaken to suggest that the Foreign Office was prepared to acquiesce in every demand laid down by the Shah. For example, Foreign Office officials opposed the Shah's main strategic request, namely that Britain and the United States should endow CENTO with an effective military structure analogous to NATO, with a Supreme Commander and similar force commitments. On 5 March 1965, Stewart made a concerted effort to convince the Shah of the demerits of replicating the organisational and command features of NATO within CENTO. Stewart conceded that CENTO was an 'organisation of limited scope', but argued that it had 'considerable importance as a "keep out sign" for the Russians'.¹²⁰ On 26 May 1965, Stewart presented a detailed memorandum to the DOPC on UK policy towards CENTO over the next five years. This paper argued that Britain should continue its membership of CENTO and maintain support for it at about the present level. The Foreign Office thought that some reduction in current strength 'might' be possible provided that this remained adequate to convince the regional members of the 'genuineness' of Britain's military backing.¹²¹ The dissolution of CENTO would bring few if any compensating benefits, Stewart argued, since it was unlikely to result in any corresponding improvement in Anglo-Arab relations. On the other hand, Denis Healey, Secretary of State for Defence, doubted whether CENTO was necessary for preserving the Shah's pro-Western orientation. The Ministry of Defence did not foresee any immediate Soviet military threat to Iran and questioned CENTO's effectiveness in preventing internal Communist subversion. Healey argued that Britain should encourage the Shah to form an alternative regional grouping to CENTO, considering the existing commitment as unnecessarily expensive in military terms.¹²²

¹¹⁹ DOPC minutes, 31 March 1965, CAB 148/18.

¹²⁰ 'Record of Conversation between the Foreign Secretary and the Shah of Iran at the Iranian Embassy', 5 March 1965, PREM 13/1923.

¹²¹ 'United Kingdom Policy Towards CENTO': DOPC memorandum by M. Stewart, 31 May 1965, CAB 148/21.

¹²² DOPC minutes, 26 May 1965, CAB 148/18.

Despite being committed to the maintenance of CENTO, Foreign Office officials believed that it was unlikely that Russia would join with Arab countries to undermine Britain's position in the Middle East. Michael Stewart's paper, 'Middle East Policy', presented to the cabinet in March 1965, argued that, although the UAR and Syria, and at times Iraq, were prepared to enter into fairly close relations with Moscow, there was considerable resistance to Communism in Arab countries. Stewart suggested that there were two fundamental reasons for Arab antipathy towards Russian influence: first, Islamic and Arab nationalism tended to be ideologically anti-Communist in nature; and, secondly, Middle Eastern governments generally wanted to remain non-aligned. By maintaining close relations with most of the nations in the area, Stewart suggested that Britain was able to 'hold the balance' and thwart Soviet progress.¹²³ Even so, Stewart recognised that Britain's policy in the Middle East was subject to serious limitations, informing the cabinet: 'The United Kingdom. . . no longer had the power, as in the 19th century, to impose solutions'.¹²⁴

The importance of Middle Eastern oil to the functioning of the British economy was underlined in the final LTSG report. The Middle East contained 68 per cent of the free world's proven oil reserves projected to be economically workable on a large scale between 1964 and 1974. The Ministry of Power predicted that this energy source would provide the 'bulk' of energy required for future British economic growth. The existence of Kuwait and Iran as independent oil producers was of particular value to Britain, as these two countries could provide alternative sources of oil should supplies elsewhere be curtailed or offered on a less favorable basis. Kuwait's oil formed 20 per cent of the free world's proven reserves; more importantly, Kuwaiti oil was easily accessible and inexpensive to produce, while the Kuwait Oil Company was a UK registered company. Iran, the only major non-Arab source of oil in the Middle East, contained 11 per cent of the world's proven reserves, although it was recognised that

¹²³ 'The Middle East': Cabinet memorandum by M. Stewart, 24 March 1965, CAB 129/120.

¹²⁴ Cabinet minutes, 30 March 1965, CAB 128/39.

Iranian production had great scope for future expansion, to the extent that it might eventually surpass Kuwait. Total exclusion from Middle Eastern oil, though believed improbable, would have serious, if not catastrophic, repercussions for the British economy: for example, Ministry of Power officials estimated that the output of the UK economy would decline between 10 and 15 per cent of GDP by 1970, or somewhere between £3,000 million and £5,000 million a year, if Britain were denied access to Middle East oil. As other European countries would be similarly, if not worse, affected, this would have a devastating impact on the level of international trade. Britain's contribution to peace and stability in the Persian Gulf, the LTSG concluded, provided a secure framework within which international oil companies were best able to ensure the continued flow of oil.¹²⁵ Senior members of Wilson's 'economic team' questioned this assumption, favouring buying oil at prices more in line with those paid by other countries. In October 1965, Thomas Balogh, Economic Adviser to the Cabinet, contended that 'the benefit accruing to the British economy as a result of this military presence has to be completely reconsidered'.¹²⁶

The LTSG was instructed to assume that Britain would be denied use of Aden within the next decade; on this hypothesis, it was to consider to what extent this altered situation would permit the UK to protect and maintain its interests and discharge its responsibilities; assess how far British interests and commitments would have to be modified or contracted; and examine by what alternative means - whether political, economic or military - Britain could continue to make a contribution to the West's position in the Middle East. The divergent positions adopted in inter-departmental discussions highlight how divided Whitehall was on the issue of current and future British policy towards Aden - and, by implication, the wider Middle East. There was general agreement that only two sets of circumstances existed in which Britain would withdraw from Aden: first, Britain might be deprived of use of Aden against its own

¹²⁵ 'Report of the Long Term Study Group - Regional Study on the Middle East': Memorandum by the Foreign Office for DOP(O)C, 21 October 1964, CAB 148/10.

¹²⁶ Balogh to Wilson, 19 October 1965, PREM 13/460.

wishes; or, secondly, the British government could decide to leave the base for its own reasons. Foreign Office officials argued that a decision to withdraw voluntarily would be dependent on a realisation that the defence of Kuwait was no longer viable or could be provided for by other military means not reliant on the base facilities in Aden.

The Foreign Office firmly rejected the alternative strategy of terminating all external defence arrangements, an option favoured by both the Treasury and the Board of Trade. The 'economic' departments maintained that commercial imperatives necessitated oil-producing countries to sell their output to Britain and other Western nations, but the Foreign Office claimed that the 'fatal difficulty in this thesis' lay in the fact that there was no inherent stability in the Middle East. The Foreign Office was also hostile to any notion of the UN assuming Britain's regional role. With a special reference to Kuwait and the Persian Gulf, it was argued:

In the circumstances, the prospect of United Nations intervention would be equally ineffective as a deterrent and so could not, as British forces do, give the Gulf rulers the confidence to protect their own positions against externally inspired subversion, which is the most immediate danger to their independence.

If the United States 'could and would' assume Britain's regional responsibilities, Foreign Office officials saw no reason to suppose that Western interests would suffer; however, given the absence of United States defence facilities in the area, allied to Washington's undoubted reluctance in taking on what it perceived as 'a quasi-Imperial political role', the Foreign Office saw 'no foreseeable prospect' of this occurring.¹²⁷ Michael Stewart, some five months after the completion of the final LTSG paper, reaffirmed this viewpoint, in a memorandum submitted to the cabinet: 'We alone can play this stabilising role because of the positions we hold along the eastern and

¹²⁷ 'British Interests and Commitments Served in the Area Served by the Aden Base': Memorandum by the Foreign Office for DOP(O)C, 16 July 1964, CAB 148/8.

southern shore of Arabia; *it would not be possible for the United States or any other Western power to take these over from us*.¹²⁸ This conflicts with Ritchie Ovendale's claim that the 1958 Anglo-American intervention in Lebanon and Jordan marked the moment when Britain willingly relinquished its traditional role in the Middle East to the United States.¹²⁹ Whitehall generally agreed that the Western position would be strengthened by greater American involvement, but it would be mistaken to assume that Britain's independent role had been, as Macmillan argued in a different context, 'swallowed up in the *Pax Americana*'. American interest in creating defence facilities in the Indian Ocean was welcomed by officials working on the LTSG, who hoped that this would eventually lead to direct US involvement in the protection of the southern shore of the Gulf. Retaining Britain's position in the Middle East fitted well with the instincts of the newly elected Prime Minister, Harold Wilson, who told Dean Rusk that 'he had a prejudice for the maintenance of the British role East of Suez'.¹³⁰ Accordingly, Wilson was pleased to hear, from the British Embassy in Washington, that 'the Americans have a strong interest in helping us directly or indirectly to avoid a retrenchment of our defence commitments East of Suez'. Sir Patrick Dean, British Ambassador to Washington, highlighted the concerns of US policy-makers on this issue, pointing out that the Americans did 'not want to find themselves saddled with some sort of police role in the Gulf'.¹³¹

British withdrawal from Aden, LTSG officials agreed, might be accelerated by power falling into the hands of the nationalist PSP. Nasser's pan-Arab nationalism held a strong emotional appeal for many South Arabians, including those in the Federal Armed Forces, who were well placed to undermine Britain's position. On the other hand, Foreign Office officials noted that the Protectorate rulers were prepared to see Britain retain full use of Aden's base facilities, suggesting that the UK 'could retain its

¹²⁸ 'The Middle East': Cabinet memorandum by M. Stewart, 24 March 1965, CAB 129/120. Added emphasis.

¹²⁹ Ovendale, *Transfer of Power*, p. 211.

¹³⁰ 'Record of Conversation between Wilson and Rusk at 10 Downing Street', 14 May 1965, PREM 13/214.

¹³¹ Dean to Gore Booth, 10 June 1965, PREM 13/215.

position in Aden in the face of hostile Arab nationalism'. The Foreign Office thought it highly unlikely that Britain would be forced into a precipitate withdrawal from Aden; the final decision for this would come at some unidentified point in the next ten years, when it was deemed advantageous to do so. This viewpoint was reflected in final LTSG paper on the Middle East, which argued: 'No doubt with difficulty we could hold on to the base under these circumstances for some time but we might conclude *before 1975* that we would be well advised to withdraw'.¹³²

What would be the political implications of being compelled to leave Aden? Britain's forced withdrawal from Aden, Foreign Office officials conceded, would have a devastating impact on British prestige, given that this would be construed as a 'victory' for Arab nationalism. Such a development would force Britain out of its remaining defence installations in the Persian Gulf and mark the end of British power in the region, although the LSTG concluded that the various Gulf Rulers would react differently: for example, the Sultan of Muscat and Oman would 'cling all the more tightly' to the UK; the Ruler of Sharjah would try to end the agreement giving Britain use of his airfield; while the Ruler of Bahrain would become even more difficult about any extension of British defence facilities. More importantly, it was predicted that a forced British withdrawal would strengthen Arab nationalism in Kuwait, compelling the Emir to denounce the Anglo-Kuwaiti agreement of June 1961. Withdrawal from Aden was dependent on the political conditions in Kuwait. The LTSG identified three main circumstances in which UK forces would no longer be required to defend Kuwait. Firstly, the Kuwaiti government might decide to sever its links with Britain (subject to three years' notice), though this was generally viewed as unlikely to occur. Secondly, Britain might decide that defending Kuwaiti independence was no longer sufficiently important to justify maintaining forces in the area, a policy course supported by the Treasury and Board of Trade. Thirdly, ministers might conclude that it was possible for

¹³² 'Report of the Long Term Study Group - Regional Study on the Middle East': Memorandum by the Foreign Office for DOP(O)C, 21 October 1964, CAB 148/10. Added emphasis.

Britain to defend its major objectives in the Persian Gulf without Aden; in such an event, Britain would have to rely on the use of more distant bases, including those located in the United Kingdom, coupled with some reinforcement of existing units in the Gulf itself.¹³³

Despite hostility within the Foreign Office to the very idea of retrenchment, LTSG officials accepted that the repercussions of a voluntary withdrawal 'would be appreciably less'. If Britain decided to leave Aden on its own terms, Foreign Office officials believed that establishing alternative facilities in the Persian Gulf and the Indian Ocean would be preferable to relying on non-military means of influence. There had thus been a *volte-face* in Foreign Office thinking since Stevens' memorandum in July 1963, when it was claimed that there was no real alternative to Aden. The 'economic' departments were strongly opposed to the idea of re-locating British troops from Aden to the Persian Gulf. In discussions, Treasury officials forced the Foreign Office to concede that such an arrangement would only be worthwhile if these facilities could be provided at 'reasonable cost' and in political circumstances that ensured they would not themselves become vulnerable. The Foreign Office, on the other hand, countered the view that the provision of financial and technical assistance could act as an effective alternative to the UK military presence:

We do not . . . believe that any form of financial and technical aid, however substantial, could ever be an effective substitute for military support in the circumstances of the Middle East where instability results not from a lack of funds in most areas (indeed, in some instances, the contrary) but from acute inter-state political rivalries and the magnitude of the prizes at stake.¹³⁴

How would withdrawal from Aden affect British policy towards the South Arabian Federation? As alluded to earlier, Britain's political programme for the independence

¹³³ *ibid.*

¹³⁴ *ibid.*

of South Arabia, which included the introduction of a limited degree of democratic governance, had two main purposes: firstly, an independent SAF lessened the efficacy of Egyptian subversion, enabling the Federal authorities to command wider respect in the Arab world; secondly, the Federation allowed Britain to divest itself of a heavy political responsibility, whilst permitting UK forces to retain use of the base facilities. If Britain were to leave Aden, and subsequently withdrew financial support to South Arabia, the LTSG paper argued that Saudi Arabia could partially replace the UK role: 'If it were decided that, in the event of a voluntary withdrawal from Aden, we could not afford to go on financing the Federation, perhaps the best safeguard if we could achieve it would be to bring it into closer relations with Saudi Arabia, which is already showing some interest in its future'.¹³⁵ Not so much "America in Britain's Place", as "Saudi Arabia in Britain's Place".

The Labour cabinet largely accepted the previous Conservative government's policy on South Arabia. On 11 December 1964, Anthony Greenwood, Secretary of State for the Colonies, informed the cabinet that his recent visit to Aden, the purpose of which had been to create a favourable political climate rather than to discuss the military base, had prompted a joint declaration by the Adeni and Federal governments, espousing the aspiration of creating a unitary state on a democratic basis.¹³⁶ Even so, Sir Kennedy Trevaskis, former High Commissioner to Aden and the Federation of South Arabia, believed that this went too far, informing Sandys (and Amery) that the Labour government had 'run into trouble' as a consequence of 'varying the objective of the previous Administration'. From its assumption of power, Trevaskis argued, Labour had refused to accept the argument on which the previous government's policy was based: that the left-wing nationalists in Aden were 'Nasser's stooges' and that Britain's 'friends in the Federation and Aden will only support us if they are confident of our

¹³⁵ 'Report of the Long Term Study Group - Regional Study on the Middle East': Memorandum by the Foreign Office for DOP(O)C, 21 October 1964, CAB 148/10.

¹³⁶ Cabinet minutes, 11 December 1964, CAB 128/39; 'Policy in Aden and the Protectorate of South Arabia': DOPC memorandum by Greenwood, 30 December 1964, CAB 148/17.

support in return'. Accordingly, Trevaskis posited, Labour had sought to grant independence to a Federation dominated by left-wing nationalists, who, once the door had been opened to them, would see greater advantage in co-operating with Nasser than Britain.¹³⁷ Although Wilson and his cabinet colleagues were committed to keeping the Aden base and hoped to bring the discontented Adeni population into a stable democratic association with the federal rulers, increased terrorist activity in Aden complicated the problem of launching a viable Federation. The efforts of Greenwood to win over moderate opinion in Aden were essentially futile. Anti-British sentiment in Aden meant that there was simply no 'critical-mass' of moderates to create a consensus of support in favour of Britain's position.

The Defence Reviews - A Decisive Change in Policy: 1964-1967.

In November 1964, Labour set a financial target for defence expenditure of £2,000 million at 1964 prices, to be achieved by 1969/70. Put simply, Labour aimed for the defence programme in 1969/70 to cost no more in real terms than it did in 1964 - overall this entailed a reduction of £400 million or 16 per cent on the plans of the previous Conservative government. Curtailing the equipment programme had made limited progress towards this objective: on 5 August 1965, Healey was able to report that he had managed to get more than half way to the £2,000 million target (from £2,400 million to about £2,180 million) without impairing Britain's ability to meet its military commitments. These economies were made principally in the aircraft programme (notably the cancellation of the TSR2, HS-681 and P-1154); the curtailment of the Polaris Fleet (the cancellation of the fifth vessel); a reduction in the Research and Development programme; and the reorganisation of the Territorial Army

¹³⁷ Trevaskis to Sandys (originally Amery), 21 July 1965, Sandys papers (Churchill College, Cambridge) DSND 14/1.

and measures relating to inter-service rationalisation.¹³⁸ These changes nonetheless failed to solve the central problems of military over-stretch and the excessive cost of defence in terms of foreign exchange. In planning to close the gap of £180 million, Labour's Defence Review set out to determine which political obligations should be abrogated, as well as limit the scale of the military tasks imposed by remaining commitments.

TABLE 4.1. *Defence Expenditure, 1964-65.*

		£ million
<u>Forces Overseas</u>		
Europe		199
Med & Near East		61
East of Suez: Aden	75	
Singapore	210	
Hong Kong	11	
		<u>296</u>
		<u>556</u>
<u>Formations based in UK</u>		
		507
		<u>1,063</u>
Other: R&D Expenditure	280	
Unattributable Geographically	657	
		937
		<u>2,000</u>

Source: 'The Future Size of the Defence Budget', Clarke to Armstrong, 3 November 1964, Clarke papers (Churchill College, Cambridge) CLRK 1/3/3/2.

By plainly stating what would be required to support a continued British military presence in the Middle East, an inter-departmental DOP(O)C report, produced as part of the Defence Review process and containing studies on long-term political strategy, highlighted the fragility of Britain's position. Ministers considered this paper on three separate occasions: 13, 14 and 24 November 1965. If Britain wished to continue to defend Libya against Egyptian attack, DOP(O)C officials argued, it would be necessary

¹³⁸ Denis Healey, 5 August 1965, *Parl. Papers* (Commons), vol. 717, cols. 1882-1887. Before making this announcement to the House of Commons, Healey actually revealed the government's progress on reducing defence expenditure to a Ministry of Defence press conference on 4 August 1965. The MoD was able to save £75 million as a direct result of substituting the Phantom, the C130, the F111A, the Kestrel and the Comet for the P-1154, the HS-681, the TSR2 and the OR352, and £40 million from the fact that it would be unnecessary to buy an interim generation of aircraft; £15 million was saved from cancelling the fifth Polaris submarine; £20 million was saved from the reorganisation of the Army Reserve. The rest of the savings came from administrative changes, none of which involved a major change in policy.

to retain the expensive Dhekelia armaments stockpile in Cyprus.¹³⁹ On 24 November 1965, when the DOPC considered this issue, ministers agreed that Britain should seek to persuade the United States to take over the British commitment to Libya. Even the Foreign Office accepted that the Dhekelia base would become surplus to requirement if the United States took over Britain's obligations towards Tripoli. If Washington was unwilling to assume entire responsibility, and insisted on some UK contribution, the DOPC agreed that the government should offer to retain the forces required to ensure a point of entry at El Adem. Callaghan was prepared to accept this compromise because of the relatively small costs involved.¹⁴⁰

The DOP(O)C report emphasised the importance of Iran's pro-Western alignment, claiming that it was a 'major United Kingdom asset'. If Iran were to fall into the Soviet orbit, or even if Tehran were to adopt a neutralist posture, this would have considerable implications for Turkey, pro-Western elements in the Middle East and for the West's position globally.¹⁴¹ On 23 November 1965, Stewart reminded the cabinet that the Shah 'remained apprehensive' about any extension of UAR influence in the Persian Gulf, pointing out that Tehran would need to be convinced that a settlement in the Gulf region would not result in its becoming a base for UAR subversion in Iran.¹⁴² For this reason, DOP(O)C officials agreed that the Shah needed constant reassurance of Western support, if he were to 'remain convinced that his present game is worth the candle'. It was contended that the Shah was unwilling to rely on the United States alone - significantly, the Americans were not full members of the CENTO alliance, even though the Eisenhower Doctrine provided a 'bilateral guarantee' to Middle Eastern countries under imminent or actual threat from 'international Communism'.¹⁴³ For these reasons it would be seriously damaging to UK interests to alter present

¹³⁹ 'Defence Review': Cabinet note by Trend, 8 November 1965, CAB 130/213.

¹⁴⁰ DOPC minutes, 24 November 1965, CAB 148/18.

¹⁴¹ 'Defence Review': Cabinet note by Trend, 8 November 1965, CAB 130/213.

¹⁴² Cabinet minutes, 23 September 1965, CAB 128/39.

¹⁴³ See 'President Eisenhower: The Eisenhower Doctrine on the Middle East, A Message to Congress, January 5, 1957', *The Department of State Bulletin*, vol. xxxvi, no. 917 (January 21, 1957), pp. 83-87.

dispositions, as this might provoke the collapse of CENTO. It was suggested that withdrawal of Britain's Canberras from Akrotiri would be all too likely to have this effect, even though their military value was in real terms negligible. As the only Western forces declared to CENTO, the Shah saw them as a symbol of Western support, and his commitment would be 'greatly shaken' if they were withdrawn. If CENTO were to implode, this would not reduce the necessity of ensuring Iran's pro-Western alignment, and it would be crucial to seek other ways of reassuring the Shah, potentially involving a greater level of commitment than required under CENTO. Both Britain's policy towards CENTO and 'tenderness for Iranian susceptibilities' were governed by the existence of a pro-Western regime in Iran; however, as officials recognised, an 'assassin's bullet' would change this situation 'overnight', and 'the *raison d' être* of these policies would disappear with it'.¹⁴⁴

So long as the UK retained its political responsibilities to other parts of the Arabian Peninsula, DOP(O)C officials contended, Britain's relations with Saudi Arabia would remain of 'special importance'. Saudi Arabia was particularly concerned about the future organisation of the principalities under British protection, both in the Gulf and South Arabia. As a consequence, officials advised that Britain should take Saudi Arabia 'as fully as possible into our confidence', and, if necessary, play down any issues (such as Buraimi) where British and Saudi objectives clashed. The Saudi regime under King Faisal was seen by officials as 'reasonably enlightened and reasonably well-disposed to the West', it being thought realistic to consider Saudi Arabia as Britain's 'eventual heir in the Persian Gulf some time after 1970'.

Irrespective of Nasser's fate, it was forecast that Britain and Egypt's basic objectives would continue to conflict, thereby making a positive relationship with Cairo an 'improbable' prospect. Nevertheless, in dealing with Egypt, it would be necessary 'to show restraint', despite the excesses of Egyptian propaganda and of 'their recurrent

¹⁴⁴ 'Defence Review': Cabinet note by Trend, 8 November 1965, CAB 130/213.

attempts to inflict petty humiliations on their former masters'. It was recognised that Nasser was better placed to damage British interests than *vice-versa*: 'All-out political warfare between Egypt and ourselves would be worse from our point of view than the present attempt to preserve "normal" relations despite his murderous plotting in Aden'.¹⁴⁵

In planning Britain's political strategy up to 1970, policy-makers concentrated on the two areas where the UK retained direct political responsibilities - the Persian Gulf and South Arabia. Britain's effective policy choice, it was argued, lay between (a) abandoning both in short order; (b) retaining both indefinitely; or (c) retaining both for long enough to avoid the dangers of (a) without incurring the difficulties of (b). The case against (b) was perhaps self-evident in an anti-colonial age - 'its essence is that in the face of mounting pressure against us the financial, military and moral cost will become prohibitive'. The difficulty of (c) lay in getting the extent and timing right, though the Foreign Office believed that Britain should and could retain its pre-eminent position in the Gulf until after 1970. Even so, there was no intention amongst policy-makers to 'mark time for five years or more'. For this reason, it was suggested that British political strategy should be aimed at preparing the way for change, 'with a view to making it as painless as possible for all concerned'.¹⁴⁶ A few months earlier, on 23 September 1965, Stewart indicated Foreign Office thinking on this subject, when he told the cabinet: 'We had inherited a position which we could not afford to maintain indefinitely. We must therefore contemplate a gradual and orderly withdrawal from the Middle East'.¹⁴⁷ Officials advised ministers that policy towards the Gulf states should incorporate five main facets: the 'modernisation' of relations with local authorities in the area; pressuring the rulers to move rapidly in the direction of administrative and social reform; reorganisation of the Trucial Coast into two main units, one comprising only Abu Dhabi (the largest and wealthiest of the Sheikdoms) and one bringing the other six

¹⁴⁵ *ibid.*

¹⁴⁶ *ibid.*

¹⁴⁷ Cabinet minutes, 23 September 1965, CAB 128/39.

states together under the leadership of Dubai; encouragement of some form of quadripartite association between Bahrain, Qatar, Abu Dhabi and the Dubai group; and, finally, the promotion of greater contact between these four, collectively and separately, and their larger neighbour, Saudi Arabia.¹⁴⁸

On 13 November 1965, when the cabinet met at Chequers to discuss the Defence Review, ministers and officials accepted that Britain's position in Aden was 'precarious' and that it would be necessary to 'plan on the assumption that it could not be held'. If Aden were given up, however, it did not follow that Britain must withdraw from the Persian Gulf: indeed, it might be possible to strengthen Britain's position there, so as to enable the UK to fulfill its extant commitments. The minutes of this meeting note that there was an 'unresolved divergence of view between Departments about the need to maintain a United Kingdom military presence in the Gulf'. Callaghan argued that it would be 'uneconomic to spend large capital sums on facilities in Bahrain or elsewhere in the Gulf to take the place of Aden', whilst Stewart emphasised the need to retain a military presence to act as an anti-Soviet bulwark. Concerned with reducing defence expenditure to £2,000 million (at 1964 prices), Healey argued that it would be necessary to withdraw from Aden on its independence in 1967 or 1968; reduce commitments in the Persian Gulf and to CENTO, in order to 'exclude' any commitment to intervene in Kuwait and to 'exclude' the need for nuclear strike forces in Cyprus; and decrease intervention capability below the current level required for operations in Libya and Kuwait.¹⁴⁹

On 24 November 1965, ministers agreed that Britain should give up any 'obligations to, or defence facilities in, Aden or the South Arabian Federation', on the occasion of South Arabian independence in 1967 or 1968. In order to fulfil the existing commitment towards Kuwait, ministers considered whether it would be necessary to establish defence facilities in the Persian Gulf, which was estimated to cost £22 million.

¹⁴⁸ 'Defence Review': Cabinet note by Trend, 8 November 1965, CAB 130/213.

¹⁴⁹ Cabinet (Defence Policy) minutes, 13 November 1965, CAB 130/213.

The Ministry of Defence argued that it would be impossible to complete such facilities by 1967 or 1968, since these would require a minimum of five years to build. As an alternative, Healey suggested that it would be possible to undertake a smaller programme costing £10 million, which would enable Britain to maintain a visible military presence and to fulfil its 'non-Kuwait' commitments in the Gulf. If this smaller programme were implemented, and in the event that it was subsequently decided to develop the capability necessary to defend Kuwait, it would cost an additional £16 million to upgrade these facilities. There would therefore be a period following withdrawal from Aden when the UK would lack the facilities in the Persian Gulf necessary to fulfil its obligations towards Kuwait. Even with higher expenditure, Healey argued, it was impossible to guarantee that Britain would be capable of defending Kuwait in the event that the Iraqi Army was freed from fighting the Kurds. Since Kuwait had consolidated its status as an independent country, the MoD suspected that the likelihood of repeating a '1961-style' intervention had rapidly diminished. Conversely, Stewart thought that it was important to recognise the legitimacy of the Emir's desire for the continuation of 'a visible United Kingdom presence' in order to deter potential Iraqi aggression.¹⁵⁰

On 19 January 1966, when the cabinet returned to this issue, Stewart argued in favour of building up British forces in the Persian Gulf to the extent that they would continue to have a capability to defend Kuwait, suggesting that this commitment should be retained until the Kuwaiti government itself took the initiative in renouncing the June 1961 exchange of letters. The Treasury disagreed with this assessment, contending that nationalist pressure against Britain's presence would rapidly gain momentum if UK forces remained in the Persian Gulf following departure from Aden. Britain might, Callaghan warned, become embroiled in the maintenance of the internal security in Bahrain, a development that would make the extrication of British forces more

¹⁵⁰ DOPC minutes, 24 November 1965, CAB 148/18.

problematic. Healey informed his colleagues that retention of the Kuwait commitment, after British withdrawal from Aden, would entail increasing the number of men stationed in the Gulf from 3,700 to more than 11,000, but pointed out that political considerations precluded the stationing of such large numbers of men in Bahrain, Sharjah and Masirah. The MoD felt it was better to get out of the Gulf sooner rather than later, believing it more advantageous to rely on non-military methods of influence.¹⁵¹ David Bruce, US Ambassador in London, indicated to Rusk that Healey would 'prefer to use whatever influence he had in prolonging [the] UK presence in Singapore/Malaysia rather than [in] the Gulf'. He also claimed that Healey's mind was set on this issue, since he believed that 'it was likely to be harmful rather than helpful to prolong Brit[ain's] Gulf presence beyond 1970-1971'.¹⁵² Despite Callaghan and Healey's objections, the DOPC agreed that a serious breakdown of regional stability would ensue if the UK undertook a complete withdrawal from the Persian Gulf in tandem with retreat from Aden. The Foreign Office successfully argued that Britain should seek to maintain forces in the Persian Gulf, retaining the capacity to carry out three main tasks on the Arabian Peninsula: the ability to defend the protected territories (Bahrain, Qatar and the Trucial States) and Muscat and Oman against outside attack; assist these states and Kuwait against internal disturbance; and deter outside aggression against Kuwait. Wilson, when summing up the discussion, added that it was important to be mindful that the United States would be likely to express concern at any suggestion of complete British withdrawal from the Middle East on the occasion of South Arabian independence.¹⁵³

In late January 1966, Anglo-American discussions on the UK Defence Review were held, involving Rusk and McNamara, on the US side, and Stewart and Healey, on the British side. Stewart informed the Americans - in an eloquent exposition redolent of

¹⁵¹ 'Defence Review: Forces and Facilities in the Persian Gulf': Memorandum by the Ministry of Defence for the DOP(O)C, 14 January 1966, CAB 148/69.

¹⁵² 'Telegram from the Embassy in the United Kingdom to the Department of State', 9 January 1966, *FRUS: Western Europe*, vol. XII, Document 287.

¹⁵³ DOPC minutes, 19 January 1966, CAB 148/25.

Treasury orthodoxy - that the UK was over-stretched in trying to maintain its present overseas commitments. In order to secure Britain's economic well-being and international standing, he argued that it was essential to correct the serious foreign exchange drain: 'if British defence commitments create an unbearable strain, especially in balance of payments terms, the result will be a weakening of the UK position everywhere'.¹⁵⁴

As a consequence of recurrent balance-of-payments difficulties, Britain's economic prospects deteriorated markedly during the summer of 1966. Confronted with an unsustainable drain on London's reserves and speculation against the pound in the first half of July, the Labour government was forced into taking a number of stringent economic measures. On 12 July, the same day that the pound fell to its lowest level since November 1964, Callaghan presented a paper to the cabinet, warning that the economy was suffering from labour shortages, inflationary pressures, rising wages and too many imports. Primarily because public expenditure was forecast to grow too rapidly, Callaghan did not foresee any prospect of an improvement in the balance of payments during 1966 or 1967.¹⁵⁵ Furthermore, Britain had to pay off the loan it had acquired from the International Monetary Fund (IMF) in September 1965 and owed £3,385 million to Swiss banks. Sitting behind his desk in the Treasury, confronted with such a gloomy economic prognosis, Callaghan became an even more vociferous advocate of the need to withdraw from East of Suez. Prior to the major attacks on sterling between 12 and 14 July, Callaghan had argued in favour of drastic economies in defence expenditure - on 1 July 1966, for example, Callaghan tried to convince Wilson of the need to abandon the East of Suez role in a private meeting.¹⁵⁶ On 15

¹⁵⁴ 'British Defence Review': Memorandum of Conversation, 22 January 1966, *FRUS: Western Europe*, vol. XII, Document 254.

¹⁵⁵ Cabinet minutes, 12 July 1966, CAB 128/41.

¹⁵⁶ K. O. Morgan, *Callaghan: A Life*, (Oxford: Oxford University Press, 1997), p. 242. George Brown was also present at this meeting.

June 1966, when recording the deliberations of a meeting of the Parliamentary Labour Party, in which Wilson gave his 'usual Bevinite speech' denouncing the 'strange alliance' of pro-Europeans and left-wingers opposed to East of Suez, Crossman noted:

His theme was that though he was prepared to withdraw and reduce the number of troops East of Suez he would never deny Britain the role of a world power. . . While he was talking, Jim [Callaghan] came in and sat beside me on the other side from Fred Peart. Throughout the speech he whispered to me how totally he disagreed and told me that he thought Denis Healey holds much the same view as he does and that George Brown wasn't enthusiastic. *East of Suez is solely the P.M.'s line* - the P.M. with George Wigg's [Paymaster-General] backing. Undoubtedly, it's all a fantastic illusion. How can anyone build up Britain now as a great power East of Suez when we can't even maintain the Sterling Area.¹⁵⁷

Jeffrey Pickering's assertion that 'Healey, Brown and Callaghan . . . had unambiguous Bevinite roots and, as later events would verify, continued to stand resolutely behind the East of Suez role' is in urgent need of revision, if not outright refutation.¹⁵⁸ Healey sought the abrogation of Britain's commitment to Kuwait in January 1966 - eighteen months prior to the devaluation of sterling. Given that Kuwait was the most important British commitment in the Middle East, a region that represented one of the two 'pillars' on which the East of Suez role stood (the other being the Far East), it would be wrong to portray Healey as someone who doggedly pursued Bevinite policies. Throughout his period at the Treasury, Callaghan argued for an accelerated reduction in military expenditure and overseas commitments. The documentary evidence presented in this chapter makes it difficult to sustain Pickering's contention that Callaghan and Healey

¹⁵⁷ R. H. S. Crossman, *The Diaries of a Cabinet Minister, Minister of Housing, 1964-66*, vol. I, (London: Hamish Hamilton and Jonathon Cape, 1975), p. 570. Added emphasis. George Wigg, a member of Wilson's 'kitchen cabinet', was an ardent supporter of Britain's East of Suez role. When commenting on a draft version of Christopher Mayhew's *Britain's Role Tomorrow*, a highly critical account of the Labour government's foreign policy which had been handed into Whitehall to make sure that it corresponded with rules and procedures concerning publication, he told Wilson: 'if this had been written by one of my subordinates during my Army days the writer would by now have been back in his barracks'. Wigg to Wilson, 14 September 1966, PREM 13/911.

¹⁵⁸ J. Pickering, *Britain's Withdrawal from East of Suez: The Politics of Retrenchment*, (London: Macmillan, 1998), p. 156.

were 'men from the old Labour right who fervently supported the overseas role'. In fact, Wilson's resolute commitment to an East of Suez role stifled Callaghan and Healey's attempts to revise commitments, though it should be noted that both the Chancellor and Defence Secretary, representing the views of their respective departments, had differing opinions with regard to Britain's appropriate place in the world.

During the course of 1966-1967, in response to the July economic crisis, Whitehall conducted a series of defence expenditure reviews, under the Defence Review Working Group, a subsidiary committee of the DOP(O)C. The final DOP(O)C report, which acted as the basis of Labour's *Supplementary Statement on Defence Policy* (published on 18 July 1967), concluded that Britain should withdraw from the Persian Gulf by the mid-1970s, meaning that UK forces would no longer be capable of defending Kuwait.¹⁵⁹ On 6 July 1967, Healey told his cabinet colleagues that there was 'no further scope' for savings without cutting the capability of UK forces, and that in order to reduce defence expenditure in 1970-71 by £200 million, rising by 1975-76 to £300 million, it would be necessary to accept a reduction in commitments and a fundamental change in the basis of British foreign policy. As part of the measures needed to achieve these financial targets, Healey informed the cabinet that the MoD was now planning on the assumption that Britain would have withdrawn from the Persian Gulf by 1975. In discussion, cabinet ministers considered the advantages and disadvantages of including in the Defence White Paper a specific date for withdrawal from the Middle East, reaching 'general agreement that no date should be given'.¹⁶⁰ Reflecting opinion on Labour's left wing, Richard Crossman, Lord President of the Council and Leader of the Commons, did not believe that the Defence White Paper went far enough, arguing in favour of immediate withdrawal from the Middle East, with

¹⁵⁹ 'Defence Expenditure Studies': Report by the DOP(O)C, 21 June 1967, CAB 148/32; *Supplementary Statement on Defence Policy*, Cmnd 3357, (London: HMSO, 1967).

¹⁶⁰ Cabinet minutes, 6 July 1967, CAB 128/42.

Britain opting out of CENTO and cancelling all its treaty obligations in the Persian Gulf.¹⁶¹

Britain's Final Withdrawal from South Arabia, 1967-68.

When the cabinet met on 13 March 1967, ministers agreed that Britain should grant independence to South Arabia on 1 November 1967, whilst retaining sovereignty in Aden and control of internal security until then; and to withdraw all forces from the mainland of South Arabia as quickly as possible after independence, whilst providing carrier-based support to the new state against external aggression for up to six months thereafter.¹⁶² The Federal government rejected these proposals, maintaining that their ground forces would not be capable of assuming full responsibility for internal security until 1 April 1968, and that their naval and air forces would not be ready for some months later. The Federation was willing to accept independence on 1 September 1968, but only if four conditions were met: first, if Britain were to transfer all responsibility for internal security in Aden on 1 March 1968; secondly, if British forces remained in Aden until 1 March 1968; thirdly, if the UK provided a 'Defence Guarantee' for up to three years after 1 September 1968; and, finally, if a new constitution were brought into force well before 1 September 1968. On 11 May 1967, George Brown, who replaced Stewart at the Foreign Office, recommended that Britain reject the proposal of a 'Defence Guarantee' and decline the invitation to provide a continuing presence until 1 September 1968, but proposed a compromise, whereby independence would be granted on 1 January 1968, rather than 1 November 1967. The cabinet came down in favour of Brown's recommendations.¹⁶³ As Crossman noted in his diary,

¹⁶¹ 'Defence Withdrawals': Draft Paper by the Lord President of the Council', 30 July 1967, CAB 137/35. On 6 July 1967, Crossman expressed similar views at a meeting of the cabinet. See Cabinet minutes, 6 July 1967, CAB 128/42.

¹⁶² Cabinet minutes, 13 March 1967, CAB 148/42.

¹⁶³ Cabinet minutes, 11 May 1967, CAB 128/42.

Brown was 'genuinely and passionately determined to get out of Aden at all costs', and the compromise package was 'solely designed as a cover for this operation'.¹⁶⁴

With support from the Federal Government, Whitehall decided to adopt the constitutional proposals contained in the Hone-Bell report of February 1966.¹⁶⁵

Although the constitution was to provide for countrywide elections on the basis of universal adult suffrage, it was to be based on 'liberal' nationality legislation, restricting the vote to genuine 'belongers' of various races. This provision did not extend to the substantial Yemeni population in Aden, something that was totally unacceptable to opposition groups, such as the Front for the Liberation of Occupied South Yemen (FLOSY) and the National Liberation Front (NLF). In addition to maintaining an off-shore British naval force for six months after independence as an assurance against external aggression, and stationing a unit of V-bombers at Masirah Island for at least six months, Britain would also increase by £10 million the amount previously committed to the South Arabian Federal Government (SAFG) military for the first three years of independence.¹⁶⁶

In the words of one US intelligence memorandum, Aden had become 'an armed camp' by mid-1967, with assassination and terrorist acts commonplace. Despite this state of increasing anarchy, Whitehall clearly hoped to avoid leaving behind 'another Congo'.¹⁶⁷ The vital question, however, was whether it was not already too late to achieve any kind of order out of the chaos arising from the explosive concoction of tribal feuds, ethnic prejudices, social backwardness, and the political machinations of other Arab countries. On 27 October 1967, at a meeting of the DOPC, ministers agreed on the need to establish arrangements to inform Parliament of the government's intention to withdraw the last British troops from South Arabia in the

¹⁶⁴ R. H. S. Crossman, *The Diaries of a Cabinet Minister, Lord President of the Council and Leader of the House of Commons, 1966-68*, vol. II, (London: Hamish Hamilton and Jonathon Cape, 1976), p. 368.

¹⁶⁵ In late 1965, South Arabia's Federal Government decided to commission two internationally known experts to advise them on a future constitution: Sir Gawain Bell, who had a distinguished career in the Sudan, the Persian Gulf and Nigeria, and a well known constitutional lawyer, Sir Ralph Hone.

¹⁶⁶ 'Future of South Arabia', 24 May 1967, *FRUS, Near East Region*, vol. XXI, Document 97.

¹⁶⁷ 'South Arabia': US Intelligence Memorandum, 24 July 1967, *FRUS, Near East Region*, vol. XXI, Document 65.

second half of November. The Prime Minister, summing up the discussion, concluded: 'Although it now seemed that circumstances might compel us to leave South Arabia without securing the formation of a stable successor government, our position was fully defensible and would be welcomed by a majority of opinion in this country'.¹⁶⁸ Three days later, at a meeting of the cabinet, Brown informed his colleagues that the disintegration of the Federal Government and the failure of the Protectorate rulers to maintain their authority (even in their own states) had left FLOSY and the NLF as the two dominant political forces in South Arabia. There was thus no government to which Britain could hand over its responsibilities in South Arabia, nor was it clear that there would be one by the end of the year. With a decline in the threat posed by the UAR, which had reduced its presence in Yemen, Brown argued that British policy 'must be adjusted to meet the new situation'. In particular, there was 'no advantage' in retaining UK forces in South Arabia until January 1968 - indeed, it might well be that a political settlement in South Arabia would be hastened by a rapid withdrawal of UK forces. Brown also proposed that Britain withdraw its promise to provide maritime and air support to South Arabia in the period following independence.¹⁶⁹ Crossman believed this to be a fortuitous development: 'It now looks as though we shall get out of Aden without losing a single British soldier, chaos will rule soon after we've gone, and there'll be one major commitment cut - thank God'.¹⁷⁰ On 1 November 1967, Sir Patrick Dean informed Rusk of the cabinet's decision to withdraw from South Arabia, but reassured the Americans that these actions 'in no way reflected on HMG's determination to remain in the Persian Gulf'.¹⁷¹ The NLF eventually emerged as the dominant nationalist movement in Aden, taking over the government of the federation. South Arabia became independent on 30 November 1967, but was quickly re-named the People's Republic of South Yemen, being re-named in 1970 as the People's

¹⁶⁸ DOPC minutes, 27 October 1967, CAB 148/26.

¹⁶⁹ Cabinet minutes, 30 October 1967, CAB 128/42.

¹⁷⁰ Crossman, *Diaries of a Cabinet Minister*, vol. II, p. 541.

¹⁷¹ 'UK Withdrawal from South Arabia': Memorandum of Conversation, *FRUS, Near East Region*, vol. XXI, Document 107.

Democratic Republic of Yemen. The Soviet Union became an important backer of the Yemeni government, which oversaw the development of a quasi-Marxist state, with Russian naval bases being established in the area in 1979 - a development disadvantageous to the West in the wider context of the Cold War.

The Final Decision to Withdraw from the Middle East, 1967-68.

On 11 July 1967, in the light of the recent Arab-Israeli Six Day War, the cabinet considered a memorandum by Brown, entitled 'Arab Attitudes and British Economic Interests in the Middle East'. Brown pointed out that Britain's large interests in the Arab states 'limited our freedom of action in the area generally'. Highlighting the extent to which Britain was unable to exert influence in the region, Brown told the cabinet that there was 'little that we ourselves could now do to influence the way in which events moved in the Middle East'. In discussion, it was argued that recent events had illustrated that Britain's military deployment in the Middle East was of 'no value to our economic interests and that this presence should be withdrawn as quickly as possible'. As regards the longer term, the cabinet agreed on the need to re-examine Britain's dependence on Middle East oil, having regard to the limitations this placed on British foreign policy and to the fact that on three occasions in the last ten years interference with supplies had put UK industry at risk.¹⁷²

On 16 November 1967, at a meeting of the cabinet, Callaghan recommended that sterling be devalued on 18 November, to a new fixed parity of £1:\$2.40. (The cabinet discussed, but rejected, the idea of introducing a floating exchange: Callaghan believed that the objections to a floating rate were 'overriding', contending that this would run counter to the 'basic philosophy' of international exchange rates and would therefore incur the active hostility of the IMF and the international monetary community;

¹⁷² Cabinet minutes, 11 July 1967, CAB 128/42.

in these circumstances the rate might sink to an unacceptably low level; and even though the rate might recover, the damage to the system of international trade and payments in the interim could be 'very grave'.) Callaghan informed his colleagues that it had not been easy for him to make this recommendation, since in one sense it marked the end of the economic strategy hitherto pursued by the government. Although Britain still had considerable reserves of foreign exchange and was not compelled to devalue by sheer insufficiency of liquid resources, Callaghan believed that speculation against the pound had reached such proportions that any other course would have been ineffective. If the policy of holding the pound's parity with the dollar remained unchanged, Britain would be liable to exhaust the reserves still available and should then be unable to defend even a reduced parity. Callaghan identified a number of reasons for devaluation, including the recent Middle East crisis and the closure of the Suez Canal. In order for devaluation to succeed, it would be necessary for the government to 'throw their united effort' into the creation of confidence in the new parity, the aim being to improve the UK balance of payments by £500 million in 1969. Reductions in defence expenditure had been under discussion between Callaghan and Healey since the summer, with the purpose of achieving a saving of some £60 million. Given the adverse economic circumstances, cabinet ministers believed it right to substitute a more exacting target, particularly since restrictive measures in areas of social provision, such as abandoning the decision to raise the school leaving age to 16, would not be politically acceptable to Labour MPs without further economies in defence expenditure. An additional saving of some £50 million, making a total of some £110 million in all, would bring defence expenditure in 1968-69 not only below the target set for 1970 but also below probable actual expenditure in 1967-68.¹⁷³ On 21 November 1967 cabinet ministers considered the measures that would be necessary to make devaluation a success. Healey said that he was proposing to save a total of some

¹⁷³ Cabinet minutes, 16 November 1967, CAB 128/42.

£110 million of the estimated expenditure for 1968-69. Of this, some £60 million was accounted for by a wide range of small savings which had already been under discussion before the decision to devalue. The further £50 million of savings, Healey warned, would be concentrated upon cuts in Britain's defence capability, some of which were 'quite severe' and would involve a 'substantial reduction' in the UK's capability for operations outside Europe during the next five years. All these cuts, totalling £110 million in 1968-69, would bring a direct foreign exchange saving of some £15 million a year.¹⁷⁴

On 4 January 1968, when the cabinet reconsidered the implications of devaluation on Britain's defence commitments, Brown argued that it would be wrong to suppose that any new major change of policy was now in question. 'That decision had been made as a result of the last Defence Review in July 1967. . .', Brown asserted, '. . . 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'. The issue was now the extent to which British withdrawal should be accelerated. Unlike in the Far East, Britain had 'direct' interests in the Persian Gulf: forty per cent of UK oil supplies (and over fifty per cent of Western Europe's) came from the Gulf; and the forty per cent of Gulf oil which was in British ownership made a significant contribution to Britain's foreign exchange earnings. Reiterating an argument long advanced by the Treasury, Brown recognised that UK forces 'could not defend our oil supplies' and that the oil producing states needed Britain as a customer for their oil. For this reason, however, Brown preferred to make no announcement of Britain's plans for withdrawal from the Persian Gulf. If it became known that the UK intended to leave the Persian Gulf, Brown believed that 'we might be faced with the same situation as we had faced in Aden and be forced to leave sooner than we intended'. When the cabinet discussed Britain's planned withdrawal from the Persian Gulf, ministers agreed that it would be essential to declare a date for

¹⁷⁴ Cabinet minutes, 21 November 1967, CAB 128/42.

withdrawal. Unless this was done, it would be impossible to announce or plan the phasing out of the aircraft carriers (which would yield substantial savings in expenditure), given that the carriers would be needed to cover withdrawal from the Gulf. An early announcement was also necessary to remove uncertainty in the area, and it was argued that Britain could not stay in the Gulf after withdrawal from the Far East. Indeed, once it was known that the UK was withdrawing from the Far East earlier than was planned, Britain's position in the Gulf was likely to become 'more and more difficult'.¹⁷⁵ Summing up this part of the discussion, Wilson concluded that the decision of the cabinet was that British withdrawal from the Persian Gulf (and Far East) should be completed by the end of the financial year 1970-71.¹⁷⁶

The Treasury, acting from a position of unprecedented post-war strength in the aftermath of devaluation and not content with reducing the level of British defence commitments, urged the 'overseas' departments to accept a substantial diminution in their military aid programmes. On 12 January 1968, John Diamond, Chief Secretary to the Treasury, argued that the aim of policy should be to bring Britain's current obligations to an end and to accept no new commitments. Expenditure on military aid would be £21 million in 1967-68, £23 million in 1968-69 and £19 million in 1969-70. Of the 1967-68 figure, about £4 million represented military technical assistance, mainly to Commonwealth countries. The largest item in the remaining £17 million was military aid to South Arabia (by this time Southern Yemen), amounting to £11 million. The Treasury disagreed with the proposed increase of military aid in 1968-69; after all, it had been agreed that military aid to Southern Yemen should continue for six months up to May 1968, with no commitment incumbent on Britain after that date. Any further aid, it was argued, should be economic rather than military, and should be found within the overseas aid budget.¹⁷⁷

¹⁷⁵ See Chapter V.

¹⁷⁶ Cabinet minutes, 6 January 1968, CAB 128/43.

¹⁷⁷ Cabinet minutes, 12 January 1968, CAB 128/43.

Historians have often portrayed the events of late 1967 and early 1968 as being of pivotal importance in Britain's decision to withdraw from East of Suez. David Reynolds, for example, suggests that a 'revolution in financial and defence priorities' took place after devaluation, emphasising the importance of a change in the balance of the cabinet, resulting from Roy Jenkins' replacing Callaghan at the Treasury.¹⁷⁸ This dominant view owes much to the Crossman diaries, which present the final decision to withdraw as a painful battle between a Bevinite core, led by Stewart, Callaghan, Brown and Healey (who Crossman described as the 'four pygmies' responsible for 'running our foreign policy for the last three years'), and an unlikely grouping of the Labour Left and pro-Europeans.¹⁷⁹ It is interesting to note that Crossman's earlier diary entries frequently contradict this characterisation of Callaghan, Brown and Healey, with historians often failing to highlight this inconsistency in his recording of events.¹⁸⁰ In a similar vein, Pickering argues that 'the new Chancellor, Roy Jenkins, emerged as a policy entrepreneur. . . he challenged a foreign policy realm that [had] been considered immutable by successive British governments'.¹⁸¹ This statement certainly over-emphasises Jenkins' role in events, since the Chancellor merely pushed through policies long advocated by the Treasury, namely the need to reduce overseas expenditure and undertake military retrenchment. It is hard to substantiate the view that either Labour or Conservative governments considered the East of Suez role 'immutable', as is demonstrated by the succession of Whitehall pan-strategic policy reviews analysed in this thesis. Devaluation merely accelerated what was accepted within Whitehall as inevitable.

On 16 January 1968, Wilson announced that Britain would withdraw its forces from the Persian Gulf by the end of 1971 - by that date the UK would have no bases outside

¹⁷⁸ D. Reynolds, *Britannia Overruled: British Policy and World Power in the Twentieth Century*, (London: Longman, 1991), p. 231.

¹⁷⁹ Crossman, *Diaries of a Cabinet Minister*, vol. II, p. 635.

¹⁸⁰ Crossman, *Diaries of a Cabinet Minister*, vol. I, p. 570.

¹⁸¹ J. Pickering, 'Politics and "Black Tuesday": Shifting Power in the Cabinet and the Decision to Withdraw from East of Suez, November 1967 - January 1968', *Twentieth Century British History*, vol. 13, No. 2, (2002).

Europe and the Mediterranean. Nevertheless, Wilson kept up the conceit that Britain would be able to act militarily in the Middle East:

On the Gulf, we have indicated to the Governments concerned that our basic interest in the prosperity and security of the area remains; and, as I have said, the capability we shall be maintaining here [in the UK] will be available for deployment whenever, in our judgement, this is right.¹⁸²

The reaction of Washington's foreign policy-making establishment to this decision underlines the need to revise Owendale's contention that the United States assumed Britain's 'traditional role' in the Middle East following the 1958 Anglo-American intervention in Lebanon and Jordan. Lucius D. Battle, Assistant Secretary of State for Near Eastern and South Asian Affairs, disputed the need for Britain to withdraw, believing that the 'Western position in the Persian Gulf is almost entirely dependent on the British presence'.¹⁸³ Walt Rostow, President Johnson's National Security Advisor, wanted Iran and Saudi Arabia to assume Britain's responsibilities for maintaining stability in the Persian Gulf: 'Good relations between Saudi Arabia and Iran will be necessary to keep things under control when the British leave. The alternatives are instability with a strong chance of an increased Soviet presence. *We don't want to have to replace the British*, and we don't want the Russians there. So we must count on the Shah and Faisal'.¹⁸⁴ An Inter-departmental Regional Group meeting, chaired by Battle, concluded: 'It is neither politically feasible nor desirable for the US to "replace" the British presence in the Persian Gulf'.¹⁸⁵ On 1 February 1968, therefore, Johnson informed the Shah: 'The United States interest in the security of the area does not. . .

¹⁸² *Parl. Papers (Commons)*, 16 January 1968, vol. 756, cols. 1580-1582. On 29 March 1968, Stewart requested permission from the DOPC to open formal negotiations to terminate Britain's commitment to Kuwait and the protective assurances to Bahrain, Qatar and the seven Trucial States; this would be the political counterpart to the decision that military withdrawal from the area should be complete by the end of 1971 at the latest. See DOPC minutes, 29 March 1968, CAB 148/35.

¹⁸³ 'British Plans to Accelerate Withdrawal of Military Presence from Persian Gulf: Your Meeting with Foreign Secretary Brown': Briefing Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Battle) to Secretary of State Rusk, 9 January 1968, *FRUS, Near East Region*, vol. XXI, Document 122.

¹⁸⁴ 'Message to the Shah on the Persian Gulf': Action Memorandum From the President's Special Assistant (Rostow) to President Johnson, 31 January 1968, *FRUS, Near East Region*, vol. XXI, Document 128. Added emphasis.

¹⁸⁵ 'Record of IRG Meeting': 1 February 1968, *Near East Region*, vol. XXI, Document 131.

envisage that we would wish either to replace the British military presence or participate in any new regional security arrangement. The United States looks to the countries of the area to ensure the area's security'.¹⁸⁶

On 26 July 1968 the DOPC considered a paper by Stewart (who went back to the Foreign Office following Brown's resignation) on non-military means of influence in those areas outside Europe, including the Persian Gulf, from which Britain was withdrawing its forces. Stewart concluded: 'We must continue to protect and promote our very substantial economic interests in these areas over the next five years and it would be in our overall interest slightly to increase our non-military effort in this period'. Thus, in a reversal of previous policy, the Foreign Office embraced non-military means of influence as a substitute for military power. By way of contrast, Jenkins expressed concern with regard to increasing expenditure in the non-military field.¹⁸⁷ A desire to exercise non-military means of influence did little to ameliorate Washington's discontent at the withdrawal of UK forces from the Persian Gulf. As Sir Patrick Dean noted in a dispatch to Stewart, the Americans, with their pre-occupation with the strategic balance of power, found this prospect 'difficult to contemplate with equanimity', feeling that the UK was 'pushing its load on to the United States'.¹⁸⁸

Summary.

Between 1959 and 1968, British policy towards the Middle East underwent a dramatic transformation, as relative economic decline, a weakened military capability and the rise of hostile Arab nationalism (particularly in South Arabia) conspired to make Britain's position in the region untenable. The changing balance of power between the Treasury and the Foreign Office was an important (although, as yet, under-

¹⁸⁶ 'Telegram From the Department of State to the Embassy in Iran': 1 February 1968, *Near East Region*, vol. XXI, Document 129.

¹⁸⁷ DOPC minutes, 26 July 1968, CAB 148/35.

¹⁸⁸ Dean to Stewart, 31 July 1968, FCO 7/778.

appreciated) factor in facilitating the process of British retrenchment from the Middle East. In late 1961, Whitehall's attempt to re-consider Britain's obligations towards Kuwait provided the first opportunity since the Macmillan government's 'Future Policy Study, 1960-1970' to re-evaluate high policy objectives towards the Middle East on a structured inter-departmental basis. Despite the best endeavours of the Treasury and Sir Norman Brook, Foreign Office orthodoxy triumphed. *Ex post facto*, this can be viewed as a seminal juncture (a historical turning point where Britain failed to turn), as it reinforced the Foreign Office view that the overt demonstration of military power, despite being expensive, was the best means by which to secure British interests. If the Conservative government had pursued the policy course advocated by Brook, Britain might have been able to organise an orderly disengagement from South Arabia, as a changed relationship with Kuwait would have negated the need to retain base facilities in Aden. Although the Foreign Office's contention that military retrenchment would lead to a curtailment of vital oil supplies was perhaps unjustified, based as it was on the belief that Arab nations would not be driven by commercial considerations when exporting oil to Western industrialised countries, it would be misleading to characterise this position as being entirely rooted in outmoded imperial sentiment: Foreign Office officials marshalled economic (albeit challenged by the Treasury) as well as political arguments in favour of their preferred policy course. Even so, the early 1960s were characterised by an instinctive gravitational pull on the part of the Foreign Office to preserve the *status quo*. The Long Term Study Group, in spite of its innovative approach to foreign policy formulation through the use of scenario/contingency planning, failed to challenge the dominant rationale underpinning Britain's Middle Eastern role. Policy was allowed to drift until the 1966 Defence Review, when the final decision to leave Aden was taken out of pragmatic necessity, although the Foreign Office's determination to re-locate to the Persian Gulf, questioned by both the Treasury and Ministry of Defence, provided Britain with a residual capability to undertake military action East of Suez. Confronted with continuing economic difficulties, Whitehall was

forced to re-examine the appropriate level of resources devoted to defence expenditure in 1966-1967, a process that resulted in the psychological acceptance of Britain's inability to finance an independent role in the Middle East. Although Labour's *Supplementary Statement on Defence Policy* failed to mention a date for final withdrawal from the Persian Gulf, cabinet ministers had decided on the need to do so. The devaluation of sterling in November 1967 merely accelerated this process, moving the date of final withdrawal from 1975 to 1971.

Chapter V: British Policy in the Far East, 1959-1968.

This chapter addresses the changing nature of Britain's role in South-East Asia during the late 1950s and 1960s, examining the key external and internal influences on the formulation of British foreign policy, up until the Wilson government's announcement of withdrawal from Singapore in 1968 - an act that effectively marked the end of Britain's regional influence. This section of the thesis aims to answer the following questions: What were Britain's main interests in South-East Asia during the late 1950s and 1960s? How did policy-makers react to the rapidly transforming regional environment, which was acutely volatile in the aftermath of French, British and Dutch decolonisation? Was Britain's disengagement from its remaining colonial responsibilities - Singapore, Borneo, Brunei and Sarawak - based on a principled approach or a pragmatic response to changing circumstances? Were there divisions within Whitehall in regard to the perceived value of Britain's military presence in the area? To what extent did the 'overseas' and 'economic' departments hold divergent views on Britain's appropriate role in South-East Asia? To what degree was British policy influenced by pressure from Washington, namely America's insistence that it should not become the only Western power with a substantial military deployment in the Far East, especially at a time when US troops were heavily engaged in Vietnam? Did Australian and New Zealand opposition to British withdrawal inform thinking within Whitehall, or was this ignored in favour of narrowly defined self-interest? Finally, did a commitment to the preservation of a global role inhibit a realistic re-appraisal of Britain's defence posture in South-East Asia?

Historians, until comparatively recently, have viewed the devaluation of sterling as a convenient date for marking the end of Britain's position as a global power. Robert Holland, for example, sees devaluation as providing the final *coup de grâce* to Britain's

commitment to a world-wide role.¹ Sean Greenwood argues that the programme of defence cuts, following devaluation, marked a 'brusque conclusion to Britain's overseas pretensions'.² Similarly, A. J. Stockwell has suggested: 'Ultimately, it was the devaluation of sterling in November 1967 that forced the Labour government to set in train a plan for withdrawal from the Singapore base in 1971'.³ The two most important diarists in the Wilson cabinet, Richard Crossman and Barbara Castle, provide a similar interpretation on the reasons underpinning the decision to withdraw from South-East Asia, reinforcing the view that economic circumstances provided the predominant rationale. Crossman presents a simplistic battle between 'Bevinites', such as George Brown and Denis Healey, resolutely committed to a continued British position East of Suez, and a left wing/pro-European axis, who were driven by either anti-imperialist sentiment or support for membership of the European Economic Community (EEC), with Roy Jenkins's appointment as Chancellor of the Exchequer, in the wake of devaluation, tipping the balance in favour of the latter group.⁴ This has led John Darwin to argue that devaluation, allied to the cabinet reorganisation which followed, were as much the 'occasion' as the 'cause' of a fundamental change of perspective on Britain's overseas interests.⁵ By arguing that devaluation was the event that ended an 'official mindset' that emphasised Britain's global role, Chris Wrigley, David Reynolds and Jeffrey Pickering have to some extent perpetuated this traditional interpretation.⁶

¹ R. F. Holland, *The Pursuit of Greatness: Britain and the World Role, 1900-1970*, (London: Fontana, 1991).

² S. Greenwood, *Britain and the Cold War, 1945-91*, (London: Macmillan, 2000), p. 174.

³ A. J. Stockwell, 'Imperialism and Nationalism in South-East Asia' in J. M. Brown and Wm. Roger Louis (eds.), *The Oxford History of the British Empire: The Twentieth Century*, (Oxford: Oxford University Press, 1999), p. 488.

⁴ R. Crossman, *The Diaries of a Cabinet Minister, Lord President of the Council and Leader of the House of Commons*, vol. II, (London: Hamish Hamilton and Jonathon Cape, 1976).

⁵ J. Darwin, *Britain and Decolonisation: The Retreat from Empire in the Post-War World*, (London: Macmillan, 1988), p. 295.

⁶ C. Wrigley 'Now you see it, now you don't: Harold Wilson and Labour's Foreign Policy 1964-70', in R. Coopey, S. Fielding and N. Tiratsoo (eds.), *The Wilson Governments, 1964-1970*, (London: Pinter, 1993), pp. 123-135; D. Reynolds, *Britannia Overruled: British Policy and World Power in the Twentieth Century*, (London: Longman, 1991), p. 231; J. Pickering, *Britain's Withdrawal from East of Suez: The Politics of Retrenchment*, (London: Macmillan, 1998), p. 165.

Britain's Principal Geo-Political Interests in South-East Asia.

In the late 1950s, policy-makers generally considered Britain's interests in South-East Asia as threefold: first, preventing the area from coming under Communist influence; secondly, ensuring regional stability, since a conflict between the United States and the Communist powers might lead to a major war, with incalculable consequences, possibly sparking a world-wide confrontation and the deployment of nuclear weapons; and, thirdly, to strengthen sterling by maintaining conditions conducive to the expansion of British commerce and trade. These over-riding policy objectives shaped Britain's regional role, which involved: contributing to the maintenance of an effective Western military deterrent towards China; acting as a counter-weight to the Sino-Soviet 'threat', whether in subversive or overt form; supporting the 'forward' defence of Britain's Commonwealth allies, Australia and New Zealand; and, perhaps most importantly, preserving close relations with the United States, so as to exert the greatest possible influence over Washington's policies in the region. Britain's interests and aims were underpinned by two major treaty commitments. First, UK membership of the South-East Asia Treaty Organisation (SEATO), established under Western auspices following the French withdrawal from IndoChina, was aimed at containing Communism, strengthening peace and freedom, upholding the principles of democracy, and promoting the economic development of all members. Under Article IV of SEATO, Britain was committed to 'act to meet the common danger', in the event of an attack on any of the regional parties to the treaty - Thailand, Pakistan and the Philippines. In the event of a threat, other than armed attack, Britain was bound to 'consult immediately in order to agree on the measures which should be taken for the common defence', with the other signatories of the treaty - Cambodia, Laos and South Vietnam.⁷ Secondly, Britain supported the 1957 Anglo-Malayan Defence Agreement

⁷ *South-East Asia Collective Defence Treaty*, Cmnd 265, (London: HMSO, 1954).

(AMDA), which was extended, in July 1963, to incorporate the entire Malaysian Federation.⁸ Britain was also a participant member of the ANZAM (Australia, New Zealand, and America) consultative machinery and responsible for the defence of Hong Kong, the Borneo Territories and the Pacific Island colonies. The Commonwealth Strategic Reserve (CSR), supported by British, Australia and New Zealand troops stationed in Malaya and Singapore, received its military directives from ANZAM.

The strategic lynchpin of Britain's military presence in South-East Asia was Singapore, which provided the Far East headquarters of the Royal Navy, Army and Royal Air Force. From the mid-1950s onwards, however, growing demands for independence undermined Britain's position in Singapore; the granting of internal self-government in 1959 did little to ameliorate growing anti-colonial sentiment in the Crown Colony. From 1959 onwards, Britain retained control over Singapore's defence and foreign affairs through a Commissioner, while internal security came under the auspices of the Internal Security Council (ISC), which was chaired by the British Commissioner, composing the Prime Minister of Singapore, two representatives each from the British and Singaporean sides, and a representative of the Malayan government, who held the casting vote in the event of a split. Indigenous discontent in Singapore reached a climax in the spring of 1961, when the governing People's Action Party (PAP), led by Lee Kuan Yew, came under electoral threat from *Barisan Socialis* (Socialist Front), a left-wing party that had split from the PAP. It was widely believed that Lee Kuan Yew would lose in the forthcoming general election to *Barisan Socialis*, an event that would precipitate Britain's withdrawal from Singapore, given the commitment of Lim Chin Siong (leader of *Barisan Socialis*) to establish independence from London.⁹ As such a development would effectively herald the end of British

⁸ Article VI of the 1963 Anglo-Malaysian Defence Agreement provided for the extension of the original Anglo-Malayan Defence Agreement. See *Agreement concluded between the United Kingdom of Great Britain and Northern Ireland, the Federation of Malaya, North Borneo, Sarawak and Singapore*, Cmnd 2094, (London: HMSO, 1963), p. 2.

⁹ T. N. Harper, 'Lim Chin Siong and "the Singapore Story"', in K.S Jomo. & Tan Jing Quee, (eds.), *Comet in Our Sky: Lim Chin Siong in History* (Kuala Lumpur: Forum, 2001), pp. 1-56.

power in the region, senior Whitehall figures (along with Lee) believed that a merger between Singapore and Malaya (which had achieved independence from Britain in 1957) provided the best means of preventing the Crown Colony from coming under 'Communist' control. On 24 August 1961, Lord Selkirk, UK General-Commissioner for South-East Asia, articulated this view, when he told Iain Macleod, Secretary of State for the Colonies: 'Lee is now mad keen to achieve merger. . . We have to decide whether it is worth trying to save him. On balance, I think it is . . . Certainly, no other Singapore leader (except Lee Yew Hock) would be likely to fight for merger'.¹⁰ The political crisis in Singapore provided the stimulus and pretext for the creation of the Malaysian federation. Malaya, previously lukewarm towards the establishment of a 'Greater Malaysia', was converted to the project in mid-1961, largely because the Prime Minister of Malaya, Tunku Abdul Rahman (popularly known as the Tunku), was firmly opposed to the prospect of having a small Communist enclave on his border.¹¹ On 27 May 1961, at the Singapore Press Club, the Tunku announced his support for the Malaysian scheme; on 26 June, he followed this up - with 'great vigour' in the words of Sir Norman Brook - by setting out, in some detail, his proposals for a Greater Malaysia.¹² On 10 October 1961, Duncan Sandys, Secretary of State for Commonwealth Relations, informed the cabinet of Malaya's increasing concern in regard to the situation in Singapore, where Lee Kuan Yew's government had lost ground to *Barisan Socialis*, holding a majority of only one in the Legislative Assembly. The Tunku was 'anxious' to secure a merger, Sandys told his colleagues, while there was 'still a Government in Singapore with which he could co-operate'.¹³ As a *quid pro quo* for Malaya's acquiescence in the enterprise, the Macmillan government was prepared to add Sarawak, North Borneo (modern-day Sabah) and Brunei to the federation, subject to 'consultation' with these territories.¹⁴ It was hoped that this would

¹⁰ Selkirk to Macleod, 24 August 1961, DO 169/10.

¹¹ Tunku to Macmillan, 11 August 1961, CAB 134/1949.

¹² Brook to Macmillan, 27 June 1961, PREM 11/2946.

¹³ Cabinet minutes, 10 October 1961, CAB 128/35.

¹⁴ Eventually only the Sultan of Brunei felt unable to accede to the Malaysian federation.

allay Malayan fears with respect to the predominately Chinese ethnicity of Singapore's population: Singaporean membership of the Malaysian federation placed, at a stroke, an additional 1.3 million Chinese under the Tunku's control.

TABLE 5.1. *The Ethnic Make-Up of Malaya and Singapore, 1959.*

Population in 1959.	Chinese	Malays	Indians	Total
Malaya	2, 675, 000	3, 500, 000	795, 000	6, 970, 000
Singapore	1, 289, 000	227, 000	145, 000	1, 661, 000
Total	3, 964, 000	3, 727, 000	940, 000	8, 631, 000

Source: CAB 134/1959, 20 October 1963.

The creation of Malaysia served to strengthen Britain's position in the region: for example, the Kuala Lumpur government could pursue 'measures' that would undermine local Chinese radicals in Singapore, something Britain, as a former colonial power, found difficult. Lord Carver, Director of Army Plans in the Far East, later wrote that the formation of Malaysia was 'yet another means of divesting Britain of its direct responsibilities in the hope that not only would subversive movements be defused, but that the new amalgam would be looking after its own security'.¹⁵ As well as freeing Britain of its internal security responsibilities, the merger of Singapore and Malaya benefited UK political and strategic interests. Firstly, Malaya provided a bulwark against Communist expansion in South-East Asia, as had been ably demonstrated in its determination to resist the spread of Communism in the 'Emergency' of 1948-1960: thus, Singapore's inclusion in a Malaysian federation virtually guaranteed its abiding support towards the West. Secondly, the Malaysian scheme would assist Britain in its determination to retain control of the military base in Singapore, which was seen as a vital component of Britain's continued world role. Thus, Britain, Singapore and Malaya held two shared interests: namely, the preservation of power and the containment of

¹⁵ M. Carver, *Tightrope Walking: British Defence Policy Since 1945*, (London: Hutchinson, 1992), p. 65.

Communism. S. J. Ball is right to indicate that Britain did not force the Malaysian federation upon the Malaysians and Singaporeans.¹⁶

During the 1950s, Whitehall policy-makers tended to view Britain's tenure of the Singapore base facilities as a major strategic asset, regarding the prospect of withdrawal as anathema. In early 1960, however, Treasury civil servants began to question the wisdom of this commitment, arguing that Singapore was consuming an ever-increasing proportion of overseas defence expenditure. Sir Richard 'Otto' Clarke, Second Secretary to the Treasury, was a particularly vociferous critic of the costs involved in upholding Britain's position in South-East Asia: 'If only we could abandon this role [in the Far East], the whole of our defence effort would be tremendously reduced. . . There is no argument for maintaining forces in the Far East for defending our economic and financial interests'.¹⁷ Moreover, Clarke believed that the 'political basis' of Britain's military role in South-East Asia was becoming 'increasingly difficult to understand'; and, as he considered it 'highly unlikely' that Britain would be able to maintain its position there for any great length of time ('I don't think many people would bet very heavily on our still being there in 10 years' time'), argued in favour of retrenchment from the region.¹⁸ Nevertheless, this viewpoint only made a limited impact on thinking within Whitehall: for example, despite the Treasury's scepticism as to the long-term viability of preserving a presence in Singapore, Macmillan's 'Future Policy Study, 1960-70', discussed in Chapter III, did not establish any plans for withdrawal. In early April 1960, senior Treasury mandarins agreed that there should be, in the light of the Future Policy Study, a further detailed examination of Britain's policies and defence role in South-East Asia.¹⁹ It is clear that concerns about Britain's appropriate role had also begun to impinge on the thinking of Macmillan, who thought

¹⁶ See S. J. Ball, 'Selkirk in Singapore', *Twentieth Century British History*, (Oxford: Oxford University Press), vol. 10, No. 2.

¹⁷ Clarke to Bell, 8 March 1960, Clarke papers (Churchill College, Cambridge) CLRK 1/3/1/1.

¹⁸ Clarke to Padmore, 25 July 1960, Clarke papers (Churchill College, Cambridge) CLRK 1/3/1/1.

¹⁹ 'Future Policy': Minutes of a Meeting held in Sir Frank Lee's Room, 5 April 1960, T325/65.

deeply, although often inconsistently, about such matters. In August 1960, Macmillan questioned the rationale underpinning Britain's military presence in the Far East:

Any operations involving China would bring in the United States to whom we would then be a subsidiary power. Our own purposes would be limited to police action, jungle warfare against guerrillas and making an *acte de presence*. Indonesia may be cited as an opponent against whom we would fight a limited war but it is inconceivable that we should do so ourselves.²⁰

This problem was further exacerbated by popular demands for a reduction in the general level of taxation and greater investment in the domestic economy, both of which placed further pressure on resources available for defence. Unbeknown to Macmillan, Britain would become involved in a limited conflict with Indonesia (although 'confrontation' was used as a euphemism to describe what was essentially a small scale war), in the defence of Malaysia, an event that restricted the ability of the UK to withdraw from South-East Asia.

The Malaysian Scheme: An Inauspicious Beginning?

A number of government ministers questioned whether a merger between Malaya and Singapore best served Britain's geo-strategic interests. In October 1961, Julian Amery, Secretary of State for Air, submitted to the Cabinet Defence Committee (DC) a memorandum that cast doubt on the likely benefits accruing from the Malaysian scheme. Starting with a broad strategic analysis of South-East Asia, Amery argued that the main threat to regional stability lay in Chinese subversion. It was important to deny South-East Asia to China, he believed, for two main reasons: first, to protect Britain's extensive investments (rubber, tin and oil) and commercial interests; secondly,

²⁰ Macmillan to Watkinson, 21 August 1960, PREM 11/2946.

the fall of South-East Asia would pose 'an immediate threat' to Australia, India and Pakistan. Amery questioned the claim of the Defence (Official) Committee (D(O)C) that the establishment of Malaysia offered the best means of resolving the political problems in Singapore, posing the question: 'If the Chinese Communists in Singapore refuse to remain under the present very indirect form of British rule, are they likely to accept the more direct rule of a right-wing Malayan Government?' Amery also queried the contention that the Malaysian federation would relieve Britain of its heavy burden in the field of internal security. If the Chinese Communists in Singapore really constituted such a significant threat to internal security, Amery argued that the Tunku's forces would find them even more difficult to control, pointing out that Britain was already responsible for suppressing and deterring insurrectionist elements in the northern border provinces of Malaya. According to Amery, the Tunku ('our best friend in South-East Asia') was under the 'false impression' that Britain was unprepared to hold on to Singapore; as a consequence, he had seized on the opportunity for merger, as otherwise he would have been faced with an independent Singapore on his border, probably under Communist control. If the merger went ahead, Amery predicted, Malaysia would become a loose confederation, containing a significant Communist component, with the potential to undermine Britain's capacity to exert influence in the region: 'Greater Malaysia will not save the political or security problems presented by the Chinese population in Singapore but, on the contrary, is bound to weaken our title to the bases without bringing any lasting relief to our manpower and financial difficulties'.²¹

In November 1961 the Malayan and British governments reached a provisional agreement on the establishment of 'Greater Malaysia'. Despite Treasury officials' fears in regard to 'over-stretch', Britain agreed to extend the Defence Agreement of 1957 to the territories of the new Malaysian federation, though it was also agreed - to the great

²¹ 'Greater Malaysia': DC memorandum by J. Amery, 24 October 1961, CAB 131/26. For report by D(O)C see 'Greater Malaysia': note by the Chairman of the D(O)C, CAB 131/26.

relief of the Foreign and Commonwealth Relation Offices - that Britain should retain the use of the base facilities in Singapore. On 23 November 1961, Sandys informed the cabinet that Britain could make such use of Singapore as the UK government 'considered necessary for the defence of Malaya, for Commonwealth defence and for the preservation of peace in South-East Asia. . .', with it being ' . . . clearly understood that this right would enable us to use Singapore to fulfil our obligations under the South-East Asia Treaty'. Fully aware that opposition parties in Malaya were strongly opposed to any involvement in military alliances, Macmillan cautioned that it might be 'expedient not to emphasise this point unduly', it being sufficient to say that the right to use the base and facilities in Singapore would remain with Britain, in order to fulfil its international obligations.²² In late July 1962, after extensive discussions at an official level, British and Malayan ministers met in London, where it was agreed that Malaysia should be created no later than the end of August 1963.²³

It is perhaps necessary to re-assess Macmillan's interpretation of how Britain disengaged from its remaining colonial responsibilities in the Borneo territories, which formed an essential aspect of the agreement with the Tunku. Contrary to Macmillan's portrayal of events in his memoirs, Britain's role in decolonisation was characterised by a rushed relinquishment of remaining colonial responsibilities. Lord Cobbold, Governor of the Bank of England between 1949 and 1961, was appointed to act as chairman of a joint Anglo-Malayan Commission of Enquiry to investigate the peoples' views in North Borneo and Sarawak to the merger scheme.²⁴ Prior to the establishment of the Cobbold Commission, British officials (at the highest level) had expressed strong reservations as to the readiness of the Borneo territories for independence - indeed, Alan Lennox-Boyd (by this stage Lord Boyd), Secretary of State for the Colonies between 1954 and 1959, refused to head the Commission because of 'anxiety not "to

²² Cabinet minutes, 23 November 1961, CAB 128/38.

²³ See 'Note of a Meeting at the Commonwealth Relations Office', 17 July 1962, Sandys papers (Churchill College, Cambridge) DSND 8/19. On 1 August 1962, Duncan Sandys announced this to the public.

²⁴ *Report of the Commission of Enquiry, North Borneo and Sarawak, 1962*, Cmnd 1794, (London: HMSO, 1962).

rush" the matter [of decolonisation], particularly in Sarawak and North Borneo'.²⁵ On 24 August 1961, Lord Selkirk expressed similar concerns to Macmillan:

All three Borneo territories are quite unfitted as yet to enter an association of this sort on the basis of popular representation. But they will continue to be so unfitted for many years to come. I should give Sarawak about ten years and North Borneo at least twenty years before a clear-cut electoral opinion could be given on this subject.

Whilst conceding that Britain should continue with efforts 'to train the peoples of those territories for self-government and to bequeath to them a respect for the rule of law', Selkirk cautioned that Whitehall would have to 'face up to the fact that "one man, one vote" had not been a wild success in South-East Asia'.²⁶ At a meeting of the DC in October 1961, Sandys indicated that Britain should 'not simply abide by local opinion in Borneo', although he recognised the need to carry the indigenous population and convince the Tunku of the need to do so.²⁷ In March 1962, Lord Cobbold wrote to Reginald Maudling, Macleod's replacement at the Colonial Office, informing him that in Sarawak 'the bulk of the population would like to see the continuation of British rule'.²⁸ The Colonial Office endeavoured to ensure that Britain retained a measure of control over the administration of the Borneo Territories; however, Enche Ghazali, the leading Malayan member of the Cobbold Commission, insisted that British expatriate officers in the Borneo territories should only remain in order to provide technical assistance.²⁹ Sandys saw Cobbold and Enche Ghazali separately (and in that order) on the afternoon of 31 May 1962. Cobbold told Sandys that he was having 'great trouble' in completing his report, which he thought would be 'too long and unreadable'. Cobbold's own view was that the key to the whole exercise lay in Britain's ability to maintain an

²⁵ Mills (Principal Private Secretary to Sandys) to Garner (Permanent Under-Secretary to the CRO), 20 December 1961, Sandys papers (Churchill College, Cambridge) DSND 8/19.

²⁶ Selkirk to Macleod, 24 August 1961, DO 169/10.

²⁷ DC minutes, 24 October 1961, CAB 131/25.

²⁸ Cobbold to Maudling, 31 March 1962, PREM 11/3866.

²⁹ 'Note for Record: "Greater Malaysia"', 28 May 1962, Sandys papers (Churchill College, Cambridge) DSND 8/19.

administration in being in the Borneo territories: without this bureaucratic infrastructure, he argued, there would be 'great trouble and probably bloodshed'. Cobbold said Ghazali was obviously under the 'closest orders' from the Tunku, and was not indeed performing the functions of an independent member of the Commission.³⁰ Calling the bluff of British policy-makers, the Tunku threatened to withdraw the Malayan members of the Commission if the final report failed to conclude in favour of a quick accession of the Borneo territories to the federation. Although he considered the Malayan members of the Commission 'intransigent', Sandys re-assured the delegation that the 'real negotiations' would take place at a later date between Britain and Malaya, thus confirming that the Cobbold Commission was little more than a *façade*.³¹ The Governors of the Borneo territories were unprepared to contemplate a rapid transfer of sovereignty to Kuala Lumpur, but Macmillan felt that they failed to realise 'a) our [Britain's] weakness in Singapore, [and] b) our urgent need to hand over our security problem there. The whole mood is based on a false account of our power'.³² On 4 July 1962, the Tunku rejected the findings of the British members of the Cobbold Commission, informing Macmillan that he was unprepared to discuss the matter until the British government revised their position. On the same day, at a meeting of the Overseas Policy Committee (OPC), Macmillan declared: 'The Tunku had clearly made the mistake of assuming that the views of Lord Cobbold and of the British members of the Commission were in fact the views of the British government'.³³ Hence, Britain was prepared to sacrifice the Borneo territories in order to preserve wider British strategic interests in South-East Asia. The Cobbold Commission was a cosmetic and superficial exercise; British policy was guided by the pragmatic pursuit of self-interest, with emphasis given to the West's position in the Cold War, rather than what might be in the interest of the peoples of North Borneo and Sarawak. Brook told Macmillan that it

³⁰ 'Note for Record' [F. S. Mills], 1 June 1962, Sandys papers (Churchill College, Cambridge) DSND 8/19.

³¹ Mills to Garner. 'Malaysia – Meeting between Duncan Sandys and Cobbold', 13 June 1962, Sandys papers (Churchill College, Cambridge) DSND 8/19.

³² Macmillan to Brook, 21 June 1962, PREM 11/3867.

³³ OPC minutes, 4 July 1962, CAB 134/2370.

would be wise to avoid 'giving any public impression' that the British and Malayan governments intended 'to force North Borneo or Sarawak into the Federation willy-nilly'³⁴; in the end, however, this is essentially what happened. The Colonial Office was strongly opposed to such an approach, but was hampered in its determination to steer another course by its relative weakness within Whitehall and an inability to convince the Prime Minister of the demerits of the scheme. This undermines the credibility of Macmillan's claim that he was not prepared to accept a 'shot-gun wedding' when establishing Malaysia.³⁵

Britain also submitted to pressure from Kuala Lumpur (supported by Lee Kuan Yew) to prosecute suppressive action against 'subversive' elements in Singapore. Operation 'Cold Store', a repressive series of measures against those suspected of having 'Communist' sympathies, including Lim Chin Siong, was undertaken in order to reassure the Tunku that he would inherit a stable Singapore. The legality and moral basis of Operation 'Cold Store' was disputable, particularly given Lim Chin Siong's overt commitment to attaining power through constitutional means.³⁶ Matthew Jones is therefore correct to conclude that the hand-over of Britain's residual colonial commitments in Singapore was more of a 'hasty scramble' than a 'measured transfer' of power.³⁷

The Problems of 'Overstretch'.

In October 1960, Macmillan called for a re-examination of armed forces' requirements in the Far East. Predictably, this elicited objections from the 'overseas' departments and the Chiefs of Staff as to the prospect of rationalisation and

³⁴ Brook to Macmillan, 12 July 1962, PREM 11/3868.

³⁵ Macmillan, *End of the Day*, pp. 257-258.

³⁶ Lim Chin Siong was held in prison, without trial, until 1969.

³⁷ For a fuller account of the machinations of 'Operation Cold Store' see M. Jones, 'Creating Malaysia: Singapore Security, the Borneo Territories, and the Contours of British Policy, 1961-63', *The Journal of Imperial and Commonwealth History*, vol. 28, No. 2, (May 2000).

retrenchment. The central issue facing policy-makers was straightforward: whilst Britain remained wedded to its existing commitments in the area, there would be little or no scope for economising defence expenditure in South-East Asia. In late December 1960, Lord Home, the newly appointed Foreign Secretary, asked Macmillan whether or not it might be worthwhile to ask the Americans 'how far can we in the UK exercise any worthwhile influence in Asia by means of our military power. Is this a case for a division of labour with the USA taking over the Far East while we try to manage Africa? I don't much like it but power is very, very thin when it is spread so wide'.³⁸ Home's suggestion highlighted another problem inherent in Britain's policy towards South-East Asia: Britain could not contemplate retreat from the area without alienating the Americans, who were accelerating their military involvement in the region, and thus resolutely opposed to British retrenchment.

Nevertheless, no consensus had yet been reached on this issue within Whitehall, despite Macmillan's repeated exhortations on the need to reappraise Britain's strategic priorities. In September 1961, Macmillan argued for a review of commitments in South-East Asia that was both 'radical and imaginative' - however, no 'radical' and 'imaginative' departure in established policy was forthcoming.³⁹ In this regard, an apparent state of paralysis had been established between the proponents of change and those in favour of maintaining the *status quo*. Greater economies in expenditure simply could not be made without a corresponding reduction in commitments, which in return required a revision (or, at least, re-evaluation) of Britain's main interests in South-East Asia, namely the containment of Communism and securing regional stability. Ministers agreed that the creation of a Malaysian federation would enable savings in defence expenditure, but fell far short of addressing the question of complete and immediate withdrawal from the region. In February 1963, when DC members met to consider a paper by Peter Thorneycroft (Minister of Defence) on

³⁸ Home to Macmillan, 27 December 1960, CAB 21/5901.

³⁹ 'Our Foreign and Defence Policy for the Future': minute by Macmillan, 6 October 1961, PREM 11/1229.

future defence policy, the 'overseas' departments were successful in arguing that Britain could not allow its 'forces to be run down to a point at which no assault operations of any kind would be possible'. The military value of UK forces in the Far East 'had political and prestige significance', their withdrawal being regarded as a 'major political defeat'; moreover, quite apart from the deleterious effect of retrenchment on Britain's relations with Australia, New Zealand and the United States, this would also encourage the spread of Communism.⁴⁰ The Treasury, on the other hand, argued for a reduction in political commitments, involving the abandonment of British support for Malaysia and SEATO. Having finally established the cost of maintaining UK forces East of Suez, which was rising towards £600 million, Treasury officials thought it prudent to consider the economic consequences of a failure to withdraw, emphasising the need to meet other claims on resources, such as housing, roads and education. In late December 1962, when the Treasury was deciding upon what approach to adopt in regard to Thorneycroft's paper, Clarke told his permanent secretary at the Treasury, Sir William Armstrong:

It seems to me that unless Treasury Minister's can bring into the centre of the Government's consideration (i) the relationship with the Government's social programme and (ii) the formidable arguments against the Far East role (the abandonment of which is the only possible practical way of fitting our role into our resources), there is no prospect of containing the growth of defence expenditure.⁴¹

Ministers were reluctant to contemplate immediate withdrawal for three fundamental reasons: firstly, retrenchment from South-East Asia was seen as likely to damage Britain's standing in Washington, Canberra and Wellington; secondly, ministers were apprehensive about the destabilising effect of immediate withdrawal, holding to the belief that it would be detrimental to Western interests to allow developing nations -

⁴⁰ DC minutes, 9 February 1963, CAB 131/28. Also see Chapter IV, pp. 191-192.

⁴¹ Clarke to Armstrong, 18 December 1962, Clarke papers (Churchill College, Cambridge) CLRK 1/3/1/3.

many of which were former British territories - to come under Communist influence; thirdly, policy-makers remained committed to the idea of a British world role.

Macmillan favoured a reduction in the cost of Britain's role in South-East Asia, to be achieved through greater economies in military capability, without a concomitant reduction in political commitments. The efficacy of this approach was negligible, and largely resulted from the structural incoherence of Whitehall's foreign policy-making apparatus. The Foreign Office, Commonwealth Relations Office and Colonial Office were unprepared to countenance a reduction in commitments, and successfully pressed this viewpoint at cabinet committee (official and ministerial) level. The existence of three 'overseas' ministries, all of which were committed to maintaining Britain's world-wide commitments, made it difficult for departments ill-disposed to such a stance, namely the Treasury and Board of Trade, to make their case within Whitehall. The 'economic' departments could press for a reduction in expenditure, but this remained ineffective whilst the 'overseas' departments and the politicians concerned were unprepared to reduce the scope of Britain's international commitments. Macmillan inadvertently highlighted the inconsistency in 'official' thinking when he suggested that Britain should 'play a role in the alliances in the area which could be acceptable to our partners, particularly the Australians and the United States, and considerably less onerous in military terms than our present commitments'.⁴² Hence, Macmillan was sympathetic to the idea of reducing the size of Britain's military commitments in South-East Asia, but simultaneously argued that such a policy would have to be acceptable to the United States and Australia - two nations that expected Britain to retain a substantial defence effort, especially at a time when both were involved in the rapidly escalating conflict in Vietnam.

⁴² 'Our Foreign and Defence Policy for the Future': Memorandum by Macmillan, 29 September 1961, CAB 134/1929.

The Conservative's Questioning of the SEATO Commitment.

Since its inauguration in September 1954, Whitehall officials had generally viewed membership of SEATO as a symbol of Britain's continued support for Washington's objective of containing Communism in the Far East. Foreign Office civil servants believed that SEATO membership provided London with increased leverage over American decision-making, whilst CRO officials emphasised the importance of the organisation to Britain's relations with Australia and New Zealand. The prevalent viewpoint within Whitehall on the value of SEATO came under scrutiny in the early 1960s, as US policies in Laos threatened to act as a *casus belli* for conflict with China, an event that would have entailed the full-scale mobilisation of SEATO. This 'non-event' had a profound impact on British views in regard to SEATO: officials were forced to confront whether or not Britain would be able to make an adequate contribution to such an operation, questioning whether SEATO membership was worth the potentially prohibitive military and economic cost that a full-scale war in the region would entail.⁴³ In July 1961, Macmillan wrote to Home: 'I am really beginning to get very unhappy about this. If we were to be involved in Laos following Kuwait and in the middle of our other difficulties, I think it might mean the final collapse of the economy. Do you really not think we ought now to review our whole position regarding SEATO?'⁴⁴ Macmillan's fears highlighted the seriousness of the situation, implicitly questioning whether the value of Britain's commitments in South-East Asia were worth the potential cost of full-scale military mobilisation. The Treasury was the most sceptical department with regard to the value of SEATO: 'Otto' Clarke, for example, believed that paying £500 million East of Suez, so as to be 'consulted over Laos', was an 'odd use of resources'.⁴⁵

⁴³ For a detailed account of the 'Laos Crisis' (1959-1962) see M. Stuart-Fox, *A History of Laos*, (Cambridge: Cambridge University Press, 1997).

⁴⁴ Macmillan to Home, 8 July 1961, PREM 11/3739.

⁴⁵ Clarke to Armstrong, 18 December 1962, Clarke papers (Churchill College, Cambridge) CLRK 1/3/2/3.

Lord Selkirk also questioned the value of Britain's SEATO role, albeit from a different perspective from that of the Treasury. Selkirk found it difficult to justify the retention of British forces in the area and felt that the promotion of non-military means of influence, such as economic development and the provision of technical assistance, presented a more effective means of exerting influence in the region.⁴⁶ Hence, Britain's military presence in South-East Asia was beginning to be viewed as politically counter-productive, as well as economically draining. Proponents of this viewpoint emphasised the strength of anti-colonial sentiment in the Far East, questioning the American 'belief that guns and dollars are the only solution'.⁴⁷ Selkirk's view on this issue increasingly gained ground within Whitehall, and was even accepted by a large section of the Foreign Office by the time of the second Wilson government. Washington, Canberra and Wellington were firmly opposed to such an approach, believing that this would merely serve to undermine the West's position in the area. Moreover, the Australian and New Zealand governments argued that a scaling down of Britain's SEATO commitments would represent a serious derogation of 'moral' duty. Such sentiments obviously influenced the views of policy-makers, especially within the Commonwealth Relations Office. Many officials continued to believe that SEATO membership endowed Britain with valuable influence over the formulation and direction of defence planning throughout South-East Asia. In July 1963, for example, Michael Cary argued: 'We should lose if, like the French, we renounced all our military commitments to SEATO'.⁴⁸ Despite such sentiments, Whitehall increasingly viewed SEATO membership as detrimental to British interests, having a damaging impact on Britain's relations with non-aligned states, many of which were developing nations hostile towards the idea of a 'white man's club', such as SEATO.

⁴⁶ For a detailed account of Lord Selkirk's role in Singapore see S. J. Ball, 'Selkirk in Singapore', *Twentieth Century British History*, vol. 10, No. 2, (1999).

⁴⁷ Selkirk to Macmillan, 9 May 1961, PREM 11/3737.

⁴⁸ 'Strategy East of Suez', memorandum by A. L. M. Cary, 9 July 1963, CAB 21/5902.

British fears over the possibility of SEATO mobilisation dissipated when an agreement over Laos was reached in July 1962. The United States wanted Britain to make a large financial contribution to Laos, which Macmillan rejected on the grounds that any money given would go straight into the 'Paris bank account' of the leader of Laos, Prince Souvannaphouma.⁴⁹ President Kennedy expressed dissatisfaction at the British government's proposed contribution to Laos, which totalled £1.3 million over a five-year period. The Foreign Office were concerned that this would serve to damage Anglo-American relations, suggesting that Britain should contribute an extra £1 million a year for three years to finance more imports into Laos. Sir William Armstrong, Permanent Secretary to the Treasury, argued that such an amount was far more than was justified by a nation the size of Laos, questioning the assumption that the 'special relationship' would be damaged by a 'robust stance' against the Americans: 'This is one of a number of interchanges that we are having with them over a wide field about the burden of overseas aid should be shared and I cannot help feel that they are using the specific circumstances of Laos to drive a hard financial bargain'.⁵⁰ The Treasury did finally accept the request for increased overseas aid to Laos, primarily because of the importance that Home attached to the issue, rather than as a result of an intellectual conversion to the Foreign Office's case.

A Decision Deferred: The Problem of Indonesian Confrontation.

Even prior to the formal establishment of Malaysia, Indonesian (and, to a lesser extent, Philipino) opposition to the scheme had been evident: in early 1963, for example, British armed forces had to address a number of insurrectionist problems in Sarawak and Sabah, as covert Indonesian guerrilla activity intensified.⁵¹ Achmed Sukarno, President of Indonesia, had a well-known, long-term ambition to seize North Borneo,

⁴⁹ See R. Lamb, *The Macmillan Years, 1957-53: The Emerging Truth*, (London: John Murray), p. 394.

⁵⁰ Armstrong to Home, 2 November 1962, PREM 11/4180.

⁵¹ Sarawak and Sabah were territorially adjacent, and shared a border with Indonesia on the island of Kalimantan.

Sarawak and Brunei, and was thus resolutely opposed to the creation of Malaysia.⁵² The conflict with Indonesia became popularly known as confrontation (or *Konfrontasi*), a term conceived by Sukarno's Foreign Minister, Dr Subandrio. The Conservative government's commitment to the Malaysian scheme meant that Britain actually had to increase the size of its military deployment in South-East Asia, a policy that ran counter to the previously espoused objective of reducing the size of Britain's defence expenditure in the region. This concerned Macmillan, who believed that the federation was likely to become a 'formidable liability'. In early April 1963, Macmillan told Home:

I am rather uneasy about our position in this area of the world. We are committed to bring Malaysia into existence not later than August 31; and there can, of course, be no question of our not honouring that undertaking. But I am not sure that we have really sized up the subsequent problem of defending her or helping her to defend herself against attack, whether overt or covert, by Indonesia. . . and I have a feeling that both the Americans and Australians while not convinced that we can really defend this new child of ours, are not at all anxious to help us to do so.⁵³

This somewhat differs from the conventional wisdom that British policy-makers were unprepared to contemplate withdrawal because of an overestimation of Britain's appropriate place in the world. The documentary evidence does not confirm Phillip Darby's argument that the commitment of successive British governments to a global role delayed any realistic re-appraisal of Britain's defence policy in South-East Asia.⁵⁴ In June 1963, at a meeting of the DC, Macmillan suggested that the 'security of Malaysia would be more effectively safeguarded in the long-term by the negotiation of a political understanding with Indonesia than by the maintenance of British forces in Singapore'.⁵⁵ Despite Macmillan's sympathy towards the idea of seeking a negotiated

⁵² For British Government's views on Sukarno see 'The Views of President Soekarno on Certain Major Issues of Policy': Memorandum by the Foreign Office, submitted to the DOP(O)C, 10 December 1963, CAB 148/3.

⁵³ Macmillan to Home, 3 April 1963, CAB 21/5902.

⁵⁴ P. Darby, *British Defence Policy East of Suez, 1948-1968*, (Oxford: Oxford University Press, 1973), pp. 325-326.

⁵⁵ DC minutes, 19 June 1963, CAB 131/28.

peace with Jakarta, the triumvirate of the Foreign Office, Colonial Office and CRO effectively argued against such an approach, maintaining that the Malaysian scheme should be seen to fruition, it being considered against British interests to 'appease' (an emotive term that still had a profound resonance with Conservative cabinet ministers, many of whom had been junior ministers or backbenchers at the time of Munich in 1938) Indonesian aggression. The CRO argued that a failure to stand up to external aggression would heighten Australian fears of further Indonesian expansionism (it should be noted that Sukarno had also pursued a similar policy against the Netherlands in West New Guinea, which the Indonesians called West Irian), thus potentially damaging Britain's relations with another important member of the Commonwealth. These fears prompted the CRO to advocate the giving of substantial defence aid to Malaysia. Believing he had Treasury support, Sandys offered a contribution of £15 million towards the capital costs of the Malayan defence programme up to 1966, an offer rejected by the Tunku, who claimed that this was insufficient to defend the Borneo Territories after their incorporation into Malaysia. As Malaya was unwilling to contemplate a curtailment of development aid, Sandys argued that Britain faced the choice of either accepting a greater liability for the defence of Malaysia or offering a more generous aid programme. John Boyd-Carpenter, Chief Secretary to the Treasury and Paymaster General, pointed out that the offer of £15 million exceeded the £12 ½ million authorised by the cabinet, arguing that this was excessive, given that Malaysia was the 'richest country' in South-East Asia; moreover, any increase on this proposal would be liable to have 'serious repercussions', giving rise to demands for more aid from other countries, such as Pakistan and India.⁵⁶ At an earlier meeting with Sandys, Boyd-Carpenter had taken an even stronger position, suggesting that, although Kuala Lumpur would have to run down its reserve balances, Malaya should pay for the whole cost of the defence programme. In reply, Sandys

⁵⁶ Cabinet minutes, 23 May 1963, CAB 128/37.

argued that it was necessary to assume that the defence programme was in 'general reasonable'; moreover, as Sandys considered the Tunku a 'somewhat uncertain starter [on the creation of Malaysia]', he believed that it was important not to disappoint him on aid designed to 'rid ourselves of an embarrassing Colonial problem', as he might decide to 'drop the plan'. As a consequence, Boyd-Carpenter accepted that there would have to be a 'political "dowry" for Malaysia', but remained unprepared to accept the figure of £15 million.⁵⁷

By mid-1963 it was evident that the Treasury had failed in its objective of reducing annual defence expenditure in South-East Asia. The Treasury estimated that defence of the entire East of Suez region cost Britain around £500-600 million a year, about one-third of the total defence budget (excluding research and development); about three-quarters of this total, £375 million a year, was devoted to defence commitments in the Far East. On economic and financial grounds, Clarke considered this figure objectionable, pointing out that Britain spent approximately 2 per cent of GNP (or £10 per head of the population) on defence East of Suez, a figure comparable to the entire Australian and New Zealand defence budgets. In a letter to Armstrong, Clarke suggested that it was necessary to 'impress the importance of £500 m. - 2% of GNP' on ministers. In order to gain some scale of perspective, he recommended that £500 million expenditure on East of Suez be compared with other claims upon prospective resources: Hospital (current) expenditure, £550 million; primary and secondary education, £600 million; expenditure on roads (current and capital, including a major road programme of £130m), £325 million; electricity investment, £500 million; public housing investment, £350 million; total investment of manufacturing industry, £1,250 million. Clarke believed that Britain had 'no *mass de manoeuvre*', contenting that '£500 million more resources, becoming available over a 5-year period, would revolutionise

⁵⁷ 'Malaysia Financial Meeting': Record of a Meeting Held in the Commonwealth Secretary's Room in the House of Commons, 10 April 1963, Sandys papers (Churchill College, Cambridge) DSND 8/20.

the economic prospect and thus our influence, for it is our economic failures and not our military inadequacy that weaken our international influence'.⁵⁸

It was self-evident that meaningful economies in Britain's overseas expenditure could not be achieved without a corresponding realignment in the scope of commitments. Michael Cary's paper, 'British Strategy East of Suez', examined in Chapter IV, crystallised this point succinctly, stating that there was 'little prospect of savings from economies while our commitments are unchanged'.⁵⁹ Even so, Cary's paper attempted to accommodate the views of the 'overseas' departments, maintaining that Britain's appropriate military capability in South-East Asia should be set against the background of Anglo-American relations, recognising that the United States attached great importance to British tenure of the Singapore base. Cary indicated that Washington considered the defence of Malaysia to be primarily a British concern and would be unwilling to discharge its SEATO duties in the absence of Britain's support; in addition, the United States lacked any base facilities between the Mediterranean and the Philippines, and was reluctant to incur the economic cost of financing its own facilities. Retrenchment in South-East Asia might potentially cause the United States 'to revise their opinion of the United Kingdom as an effective partner in the defence of the free world'; consequently, American support for other vital British strategic interests, such as supporting sterling, could be withdrawn. This was a prescient prediction: when the Wilson government declared its intention to reduce the size of Britain's deployment in South-East Asia, Washington threatened, on several occasions, to withdraw its support for sterling.

Cary postulated on the development of South-East Asia up to 1970, forecasting the possible 'best' and 'worst' case scenarios. The 'best' case scenario saw China pursuing an isolationist policy, leaving countries in the region to develop their economies in peace; moreover, Indonesia would abandon its expansionist ambitions

⁵⁸ Clarke to Armstrong, 1 March 1963, Clarke papers (Churchill College, Cambridge) CLRK 1/3/14.

⁵⁹ 'Strategy East of Suez': Memorandum by A. L. M. Cary, 9 July 1963, CAB 21/5902. See Chapter IV, pp. 195-199.

and become a 'good neighbour' of Malaysia, possibly leading to the establishment of a non-Communist 'Greater Malaysian Confederation', including the Philippines and Indonesia. If this were the case, it would be possible to undertake a complete withdrawal of British forces from the area. On the 'worst' case scenario, Pakistan and Japan might yield to Chinese pressure and adopt a neutralist stance, with South Korea, Formosa (modern-day Taiwan), Laos, Cambodia, South Vietnam, the Philippines and parts of Thailand coming under Communist influence; Indonesia might also adopt a more confrontational posture, potentially leading to Jakarta's annexation of the Borneo territories and Malaysia. In such an event, Cary suggested, Australia and New Zealand would become alarmed at the possibility of invasion from their 'Near North'; if this were to occur, Britain's 'forward' defence of the region would have failed and the *raison d'être* of SEATO would have been fatally undermined. Neither of these extreme cases was expected to develop, it being predicted that 'the situation in 1970 may well look in the essentials more or less as it does in 1963'. Even so, it was hoped that Malaysia would be capable of 'standing on her own feet', prior to the end of this period, relieving Britain of the liability of internal security and much of the responsibility for external defence. Cary did not think that the loss of Singapore would result in a diminution of Britain's power to intervene, if necessary from the UK, in the affairs of South-East Asia. Conversely, the 'overseas' departments argued that such a policy course would create a 'power vacuum' in the region, leaving Malaysia open to attack from China or Indonesia. Cary rejected this analysis, but accepted that this was 'devoutly believed by the Chiefs of Staff and, in spite of a few brave words from time to time, by a substantial body of opinion in the overseas departments'.⁶⁰ The Cary report highlighted the merits of retrenchment, but suggested that a precipitate withdrawal would endanger Anglo-American solidarity, possibly rendering the 'worst case' scenario of Chinese and Indonesian expansionism more likely.

⁶⁰ Cary to Trend, 8 May 1963, CAB 21/5902.

There was a fundamental division of opinion between the 'economic' and 'overseas' departments with regard to the value of Britain's role in South-East Asia. The 'overseas' departments did not think it possible to reach decisions on future defence policy by mere cost accounting. The Foreign Office was particularly hostile to Treasury involvement in policy formulation, generally viewing contributions from its officials as myopic and uninformed. On 14 May 1963, Sir Harold Caccia, Permanent Under-Secretary to the Foreign Office, wrote to Sir Burke Trend, Secretary to the Cabinet, expressing concern over the Treasury's influence on foreign policy:

After all it is a common article of faith that in matters of foreign affairs as of religion everyone is an expert. But if we get into the habit of submitting papers to Ministers with the views of Treasury officials on foreign affairs, the next thing will be advice from the Foreign Office on the Bank Rate and by the Chiefs of Staff on labour relations. It will be a lively way of proceeding, but I doubt whether it will be conducive to the orderly conduct of business.⁶¹

From the Foreign Office perspective, the value of overseas bases - like Singapore - was to be assessed against the wider strategic context, 'not against a balance sheet of British national interests and expenditure'.⁶² The 'overseas' departments emphasised the need to contain Communism and maintain security in the Far East, while the Treasury considered Britain's world role to be dependent on the strength of sterling, which required a reduction in overseas commitments (and, by extension, expenditure), so as to increase export capacity and improve the possibility of securing a regular balance-of-payments surplus. However, it might be argued that there was an inherent contradiction in Treasury thinking: maintaining sterling's position as an international reserve currency involved making it attractive to nations that were no longer under British control, but still members of the sterling area, such as Malaysia, whose

⁶¹ Caccia to Trend, 14 May 1963, CAB 21/5902.

⁶² 'British Strategy East of Suez': Memorandum by A. L. M. Cary, 2 May 1963, CAB 21/5902.

leadership demanded a continued British military presence. The Board of Trade was considerably weaker than the Treasury within the context of Whitehall politics, but adopted an even more unsympathetic stance on the value of Britain's military position in South-East Asia. Sir Richard Powell, who became Permanent Secretary to the Board of Trade following a period as the top civil servant at the Ministry of Defence, went so far as to argue that there were 'no really strong arguments, political, economic or even sentimental for keeping forces in the. . . Far East, except for the internal security commitment of Hong Kong and, I suppose, of Singapore and Borneo, until they become merged in Greater Malaysia'.⁶³

Irreconcilable disagreements within Whitehall on Britain's appropriate role in South-East Asia led to a re-affirmation of established policy, although the documentary evidence suggests that the arguments of Treasury officials were beginning to gain greater prominence in inter-departmental papers. On 14 June 1963, Trend produced a paper ('Future Defence Policy'), pointing out the economic irrationality of Britain's policy in the Far East: on the one hand, Britain's military effort in South-East Asia cost approximately £300 million a year, which was likely to rise to £400 million by 1970, nearly double that expended in the defence of British interests in the Middle East; on the other hand, it was pointed out that the defence of Britain's interests did not comprise 'any single economic interest of the same importance as the oil of the Middle East'. The economic illogicality of this policy was the foundation on which the Treasury's case for retrenchment was based. In spite of this, Trend's paper also gave credence to the views of the 'overseas' departments, arguing that the consequences of withdrawing could be 'summed up in a single word "instability", with all that might imply for the future of Malaysia, and the older members of the Commonwealth'.⁶⁴

On 16 September 1963, Indonesian hostility towards Kuala Lumpur was heightened by the inauguration of Malaysia, resulting in a corresponding increase in the size of

⁶³ Powell to Trend, 1 March 1963, CAB 21/5902.

⁶⁴ 'Future Defence Policy': DOP(O)C memorandum by Trend for DC, 14 June 1963, CAB 131/28.

Britain's military deployment in the region. Identifying the seriousness of the situation, Thorneycroft warned his cabinet colleagues that the cost of confrontation could compare with the earlier Malayan Emergency.⁶⁵ The Kennedy Administration initially reacted with hostility to Britain's policy on Malaysia, believing that this would serve to drive Indonesia further away from the West; Indonesia's Communist Party, *Partai Komunis Indonesia* (PKI), was growing in strength at this time and the United States viewed Sukarno as a strong anti-Communist influence.⁶⁶ Anglo-American disagreement on this issue became increasingly evident in the months leading up to the creation of Malaysia: for example, Kennedy appealed for the postponement of the formal establishment of 'Greater Malaysia', in order to preserve cordial American relations with Indonesia and the Philippines. Home thought that it might be necessary to comply with this request, so as not to damage relations with Washington, though Macmillan was not ready to acquiesce, hyperbolically proclaiming in his memoirs: 'I was not prepared to win or confirm my friendship [with Kennedy] by appeasement'.⁶⁷ Macmillan felt that the question of the date should be left to the Tunku, arguing that Sukarno - who he considered 'vain, ambitious, truculent' - was trying to prevent Britain from exercising its legitimate right to use its bases in Malaysia and Singapore.⁶⁸ The fact that the Conservative government was prepared to pursue such a policy, against American wishes, illustrates that Britain was still capable of pursuing an independent (albeit limited) role in the Far East.

On 17 December 1963, at a meeting of the cabinet, R. A. Butler, Home's replacement at the Foreign Office following Macmillan's retirement, was instructed to examine the political and military factors affecting Britain's policy of support for Malaysia. It was unlikely, Butler thought, that Sukarno would change his policy of confrontation until he could be 'brought to feel that the United States attitude is more

⁶⁵ 'Indonesia': DOPC memorandum by Thorneycroft, 2 October 1963, CAB 148/16.

⁶⁶ In September 1965, five pro-Western Indonesian generals were murdered and the PKI was held responsible, sparking an Army take over led by General Suharto in which up to half a million people were killed.

⁶⁷ Macmillan, *End of the Day*, pp. 257-58.

⁶⁸ *ibid.*, p. 252.

wholeheartedly with us'. Butler was unsettled by 'this ambivalent attitude of our major ally', which he felt inhibited Britain from pursuing a more forcible course of action against Indonesia. The United States' position made a negotiated settlement to confrontation more difficult, primarily because 'a reluctant Tunku might be forced from concession to concession'.⁶⁹ On 19 December 1963, Butler held discussions on this issue with Dean Rusk, but left the meeting disappointed, informing the cabinet that he 'did not derive great hope of any drastic change in United States policy'.⁷⁰

Anglo-American disagreement on Indonesia's policy towards Malaysia carried over to the Johnson administration. When the cabinet met on 23 January 1964, ministers agreed that, although Britain and the United States shared a common purpose in arresting the advance of Sino-Soviet influence in South-East Asia, there was 'some risk that the means by which the two Governments sought to achieve this objective would diverge'. The United States were chiefly concerned to dissuade Indonesia from making common purpose with Communist China, whilst Britain attached greater importance to maintaining the integrity of Malaysia. If, as a result, Britain judged it right to seek to restrain Malaysia from making any concessions to Indonesia, it might appear to Washington that London was 'deliberately thwarting their own (the United States) policy'; moreover, if Indonesia succeeded by these means in promoting Anglo-American disunity, Britain's position in the region would be grievously undermined. On the other hand, acquiescing in a settlement, resulting in the withdrawal of British troops from the Borneo territories, might damage Britain's position; for in the event that these territories were overrun by Indonesia, the 'integrity of Malaysia would be destroyed', and Britain's ability to maintain a military presence in South-East Asia for the protection of its interests would be 'gravely weakened'. While it would be sensible to seek a political solution between Malaysia and Indonesia, Britain would have to 'guard against allowing the Government of Malaysia to pay too high a price for it'.⁷¹ In late January

⁶⁹ Cabinet minutes, 17 December 1963, CAB 128/37.

⁷⁰ 'Policy Toward Indonesia': cabinet memorandum by Butler, 6 January 1964, CAB 129/116.

⁷¹ Cabinet minutes, 23 January 1964, CAB 128/38.

1964, Home informed the US Attorney-General, Robert Kennedy, that Britain could not agree to withdraw its troops from the Borneo territories until 'we were fully satisfied of Indonesian good faith'. In response, Kennedy promised that, if Sukarno did not effectively abandon his present aggressive policy towards Malaysia, the United States would cease to supply aid to Indonesia.⁷²

After initial Anglo-American disagreement on confrontation, Johnson indicated his preparedness to adjust US policy towards Indonesia. Johnson's own view on this subject appears to have changed in early 1961. On 2 January 1961, Johnson told Robert McNamara, US Secretary of Defense, in a telephone conversation: 'I don't think we ought to encourage this guy [Sukarno] to do what he is doing there [in Malaysia]. And I think that any assistance just shows weakness on our part'.⁷³ Despite the new President's generally indifferent attitude towards Britain, Johnson was convinced that Washington and London should 'continue to work together on hard problems all around the world'.⁷⁴ Home received a sympathetic reception on his first visit to Washington in February 1964, though this did not curtail either side from making robust statements with respect to areas of disagreement. Johnson's backing of British involvement in confrontation required a simple *quid pro quo*, whereby London gave greater support for American involvement in Vietnam, as well as more vocal and visible resistance to French attempts at neutralising South-East Asia. During the course of 1964, when American support for Britain's involvement in confrontation became more evident, US-Indonesian relations entered a period of rapid deterioration. Oliver Wright, Home's Foreign Affairs Private Secretary, believed that Washington had finally began to appreciate the value of Singapore, as well as other overseas outposts such as Aden,

⁷² Cabinet minutes, 28 January 1964, CAB 128/38. On 22 January 1964, Sandys informed senior officials and ministers working in the CRO: 'Mr [Robert] Kennedy seemed rather favourable to the Malaysia case than had been expected'. See 'Note of a Meeting in the Secretary of State's Room, Commonwealth Relations Office', 22 January 1964, Sandys papers (Churchill College, Cambridge) DSND 8/21.

⁷³ 'Telephone Conversation Between President Johnson and Secretary of Defense McNamara', 2 January 1964, *FRUS, Indonesia; Malaysia-Singapore; Philippines*, vol. XXVI, Document 1. McNamara replied: 'I feel exactly the same'.

⁷⁴ President Johnson to Home, 28 February 1964, *FRUS, Western Europe*, vol. XII, Document 226. Johnson's ascendancy to the Presidency was also accompanied by a change in the foreign policy personnel in Washington: importantly, William Bundy replaced Roger Hilsman at the State Department's Far East Bureau in February 1964.

being convinced that American overtures in relation to the 'colonial' features of British policy had finally receded. 'In short . . .', Wright wrote to Home, '. . . the unspoken special relationship has if anything been strengthened, chiefly because the Americans have come to realise and accept that *we are the only ally with a presence in all parts of the world and one upon which they can rely*'. This statement neatly summarises how many within the higher echelons of Whitehall (outside the Treasury and the Board of Trade) saw Britain's future role: along with the United States, Britain would act as a world power (not a superpower, but a nation, unlike any other, with global interests), helping to ensure the containment of Communism and regional stability in South-East Asia. Presciently, Wright also argued that American respect had the potential to increase expectations in Washington: Britain, he feared, would 'acquire a reputation, which will need some living up to . . .' and there would be '. . . plenty of scope in the future for adding to our responsibilities as a world power: none for reducing our commitments'.⁷⁵ This struck at the heart of the issue: on the one hand, British policymakers had become more sympathetic to the idea of a reduction in the scale of Britain's role in South-East Asia; on the other, they wanted to impress on Washington their value to the Western alliance, which served to heighten American expectations of what Britain was capable of achieving in the region, as well as the wider world.

The Foreign Office Planning Staff Review, 1964.

The Foreign Office Planning Staff (FOPS) produced a major report on British policy in South-East Asia in June 1964. Under the directorship of Michael Palliser, who later became Permanent Under-Secretary to the Foreign Office and Head of the Diplomatic Service, FOPS officials sought to re-define British policy towards South-East Asia, in the light of the changing regional environment, taking account of likely developments

⁷⁵ Wright to Home, 17 February. 1964, PREM 11/4794. Added emphasis

over the next decade. Foreign Office officials generally agreed that South-East Asia was of little direct economic value to Britain - as had long been argued by the Treasury. In spite of this, Planning Staff officials agreed that it would be difficult to pursue a policy of withdrawal, for two main reasons, both of which were political in nature: firstly, Britain had a substantial interest in preventing the spread of Communism in the Far East; secondly, Britain would need to maintain a significant military presence, so as to retain its 'position as a world power and the United States' principal partner'. The primacy of Anglo-American relations was emphasised in the Foreign Office report:

successive United States Governments have always attached great political importance (mainly for domestic reasons) to British association with their military commitments in the 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.

Planning Staff officials recognised the merits of ending conflict in South-East Asia by way of a neutralisation formula (as argued by the French), but felt unable to promote an independent policy because of the impact this might have on the Anglo-American relations. A Foreign Office paper, produced in April 1964 for the DOP(O)C, on likely American policy up to 1970, emphasised the centrality of the Anglo-American relationship to Britain's global standing, stating 'the fact that Britain, alone of America's allies, plays a co-operative world role with the United States'.⁷⁶ In regard to Britain's policy of confrontation with Indonesia, the FOPS paper concluded: 'a delicate balance has to be struck between the dangers of staying too long and the opposite dangers of withdrawing too fast . . . Military measures will therefore remain essential until the

⁷⁶ 'United States Policy up to 1970': Memorandum by the Foreign Office for the DOP(O)C, 3 April 1964, CAB 148/7.

prospects of eventual agreement emerge clearly'.⁷⁷

FOPS officials distinguished between what was attainable in the 'Continental' and 'Archipelago' regions of South-East Asia. The 'Continental' region was dominated by China, covering Burma, Thailand, Laos, Cambodia and Vietnam. Britain's role in this area, it was argued, was to encourage the development of non-Communist regimes, even though the United States would assume primary responsibility for this objective. The 'Archipelago' region consisted of the Philippines, Indonesia, Malaysia and Singapore, and it was thought that the West could pursue a more 'vigorous' policy in this area, without undue fear of causing a diplomatic rift with China.⁷⁸ In this region it was believed that some loose association between Indonesia, Malaysia and the Philippines offered the best hope for future stability. Officials in the Foreign Office hoped to establish such an association in the aftermath of confrontation, believing that this would provide the necessary pretext for military disengagement: 'we [Britain] must accept that part of the price for such an association will probably be our withdrawal from the area'. In turn, Japanese and Australian influence would replace British influence, providing a barrier to future Communist expansion.⁷⁹

It was considered imperative that the whole area should not slide progressively into a 'vassal relationship' with China and subsequently into Communism. Britain had a major interest in preventing the absorption of a further 230 million people into the Communist system, as a change in the political balance of the area would undermine the West's global position: for example, Communist expansionism would significantly alter the voting balance in the United Nations; make other countries, such as India and Japan, vulnerable to blandishments from the Soviet Union and China; increase the military threat to Australia and New Zealand, leaving these countries susceptible to air

⁷⁷ 'British Policy Towards South-East Asia': Memorandum by the Foreign Office for the DOP(O)C, 7 June, 1964, CAB 148/7.

⁷⁸ For further information on the Foreign Office view of future Chinese policy in Asia see, 'Chinese Policy Towards Southern Asia up to 1970': Memorandum by the Foreign Office for the DOP(O)C, 25 February, 1964, CAN 148/4.

⁷⁹ 'British Policy Towards South-East Asia': Memorandum by the Foreign Office for the DOP(O)C, 7 June, 1964, CAB 148/7.

and sea blockade; and enable the Communist *bloc* to capitalise on the resources of South-East Asia, thereby enhancing their collective military and economic strength. The Foreign Office thought that this would have a potentially devastating impact on Anglo-American relations, especially if US opinion were to attribute the West's 'defeat' in the region to a lack of British resolve. This view was re-affirmed by R. A. Butler, in a memorandum, entitled 'An Anglo-American Balance Sheet', presented to the cabinet: 'The Americans are anxious not to appear as the only Western Power in the area. . . For this and other reasons they support our determination to stay in Singapore. Mr McNamara once said that a thousand British troops East of Suez were of more value than in Europe'.⁸⁰ It was widely believed, especially within the Commonwealth Relations Office, that Britain had a moral responsibility to defend Australia and New Zealand, although the Treasury and Board of Trade had long argued that these two countries should contribute more towards regional defence. In March 1963, Sir Richard Powell provided perhaps the most scathing criticism of the moral rationale underpinning Britain's defence of Australia and New Zealand:

I do not accept the argument that because Australia and New Zealand came to help in two world wars it is incumbent upon us to maintain forces East of Suez in peacetime in case these countries are attacked. They have certainly never maintained forces west of Suez in case Great Britain became involved in war in Europe and their forces, which were raised almost entirely from volunteers recruited after the war had broken out, took a very long time to organise, train and move to the theatre of war.⁸¹

The 'overseas' departments generally accepted the argument that Australia and New Zealand should contribute more in the defence field, but were not overly assiduous in pressing this upon Britain's antipodean Commonwealth allies. This represented a

⁸⁰ 'An Anglo-American Balance Sheet', memorandum by R. A. Butler for the cabinet, 2 September 1964, CAB 129/118.

⁸¹ Powell to Trend, 1 March 1963, CAB 21/5902.

major error of judgement, as Australia and New Zealand became overly-dependent on British military support, at a time when they could have been building up their own defence capacity.

The FOPS agreed that Britain's influence would be enhanced if it retained the use of the Singapore base. If Singapore were given up, several countries in the area, such as the re-emergent power of Japan, might revise their views and approach towards Britain. It was conceded, however, that Singapore's retention might prove impossible, and that Britain would have to entertain the possibility of establishing alternative facilities, possibly in Darwin. Even so, a precipitate withdrawal from Singapore was not considered likely, and it was thought that Britain would retain a military deployment in the region for the foreseeable future, albeit in a more limited form. On 22 September 1964, Palliser's report was circulated to the DOP(O)C, after which it was to be submitted to ministers and thereafter to Her Majesty's Missions abroad as a 'statement of British policy'.⁸² The FOPS study reached the same conclusions as the Long-Term Study Group (LSTG) report on the Far East, which the Foreign Office considered a 'more limited paper'.⁸³ On 19 November 1964, following Labour's General Election victory, Patrick Gordon Walker, the new Foreign Secretary, submitted the FOPS study to the DOPC. As no ministers expressed any objections to the paper, at the meeting or in the subsequent discussions of the LTSG study at Chequers (on 21 November), Palliser's report (now a 'Memorandum by the Foreign Secretary') was accepted as the basis of British policy in South-East Asia.⁸⁴

⁸² 'British Policy Towards South-East Asia': Memorandum by the Foreign Office for the DOP(O)C, 22 September 1964, CAB 148/7.

⁸³ 'Report of the Long Term Study Group – Regional Study on the Far East': Memorandum by the Foreign Office for DOP(O)C, 21 October 1964, CAB 148/10. Also see 'British Interests and Commitments Overseas': report by the DOP(O)C for the DOPC, 18 November 1964, CAB 130/213.

⁸⁴ 'British Policy Towards South-East Asia': DOPC memorandum by Gordon Walker, 19 November 1964, CAB 148/7; DOPC minutes, 31 March 1965, CAB 148/18. Also see Cabinet (Defence Policy) minutes, 21 November 1964, CAB 130/213.

American Influence on the Policy of the Labour Government, 1964-1966.

The conventional argument advanced to explain British retrenchment from South-East Asia suggests that economic difficulties forced the decision upon a reluctant government and foreign policy-making establishment. John Darwin, for example, argues that British officials were disinclined to contemplate retrenchment because of a collective mindset that 'was emotional and romantic rather than coldly rational and cost-effective'.⁸⁵ In the light of recently released archival material this contention requires re-examination. Were policy-makers more realistic about the sustainability of Britain's role in South-East Asia than has hitherto been suggested? The traditional picture of the Wilson government's policy towards South-East Asia is too simplistic, as it does not pay due cognisance to the actual policies advocated *in camera* by officials and ministers. Senior ministers, including those who have traditionally been described as 'Bevinites', such as Brown, Healey and Callaghan, adopted a more realistic policy stance - with regard to the sustainability of Britain's position in South-East Asia - than has thus far been appreciated. Policy-makers, both official and ministerial, were aware of the need to promote policies that reflected Britain's 'new' place in world affairs, but were hindered from doing so by external pressure from Washington, Canberra and Wellington. The United States attached great importance on the continuation of a British world role, a point that was made abundantly clear to the incoming Labour government when Dean Rusk, the US Secretary of State, met Patrick Gordon Walker and Denis Healey, Secretary of State for Defence, at the British Embassy on 7 December 1964:

He [Rusk] urged H[er] M[ajesty's] G[overnment] to give weight to the role of the UK as a world power. . . The US wanted the UK to play as large a role as possible. It could do certain things which the US, because of certain fancies, could not itself do so well. We would look with the

⁸⁵ J. Darwin, *Britain and Decolonisation*, p. 294.

greatest concern at a diminution of the UK's role, which was of very great importance to us.⁸⁶

Even prior to Labour's assumption of power, Robert McNamara, US Secretary of Defense, had warned Gordon Walker of Washington's desire for Britain to 'stay in the Indian Ocean', in view of the fact that the United States 'didn't want to be the gendarmes of the whole world'.⁸⁷ Harold Wilson, who had also been in Washington for talks with President Johnson, informed the cabinet that the Americans had 'been particularly insistent on the value of the world-wide military role played by the United Kingdom and the importance of our continuing to discharge that role'.⁸⁸ Lord Harlech, Britain's Ambassador in Washington, felt that the visit had strengthened Anglo-American relations, but warned:

In the years ahead, however, we shall be increasingly treated on our merits and shall be regarded not so much for who we are as for how we perform. Above all our influence will depend upon our ability to solve our own economic problems. . . We still possess a unique capability of influencing American policy but this will be a wasting asset unless we handle our own affairs with considerable skill and attention to the correct priorities.⁸⁹

The Treasury saw South-East Asia as an 'incorrect priority', which undermined Britain's ability to solve its economic problems; as the relatively poor performance of the British economy continued during the 1960s, Treasury officials became ever more resolute and obstinate in this view. Like Macmillan, Wilson was aware of the damaging impact of defence expenditure on Britain's economic prospects, but was unprepared to circumvent international commitments in order to achieve greater economies. The

⁸⁶ Memorandum of Conversation held in the library of the British Embassy. Drafted by Mr William R. Tyler, Assistant Secretary of State for European Affairs, and approved by the Secretary of State on December 16. December 7, 1964. *FRUS, Western Europe*, vol. XII, Document 236.

⁸⁷ Gordon Walker's Diary, (Churchill College, Cambridge), 29 May 1963, GNWR 1/15.

⁸⁸ Cabinet minutes, 11 December 1964, CAB 128/39.

⁸⁹ 'United States: Annual Review for 1964', Lord Harlech to Gordon Walker, 4 January 1965, FO 371/179557.

option of moving British troops from Europe to East of Suez, though not practically viable, did not inhibit Wilson from exploring the possibility. On 14 May 1965, Wilson told Dean Rusk (in a personal capacity, not as the considered opinion of the British government) that 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'.⁹⁰ Despite such sentiment, Whitehall was increasingly of the opinion that British policy should no longer be based on any assumption that the UK would retain the capability to undertake a single-handed intervention in South-East Asia; alternatively, Western interests were to be secured by a 'genuinely collective and interdependent presence', based on close co-operation with the United States, Australia and New Zealand.⁹¹ By the mid-1960s Britain's inability to support a world-wide defence effort had become glaringly obvious. On 1 July 1965, Healey informed Sir Robert Menzies, Prime Minister of Australia, that there was no chance of reducing defence expenditure to £2,000 million target (agreed at Chequers on 21 November 1964) unless commitments were 'shared out'.⁹² In early August 1965, at a Ministry of Defence press conference, Healey remarked that if Sukarno decided to declare all-out war against Malaysia, Britain would have to draw on almost all of its combat manpower, from all three services, from every part of the world.⁹³

On 9 August 1965, Lee Kuan Yew announced Singapore's departure from the Malaysian federation, a development that forced a full-scale re-appraisal of Britain's strategic objectives in the region.⁹⁴ The major reason for defending Malaysia had been that it enabled continued British access to Singapore: thus, there was little reason for defending the federation when Singapore was no longer a constituent part. From a

⁹⁰ 'Record of Conversation between Wilson and Rusk at 10 Downing Street', 14 May 1965, PREM 13/214.

⁹¹ Trend to Wilson, 11 June 1965, PREM 13/315.

⁹² 'Record of Conversation between the Prime Minister and the Prime Minister of Australia, Sir Robert Menzies, in the Prime Minister's Room at the House of Commons', 1 July 1965, PREM 13/889.

⁹³ *The Times*, 5 August 1965, p. 10.

⁹⁴ In the months leading up to Singaporean departure from the federation, the British government had been receiving messages that Lee Kuan Yew's obstreperous opposition was aggravating relations with the Tunku; Wilson was warned that Lee was on the verge of being arrested and imprisoned. See H. Wilson, *The Labour Government: A Personal Memoir*, (London: Weidenfeld & Nicolson, 1971), pp. 130-131.

legalistic point of view, Britain's military commitment to Malaysia could now be abrogated, since Singapore's departure invalidated Article VI of the 1963 Anglo-Malaysian Defence Agreement. In addition, the preparatory work of the Defence Review, which was taking place at the same time as Lee Kuan Yew's announcement, had determined that British forces would be gradually withdrawn from Singapore, with alternative arrangements reached once confrontation with Indonesia had reached a resolution. So why did Britain not withdraw from Singapore in mid-1965, given that Whitehall had agreed on the need to acquire alternative base facilities in the future? In 1971, Healey told his biographers: 'I was very tempted when, in the middle of Confrontation - in the summer of 1965 - the Tunku and Harry Lee (Lee Kuan Yew preferred being called by this name in Western company) gave us an opportunity for getting out, by breaking their own Federation behind our backs. But you just couldn't do it. There wasn't a political solution as long as Sukarno was there'.⁹⁵ At the time, however, Healey felt that Britain should 'state its objective as to initiate negotiations with Indonesia which would lead to the end of confrontation', making it 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'. This would increase Britain's 'room for manoeuvre in the Far East', having the added advantage of demonstrating 'this new approach for the benefit of others - for example, the Rulers in the Persian Gulf'. The 'price' of this 'new approach' would 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'. Therefore, Healey favoured ending confrontation, but thought that this could only be bought at the price of remaining in Singapore, an interpretation that differs from that which he gave to his biographers, which suggests that he was against ending confrontation for as long as Sukarno was in power. More importantly, an immediate withdrawal would damage Britain's relations with the United

⁹⁵ B. Reed and G. Williams, *Denis Healey and the Politics of Power*, (London: Sidwick & Jackson, 1971), p. 206.

States, which Foreign Office officials considered fundamental to the continuation of Britain's role as a global power. Acknowledging the arguments against retrenchment, Healey told Wilson that any indication that Britain was planning to remove its military capability from South-East Asia might 'lead to withdrawal of American support for sterling'; furthermore, Healey thought that Washington was concerned that Singapore had the potential to become 'an Asian "Cuba" under Chinese control'.⁹⁶ On 26 August 1965, George Brown, Secretary of State for the Department of Economic Affairs, told Wilson that 'some means must be found to bring confrontation with Indonesia to an end quickly'.⁹⁷ The DOPC considered the possibility of offering the Indonesians a plebiscite in Sarawak and Sabah, on whether or not these two small territories wished to adhere to the Malaysian federation. A partial British withdrawal from Singapore was also cited as a possible bargaining tool in any negotiations with Sukarno. However, ministers recognised that it would be difficult to convince Britain's allies of the need to start winding down the UK role in South-East Asia.

On 3 September 1965, at official quadripartite talks (involving the United States, Australia, New Zealand and Britain) in London, British officials floated the idea of negotiations with the Indonesians, but this was firmly rejected by the American, Australian and New Zealand representatives, who regarded it as likely to undermine the West's position in South-East Asia. The United States strongly challenged the British assumption that the secession of Singapore called for urgent contingency planning with regards to the continuation of British defence commitments in the area. George Ball, US Under-Secretary of State, told Wilson that Washington 'did not share the British sense that their position was in imminent danger because of recent political events'.⁹⁸ A few months earlier, McNamara had argued that Britain must 'regard herself as having an inescapable commitment in the Indian Ocean and the Far East for

⁹⁶ Healey to Wilson, 13 August 1965, PREM 13/431.

⁹⁷ Brown to Wilson, 26 August 1965, PREM 13/431. Unable to attend the DOPC meeting, which discussed Singapore, Brown made his views known to Wilson on this issue through a letter.

⁹⁸ Ball to Wilson, 4 September 1965, *FRUS: Western Europe*, vol. XII, Document 236.

at least the next ten years', since, although the US had the military resources to police this part of the world unaided, it lacked the 'political strength either at home or abroad to do so alone and without allies'. Roy Jenkins, who had met McNamara in his capacity as Minister for Aviation, took a different position, arguing (in a personal capacity, and not on behalf of the British government) that it was more important to keep up British commitments in Europe - a view that differed from the Prime Minister.⁹⁹ However, with the worsening situation in Vietnam, where the Americans and Australians were increasing the scale of their military deployment, Washington and Canberra looked for deeds, not words.

The British objective of retaining sterling's parity with the dollar further inhibited Britain's independence of action. Whitehall policy-makers found themselves in an almost impossible situation: the maintenance of sterling's parity required support from the United States, but Washington's backing of sterling depended on Britain retaining overseas commitments - such as those associated with SEATO - which paradoxically served to undermine the strength of the pound. In early August 1965, Ball recommended continuing support for sterling to President Johnson, only on condition that Britain agreed to retain its international defence commitments. In September 1965, Ball was dispatched to London to ensure that the resolve of the Labour government was maintained. When Ball met Wilson on 8 September 1965, he warned the Prime Minister that to 'appear to be envisaging a reduction of the UK commitment in South-East Asia at a time when the US commitment in Vietnam was increasing could have led to an unfortunate concatenation of circumstances'. Wilson gave Ball a categorical assurance that Britain would not withdraw from the region, or even reduce its commitments, as this would be 'contrary to everything he had said and would make him eat a great number of his own words'. The Prime Minister was keenly aware of the need to 'keep sterling strong', telling Ball that the British government 'were quite clear

⁹⁹ Dean (commenting on a meeting between Jenkins and McNamara) to Gore Booth, 10 June 1965, PREM 13/215.

that finance, foreign policy and defence must hang together, particularly East of Suez. It would be a tragedy if present economic stringency made us pull out of places to which we could never hope to return'. Wilson promised to 'soldier on' in the confrontation with Indonesia, which he considered *causa sine qua non*, re-assuring Ball that Britain had abandoned the idea of reaching a negotiated settlement with Sukarno.¹⁰⁰ On 9 September 1965, Joseph Fowler, the US Treasury Secretary, oversaw a support operation for the pound, which aggressively intervened in the international markets to force up the sterling rate. On 10 September, the Chancellor of the Exchequer, James Callaghan, secured a \$1 billion short-term multilateral stabilisation loan, with the US Federal Reserve and the Exchange Stabilisation Fund of the Treasury contributing \$400 million.¹⁰¹

Was this reversal of policy a reflection of British weakness or strength? Was it not a sign of intense weakness that American concerns essentially determined British policy towards South-East Asia, rather than Britain's own national interests? Sir Burke Trend was not so despondent: 'We need not regret having brought our allies up against [the prevailing] realities; and the violence of their reaction to any suggestion that we should "pull out of the Far East", still more that we should take any initiative to end confrontation, is a measure of our bargaining position if we meet the desire that we should remain East of Suez'.¹⁰² Singapore's departure from the Malaysian federation had provided a pretext for withdrawal, but policy-makers rejected this course on the grounds that it would damage Anglo-American relations. Nonetheless, ministers and officials remained committed to the idea of a Western withdrawal from South-East Asia, albeit on a longer timescale than that preferred by Whitehall. On 23 September 1965, in a cabinet discussion on long term foreign policy aims, Michael Stewart, Gordon

¹⁰⁰ 'Record of Conversation between Mr Wilson and Mr Ball at 10 Downing Street', 8 September 1965, PREM 13/431.

¹⁰¹ The other contributors were Austria, Belgium, Canada, West Germany, Holland, Italy, Japan, Sweden, Switzerland and the Bank of International Settlements. The Bank of France had originally been involved in the package but pulled out of the deal on 9 September 1965. The loan increased the speculators' confidence in sterling, thus triggering a re-flow of funds back into London, and a rise in the rate of sterling against the dollar.

¹⁰² Trend to Wilson, 21 September 1965, PREM 13/431.

Walker's replacement at the Foreign Office, argued: 'In the longer term we must look to a Western withdrawal from the Far East; but it would be important to ensure, so far as possible, that the vacuum would be filled by regimes which, although not necessarily pro-Western, would not be wholly under Chinese domination'. Recognising that Britain no longer had the ability to 'act decisively in world affairs', Stewart held to the idea of playing a 'useful' role in an interdependent world, concluding that 'our influence would remain very considerable so long as we acted in concert with our allies'.¹⁰³

In early November 1965, DOP(O)C officials produced a paper for the consideration of ministers on the subject of British policy after confrontation. Officials suggested that Britain's *post-bellum* policy should be more in harmony with British interests; this had not been the case hitherto, as Britain's defence spending had been out of proportion to its economic stake in the region. The central conclusions of the paper attempted to reconcile three contradictory departmental positions: the necessity for greater economies in expenditure, representing the views of both the Treasury and the Board of Trade; the need to retain a military presence in order to satisfy American political opinion, as advocated by the Foreign Office; and the Commonwealth Relations Office's concerns over Britain's historic and moral obligations towards the Australasian nations. With regards to the future of the Singapore base, it was argued that only withdrawal could reduce defence expenditure to a level commensurate with Britain's financial and economic interests. Indeed, officials agreed that it would be difficult to retain the use of Singapore either up to or beyond 1970, even if the British government wished to do so; as a consequence, it was recognised that it might be wise to impress on the Australians the need to consider the creation of alternative facilities in northern Australia. On 19 January 1966, when the DOPC discussed what position Britain ought to adopt at forthcoming discussions in Washington and Canberra, Healey highlighted the future of the Singapore base as the 'biggest single issue' in the talks. Healey

¹⁰³ Cabinet minutes, 23 September 1965, CAB 128/39.

claimed that the United States and Australian attitude towards Singapore differed from that of the UK: 'while we regarded Singapore as a base from which we conducted military operations, and which local difficulties might increasingly make untenable, they saw it as a potential Communist stronghold akin to Cuba'. Referring to a Commonwealth Relations Office brief on this subject, Healey suggested that the United States and Australian governments 'tended to make light of the difficulties that we foresaw'. In discussions with the United States and Australia, Britain was put under severe pressure to retain its position in Singapore.¹⁰⁴ On 16 December 1965, Wilson urged Johnson to accept that Britain could not retain its position in Singapore 'indefinitely', being convinced that it was now necessary to begin planning 'an alternative posture in the Far East'. This 'alternative posture', Wilson posited, might be based on the concept of a quadripartite arrangement, to which Britain, the United States, Australia and New Zealand would contribute; however, Britain's contribution to such an arrangement would be a 'limited one', probably not exceeding £185 million a year, with the other three countries taking responsibility for the 'substantial' new capital expenditure which would be involved.¹⁰⁵ As such a policy would entail the abandonment of the 'forward' defence of the Australasian Commonwealth nations, Sir Robert Menzies, Prime Minister of Australia, expressed his concerns to Wilson:

We regard it as fundamental that Britain, in reviewing its global role, should not contemplate any significant withdrawal from the defence posture which, jointly with Australia and New Zealand, she has established in the Far East . . . For our part we can not envisage an alternative posture which would have the same value and effectiveness as the present arrangements. I would not leave any doubt as to the depth of our conviction on this. A new development of bases and facilities in Australia

¹⁰⁴ DOPC minutes, 19 January 1966, CAB 148/25.

¹⁰⁵ 'Meeting held at the White House', 16 December 1965, PREM 13/889; DOPC minutes, 19 January 1966, CAB 148/25.

would be no adequate substitute for the present defence structure in the region.¹⁰⁶

In February 1966, Harold Holt, Menzies replacement as Prime Minister, told Wilson that he found it unacceptable 'that western power be withdrawn from the mainland and be [made] available in the background [i.e. in Northern Australia]'.¹⁰⁷ The general Australian attitude, in Healey's opinion, could be summarised as a 'desire to keep any fighting in the Far East as far as possible from Australia, and a suspicion that we wanted Australia to finance a change in our defence posture which was not in her interest'.¹⁰⁸

The Defence Reviews: A Revision of Britain's South-East Asian Role.

The 1965-1966 Defence Review considered, in exhaustive detail, the future of Britain's military role in South-East Asia. Reflecting the long-held viewpoint of the Treasury, it was concluded that Britain's material interests in South-East Asia were not by themselves sufficient to justify the cost of deploying substantive UK forces in the region. It was therefore accepted that the cost of Britain's contribution would have to be limited, if defence expenditure was to be reduced by 1970, to an amount that was 'consistent with Britain's economic health' (£2,000 million a year at 1964 prices). However, it was also agreed that the UK had considerable political interests in the region, and it was reiterated that Britain had a direct interest in preventing South-East Asia from being dominated by the Sino-Soviet influence.

Christopher Mayhew, Minister of Defence for the Royal Navy, believed that the Defence Review failed to take account of the economic realities confronting Britain,

¹⁰⁶ Menzies to Wilson, 19 January 1966, PREM 13/889.

¹⁰⁷ Holt to Wilson, 8 February 1966, PREM 13/889. Also see 'Record of Conversation between the Prime Minister and Paul Hasluck, the Australian Minister for External Affairs, at 10 Downing Street', 10 April 1966, PREM 13/890.

¹⁰⁸ DOPC minutes, 19 January 1966, CAB 148/25.

and subsequently resigned from the government.¹⁰⁹ In late January 1966, when Healey was in Canberra, Mayhew articulated his concerns to the DOPC, informing his senior ministerial colleagues that Britain could not maintain a world role in 1969-70 on a defence budget of £2,000 million at 1964 prices; such a course would either entail an unacceptable strain upon UK forces or an undue dependence on the United States or both. Mayhew argued that Britain must accept 'a lesser international role', claiming that the target of £2,000 million was an 'artificial target figure', which had been laid down before an adequate study of commitments had begun, while the sum of £186 million for defence expenditure in the Far East was 'even more artificial', as it represented only the residual sum after provision had been made within the £2,000 million limit for the level of forces necessary to maintain commitments other than those located in the Far East. Reflecting a viewpoint continuously advocated by the Treasury and Board of Trade, Mayhew claimed that 'the maintenance of our economic strength was essential for any effective foreign and defence policy', emphasising the need for 'drastic changes in the United Kingdom's position in the world'. Mayhew thought that there was 'grave reason' to doubt the ability of 'white nations' alone to maintain a peacekeeping role in Asia or to support the effective political and military containment of China, believing that the presence of UK forces did 'nothing to assist political containment'. In discussion, ministers dissented from Mayhew's position, generally accepting the view: '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'.¹¹⁰ Put simply, Labour ministers favoured a reduction in the scale of commitments, as opposed to their total abrogation.

On 14 February 1966, when the cabinet considered a memorandum on the defence budget (to which was appended *Statement on the Defence Estimates, Part I: 1966*),

¹⁰⁹ For Mayhew's account for why he resigned, see C. Mayhew, *Britain's Role Tomorrow*, (London: Hutchinson, 1967), pp. 131-153. Admiral Sir David Luce, First Sea Lord, resigned along with Mayhew.

¹¹⁰ DOPC minutes, 30 January 1966, CAB 148/25.

Healey informed his colleagues that he had set three targets for the review of defence expenditure. The first was to reduce the burden on resources by some 16 per cent as compared with the plans of the previous Conservative government; the second was to reduce the burden on foreign exchange; and the third was to reduce the excessive strain upon Britain's military resources. The decisions taken on the aircraft programme, Healey notified the cabinet, had saved the government £1,200 million over a ten-year period. Defence spending in the following year would be just below the ceiling of £2,000 million at 1964 prices, but because certain expenditure had inevitably been deferred while decisions were being taken on the Defence Review, there would be a slight increase thereafter until the target figure was met in 1969-70. Economies on defence expenditure had focussed on the equipment programme and not resulted in any diminution in military capability. There still remained, however, a gap of £100 million between the target figure and the expenditure that would be incurred on existing plans in 1969-70. Healey believed that this disparity could only be closed by reducing commitments. The Defence Review had achieved major reductions, primarily in the Mediterranean and the Middle East, in relation to Malta, Cyprus, Libya and Aden. In the Far East, Britain planned a substantial reduction of its forces as soon as confrontation was ended, since ministers in the 'overseas' departments had confirmed that it would not be politically possible for the UK to stay in Singapore for any considerable period thereafter. This would result in substantial savings in foreign exchange and resources. Nonetheless, reductions resulting from these proposals still left a gap of some £50 million between the target and the estimate in 1969-70. Healey argued that the target could then be achieved by a number of minor savings: for instance, by 'failure', owing to difficulties in recruitment, to maintain the carriers in service for as long as was proposed; by the reduction of commitments, whether in the Far East through the ending of confrontation and withdrawal from Singapore, in the Middle East through the ending of the Kuwait commitment as a result of actions by the Kuwaiti government, or by the reduction of UK forces stationed in Germany, if the

requirements for offsetting foreign exchange costs were not met; or, finally, by cutting out the P1127 (a prototype of the Harrier Jump Jet, which proved that vertical take-off was possible).¹¹¹

In considering the appropriate balance between what the UK could afford and what part it should play in world affairs, Stewart argued that neither aspect could be regarded as overriding: 'Our capacity to carry out certain commitments was inevitably limited by the strain on our resources, but to cut our commitments beyond a certain point might have consequences for world stability which could cause even greater damage to our economic position'. In regard to the P-1127, Callaghan argued that this expenditure could not be justified on military grounds. By way of alternative to cutting the P-1127, Callaghan suggested that savings could be found by a 'further reduction' in commitments, expressing concern about the wide range of obligations it was proposed Britain should retain East of Suez, since these might at any time involve an escalation in military tasks. Callaghan, as a consequence, questioned whether 'we were proposing to play too large a part in relation to our resources'. Wilson did not support Callaghan, maintaining that Britain's East of Suez role helped secure world peace in an area where there was 'real danger of a world war'; accordingly, it was in Britain's own interests to play a part in seeking to maintain stability in South-East Asia. Wilson also suggested that ministers take account of the willingness of other countries to prop up sterling when considering the maintenance of Britain's world role. If Britain cut its overseas commitments, Wilson contended, other countries would be less willing to give support for sterling.¹¹²

The process of British retrenchment from South-East Asia essentially began with the 1966 Defence Review, which severely restricted Britain's capability in the region by cancelling the Royal Navy's new aircraft carriers.¹¹³ By terminating the Navy's carrier programme and applying severe conditions to defence commitments East of Suez, it is

¹¹¹ Cabinet minutes, 14 February 1966, CAB 128/41.

¹¹² *Ibid.*

¹¹³ The existing carriers, however, would remain in service into the 1970s.

questionable whether Britain's South-East Asian commitments could be met in the event that they were invoked. The credibility of a military commitment depends, above all else, on possessing the means, when called upon to fulfil a political obligation, thus demonstrating to potential adversaries the futility of challenging policy objectives through recourse to military means. The value of a military commitment depends on a state being able to fulfil it when a *casus foederis* arises. In this sense, it can be argued that the 1966 Defence Review severely limited Britain's ability to meet its commitments in South-East Asia. The Defence White Paper set out, *inter alia*, the following important principles:

First, Britain will not undertake major operations of war except in co-operation with allies. Secondly, we will not accept an obligation to provide another country with military assistance unless it is prepared to provide us with the facilities we need to make such assistance effective in time. Finally, there will be no attempt to maintain defence facilities in an independent country against its wishes.¹¹⁴

This marked a major shift in the direction of British policy, albeit falling short of taking the decision to withdraw from South-East Asia. The primary reason for holding on to Singapore was the importance that Washington attached to British possession of its base facilities. The Vietnam War conditioned the American attitude towards Singapore, and the 'overseas' departments agreed that the United States 'would find 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 so, ministers agreed that it would be inappropriate for Britain to retain its obligations towards Singapore and Malaysia after the end of confrontation. There were four main reasons underpinning this conclusion: firstly, it was thought that there would be increasing friction between Singapore and Malaysia over the coming years; secondly, once confrontation was

¹¹⁴ *Defence Review*, Cmnd 2901, (London: HMSO, 1966).

over, local nationalism would become more prominent - as a consequence, Britain would become increasingly exposed to the charge of 'neo-colonialism'; thirdly, an open-ended commitment to defend Malaysia and Singapore - which followed, inexorably, if Britain retained the use of its bases - would make it impossible to keep defence expenditure within the limit prescribed by the Defence Review; finally, it was stressed that Britain should start reducing the level of its forces no later than 1968.¹¹⁵

In May 1966, Sir Burke Trend produced a paper, entitled 'Indo-Pacific Policy', in preparation for quadripartite ministerial discussions to take place in Canberra on 30 June after a meeting of the SEATO Council.¹¹⁶ Since no reduction in commitments could be achieved, whilst confrontation persisted, Trend's paper concluded that '1968 was the latest date by which in one way or another we should have to have brought confrontation to an end'. If fallback facilities in Australia failed to materialise, it was accepted that 'we [Britain] shall have no choice but to go home altogether'.¹¹⁷

Commenting on Trend's paper, Healey told the DOPC that Australia's attitude to Indo-Pacific strategic questions was 'naïve and over-simplified'. The DOPC agreed that it would be counter to Britain's 'economic interests to retain a large military presence in the Indo-Pacific theatre after the ending of confrontation'. The prospect of containing Far Eastern military expenditure, within the annual limit of £186, might be at risk if Britain decided to remain in Singapore 'for as long as we could'.¹¹⁸

Despite such reservations, ministerial rhetoric remained robust in public. In February 1966, Healey told the Australian National Press Club: 'we shall remain fully capable of carrying out all the commitments we have at the present time including those in the Far East, like the commitments to Malaysia and Singapore'. Healey's public expression of support for Britain's commitments in South-East Asia were paralleled by an equally ardent espousal of the need to continue a world role:

¹¹⁵ 'Defence Review': Cabinet note by Trend, 8 November 1965, CAB 130/213.

¹¹⁶ Preparation for this paper began on 18 March 1966. See DOP(O)C minutes, 18 March 1966, CAB 148/66.

¹¹⁷ See 'Indo-Pacific Policy': report by Trend for the DOP(O)C, 10 May, 1966, CAB 148/69.

¹¹⁸ DOPC minutes, 13 May 1966, CAB 148/25.

We do not think it is necessary, indeed we do not think it is possible for Britain to shrink into Europe and confine her political and military and economic interests exclusively to that small part of the world where the British Isles happen to be situated. We intend to maintain a world influence.¹¹⁹

Healey was forced to devise a policy that reconciled the mutually incompatible objectives of the Treasury and Foreign Office, later reflecting in his memoirs:

The Treasury, which sometimes seemed to know the price of everything and the value of nothing, was always pressing for further cuts in defence spending. However, no government should cut a military capability without cutting the political commitment which made that capability necessary. And this, the Foreign Office was usually reluctant to do; it seemed to regard every commitment as an invaluable pearl without price. So I had to fight a war on two fronts.¹²⁰

The Treasury was fully aware of the political costs of military withdrawal, but believed that this was a price that had to be paid, so as to secure future economic stability. In July 1965, Robert McNamara told Callaghan, that, if the UK were to change its political commitments in order to meet its financial target of £2,000 million a year, 'the US would have no alternative but to reconsider its whole defence expenditure posture, its world-wide treaty obligations and all aspects of its relations with the UK'. By way of argument, Callaghan pointed out that, taking overseas military expenditure as a percentage of GNP, the UK was bearing a greater burden than the US. Not unreasonably, Callaghan argued that it would be 'self-defeating' for the UK to try to shoulder foreign exchange burdens which were too big - 'to do so would cripple the UK economy and, therefore, the UK's ability to play its proper role as an ally'. 'The UK. . .', Callaghan continued, '. . . must envisage areas out of which it might be forced in

¹¹⁹ 'British Statements about the Retention of Forces in South-East Asia': Healey's Address at the National Press Club Luncheon in Canberra, 2 February 1966, PREM 13/1456.

¹²⁰ Healey, *Time of My Life*, p. 256.

future, e.g. Aden or Malaysia'. Confrontation in Malaysia represented a total burden on the UK of some £300 million a year; in return, the UK secured from Malaysia about £25 million a year in remitted advances. McNamara 'reacted sharply' to the mention of Malaysia, telling Callaghan that 'the US could in no circumstances assume any of the UK's burden in Malaysia'.¹²¹

The emergence of a new Indonesian regime in April 1966 made it politically possible for ministers to consider abrogating Britain's commitments to Malaysia and Singapore. On 6 April 1966, Stewart told the DOPC that the emergence of a new government was 'to our advantage', believing this outcome to be 'a vindication of the policies which we had pursued towards Indonesia, which had progressively brought home to Indonesia that the confrontation of Malaysia was unprofitable'.¹²² In June 1966, DOPC ministers considered a note by Trend on this subject, which argued that the end of confrontation would remove the main obstacle to reaching the financial target agreed in the 1966 Defence Review (£186 million at 1964 prices), though it was not yet possible to say how quickly the budgetary and foreign exchange savings could be realised. As soon as confrontation was over, Trend argued, UK forces should be withdrawn from the Borneo territories without delay and thereafter all troops should be removed from the theatre, over and above those which would be required for fulfilling commitments to Britain's remaining dependent territories, or which had been offered as a contribution to the long-term allied defence effort in the Indo-Pacific area. The decision - as announced in the 1966 Defence Review - to remain militarily in Singapore and Malaysia, for as long as this was possible under acceptable conditions, had been posed not on the supposition that confrontation would continue, but on the contrary assumption that it would end well before 1970. Stewart was concerned that the prospective end of confrontation would put Britain under pressure to provide military forces for combat in Vietnam and to assist in fighting subversion in Thailand, but

¹²¹ 'Chancellor's Visit to North America', 2 July 1965, PREM 13/216.

¹²² DOPC minutes, 6 April 1966, CAB 148/25.

concluded that this 'would not be acceptable'.¹²³ On 10 June 1966, Wilson rejected a request from Rusk that Britain should contribute military aid to Thailand, arguing that this was impossible when there was growing Parliamentary and political opposition to the whole of Britain's East of Suez policy. This was an 'unnatural alliance', in Wilson's opinion, comprising those who held 'extreme left-wing or pacifist views and those who wished Britain to centre all her efforts on Europe'.¹²⁴ Stewart argued that Britain should meet further American pressure by declining each specific request for assistance as it arose, even though this would be likely to lead to the 'maximum ill will'. He had it in mind to propose to Britain's allies that there should be a case by case study of the problems in South-East Asia, in the course of which 'we should make clear the reasons for our view that it would not be appropriate to commit white troops in a counter insurgency role'. Stewart accepted that this would be 'most unwelcome to our allies in the existing situation, but saw "no alternative"'. In discussion there was general agreement that, as soon as confrontation had come to an end, Britain should seek to remove UK forces from Borneo as quickly as possible, before any renewal of incidents which might lead the Malaysian government to request their assistance. In considering Britain's future military posture, ministers agreed on the need to have 'regard to the increasing pressure on the United Kingdom economy and to the difficulty of our sustaining the oversea expenditure which would be required to maintain even the substantially lower level of forces postulated by the Defence Review'.¹²⁵

Stewart was surprisingly pleased by the reception he received at the four power talks in Canberra, informing the DOPC that these 'had been less difficult than he expected', it being agreed that there should be discussions (at an official level) of the problems of the area, on a country by country basis, in order to define the respective roles of Britain, Australia, New Zealand and the United States. On route back to London, he

¹²³ DOPC minutes, 17 June 1966, CAB 148/25.

¹²⁴ 'Record of Conversation between the Prime Minister Mr Rusk, the US Secretary of State, at 10 Downing Street', 10 June 1966, PREM 13/890. As regards Singapore, Wilson told Rusk that Britain's retention of the military base was 'criticised at present in Britain as a symbol of the Kiplingesque quality of our Far Eastern policy'.

¹²⁵ DOPC minutes, 17 June 1966, CAB 148/25.

also visited Djakarta, Kuala Lumpur and Singapore. Having spoken to Malik, Indonesia's Foreign Minister, Stewart was convinced that confrontation would soon end, given fears in Indonesia about the damaging economic impact of continuing the conflict. In Kuala Lumpur, Stewart had told Tun Razak, Malaysia's Defence Minister, that once confrontation was over Britain would wish to hand over military responsibility to Malaysian forces and withdraw troops from the Borneo territories as rapidly as possible; and once they had left they would not return. Stewart was disappointed with Razak's response, finding the atmosphere 'depressing', a situation not helped by the anti-British statements which Malaysian ministers were inclined to make in the press. In Singapore, Lee Kuan Yew was concerned that the Indonesian government was not acting in good faith, believing that Britain's withdrawal would result in Indonesia's annexation of North Borneo and Sarawak, as a prelude to an attempt to seize power in Singapore. In assessing the broad geo-strategic situation, Stewart thought that Britain's two main allies in South-East Asia were insular in their thinking, finding it 'discouraging that in Singapore and Kuala Lumpur the leaders were more pre-occupied with suspicions of each other than with the threat of China'. Such concerns found little sympathy in the Treasury: Callaghan suggested that it was necessary to achieve 'the maximum economies in defence expenditure in the minimum time', involving withdrawal of troops stationed in the Borneo territories as soon as possible. Whilst recognising that Britain had a moral obligation to defend Australia in the event of an external attack, Callaghan indicated that it did not follow that for this purpose it was necessary to maintain bases in the area, whether in Singapore or in Australia itself.¹²⁶

When the government was forced to undertake a number of restrictive economic measures in July 1966, following severe and persistent speculation against sterling, Healey's budget was cut again, from £2,000 million to £1,850 million (at 1964 prices). Accordingly, a second Defence Review was initiated in the middle of 1966, finally being

¹²⁶ DOPC minutes, 5 July 1966, CAB 148/25.

completed in July 1967. This time emphasis was placed on reducing military commitments in the interests of relieving pressure on the balance of payments. Labour's *Supplementary Statement on Defence Policy*, published on 18 July 1967, announced a phased withdrawal of UK forces from Malaysia and Singapore, halving British forces in the Far East from 80,000 to 40,000 by 1970-71, as a prelude to final withdrawal in the mid-1970s.¹²⁷ By setting down plans for a final withdrawal from South-East Asia, Wilson's government had crossed the Rubicon, marking psychological acceptance of Britain's inability to occupy a genuine extra-European role. The devaluation of sterling - which followed a few months later on 18 November 1967 - only accelerated this process of retrenchment.

In March 1967, George Brown, Stewart's replacement at the Foreign Office, told McGeorge Bundy, Executive Secretary of the Special Committee of the National Security Council, that 'his own view was that there was no point in maintaining a British presence on the East Asian mainland'. This statement clearly contradicts Jeffrey Pickering's portrayal of Brown as an obstinate Bevinite.¹²⁸ It is also necessary to revise John Darwin's contention that it took devaluation and an unlikely alliance of Jenkinsite Europeanists and the Labour left to overcome 'the last ditch resistance' of Bevinite cabinet ministers (namely Brown, Healey, Callaghan and Stewart), in order to 'extract the final avowal that the last vestiges of the imperial role were at an end'.¹²⁹ Brown travelled to Washington for quadripartite talks in April 1967, where he informed the American, Australian and New Zealand representatives that Britain planned: firstly, to halve the British forces stationed in Malaysia/Singapore by 1970-71; secondly, leave South-East Asia completely by the mid-1970s (between 1973 and 1977); and, finally, announce these decisions to Parliament, when it rose in July. Prior to the quadripartite talks, this decision was leaked to Henry Brandon, Chief Washington Correspondent for

¹²⁷ *Supplementary Statement on Defence Policy*, Cmnd 3357, (London: HMSO, 1967).

¹²⁸ Pickering, *East of Suez*, p. 156.

¹²⁹ J. Darwin, 'British Decolonisation Since 1945: A Pattern or a Puzzle?', *The Journal of Imperial and Commonwealth History*, vol. 12, No. 2, (1984).

the *Sunday Times*, who wrote: 'The British cabinet is about to make an historic decision: A major withdrawal of British forces from the Far East much earlier than contemplated'. The US Embassy in London informed the Australian High Commission that they suspected Brandon had obtained his story from Brown, believing that the Foreign Secretary was trying 'not only to effect a major withdrawal but at the same time exploit the opportunity to seek help especially from the Americans in maintaining the military residue in Singapore and Malaysia'.¹³⁰ If true, greater importance is attached to the need for a revision of Pickering and Darwin's interpretation of Brown's role in bringing about British retrenchment from East of Suez. Rusk firmly opposed the policy course outlined by Brown, rejecting the idea that Britain should withdraw whilst the Americans were still heavily involved in Vietnam.¹³¹ By this stage, however, British retrenchment from South-East Asia had become an inevitability, even if this negatively impacted upon American opinion and the 'special' relationship. By announcing a timetable for withdrawal in 1967 (prior to devaluation), officials hoped to disarm and weaken opponents of the British presence. Brown tried to assuage American anxieties by reiterating that Britain would retain some air and sea capability in the region, whilst re-emphasising that 'white forces on the ground could become an embarrassment and a liability', an argument first mooted by Selkirk in 1961.¹³² Brown in fact repeated this argument *ad nauseam*:

The more Britain could release herself from the attacks of the professional anti-colonialists the less it would be possible for her enemies to undermine the position of the West in Asia . . . It was necessary to think of the role of the West in tomorrow's context rather than of yesterday.¹³³

¹³⁰ Australian High Commission in London to Department of External Affairs (Inward Cablegram), 18 April 1967, NAA: A1838/1728304.

¹³¹ 'British Plan East of Suez', April 20, 1967, *FRUS: Mainland South-East Asia; Regional Affairs*, vol. XXVIII, Document 90.

¹³² 'Record of conversation between Brown and Rusk', 18 April 1967, PREM 13/1455.

¹³³ 'Record of conversation between Brown and McNamara', 18 April 1967, PREM 13/1455.

On 21 April, Rusk urged Brown to postpone the planned announcement to withdraw from the Singapore/Malaysia bases by the mid-1970s, warning him that the United States had no intention to fill the resulting power vacuum: 'If there is any thought that we might be able to take on your commitments when you left, as we did in Greece, I must say at once that there is no sentiment in this country to take on additional commitments in any area'.¹³⁴ On the same day, Sir Alexander Downer, Australian High Commissioner in London, met Michael Halls and Michael Palliser, Wilson's two principal private secretaries, informing them that Brown's plans would be 'disastrous' for Commonwealth relations. In reply, Halls and Palliser argued that in future Britain's military obligations in South-East Asia would have to be discharged by 'speedy air transport' rather than by maintaining 'expensive' military bases.¹³⁵ At this time, it should be noted, cabinet ministers were becoming increasingly occupied by Britain's policy towards Europe, fearing that the maintenance of a significant extra-European role might prejudice the declared policy aim of joining the EEC. (The Labour government announced its decision to apply for EEC membership on 2 May 1967. At a press conference on 16 May, President de Gaulle ruled out British membership, citing the disruptive effects of the continuing sterling crisis on the process of economic integration). Tom Critchley, Senior Foreign Affairs Representative at Australia House in London, was given this impression at a diplomatic reception held by Downer, when he was given the opportunity to talk with senior cabinet ministers, many of whom were in 'unusually relaxed mood' following the announcement of Britain's decision to join the EEC. Callaghan, another figure portrayed by Pickering as a Bevinite, left Critchley with the 'impression that other priorities (i.e. Europe) were more important than South-East Asia'. This view was 'confirmed' by Callaghan's conversation with Downer, when he explained retrenchment from East of Suez in terms of his 'great concern' over the heavy cost in the short term of joining the EEC, and of the need to find savings in

¹³⁴ Rusk to Brown, 21 April 1967, *FRUS, Western Europe*, vol. XII, Document 269.

¹³⁵ Downer to Holt (inward telegram), 21 April 1967, NAA: A1838/1728304.

foreign exchange to meet it.¹³⁶ By 1967 the central thrust of British foreign policy had begun to turn away from East of Suez towards Europe. On 12 May 1967, Palliser told the Prime Minister that his credibility in Paris would only 'increase if he [de Gaulle] thinks that we do not intend to stay in Singapore'. Palliser advocated a stronger line against Britain's SEATO allies, arguing that the UK had in 'the past two years allowed the Americans and Australians to twist our arms and force us to backtrack. If we let them do it again, we shall not increase their respect for us but only their suspicion - which is already intense'.¹³⁷

On 30 May 1967, cabinet ministers considered the issue of Far East Defence policy, which was analysed in the context of the defence expenditure studies being conducted by Whitehall. Healey informed his colleagues of the discussions he and Brown had had with the United States, Australia, New Zealand, Malaysia and Singapore, all of which opposed Britain's withdrawal from Singapore/Malaysia by the mid-1970s, rejecting the suggestion that this intention should be announced in July when the defence expenditure studies would be completed. It was agreed that the 'main objective' of policy should be to obtain the acquiescence of Britain's allies in the plan to remove UK forces from Singapore/Malaysia. If this were to be achieved, Wilson believed that it would be necessary to 'pay a price', namely confirming a willingness to maintain a 'military capability for use' beyond the mid-1970s.¹³⁸ During a visit to Washington in early June, President Johnson expressed to Wilson his strong opposition to Britain's intention to leave the mainland of Asia (save for Hong Kong) in the mid-1970s, being unimpressed by the decision to maintain a 'military capability for use' in the area.¹³⁹ With some degree of justification, Rusk told the Australians that this phraseology was so 'ambiguous as to be meaningless'.¹⁴⁰ In spite of such opposition,

¹³⁶ Australian High Commission in London to Department of External Affairs (Inward Cablegram), 3 May 1967, NAA: A1838/1728304.

¹³⁷ Palliser to Wilson, 12 May 1967, PREM 13/1455.

¹³⁸ Cabinet minutes, 30 May 1967, CAB 128/42.

¹³⁹ Cabinet minutes, 6 June 1967, CAB 128/42. Wilson also discussed his meeting with President Johnson in *The Chariot of Israel: Britain, America and the State of Israel*, (London: Weidenfeld and Nicolson/Michael Joseph, 1981), pp. 346-347.

¹⁴⁰ 'Summary of Cables for Prime Minister', 5 June 1967, NAA: A1209/1160399.

Whitehall was convinced that plans for withdrawal must be brought to fruition, even if Britain's allies in South-East Asia resented such a policy. On his return from Washington, Wilson informed the cabinet:

[the] US Administration realised that we should take our decision in the light of our own interests, after considering the views of our allies. They were anxious that we should succeed in our application to join the European Communities and recognised that in the course of our negotiations it would be necessary for us to present the Anglo-American relationship in a manner which would involve the least incompatibility with our profound desire to become more European in our outlook and policies.¹⁴¹

The Australian and New Zealand governments expressed indignation at Britain's intention to withdraw, urging the need to keep a small Commonwealth force on the mainland. On 12 June 1967, Jack Marshall, Deputy Prime Minister of New Zealand (representing the views of Keith Holyoake, who had to attend a Budget Debate), 'pleaded most insistently' that the Commonwealth Strategic Reserve and the Commonwealth Brigade be maintained, as they provided 'tangible evidence' of the continuing utility of the Commonwealth.¹⁴² The next day, Harold Holt told Wilson that any unequivocal statement 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 in particular and generally throughout the Far East'.¹⁴³ In response, Healey insisted that it was possible for Britain to defend Western interests in South-East Asia 'without any military presence'. The result of careful analysis in the Treasury had shown that the British defence budget could not be maintained at the level planned 18 months ago (£2,000 million in 1964 constant prices) because the assumptions then made about economic growth had not been fully realised. There was a need to make

¹⁴¹ Cabinet minutes, 6 June 1967, CAB 128/42.

¹⁴² 'Record of conversation between Wilson and Marshall at 10 Downing Street', 12 June 1967, PREM 13/1456.

¹⁴³ Record of conversation between Wilson and Holt at 10 Downing Street, 13 June 1967, PREM 13/1456.

public expenditure cuts across the board - cuts could not be made at home if defence expenditure abroad was left untouched. Healey informed the Australian delegation that fixed military bases were 'very expensive' to maintain, arguing that the new aircraft and carrier facilities would make an 'important contribution' to stability, and that British troops could be flown to the area for internal security purposes - the result would be a 'substantial capability' in the Far East, even if there were no bases after 1975. In reply, Holt argued that British defence policy should not be overly informed by European opinion, suggesting that Britain's place in the Commonwealth - and indeed the Commonwealth itself - was greatly affected by the extent to which Britain demonstrated a preparedness to participate in affairs outside Europe.¹⁴⁴ On the next day, Callaghan told Holt that British decisions about defence had to take account of three major factors - the international political situation, which affected all parties; the move towards Europe; and the 'hard' financial and economic facts.¹⁴⁵ Prior to leaving for Australia, Holt invited Wilson to consider the consequences of a complete withdrawal from South-East Asia on the UK's 'world position', stressing that it would be impossible for any other country to 'discharge Britain's historic role'.¹⁴⁶

On 6 July 1967, when the cabinet met to discuss world-wide defence policy, Healey argued that the background to the decisions to be announced in the forthcoming Defence White Paper were very different from that of the earlier Defence Review. Then it had been possible to find £300 million out of the saving of £400 million (at 1964 prices) in defence expenditure for 1969-70 by obtaining better value for money, leaving something under £100 million to be saved by changes in policy and commitments and in the size of the forces following the end of confrontation. Healey warned his colleagues that there was now no further scope for savings without cutting the

¹⁴⁴ 'Record of Discussion between Mr Wilson and Mr Holt at 10 Downing Street', 13 June 1967, NAA: A1209/3053929.

¹⁴⁵ 'Note of Discussions between the Prime Minister and the Rt. Hon. James Callaghan MP, Chancellor of the Exchequer',

14 June 1967, NAA: A1209/3053929; "Record of Conversation between the Chancellor of the Exchequer and the Prime Minister of Australia, at the Treasury", 14 June 1967, PREM 13/1456.

¹⁴⁶ Holt to Wilson, 16 June 1967, PREM 13/1456.

capability of UK forces; moreover, the proposals before the cabinet to reduce defence expenditure in 1970-71 by a further £200 million, rising by 1975-76 to £300 million, would have to come entirely from a reduction in Britain's military capability, with 'consequent reductions in our commitments and changes in our oversea policy'. About two-thirds of the reduction in expenditure would flow directly from a decision to withdraw from Singapore and Malaysia (as well as the Persian Gulf) by 1975. By this date, Britain would have no forces permanently stationed outside Europe, with the exception of those located in Hong Kong and a number of strategically important stationing posts. Accordingly, Britain's world role would be reduced to discharging its responsibilities for the defence of the remaining dependent territories, to British communities abroad, and making a contribution to peacekeeping. Healey then invited the cabinet to make a decision on whether the naval and amphibious element of the military capability that was to be available for use in the Far East after Britain's withdrawal from Singapore/Malaysia should be provided for by facilities in Australia, Singapore, or in the UK itself. If Britain were to be able to justify these reductions in the size of its forces and changes in their deployment, Healey thought it essential that the tasks of the forces be commensurate with resources; in particular, it would be necessary to scale down Britain's force declarations to SEATO and to 'change drastically' the scale of the military assistance that was to be provided to Malaysia and Singapore.¹⁴⁷

Representing opinion on Labour's left-wing, Richard Crossman, Lord President of the Council and Leader of the House of Commons, questioned whether Healey's proposals went far enough. Although he recognised that the policies that emerged from the defence expenditure studies were 'less inadequate' than those which had transpired from the earlier Defence Review, Crossman felt that the new proposals would 'not stand the test of time', arguing that it would 'not be credible' to announce a plan to

¹⁴⁷ Cabinet minutes, 6 July 1967, CAB 128/42.

withdraw from the Far East (and Middle East) over a period of eight to ten years, during which time Britain's military strength would steadily and obviously diminish. Crossman argued that 'events would overtake us and we should be forced to withdraw more quickly'. As regards Malaysia and Singapore, Crossman suggested that it would be wrong for Britain to commit itself to maintaining 'large and expensive' amphibious and air forces in the Far East after 1970; in view of recent events in South Arabia, he maintained that it would be wrong for the UK to undertake to provide sophisticated forces which the local governments could not afford to maintain. Accordingly, Crossman asked that the cabinet accept a revised timetable, envisaging complete evacuation of the mainland within five years. Britain's attitude to aid for Singapore and Malaysia, Crossman contended, should not be that 'we had a responsibility' for making good the damage to the economies of these two countries caused by the withdrawal of UK forces, since this would involve heavy and increasing expenditure on aid; instead, he proposed that the government adopt the principle that Britain would be prepared to pay somewhat higher amounts of aid if the governments concerned co-operated in the rapid withdrawal of UK forces and that these would be reduced if the rundown went more slowly.¹⁴⁸

Despite such reservations, the 'general view' of the cabinet favoured the proposals outlined by Healey: to plan on the basis of an even faster withdrawal, as suggested by Crossman, would not be 'realistic'. The cabinet agreed that consultations with the United States, Australia, New Zealand, Malaysia and Singapore should seek their acquiescence in plans to reduce UK force levels in Singapore by about half by 1970-71, and to withdraw from Singapore and Malaysia by 1975-76. These countries were 'much concerned' at the proposal for final withdrawal, being 'unanimously opposed' to any announcement of a final date for departure - on these grounds alone, Britain could not contemplate going back to its allies with proposals for an earlier final withdrawal. In

¹⁴⁸ *ibid.*

any event, Britain could not 'usefully plan' for a more precipitate departure, particularly from Singapore where the local economy was heavily dependent on the presence of British forces; if Britain withdrew more rapidly than was proposed, the rise in local unemployment might give rise to 'economic and social chaos'. If this resulted in the collapse of Lee Kuan Yew's government, on whom Britain was depended to ensure an orderly withdrawal, the lives of British civilians might be endangered, and it was estimated that £700 million of British assets might be lost.¹⁴⁹ In a letter to President Johnson explaining the rationale underpinning British policy, Wilson argued that it was a 'nonsense' for the UK to provide ground troops to defend Asian countries who had it in their power to train and provide their own, maintaining that it would be 'simply impossible' to avoid giving some public indication of Britain's intentions.¹⁵⁰

This decision resulted in a depreciation of Britain's stock in Washington, where opinion was moving in the direction of the stance adopted by the State Department, which believed that it was wrong to force the UK to pursue policies that would undermine the Wilson government's application to join the EEC. The White House/US Treasury/Pentagon nexus increasingly recognised the inconsistency of demanding that Britain retain sterling's parity with the dollar, whilst simultaneously opposing the abrogation of British extra-European commitments. Washington's foreign policy-making establishment had come to accept that there was no way of reversing British policy, although this did not preclude serious criticism over the plans to withdraw from Singapore and Malaysia. Unremitting economic difficulties and the continued weakness of sterling conspired to push the Wilson government in the direction of retrenchment, even if this undermined the strength of Commonwealth and Anglo-American relations, a development policy-makers had long sought to avoid.

¹⁴⁹ *Ibid.*

¹⁵⁰ Wilson to President Johnson, 13 July 1967, *FRUS, Western Europe*, vol. XII, Document 273.

'Never Glad Confident Morning Again': The Impact of Devaluation.

On 4 January 1968, at a meeting of the cabinet, Roy Jenkins, Callaghan's replacement as Chancellor of the Exchequer, informed his colleagues that a successful devaluation depended on 'establishing the balance of payments beyond doubt'. In order to restore foreign confidence in sterling, Jenkins argued that it would be necessary to increase taxation (both direct and indirect) and restrain public expenditure, involving large cuts in defence and overseas spending. He suggested that Britain 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-1970s. On these proposals he differed from the ministers responsible for overseas and defence policy, who *accepted* the principle of withdrawal, but felt that it should not be completed until the end of the financial year 1971-72. Jenkins believed that the question of timing was a 'significant one', since the earlier date he proposed could be completed within the lifetime of the 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'. It was essential that these reductions in commitments should be seen to be reflected in a corresponding reduction in expenditure on defence equipment and personnel and consequential structural readjustments in UK forces.¹⁵¹

Having considered the Chancellor's proposed 'post-devaluation measures', cabinet ministers turned their attention to a memorandum on reductions in defence commitments, co-written by the Foreign Secretary, George Brown, and the Commonwealth Secretary, George Thomson. Brown did not question the need to withdraw from East of Suez; however, he believed that the Chancellor's proposals failed to address the practicability of withdrawing before the end of the financial year 1971-72. Britain had secured the acceptance of its allies in the decision to retreat from

¹⁵¹ Cabinet minutes, 4 January 1968, CAB 128/43.

the Far East by not giving a precise date for withdrawal, stating that it would be in the 'middle 1970s', and promising a continued military capability for use in the area thereafter. Given that cuts would be necessary in domestic expenditure, ministers in the 'overseas' departments did not oppose accelerating the process of retrenchment, but they did believe that Jenkins' proposals would entail serious risks to regional stability. Brown and Thomson were firmly of the view, and it was also the unanimous opinion of their senior advisers, that the earliest date which would be 'tolerable' for the completion of withdrawal would be 31 March 1972. Substantiating his argument on the potential risk of instability, Brown pointed out that withdrawal would place 60,000 Singaporeans, directly deriving their employment from British forces, on the labour market; this might provoke widespread unrest, possibly leading to the overthrow of Lee Kuan Yew's government and its replacement by a Communist regime. 'One year's delay . . .', Brown contended, '. . . could make a very considerable difference'. The Chancellor's suggested date for withdrawal would lead to an even more 'serious diminution' of British influence in the Far East, an area where the UK would still retain important economic and political interests. Once UK forces had departed, Britain would depend more than ever for the protection of those interests on the good will of local administrations, leading Brown to the not unreasonable conclusion: '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'.¹⁵²

Thomson also accepted that the decision to withdraw from the Far East had already been taken, acknowledging that the issue under consideration was the date of withdrawal. To advance withdrawal to 1970-71 from 1971-72, he argued, would produce no savings in 1968-69 and only £5 million in 1969-70. Whilst endorsing Brown's arguments on the potential for instability in Singapore, he also indicated that

¹⁵² *ibid.*

an extra year would be important for consolidating relations with Malaysia, Singapore, Australia and New Zealand. Thomson informed the cabinet that he was leaving on 5 January for the Far East, where he would explain to Britain's Commonwealth allies the reasons for undertaking a faster withdrawal, even though this was only a few months after reassuring them that the Defence Review would be the last in the lifetime of the Parliament. Another consideration pointing to a later rather than an earlier withdrawal was the fact that Britain had 35,000 servicemen and 12,000 dependents in Singapore and Malaysia; if disorder broke out in these countries, their evacuation might become dangerous and expensive.¹⁵³

During cabinet discussion, it was claimed that Britain's 'credibility as a nation was involved'. A failure to withdraw by 1970-71, it was agreed, would send the wrong signal to Britain's allies:

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 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.

Having weighed up the arguments for and against an accelerated withdrawal, in some detail, cabinet ministers found in favour of withdrawing from the Far East (and Persian Gulf) by the end of the financial year 1970-71. The cabinet decided that Britain should 'not abrogate unilaterally' the Anglo-Malaysian Defence Agreement, but it was agreed that the UK should seek to negotiate with the Malaysian government a 're-interpretation of it, in order to bring it into conformity with our new policy'. The cabinet accepted that Britain should not retain a 'special capability' for use (which the Americans considered

¹⁵³ *ibid.*

worthless, anyway) in the Far East after withdrawal: Britain's general military capability in Europe, it was agreed, would be available for deployment overseas, if circumstances so required - it was hoped that this would provide some re-assurance to Britain's Commonwealth partners and allies. Cabinet ministers concurred that it was unnecessary to withdraw from SEATO, provided there was no question of having to supply additional military forces and equipment, since Britain's only responsibility was to consult the members and there was no obligation to provide forces.¹⁵⁴

On 11 January 1968, Brown travelled to Washington to discuss the implications of devaluation, informing Rusk that Britain had 'lost the battle [to defend sterling's parity with the dollar at £1: \$2.80] . . . because they had been trying to do too much at home and abroad with too slender resources'. Having been informed of the intended post-devaluation measures, Rusk told Brown that he was 'profoundly dismayed' by the proposed withdrawal from South-East Asia and the Persian Gulf, being particularly disturbed by the intention to announce these decisions almost straightaway. Setting aside diplomatic protocol, Rusk asserted 'be Britain', telling Brown that retrenchment would have 'profound and detrimental implications' for both the US and UK, dismissing as of 'no consequence' the idea that British forces located in Europe could support SEATO and CENTO. Rusk feared that this decision would undermine the position of the West in the Cold War, heralding as it did Britain's final retreat from the extra-European world: 'this represented a major withdrawal of the UK from world affairs, and it was a catastrophic loss to human society. . . We were facing a difficult period in world affairs and Britain was saying it would not be there'. Mistakenly believing that Brown had a 'reputation for being soft spoken', Rusk urged the Foreign Secretary to 'add several decibels when he conveyed these views to the Cabinet'.¹⁵⁵ On the same day that Rusk held discussions with Brown, President Johnson sent a telegram to Wilson, explaining the American position in the bluntest terms: 'I cannot conceal from you my

¹⁵⁴ *ibid.*

¹⁵⁵ 'Memorandum of Conversation between Rusk and Brown', 11 January 1968, *FRUS, Western Europe*, vol. XII, Document 288. For Brown's account of the meeting see Cabinet minutes, 12 January 1968, CAB 128/43.

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'.¹⁵⁶

Tied up with retaining the capability to intervene in the Far East was the contentious issue of whether to cancel the order to purchase fifty F-111 aircraft from the United States. Preserving some residual ability to undertake military operations in the Far East depended on retaining the F-111 contract, as only these aircraft had the range and overall capability for rapid deployment from Europe. The Chancellor said that the total cost of the F-111 aircraft over the period up to April 1976 would be £400 million. If the order were cancelled, Britain would incur 'nugatory' expenditure of some £54 million (mostly in dollars), thus making it possible to secure a total saving over a ten-year period of £350 million. The saving in 1969-70 would be £10 million, and in 1970-71 would be £20 million, with larger savings in subsequent years. The ratio of cancellation costs to savings was much more favourable in respect of the F-111 than it would be to cancel the order for Phantom aircraft or to withdraw from the Concorde project. Britain had embarked on a substantial procurement programme of American aircraft, costing £800 million in total; but the F111, the Chancellor maintained, was the only aircraft which could be cancelled on reasonable terms. When the British government originally agreed to the purchase of the F-111's, Jenkins pointed out that the case for its acquisition had been made 'primarily in terms of our role in the Far East'. Despite Jenkins' strong argument for cancelling the F-111 order, a policy that was supported by a majority of his colleagues, Wilson left it open to Healey to present at the next meeting of the cabinet proposals for alternative measures to secure equivalent savings in the defence field.¹⁵⁷ When the cabinet next met on 12 January, Healey and Brown were unable to convince their fellow ministers of the need to retain the F-111 order, despite arguing that it was crucial to Britain's 'credibility' with nations

¹⁵⁶ President Johnson to Wilson, 11 January 1968, *FRUS, Western Europe*, vol. XII, Document 289.

¹⁵⁷ Cabinet minutes, 4 January 1968, CAB 128/43.

outside Europe. Following press reports that the cabinet had decided to cancel the F-111 order, President Johnson wrote to Wilson to convey his 'extreme concern', contending that Britain must retain the capability to act 'speedily' in the Far East from its own bases, as this would help smooth the process of British retrenchment. If Britain decided to forego the acquisition of the F-111, Johnson informed Wilson, 'everyone here will regard this as a total disengagement from any commitments whatsoever to the security of areas outside Europe and, indeed, to a considerable extent in Europe as well'.¹⁵⁸ Although this letter was put before the cabinet on 15 January 1968, ministers agreed to reaffirm the previous decision to cancel the F-111 order.¹⁵⁹

Unsurprisingly, Thomson's mission to Malaysia, Singapore, Australia and New Zealand was unsuccessful in convincing Britain's Commonwealth allies as regards the merits of an accelerated withdrawal. In Kuala Lumpur, Tun Razak, Malaysia's Foreign Minister, kept returning to the effectiveness the Anglo-Malaysian Defence Agreement would have in the context of the new withdrawal schedule. The Tunku did not welcome Thomson's suggestion that Britain's 'special capability' in the area would be replaced by a 'general capability' in the UK. On 9 January 1967, Lee Kuan Yew called the Australian and New Zealand High Commissioners to 'what was virtually a meeting of his inner cabinet', in order to discuss the best strategy to adopt with Thomson, who he was due to meet later that afternoon. In a cablegram to the Australian Department for External Affairs, A. J. Parsons, Australia's High Commissioner in Singapore, informed his superiors that 'Singapore was going to play a hard and tough line with the British'. Lee said that although an acceleration of British withdrawal would mean economic problems for Singapore, the defence and military implications were of even greater concern. It would be impossible to train an army, acquire technical skill to operate modern equipment, build up an air force and navy, work out a quadripartite command structure between Australia, New Zealand, Malaysia and Singapore, and to improve

¹⁵⁸ President Johnson to Wilson, 15 January 1968, *FRUS, Western Europe*, vol. XII, Document 290.

¹⁵⁹ Cabinet minutes, 15 January 1968, CAB 128/43.

Singapore's relationship with the Malaysians, all in the space of two or three years. Having failed to convince the UK of its 'historic role' and 'wider responsibilities' in the area, Lee would consider withdrawing Singapore's sterling reserves (£200 million) in London to try and force a reversal in British policy, informing Parsons that this was the 'only language that Roy Jenkins understands'.¹⁶⁰ Lee gleaned some hope from Thomson that the final withdrawal date might be negotiable, gaining an invitation to discuss the new cuts in London on 14 January. In seeking to defer the date of withdrawal, Australia, New Zealand, Singapore and Malaysia were essentially concerned with buying time, recognising that a British General Election was fairly imminent and that a Conservative government might be inclined to implement a less radical programme of retrenchment - precisely what Jenkins feared. Arthur de la Mare, UK High Commissioner-Designate to Singapore and previously Assistant Under-Secretary of State for Far Eastern Affairs at the Foreign Office, indicated to the Australians that Labour ministers regarded Britain's presence East of Suez with 'utmost suspicion' and would not 'examine rationally the interests involved'. De la Mare felt that a small presence could be kept at little cost, but only if the countries in the region put 'sufficient pressure' on Wilson to postpone the date of withdrawal into 1972, by which time there 'might be a new government'.¹⁶¹ On his visit to London, Lee emphasised the potential military, financial and geo-political ramifications if Britain failed to undertake a more protracted withdrawal. In reply, Wilson was not prepared to go beyond saying that Lee's views would be taken into consideration when the cabinet made its final decision the next day.¹⁶²

When the cabinet met on 15 January 1968 to discuss the date of withdrawal from the Far East, Thomson presented his colleagues with a memorandum on his discussions with Australia, New Zealand, Malaysia and Singapore. After accurately representing

¹⁶⁰ Australian High Commission in Singapore to Department of External Affairs (Inward Cablegram), 10 January 1968, NAA: A1838/1728306. Also available at www.naa.gov.au.

¹⁶¹ Australian High Commission in London to Department of External Affairs (Inward Cablegram), 12 January 1968, NAA: A1838/1728306.

¹⁶² 'Lee-Wilson meeting', 14 January 1968, PREM 13/2081.

the views of the four respective governments, Thomson urged the cabinet to fix the date for withdrawal at 31 March 1972, as this would be of 'great value' in enabling economic and defence planning to proceed with 'some prospect of success'. By showing willingness to take some practical account of the representations made by the countries involved, it would also be possible to reduce the risk of retaliatory financial action. To substantiate this point, Brown set before the cabinet a letter from the Governor of the Bank of England to the Permanent Secretary to the Treasury, addressing the possible implications of withdrawal from the Middle and Far East for sterling. After lengthy discussion, cabinet ministers agreed that Britain's withdrawal from Singapore and Malaysia should be completed by the end of 1971 and that these decisions should be announced in the forthcoming statement on expenditure cuts.¹⁶³

On 16 January 1968, as part of the devaluation measures, Wilson announced Britain's intention to withdraw all its forces from Malaysia and Singapore by December 1971.¹⁶⁴ There was to be no attempt to establish alternative base facilities in Australia, as Britain's deployment in South-East Asia was run down to inconsequential levels. This marked the end of Britain's role as joint policeman (if only as a junior partner) in the region. Britain simply no longer had the resources or desire to occupy such a role: British society had become more consumerist in outlook and more expectant of the State in terms of social provision, particularly in the fields of education and health care. The Keynesian-Beveridge consensus, which dominated post-war political thinking in Britain, was incompatible with the continuation of a British world role. In January 1968, Rusk told George Brown that 'he could not believe that free aspirin and false teeth were more important than Britain's role in the world'.¹⁶⁵ The decision to withdraw from South-East Asia did considerable damage to Anglo-American relations, as evidenced by the annual report of the British Ambassador in Washington, Sir Patrick Dean, who suggested that 'subsequent Administrations will be liable to consult with us less and

¹⁶³ Cabinet minutes, 15 January 1968, CAB 128/43.

¹⁶⁴ Harold Wilson, 16 January 1968, *Parl. Papers* (Commons), vol. 756, cols. 1578-1582.

¹⁶⁵ Record of meeting at the State Department, 11 January 1968, PREM 13/2081.

take us less into their confidence about areas of the world from which we are consciously opting out'.¹⁶⁶ Britain's relations with Australia, New Zealand, Malaysia and Singapore were also damaged by withdrawal. Paul Hasluck, Australian Minister for External Affairs, ruefully remarked to George Thomson that this policy reduced 'Britain to a status as little as Italy and a little more than Sweden'.¹⁶⁷ As demonstrated in the preceding chapters of this thesis, this was something that consecutive British governments had consistently sought to avoid.

Summary.

Britain's disengagement from its remaining colonial responsibilities (except Hong Kong) in the Far East - Singapore, Borneo, Brunei and Sarawak - was based more on a pragmatic response to changing circumstances rather than a principled approach to decolonisation. When establishing 'Greater Malaysia', Whitehall was anxious to establish a viable federal state, create a bulwark to Sino-Soviet expansionism, and secure Britain's continued use of the naval base facilities in Singapore. In regard to the perceived value of Britain's military presence in South-East Asia, Whitehall was divided for most of the period encompassed by this thesis. On the one hand, Treasury and Board of Trade civil servants questioned the wisdom of Britain's commitments to Malaysia and Singapore, maintaining that the military capability required to uphold these obligations consumed an intolerably large percentage of overseas defence costs. On the other hand, officials in the 'overseas' departments viewed UK forces in the Far East as having 'political and prestige significance'. Between 1959 and 1963, Whitehall was reluctant to contemplate withdrawal from South-East Asia for three fundamental reasons: firstly, Britain's departure from South-East Asia was seen as likely to damage its reputation in Washington, Canberra and Wellington; secondly, officials were

¹⁶⁶ 'United States: Annual Review for 1967', Dean to Brown, 5 January 1968, FCO 7/738.

¹⁶⁷ Thomson to Wilson, 12 January 1968, PREM 13/2081.

genuinely apprehensive about the destabilising effect of immediate withdrawal, holding to the belief that it would be harmful to Western interests to allow developing nations to come under Communist influence; thirdly, policy-makers remained committed to the idea of a British world role. In mid-1963, senior cabinet ministers began to consider the possibility of undertaking a major military withdrawal from the region, so as to bring down the level of defence expenditure. This policy was impeded by Indonesian 'confrontation' against Malaysia, which prevented the Conservative government from demobilising UK troops stationed in the region faster than might have otherwise been the case; in fact, as 'confrontation' with Indonesia persisted, Britain actually had to increase the size of its military deployment, a policy that ran counter to the previously espoused objective of reducing the cost of international defence commitments.

Although the Labour government committed itself to reducing defence expenditure in the Far East to £186 million (at 1964 prices) by 1969-70, it was initially reluctant to forgo Britain's role in the region. The process of British retrenchment from South-East Asia essentially began with the 1966 Defence Review, which severely restricted Britain's capability by cancelling the Royal Navy's new aircraft carriers. The 'July Crisis' of 1966 forced Whitehall to undertake a second Defence Review, culminating in the release of the Labour government's *Supplementary Statement on Defence Policy*, a document stipulating that UK forces in the Far East would be halved by 1970-71 and completely withdrawn by the mid-1970s. This was the key moment in regard to the decision to withdraw from South-East Asia. When devaluation came on 18 November 1967, Britain's withdrawal was merely accelerated. This undermines Jeffery Pickering's contention that Jenkins's appointment as Chancellor was pivotal in British retrenchment from East of Suez. Up until the release of the July 1967 Defence White Paper, British policy was to a large extent informed by the concerns of Australia, New Zealand, Singapore, Malaysia and the United States. Although the Labour government was willing to listen to representations from these governments after this date, Whitehall had accepted the economic illogicality of retaining Britain's extant

commitments. Senior ministers, including those who have traditionally been described as 'Bevinites' (such as Callaghan, Healey, Brown and Stewart), adopted a more realistic stance - with regard to the sustainability of Britain's position in South-East Asia - than has thus far been recognised. By demonstrating Whitehall's proficiency in regard to future planning, particularly through the cabinet committee system, this thesis rejects the contention that a commitment to a global role inhibited a realistic re-appraisal of Britain's defence posture in South-East Asia.

Conclusion.

In 1776, Adam Smith's *An Inquiry into the Nature and Causes of the Wealth of Nations* called for Britain to 'accommodate her future views and designs to the real mediocrity of her circumstances'. The late 1950s and 1960s, some 180 years after the publication of Smith's *magnum opus*, were years in which Britain accommodated her 'future views and designs' to her limited resources, witnessing British decolonisation in Africa and the final decision to end the permanent stationing of UK forces in the Middle East (Aden and the Persian Gulf) and Far East (Singapore and Malaysia). This thesis has sought to explain and assess how Whitehall planned Britain's withdrawal from its extra-European commitments, to the extent that this impacted upon perceptions of the UK's world role. In doing so, it has concentrated on the three main regions of strategic importance - Africa, the Middle East and Far East. Between 1959 and 1968, Britain changed from being a power that occupied a world role to one that had mainly regional interests. This transition was a painful process for the policy-makers concerned, given the powerful forces which conspired to make Britain's global role unsustainable, namely relative economic decline, military overstretch, the emergence of nationalist movements, and increasing anti-imperial sentiment.

By examining Whitehall's attempts to review future policy, this thesis rejects F. S. Northedge's argument that an outdated imperial sentiment permeated the political establishment until economic reality forced Britain to confront the fragility of its position during the late 1960s.¹ Similarly, the research refutes Bernard Porter's contention that 'delusions of grandeur' infused a degree of confusion into the strategic direction of British foreign policy.² Foreign policy development, in the late 1950s and 1960s, was essentially

¹ F. S. Northedge, *Descent from Power: British Foreign Policy, 1945-73*, (London, Allen and Unwin, 1974)

² B. Porter, *Britain, Europe and the World, 1850-1986, Delusions of Grandeur*, (London: Allen & Unwin, 1983).

a cross-departmental process, involving a synthesis of views articulated by the Treasury, Board of Trade, Foreign Office, Ministry of Defence, Colonial Office and Commonwealth Relations Office.

Conservative and Labour ministers were more realistic about Britain's actual international position than has hitherto been appreciated. It is difficult to substantiate Richard Aldous and Sabine Lee's claim that Macmillan's perception of Britain's international status was informed by past British triumphs, a mindset which led him to exaggerate the country's actual power, influence and importance.³ Prior to the Anglo-Malaysian confrontation with Indonesia, for example, Conservative cabinet ministers had actively considered the possibility of withdrawing from the Far East (save Hong Kong), so as to make economies in expenditure. In September 1961, Macmillan argued for a review of commitments in South-East Asia that was both 'radical and imaginative'. Whilst no 'radical' or 'imaginative' change in policy was forthcoming, this initiative (along with several others, including the Macmillan government's 'Future Policy Study, 1960-1970', conducted in 1959-60) demonstrates that ministers and officials were not blind to the need for change. More accurately, a state of paralysis had been established between the proponents of retrenchment and those who favoured the retention of extant commitments. Ministers generally agreed that Britain would have to leave South-East Asia at some point in the future, but differed on the question of timing, given that possession of the Singaporean base facilities served Britain's interests in several ways. Setting aside the serious effects on Britain's relations with Australia, New Zealand and the United States, withdrawal could encourage the spread of Communism, which would represent a 'major defeat' for the West in the wider context of the Cold War.

This thesis also refutes the popularly held belief, recently reiterated by Jeffrey Pickering, that Healey, Brown and Callaghan constituted a 'Bevinite' core within the Wilson cabinet,

³ R. Aldous and S. Lee, *Harold Macmillan and Britain's World Role*, (Basingstoke: Macmillan, 1996).

continuing to resolutely support the East of Suez policy until devaluation. The key moment in regard to the decision to retrench from East of Suez was July 1967, when the Labour government released its *Supplemental White Paper on Defence*, which stipulated that British forces in the Far East would be halved by 1970-71 and completely withdrawn by the mid-1970s. Pickering does not view this announcement as the pivotal event in Britain's withdrawal from East of Suez, regarding the intention to maintain a 'continuing capability' as 'far from superficial'. As the July 1967 Defence White Paper failed to mention any plans to retreat from the Persian Gulf, he also appears to assume that Whitehall had 'no intention' of withdrawing from the Middle East.⁴ The documentary evidence presented in this thesis challenges this assumption. As George Brown informed the cabinet, on 4 January 1968, it would be wrong to suppose that devaluation heralded a 'new major change of policy', since this strategic 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'.⁵ By placing undue emphasis on the 'altered dynamics of Cabinet politics' in late 1967, namely Jenkins' appointment as Chancellor of the Exchequer, Pickering fails to acknowledge that retrenchment East of Suez was under active consideration within Whitehall throughout the 1960s. Employing the vocabulary of political science, Pickering argues that Jenkins was a 'policy entrepreneur, able to almost single-handedly shape a radical policy agenda within a "policy window"'. In an attempt to substantiate his argument, Pickering quotes the new Chancellor on the post-devaluation measures: 'the keynote to this review must be the dependence of the country's standing in the world upon the strength of the economy and not upon a world-wide military presence'.⁶ But to what extent did this represent a 'radical policy agenda'? On 23 March 1960, when senior

⁴ J. Pickering, *Britain's Withdrawal from East of Suez: The Politics of Retrenchment*, (London: Macmillan, 1998).

⁵ See Chapter IV, p. 259.

⁶ J. Pickering, 'Politics and 'Black Tuesday': Shifting Power in the Cabinet and the Decision to Withdraw from East of Suez, November 1967-January 1968', *TCBH*, vol. 13, no. 2, (June 2002).

members of the cabinet met to discuss the 'Future Policy Review, 1960-1970', Heathcoat Amory, Macmillan's then Chancellor of the Exchequer, had argued that 'he could not see how we could continue to carry out present commitments overseas, even with the help of our friends and allies'.⁷ In July 1965, Callaghan told the US Defense Secretary, Robert McNamara, that the 'UK must envisage areas out of which it might be forced in future, e.g. Aden or Malaysia'.⁸ Similarly, on 14 February 1966, Callaghan asked his cabinet colleagues to consider whether the desire to maintain a military presence in the Far East represented a task that was 'too large in relation to our resources'. Jenkins was not, as Pickering puts it, a 'policy entrepreneur': on the contrary, he was in effect repeating the arguments of his predecessors at the Treasury, being able to make his case within Whitehall due to a shift in the balance of power between the Treasury and the 'overseas' departments, which resulted from continual economic crises, as opposed to the 'altered dynamic of cabinet politics', an argument undermined in itself by his wrongful portrayal of Callaghan, Healey and Brown as a 'Bevinite core'.

In relation to the decision-making process within Whitehall, this thesis rejects the argument - made most forcibly by Crossman and Balogh - that outdated notions of imperial greatness informed the policies advocated by senior civil servants. British withdrawal from extra-European commitments might have taken place at a faster rate, but the rationale underpinning less precipitate action was based on political and economic considerations. For example, the argument as to whether Britain's Middle Eastern oil interests should be defended by military or non-military means was based on a rational economic assessment, even though the Foreign Office and Treasury came to differing conclusions. In the aftermath of 'Operation Vantage', when officials and ministers considered the issue of building new facilities in Bahrain (costing £600,000) to defend

⁷ See Chapter II, p. 113.

⁸ See Chapter V, pp. 313- 314.

Britain's interests in Kuwait, the Foreign Office argued that the expenditure was necessary to maintain regional stability, contain Soviet and pan-Arab influence, and secure the continued flow of oil, on reasonable terms. Given Britain's heavy dependence on Persian Gulf oil, it can be concluded that Foreign Office officials were less motivated by 'delusions of grandeur' than by a determination to find the best means of securing UK oil interests. In addition to being a key Western asset in the wider context of the Cold War, securing access to oil (on favourable terms) was important to the functioning of the British economy.

Policy decisions were the product of inter-departmental debate, which meant that some degree of compromise and consensus was necessary. If British foreign policy was infused with a 'degree of ambiguity', it was due to the vagaries of Whitehall's policy-making apparatus. On the question of reducing defence commitments, for example, the 'economic' departments were often unable to force through the economies they deemed necessary because of the composition of the cabinet committees, which contained representatives from the Foreign Office, Commonwealth Relations Office, Colonial Office, Ministry of Defence, in addition to the Chief of the Defence Staff, the First Sea Lord, the Chief of the Air Staff and the Chief of the Imperial General Staff, all of whom had a vested interest in maintaining high levels of defence and overseas expenditure. The existence of three 'overseas' ministries, all of which were committed to maintaining Britain's world-wide obligations, made it difficult for the Treasury and the Board of Trade to make their case within Whitehall. Thus, the 'economic' departments could press for a reduction in overseas expenditure, but this would be ineffective whilst the 'overseas' departments and the politicians concerned were not prepared to reduce the scope of Britain's extra-European commitments.

Ill-conceived generalisations have informed criticism of the role played by senior civil servants in relation to Britain's withdrawal from international commitments. Tony Benn, for

example, has argued that the civil service had a 'political position of its own' to defend against all-comers, including incoming governments armed with their own philosophy and programmes.⁹ Similarly, Crossman wrote of the cabinet committees as being 'the key to the control by the Civil Service over the politicians'.¹⁰ Thus, Whitehall is inaccurately presented as a unified and monolithic organisation, intent on pursuing its own policy agenda, irrespective of which political party occupied office. The very reverse was true, as this thesis demonstrates, during the late 1950s and 1960s: Whitehall was exceptionally fragmented, with each department fighting for its own departmental budget, in pursuit of its own objectives. Sir William Armstrong's claim that Whitehall was a 'federation of departments' provides a far more apposite description, at least in relation to the formulation of foreign policy.¹¹ Crossman's contention that Whitehall was run for the convenience of civil servants and not for ministers - the individuals who were supposedly in command - also lacks substantiation when applied to the field of foreign policy development. Throughout the period under examination, Whitehall departments held differing perspectives on what should constitute Britain's appropriate world role. As evidenced in Chapter II (and re-affirmed in subsequent chapters), the 'economic' and 'overseas' departments held fundamentally opposed views as to the importance of overseas commitments, the appropriate level of defence expenditure, and the best means of securing Britain's interests. For the Treasury and Board of Trade, the necessary condition for maintaining Britain's place in the world was to keep sterling strong, which implied keeping overseas expenditure in line with prospective resources, constantly monitoring the external financial position, and securing a regular balance-of-payments surplus, so as to avoid speculation against the pound. Reducing burdensome defence spending therefore became a major objective of Treasury policy, especially given recurrent

⁹ T. Benn, *Arguments for Democracy*, (London: Cape, 1981), p. 50.

¹⁰ R. H. S. Crossman, *The Diaries of a Cabinet Minister: Minister of Housing, 1964-1966*, vol. I, (1976), p. 616.

¹¹ W. Armstrong quoted in P. Hennessy, *Whitehall*, p. 380.

demands from other departments, such as Health, Transport, and Social Services (departments which the 'overseas' departments had limited contact), for a greater proportion of national expenditure. These priorities, commanding a high degree of popularity in the country, informed the 'economic' departments' views in respect of extra-European commitments. Therefore, Sir Richard Powell, Permanent Secretary to the Board of Trade, could argue that there were 'no really strong arguments, political, economic or even sentimental for keeping forces in the Far East'.¹² On the other hand, it can be argued that the 'economic' departments often underrated the potentially devastating effects of Britain's precipitate withdrawal from extra-European commitments on Anglo-American relations; regional stability, particularly in the Middle East and South-East Asia; the cohesion and strength of the Commonwealth; and, above all else, the likelihood of Communism extending its influence in the Third World.

The period witnessed a change in the balance of power between the Treasury and the 'overseas' departments, which played an important, though thus far under-appreciated, role in facilitating Britain's disengagement from extra-European commitments. The centralisation of foreign policy formulation was to the advantage of the Treasury. The Treasury's influence in foreign policy was strengthened by the creation of the Overseas Policy Committee (OPC) and Overseas Policy (Official) Committee in July 1962. The OPC, unlike its predecessor committee (the Colonial Policy Committee), gave the Chancellor of the Exchequer a seat in debate. Moreover, as the OPC met once a week (unlike the CPC, which met on an *ad hoc* basis) the Chancellor was better positioned to persuade his colleagues to make decisions on policy, forcing ministers to contemplate the arguments both 'for' and 'against' new expenditure. The Treasury's aim of reducing the level of defence spending, as a percentage of GDP, was further aided by the incoming Labour government's decision to set a cap of £2,000 million (at 1964 prices) on such

¹² See Chapter V, p. 289.

expenditure. This constraint forced ministers to prioritise commitments, although the initial period of Labour government was marked by a determination to reduce expenditure by finding economies in capability. The Treasury's empowered position within Whitehall was accompanied by a corresponding decline in the standing of the 'overseas' departments, principally the Foreign and Commonwealth Offices. Up until 1964-65, Foreign Office officials were relatively successful in securing the retention of overseas commitments. For example, despite overtures from the Treasury in favour of abrogating Britain's treaty obligations to Kuwait, Foreign Office officials successfully argued in favour of retaining base facilities to uphold Kuwaiti independence. In November 1965, when ministers finally agreed to leave Aden, Foreign Office civil servants, in a reversal of their previous position, stipulating that Britain's position in the Middle East 'hinged' on Aden, successfully argued for a repositioning of UK troops in the Persian Gulf.¹³ From this stage onwards, however, the Foreign Office suffered from institutional weakness, as relative economic decline bolstered the position of the Treasury in inter-departmental debates.

Throughout the period under examination, Britain retained its position at the intersection of Churchill's 'three circles' (the Commonwealth, Western Europe, and the English-speaking world); however, the respective weight attached to each circle was fundamentally altered. In early 1960, Macmillan's 'Future Policy Study, 1960-70' concluded that, as the colonial character of the Commonwealth declined, it would be replaced by 'a more wide-spread community of sentiment', having the potential to adopt a concerted approach to international issues.¹⁴ This aspiration proved to be unrealisable, as new Commonwealth countries, especially in Africa, often pursued policies contrary to British interests. South Africa's departure from the Commonwealth, in March 1961, dealt a damaging blow to the Commonwealth ideal, illustrating the fragility of the organisation and

¹³ See Chapter IV, p. 247.

¹⁴ See Chapter II, p. 100.

its inability to undertake collaborative action. Given the need to secure British economic interests, Whitehall thought it important to maintain cordial relations with Pretoria. Officials and ministers felt that the 'old' Commonwealth countries held a shared 'affinity', whereas the 'new' members of the organisation were prone to be unreliable in their support for Britain, if not altogether hostile. Although Whitehall was concerned by the prospect of Commonwealth disintegration, it in effect developed into a "two-tier" organisation, undermining its ability to act in a concerted fashion and diluting its political value in the international sphere.

Although this thesis is a study of Britain's withdrawal from extra-European commitments, it is important to recognise the increasing significance of the 'West European circle' in influencing the thinking of leading policy-makers. The declining efficacy of the Commonwealth, as an economic unit, coupled with Britain's relative decline in relation to the six members of the EEC, forced Whitehall to redirect the central thrust of British foreign policy away from extra-European commitments towards Europe; thus, Britain began its move away from being a country that occupied a world role towards one that possessed primarily regional interests (albeit with a capability to act East of Suez in concert with the United States, as evidenced by UK policy towards Iraq in the 1990s and in the early twenty-first century). The Macmillan government's 'Future Policy Study, 1960-1970' recognised the need to reach a 'permanent understanding' with the EEC at some point in the next decade. The establishment of the Lee Committee, in the spring of 1960, brought further clarity to this issue, setting in train Britain's first application for EEC membership. De Gaulle's implacable '*Non*' to Britain's membership request in 1963 caused consternation within Whitehall, and was followed by a second application by the Wilson government in 1967, which was also rejected. Whitehall's determination to join the EEC (which was eventually achieved in 1973) highlighted the extent to which Britain's economic and political interests had contracted, illustrating that the UK was now primarily

a regional, as opposed to a global, power. The counterbalance to focusing British policy more towards Western Europe was a reduction in extra-European commitments.

Macmillan's attempts to mend Anglo-American relations in the aftermath of the Suez *débâcle* were not without some measure of success. Whilst Britain's ability to act independently in late 1950s and 1960s was severely constrained, it would be misguided to suggest - as both Ritchie Ovendale and John Charmley do - that America's influence was so overwhelming as to condemn the UK to the role of a pliant subsidiary power. As this thesis demonstrates, Britain retained the ability to undertake independent action, so long as this did not infringe upon America's vital interests, as evidenced by the British intervention in Kuwait in 1961 and Macmillan's determination to 'launch' Malaysia in 1963. The Labour government pursued a less independent policy to that of its predecessor, a fact largely attributable to the relative weakness of the British economy. Wilson's determination to retain sterling's parity with the dollar meant that Britain had to obtain Washington's cooperation in maintaining the value of the pound; although this support was forthcoming, as the United States was keen to prevent speculation against the dollar in the aftermath of a sterling devaluation, British dependence on US financial assistance demonstrated the extent to which Britain's position had diminished within the Atlantic Alliance. In terms of political intimacy - best illustrated by Anglo-American collaboration in the Labour government's Defence Reviews - relations between London and Washington were certainly close; in terms of British influence over American policies, however, the position of the Labour government was less than its Conservative predecessor, arising from recurrent balance-of-payments difficulties and an inability to place sterling on a secure financial platform. In late 1965, when Whitehall was seeking economies in overseas defence expenditure to ease the balance of payments, American opposition forced Wilson to drop his plans for a negotiated settlement to Indonesian confrontation. In August 1965, Defence and Overseas Policy Committee ministers concluded that it was

essential to seek a negotiated end to confrontation; less than one month later, however, American opposition led to the abandonment of this policy.¹⁵ A number of historians - including Jeffrey Pickering and Diane Kunz - have suggested that Washington and London reached a deal on this issue, whereby America would support the pound in return for Britain retaining its position in South-East Asia for the duration of the Vietnam War.¹⁶ Whilst the documentary evidence confirms that no explicit formal agreement was promulgated between the two countries, it does suggest that an implicit understanding was reached. On 8 September 1965, Wilson told George Ball that he would 'soldier on' against Indonesia, recognising that 'finance, foreign policy and defence must hang together, particularly East of Suez'. Two days later, Washington provided Britain with a \$400 million loan, whilst aggressively intervening in the international markets to force up the sterling rate.¹⁷

The decision to withdraw from East of Suez marked the point when Britain ceased to be a global power, in the sense of being able to exercise unilateral military power in defence of British interests in the Middle East and Far East. As history shows, Britain did not become another 'Sweden or Switzerland'; never mind another 'France or Italy'. Despite lacking any permanent bases in the Middle East, Britain's preparedness to act in the region, albeit in conjunction with the United States, stands out from any other European nation. The 1990-1991 and 2004 conflicts in Iraq showed Britain to be more willing than any other European nation to undertake military operations in support of the United States. In November 2001, Britain undertook its largest military operation between the two Gulf Wars in Oman, involving the deployment of 22,500 personnel, 6,500 vehicles, 21 naval vessels, 49 fixed wing aircraft, and 44 helicopters. This thesis demonstrates that by

¹⁵ See Chapter V, pp. 298-308.

¹⁶ See D. Kunz, "Somewhat Mixed Up Together": Anglo-American Defence and Foreign Policy during the 1960s', in R. D. King and R. Kilson (eds.), *The Statecraft of British Imperialism: Essays in Honour of Wm. Roger Louis*, (London: Frank Cass, 1999). J. Pickering, *Britain's Withdrawal from East of Suez: The Politics of Retrenchment*, (London: Macmillan, 1998).

¹⁷ See Chapter V, p. 304.

examining the recent historical past, some light can be shed on Britain's present-day foreign policy.

As mentioned in the introduction, two major works on how Whitehall planned Britain's retreat from the extra-European world have emerged during the writing of this thesis - Saki Dockrill's, *Britain's Retreat from East of Suez: The Choice between Europe and the World*, and Frank Heinlein's, *British Government Policy and Decolonisation 1945-1963: Scrutinising the Official Mind*.¹⁸ By adopting a different methodological approach from these two texts, this thesis has cast new light on the subject. By concentrating on how the Wilson government reached its decision to withdraw from East of Suez, Dockrill ignores the significance of the approach taken by the previous Conservative government to the issue of retreat from the extra-European world. Utilising Whitehall's pan-strategic reviews of policy (in addition to other long-term strategy papers), this thesis demonstrates that the choice between a regional and a world role was under active assessment within government circles from 1959-1960. By examining how Whitehall approached the issue of global retreat prior to Labour's assumption of office, this thesis provides a longer chronological framework, enabling a fuller understanding of the continuities and changes in British foreign policy during the 1960s. Heinlein's book addresses how Whitehall planned Britain's withdrawal from extra-European commitments between 1945 and 1963. Its main weakness lies in giving too little emphasis to the importance of the Cold War in pan-strategic thinking. As Heinlein only covers the latter years of the Macmillan government, he does not do justice to the neglected theme of British policy in the post-decolonisation period, or Britain's withdrawal from strategically important areas such as Aden.

¹⁸ S. Dockrill, *Britain's Retreat from East of Suez: The Choice Between Europe and the World?*, (London: Palgrave, 2003); F. Heinlein, *British Government Policy and Decolonisation 1945-1963: Scrutinising the Official Mind*, (London: Frank Cass, 2002).

Dramatis Personae.

Mr Dean Acheson: US Assistant Secretary of State, 1941-45; US Under Secretary of State, 1945-47; and US Secretary of State, 1949-53.

Mr Julian Amery (later Baron Amery of Lustleigh): Conservative MP, 1945-66, 1969-92; Financial Secretary, War Office 1957-58; Under-Secretary of State, Colonial Office, 1958-60; Secretary of State for Air, 1960-62; Minister of Aviation 1962-64; Minister of Public Building and Works, 1970; Minister for Housing and Construction 1970-72; Minister of State, Foreign and Commonwealth Office, 1972-74.

Sir William Armstrong (later Baron Armstrong of Sanderstead): Private Secretary to Sir Edward (later Lord) Bridges, Secretary of the War Cabinet, 1943-45; Principal Private Secretary to three Chancellors of the Exchequer, Sir Stafford Cripps, Hugh Gaitskell, and R. A. Butler, 1949-53; Under-Secretary in the Overseas Finance Division of the Treasury, 1953-57; Third Secretary and Treasury Officer of Accounts, 1958-62; Joint Permanent Secretary, Treasury, 1962; Permanent Secretary to the Treasury, 1962-74, being Head of the Home Civil Service from 1968 onwards.

Mr George Ball: US Under Secretary of State, 1961-66; US Representative to the United Nations, 1968.

Dr Thomas Balogh (later Baron Balogh of Hampstead): Economic Advisor to the Cabinet, 1964-67; Consultant to the Prime Minister, 1968; Minister of State, Department of Energy, 1974-75.

Mr Arthur Bottomley (later Baron Bottomley of Middlesbrough in the County of Cleveland): Labour MP, 1946-59, 1962-83; Parliamentary Under-Secretary for State for the Dominions, 1947-1951; Secretary for Overseas Trade, Board of Trade, 1947-51; Chairman of the Commonwealth Relations and Colonies Group of the Parliamentary Labour Party in 1963; Secretary of State for Commonwealth Affairs, 1964-66; and Minister for Overseas Development, 1966-67. Publications: *Why Britain should Join the Common Market*, (1959) and *Two Roads to Colonialism*, (1960).

Mr George Brown (later Baron George-Brown of Jevington): Labour MP, 1945-70; Deputy Leader of the Labour Party, 1960; First Secretary of State and Secretary of State for Economic Affairs, 1964-66; Secretary of State for Foreign Affairs, 1966-68.

Sir Norman Brook (later Baron Normanbrook of Chelsea): Principal Private Secretary to Sir John Anderson when Lord Privy Seal, 1938-39, and when Secretary of State for Home Affairs, 1939-40; Principal Assistant to Sir John Anderson, 1940; Personal Assistant to Sir John Anderson when Lord President of the Council, 1940-42; Deputy Secretary (Civil) to the War Cabinet, 1942; Permanent Secretary, Office of Minister of Reconstruction, 1943-45; Additional Secretary to the Cabinet, 1945-46; Secretary to the Cabinet, 1947-62; Joint Permanent Secretary to the Treasury and Head of the Home Civil Service, 1956-62.

Mr R. A. Butler (later Baron Butler of Saffron Walden): Conservative MP, 1931-64; Under Secretary of State, Foreign Office, 1938-41; President, Board of Education, 1951-45; Minister of Labour, 1945; Chancellor of the Exchequer, 1951-55; Lord Privy Seal, 1955-59; Leader of the House of Commons, 1955-61; Home Secretary, 1957-62; First Secretary of State, July. 1962 - Oct. 1963; Deputy Prime Minister, July. 1962 -

Oct. 1963; Minister in charge of Central African Office, July 1962 - Oct. 1963;
Secretary of State for Foreign Affairs, 1963-64.

Sir Harold Caccia (later Baron Caccia of Abernant): Assistant Under Secretary of State, Foreign Office, 1946-49; Deputy Under Secretary of State, Foreign Office, 1949-51; British Ambassador to Austria, 1951-54; Deputy Under Secretary of State, Foreign Office, 1954-56; British Ambassador to Washington, 1956-61; Permanent Under-Secretary of State, Foreign Office, 1962-65; Head of HM Diplomatic Service, 1964-65.

Sir Alec Cairncross: Economic Adviser to the Government, 1961-64; Head of Government Economic Service, 1964-69.

Mr James Callaghan (later Baron Callaghan of Cardiff): Labour MP, 1945-83; Parliamentary Secretary, Ministry of Transport, 1947-50; Parliamentary and Financial Secretary, Admiralty, 1950-51; Opposition Spokesman: Transport, 1951-52; Fuel and Power, 1953-55; Colonial Affairs, 1955-61; Shadow Chancellor of the Exchequer, 1961-64; Chancellor of the Exchequer, 1964-67; Secretary of State for Home Affairs, 1967-70; Shadow Home Secretary, 1970-71; Opposition Spokesman on Employment, 1971-72; Shadow Foreign Secretary, 1972-74; Secretary of State for Foreign and Commonwealth Affairs, 1974-76; Minister of Overseas Development, 1975-76; Prime Minister, 1976-79.

Mr Robert Carr (later Baron Carr of Hadley) Conservative MP, 1950-76; Parliamentary Private Secretary to the Secretary of State for Foreign Affairs, 1951-55; Parliamentary Private Secretary to the Prime Minister, 1955; Parliamentary Secretary, Ministry of Labour and National Insurance, 1955-58; Minister for Technical Co-operation, 1963-

64; Secretary of State for Employment, 1970-72; Secretary of State for Home Affairs, 1972-74.

Lord Carrington: Parliamentary Secretary, Ministry of Agriculture and Fisheries, 1951-54; Parliamentary Secretary, Ministry of Defence, 1954-56; First Lord of the Admiralty, 1959-1963, Minister without Portfolio and Leader of the House of Lords, 1963-64; Secretary of State for Defence 1970-1974; Secretary of State for Energy, 1974; Secretary of State for Foreign and Commonwealth Affairs, 1979-82.

Field Marshall Richard Carver (later Baron Carver of Shakleford): Director, Army Staff Duties, Ministry of Defence, 1964-66; Commander, Far East Land Forces, 1966-67; Commander-in Chief, Far East, 1967-69, GOC-in-C, Southern Command, 1969-71; Chief of the General Staff, 1971-73; Chief of the Defence Staff, 1973-76. Publications: *Tightrope Walking: British Defence Policy Since 1945*, (1992).

Michael Cary: Assistant Under Secretary, Air Ministry, 1958-61; Deputy Secretary of the Cabinet, 1961-64; Second Permanent Under Secretary of State (Royal Navy), Ministry of Defence, 1964-68; Permanent Secretary, Ministry of Public Building and Works, 1968-70; Permanent Secretary, Ministry of Defence, 1970-74.

Mrs Barbara Castle (later Baroness Castle of Blackburn): Labour MP, 1945-79; Minister for Overseas Development, 1964-1965; Minister for Transport, 1965-68; First Secretary of State and Secretary of State for Employment and Productivity, 1968-1970.

Sir Richard (Otto) Clarke: Third Secretary, Treasury, 1955-1962; Second Permanent Secretary, Treasury, 1958-66; Permanent Secretary, Ministry of Technology, 1966-70.

Sir Alexander Clutterbuck: Private Secretary to the Permanent Under Secretary, Dominions Office, 1928-29; Principal, Dominions Office, 1929; Member of UK Delegation to League of Nations Assembly, 1929-32; Secretary, Newfoundland Royal Commission, 1933; Deputy High Commissioner for United Kingdom, Union of South Africa, 1939-40; Assistant Secretary, Dominions Office, 1940; Assistant Under Secretary of State, Dominions Office, 1942-46 High Commissioner, Canada, 1946-52; High Commissioner, India, 1952-55; British Ambassador to the Republic of Ireland, 1955-59; Permanent Under-Secretary, Commonwealth Relations Office, 1959-62.

Lord Cobbold: Deputy Governor of the Bank of England, 1946-49; Governor of the Bank of England, 1949-61; Chairman, Malaysia Commission of Enquiry, 1962.

Sir Andrew Cohen: Assistant Under Secretary, Colonial Office's African Division, 1947-52; Governor of Uganda, 1952-57; Permanent Representative, Trusteeship Council at United Nations, 1957-60; Director-General, Department of Technical Co-operation, 1961-64; Permanent Under-Secretary, Ministry for Overseas Development, 1964-68.

Mr Richard Crossman: Labour MP, 1945-70; Minister of Housing and Local Government, 1964-66; Leader of the House of Commons and Lord President of the Council, 1966-68; Secretary of State, Department of Health and Social Security, 1968-70.

Sir Patrick Dean: Assistant Legal Advisor, Foreign Office, 1939-45; Head of German Political Department, Foreign Office, 1946-50; Minister at HM Embassy, Rome, 1950-51; Senior Civilian Instructor at Imperial Defence College, 1952-53; Assistant Under Secretary of State, Foreign Office, 1953-56; Deputy Under-Secretary of State, Foreign

Office, 1956-60; Permanent Representative of the United Kingdom at the United Nations, 1960-64; British Ambassador to Washington, 1964-69.

Sir William Dickson: Chairman of the Chiefs of Staff Committee, 1956-59; Chief of the Defence Staff, 1958-59.

Sir Alec Douglas-Home (later Baron Home of the Hirsel): Parliamentary Private Secretary to the Prime Minister, 1937-39; Junior Parliamentary Under Secretary, Foreign Office, 1945; Minister of State, Scottish Office, 1951-55; Secretary of State for Commonwealth Relations, 1955-60; Leader of the House of Lords and Lord President of the Council, 1957-60; Secretary of State for Foreign Affairs, 1960-63; Prime Minister, 1963-64; Leader of HM Opposition, Oct. 1964-65; Secretary of State for Foreign and Commonwealth Affairs, 1970-74.

Mr Christopher Eastwood: Assistant Under-Secretary of State, Colonial Office, 1947-52 and 1954-66.

Air Chief Marshall Sir Charles Elworthy (later Baron Elworthy of Timaru): Chief of the Air Staff, 1963-67; Chief of the Defence Staff, 1967-71.

Mr Frederick Erroll (later Baron Erroll of Hale): Conservative MP, 1945-63; Parliamentary Secretary, Ministry of Supply, 1955-56; Parliamentary Secretary, Board of Trade, 1956-58; Economic Secretary to the Treasury, 1958-59; Minister of State, Board of Trade, 1959-61; President of the Board of Trade, 1961-63; Minister of Power, 1963-64.

Sir Saville Garner (later Baron Garner of Chiddingley): Deputy High Commissioner, Ottawa, 1943-48; Assistant Under Secretary of State, Dominions Office, 1948-51; Deputy High Commissioner, Delhi, 1951-53; Deputy Permanent Under Secretary of State, Commonwealth Relations Office, 1953-56; High Commissioner, Canada, 1956-62; Permanent Under-Secretary, Commonwealth Relations Office, 1962-65; Permanent Under-Secretary, Commonwealth Office, 1965-68; Head of HM Diplomatic Service, 1965-68; Chairman, Commonwealth Institute, 1968-74. Publications: *The Commonwealth Office, 1925-68*, (1978).

Mr Patrick Gordon-Walker (later Baron Gordon-Walker of Leyton): Labour MP, 1945-63, 1964-74; Secretary of State for Foreign Affairs, Oct.1964 -Jan.1965; Minister without Portfolio, 1967; Secretary of State for Education, 1967-68.

Sir Paul Gore-Booth (later Baron Gore-Booth of Maltby): Head of United Nations (Economic and Social) and Refugees Department, Foreign Office, 1947-49; Head of Economic Recovery Department, Foreign Office, 1948-49; Director, British Information Services in the United States, 1949-53; Ambassador to Burma, 1953-56; Deputy Under-Secretary (Economic Affairs) Foreign Office, 1956-60; British High Commissioner in India, 1960-65; Permanent Under-Secretary, Foreign Office, 1965-68; Permanent Under-Secretary, Foreign and Commonwealth Office, 1968-69; Head of HM Diplomatic Service, 1968-69.

Mr Anthony Greenwood (later Baron Greenwood of Rossendale): Labour MP, 1946-70; Secretary of State for Colonial Affairs, 1964-65; Minister of Overseas Development, 1965-66; Minister of Housing and Local Government, 1966-70.

Sir Henry Hardman: Deputy Secretary, Ministry of Aviation, 1960; Permanent Secretary, Ministry of Aviation, 1961-63; Permanent Secretary, Ministry of Defence, 1963-64; Permanent Under-Secretary, Ministry of Defence, 1964-66.

Mr Denis Healey (later Lord Healey of Riddlesden): Labour MP, 1952-87; Shadow Secretary of State for Commonwealth Affairs, 1960-63; Shadow Secretary of State for Defence, 1962-64; Secretary of State for Defence, 1966-70; Chancellor of the Exchequer, 1974-79. Publications: *Labour, Britain and the World*, (1963); *The Time of My Life*, (1989).

Sir Edward Heath: Conservative MP, 1951-2001, Lord Privy Seal (with Foreign Office responsibilities), 1960-63; Secretary of State for Industry, Trade and Regional Development and President of the Board of Trade, Oct.1963-Oct.1964; Leader of HM Opposition, 1965-70; Prime Minister, 1970-74. Publications: 'Realism in Foreign Policy', *Foreign Affairs*, (1969), *Old World, New Horizons: Britain, The Common Market, and the Atlantic Alliance*, (1970), *The Course of my Life*, (1998).

Sir Frederick Hoyer Millar (later Baron Inchyra): Assistant Private Secretary to the Secretary of State for Foreign Affairs, 1934-38; First Secretary, Washington, 1939; Councillor, Washington, 1941-42; Secretary, British Civil Secretariat, Washington, 1943, Councillor, Foreign Office, 1944; Assistant Under Secretary of State, Foreign Office, 1947-48; Minister, British Embassy, Washington, 1948-50; UK Deputy, North Atlantic Treaty Organisation, 1950-52; UK Permanent Representative on North Atlantic Treaty Organisation Council, 1952-53; United Kingdom High Commissioner in Germany, 1953-55; British Ambassador to Bonn, 1955-57; Permanent Under-Secretary, Foreign Office, 1957-62.

Field Marshall Sir Richard Hull: Deputy Chief of the Imperial General Staff, 1956-58; Commander-in-Chief, Far East Land Forces, 1958-61; Chief of the Imperial General Staff, 1961-64; Chief of the General Staff, Ministry of Defence, 1964-65; Chief of the Defence Staff, 1965-67.

Mr Roy Jenkins (later Baron Jenkins of Hillhead): Minister of Aviation, 1964-65; Home Secretary, 1965-67; Chancellor of the Exchequer, 1967-70; Deputy Leader of the Labour Party, 1970-72; President, European Commission, 1977-81.

Admiral Sir Caspar John: Vice-Chief of the Naval Staff, 1957-60; Principal Naval ADC to the Queen, 1960-62; Admiral of the Fleet, 1962.

President Johnson: Vice-President of the United States, 1960-63; President of the United States, 1963-69.

Sir Charles Johnston: Governor and Commander-in-Chief, Aden, 1960-63; High Commissioner for Aden and the Protectorate of South Arabia, 1963; Deputy Under Secretary of State, Foreign Office, 1963-65; British High Commissioner, Commonwealth of Australia, 1965-71.

President Kennedy: President of the United States, 1960-63

Mr Lee Kuan Yew: Prime Minister of Singapore, 1959-90.

Sir Gilbert Laithwaite: Private Secretary to Viceroy of India (Marquess of Linlithgow), 1936-43, and a Secretary to the Governor General, 1937-43; Assistant Under Secretary of State for India, 1943; Under Secretary (Civil) of the War Cabinet, 1944-

45; Deputy Under Secretary of State for Burma, 1945-47; Deputy Under Secretary of State for India, 1947; Deputy Under Secretary of State for Commonwealth Relations, 1948-49; Ambassador to the Republic of Ireland, 1950-51; United Kingdom High Commissioner in Pakistan, 1951-54; Permanent Under Secretary of State for Commonwealth Relations, 1955-59.

Admiral Sir Charles Lambe: Chief of the Naval Staff and First Sea Lord, 1959-60.

Sir Frank Lee: Deputy Head of Treasury Delegation to Washington, 1944; Deputy Secretary, Ministry of Supply, 1946; Minister, Embassy in Washington, 1948-49; Permanent Secretary, Ministry of Food, 1949-51; Permanent Secretary, Board of Trade, 1951-60; Joint Permanent Secretary, Treasury, 1960-62.

Mr Selwyn Lloyd (later Baron Selwyn-Lloyd): Conservative MP, 1945-76; Minister of State, Foreign Office, 1951-54; Minister of Supply, 1945-55; Minister of Defence, 1955; Secretary of State for Foreign Affairs, 1955-60; Chancellor of the Exchequer, 1960-62; Lord Privy Seal and Leader of the House of Commons, 1963-64; Speaker of the House of Commons, 1971-76.

Sir William Luce: advisor to the Governor-General of the Sudan on Constitutional and External Affairs, 1953-56; Governor and Commander-in-Chief, Aden 1956-60; Political Resident in the Persian Gulf, 1961-66.

Mr Iain Macleod: Conservative MP, 1950-70; Minister of Health, 1952-55; Minister of Labour, 1955-59; Secretary of State for the Colonies, 1959-61; Chancellor of the Duchy of Lancaster and Leader of the House of Commons, Chairman of the

Conservative Party Organisation, 1961-63; Editor of the *Spectator*, 1963-65; Chancellor of the Exchequer, 1970.

Mr Harold Macmillan (later Earl of Stockton): Conservative MP, 1945-64; Minister for Housing, 1951-54; Minister for Defence, 1954-55; Secretary of State for Foreign Affairs, 1955-56; Chancellor of the Exchequer, 1955-57; Prime Minister, 1957-1963. Publications: *Riding the Storm*, (1971); *At the End of the Day*, (1972)

Sir Roger Makins (later Baron Sherfield): Minister at British Embassy, Washington, 1945-47; United Kingdom representative on United Nations Interim Commission for Food and Agriculture, 1945; Alternate Delegate to Fifth Session of U.N.R.R.A. Council, Atlantic City, 1946; Assistant Under Secretary of State for Foreign Affairs, 1947-48, Deputy Under Secretary, 1948-52; Ambassador to the United States, 1952-56; Joint Permanent Secretary to the Treasury, 1956-60.

Mr Reginald Maudling: Conservative MP, 1950-79; Economic Secretary to the Treasury, 1952-55; Minister of Supply, 1955-57; Paymaster-General, 1957-59; President of the Board of Trade, 1959-61; Secretary of State for the Colonies, 1961-62; Chancellor of the Exchequer, 1963-64; Deputy Leader of the Conservative Party and Secretary of State for Home Affairs, 1970-72. Publications: *Memoirs*, (1978).

Mr Christopher Mayhew (Later Baron Mayhew of Wimbledon): Labour MP, 1951-73, Liberal MP, 1973-74; Parliamentary Under Secretary of State for Foreign Affairs, 1946-50; Minister of Defence for the Royal navy, 1964-66. Publications: *Britain's Role Tomorrow*, (1967).

Mr Robert McNamara: Secretary of Defence of the United States, 1961-68.

Earl Mountbatten of Burma: Viceroy of India, 1946-47; Governor-General of India, 1947-48; Fourth Sea Lord, 1950-51; Admiral in command of Mediterranean Fleet, 1951-53; Supreme Allied Commander, NATO Mediterranean Command (SACMED), 1953-54; First Sea Lord, 1954-56; Admiral of the Fleet, 1956-59; Chief of the Defence Staff and Chairman of the Chiefs of Staff Committee, 1959-65.

President Nasser: Prime Minister of Egypt, 1954; President of Egypt, 1955-67.

Mr John Samuel Orme: Under-Secretary, Cabinet Office, 1958-60; Assistant Under-Secretary of State, Air Ministry, 1957-58, and again 1960-64.

Mr David Ormsby-Gore (later Baron Harlech): Conservative MP, 1950-61; Minister of State for Foreign Affairs, 1957-61; British Ambassador to Washington, 1961-65.

Sir Michael Palliser: Entered HM Diplomatic Service, 1947; SE Asia Dept, Foreign Office, 1947-49; Athens, 1949-51; Second Secretary, 1950; German Finance Department, Foreign Office, 1951-52; Central Department, Foreign Office, 1952-54; Private Secretary to Permanent Under Secretary, 1954-56; First Secretary, Foreign Office, 1955; Paris, 1956-60; Head of Chancery, Dakar, 1960-62 (Chargé d'Affaires in 1960, 1961 and 1962); Counsellor, and seconded to Imperial Defence College, 1963; Head of Planning Staff, Foreign Office, 1964; Private Secretary to the Prime Minister, 1966; Minister, Paris, 1969; Ambassador and Head of UK Delegation to European Communities, Brussels, 1971; Ambassador and UK Permanent Representative to European Communities, 1973-75; Permanent Under Secretary of State to the Foreign and Commonwealth office and Head of Diplomatic Service, 1975-82.

The Earl of Perth: Minister of State for Colonial Affairs, 1957-62.

Sir Thomas Pike: Deputy Chief of Air Staff, Air Ministry, 1953-56; Air Officer Commanding-in-Chief, Fighter Command, 1956-59; Chief of the Air Staff, 1960-63; Deputy Supreme Allied Commander Europe, 1964-67.

Sir Edward Playfair: HM Treasury, 1934-46 and 1947-56 (Central Office for Germany and Austria, 1946-47); Permanent Under Secretary, War Office, 1956-59; Permanent Secretary, Ministry of Defence, 1960-61.

Sir Hilton Poynton: Private Secretary to the Minister of Supply (Lord Beaverbrook) and Minister of Production (Lord Chandos), 1941-43; reverted to Colonial Office, 1943; Permanent Under-Secretary, Colonial Office, 1959-66.

Brigadier Abdul Karim Qassim: President of Iraq, 1958-63.

Tunku Abdul Rahman: Chief Minister of the Federation of Malaya, 1955-57; Prime Minister of Malaya, 1957-63; Prime Minister of Malaysia, 1963-70.

Mr Dean Rusk: US Secretary of State, 1961-69.

Nuri es-Said: Prime Minister of Iraq, 1930-58.

Colonel Abdullah al-Sallal: President of the Yemen Arab Republic, 1962-67.

Mr Duncan Sandys (Baron Duncan-Sandys): Minister of Works, 1944-45; Minister of Supply, 1951-54; Minister of Housing and Local Government, 1954-57; Minister of Defence, 1957-59; Minister of Aviation, 1959-60; Secretary of State for Commonwealth Relations, 1960-64 and Secretary of State for Colonies, 1960-64.

Lord Selkirk: Paymaster-General, 1953-55; First Lord of the Admiralty, 1957-59; United Kingdom Commissioner for Singapore and Commander-General for South-East Asia, 1959-63; also UK Representative to the South-East Asia Treaty Organisation, 1960-63.

Sir Arthur Snelling: Assistant Under-Secretary of State, Commonwealth Relations Office, 1956-59; British High Commander in Ghana, 1959-61; Deputy Under-Secretary of State, Commonwealth Relations Office, 1961-69; Ambassador to South Africa, 1970-72.

Sir Roger Stevens: Assistant Under Secretary of State, Foreign Office, 1948-51; British Ambassador to Sweden, 1952-54; British Ambassador to Persia, 1954-58; Deputy Under Secretary of State, Foreign Office, 1958-62; Adviser to First Secretary of State on Central Africa, 1963.

Mr Michael Stewart (later Baron Stewart of Fulham): Under-Secretary of State for War, 1947-51; Parliamentary Secretary, Ministry of Supply, 1951; Secretary of State, Education and Science, 1964-65; Secretary of State for Foreign Affairs, 1965-66; First Secretary of State and Secretary of State for Economic Affairs, 1966-67; Secretary of State for Foreign and Commonwealth Affairs, 1968-70.

President Sukarno: President of Indonesia, 1945-65.

Mr George Thomson (later Baron Thomson of Monifieth): Labour MP, 1952-72; Minister of State, Foreign Office, 1964-66; Chancellor of the Duchy of Lancaster, 1966-67; Junior Minister of State, Foreign Office, 1967; Secretary of State for

Commonwealth Affairs, 1967-68; Chancellor of the Duchy of Lancaster, 1969-70; Shadow Defence Minister, 1970-72.

Mr Peter Thorneycroft (later Baron Thorneycroft of Dunstan): President of the Board of Trade, 1951-57; Chancellor of the Exchequer, 1957-58 (resigned); Minister of Aviation, 1960-62; Minister of Defence, 1962-64; Secretary of State for Defence, Apr-Oct. 1964.

Sir Burke Trend (later Baron Trend of Greenwich): Assistant Private Secretary to the Chancellor of the Exchequer, 1939-1941; Principal Private Secretary to the Chancellor of the Exchequer, 1941-49; Under Secretary, Treasury, 1949-55; Office of the Lord Privy Seal, 1959; Third Secretary, Treasury, 1959-60; Second Secretary, Treasury, 1960-62; Secretary of the Cabinet 1963-73.

Sir Humphrey Trevelyan (later Baron Trevelyan): Entered Indian Civil Service, 1929; Indian Political Service, 1932-47; Counsellor to Baghdad, 1948; Economic and Financial Adviser, UK High Commission, Germany, 1951-55; HM Chargé d' Affaires in Peking, 1953-55; Ambassador to Egypt, 1955-56; Under Secretary at the United Nations, 1958; Ambassador to Iraq, 1958-61; Deputy Under Secretary of State, Foreign Office, 1962; Ambassador to the USSR, 1962-65, retired; High Commissioner in South Arabia, 1967.

Sir Frederick Vinter: Ministry of Economic Warfare, 1939-42; Cabinet Office, 1943-45; Treasury, 1945-69; Third Secretary, Treasury, 1965-69; Deputy Secretary, Ministry of Technology and Department for Trade and Industry, 1969-73.

Mr Harold Watkinson (Later Baron Watkinson of Woking): Conservative MP, 1950-64; Parliamentary Private Secretary to the Minister of Technology and Civil Aviation, 1951-

52; Parliamentary Secretary to the Minister of Labour and National Service, 1952-55; Minister of Transport and Civil Aviation, 1955-59; Minister of Defence, 1959-62; Cabinet Minister 1957-62.

Mr Harold Wilson (later Baron Wilson of Rievaulx): Parliamentary Secretary, Ministry of Works, 1945-47; Secretary for Overseas Trade, 1947; President of the Board of Trade, 1947-51; Chairman of Labour Executive Committee, 1961-62; Chairman, Public Accounts Committee, 1959-63; Prime Minister, 1964-70 and 1974-76; Leader of HM Opposition, 1970-74.

Mr Oliver Wright: Assistant Private Secretary to the Secretary of State for Foreign Affairs, 1960-63; Private Secretary to the Secretary of State for Foreign Affairs, 1963-64; Private Secretary to the Prime Minister (Home and Wilson), 1964-66; Ambassador to Denmark, 1966-69; seconded to Home Office as United Kingdom Representative to Northern Ireland Government, 1969-70; Chief Clerk, HM Diplomatic Service, 1970-72; Deputy Under Secretary of State, Foreign and Commonwealth Office, 1972-75; Ambassador to Federal Republic of Germany, 1975-81.

Sir Solly Zukerman: Chairman, Defence Research Committee, 1960-64; Chief Scientific Adviser to Secretary of State for Defence, 1960-66; Chief Scientific Adviser to HM Government, 1964-71.

Mr Philip de Zulueta: (later Sir Philip de Zulueta): Private Secretary to successive Prime Ministers (Eden, Macmillan, Home), 1955-64; Assistant Secretary, Treasury, 1962.

Future Policy *Ad Hoc* Committee Structure.

Prime Minister (and Cabinet Ministers concerned with the Future Policy Review).



Steering Committee (Under the Chairmanship of Sir Norman Brook, the Cabinet Secretary).



Working Committee (Under the Chairmanship of Sir Patrick Dean, the Deputy Under-Secretary of State at the Foreign Office).



Section A.
The International Setting.

Section B.
The Resources of the United
Kingdom.

Section C.
The Main Objectives of the
United Kingdom's Overseas
and Strategic Policy.

Principal Holders of Office, 1959-1968.**Prime Ministers, 1959-1968.**

Harold Macmillan	Jan 1957-Oct 1963
Sir Alec Douglas-Home	Oct 1963-Oct 1964
Harold Wilson	Oct 1964-June 1970

Chancellors of the Exchequer, 1959-1968.

Derrick Heathcoat Amory	Jan 1958-July 1960
Selwyn Lloyd	July 1960-July 1962
Reginald Maudling	July 1962-Oct 1964
James Callaghan	Oct 1964-Jan 1968
Roy Jenkins	Jan 1968-June 1970

Presidents of the Board of Trade, 1959-1968.

David Eccles	Jan 1957-Oct 1959
Reginald Maudling	Oct 1959-Oct 1961
Frederick Erroll	Oct 1961-Oct 1963
Edward Heath	Oct 1963-Oct 1964
Douglas Jay	Oct 1964-Aug 1967
Anthony Crosland	Aug 1967-Oct 1969

Secretaries of State for Foreign (and Commonwealth) Affairs, 1959-1968.

Selwyn Lloyd	Dec 1955-July 1960
Earl of Home	July 1960-Oct 1963
R. A. Butler	Oct 1963-Oct 1964
Patrick Gordon Walker	Oct 1964-Jan 1965
Michael Stewart	Jan 1965-Aug 1966
George Brown	Aug 1966-Mar 1968
Michael Stewart	Mar 1968-June 1970

Secretaries of State for Commonwealth Relations, 1959-1966.

Earl of Home	Apr 1955-July 1960
Duncan Sandys	Jul 1960-Oct 1964(also Secretary of State for the Colonies from July 1962)
Arthur Bottomley	Oct 1964-Aug 1966

Secretaries of State for Commonwealth Affairs, 1966-1968.

Arthur Bottomley	Aug 1966
Herbert Bowden	Aug 1966-Aug 1967

George Thomson Aug 1967-Oct 1968

Secretaries of State for the Colonies, 1959-1966.

Alan Lennox-Boyd	July 1954-Oct 1959
Iain Macleod	Oct 1959-Oct 1961
Reginald Maudling	Oct 1961-July 1962
Duncan Sandys	July 1962-Oct 1962(also Secretary of State for the Colonies from July 1962)
Anthony Greenwood	Oct 1964-Dec 1965
Earl of Longford	Dec 1965-Apr 1966
Fred Lee	Apr 1966-Aug 1966

Secretaries of State for Defence, 1959-1968.

Duncan Sandys	Jan 1957-Oct 1959
Harold Watkinson	Oct 1959-July 1962
Peter Thorneycroft	July 1962-Oct 1964
Denis Healey	Oct 1964- June 1970

Minister of State for the Central Africa Office.

R. A. Butler	Mar 1962-Oct 1963
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Secretaries to the Cabinet, 1959-1968.

Sir Norman Brook	1947-1962
Sir Burke Trend	1963-1972

Permanent Secretaries to the Treasury, 1959-1968.

Sir Norman Brook and Sir Roger Makins (Joint Permanent Secretaries)	1956-1959
Sir Norman Brook and Sir Frank Lee (Joint Permanent Secretaries)	1959-1962
Sir Laurence Helsby and Sir William Armstrong (Joint Permanent Secretaries)	1962
Sir William Armstrong	1962-1968

Permanent Under Secretaries of State for Foreign Affairs, 1959-1968.

Sir Frederick Hoyer-Millar	Feb 1957-Feb 1962
Sir Harold Caccia	Jan 1962-May 1965
Sir Paul Gore-Booth	May 1965-Feb 1969

Permanent Under Secretaries of State for Colonial Affairs, 1959-1968.

Sir John Macpherson	1956-1959
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Sir Hilton Poynton

1959-1966

**Permanent Under Secretaries of State for Commonwealth Relations Affairs,
1959-1968.**

Sir Gilbert Laithwaite

Feb 1955-Aug 1959

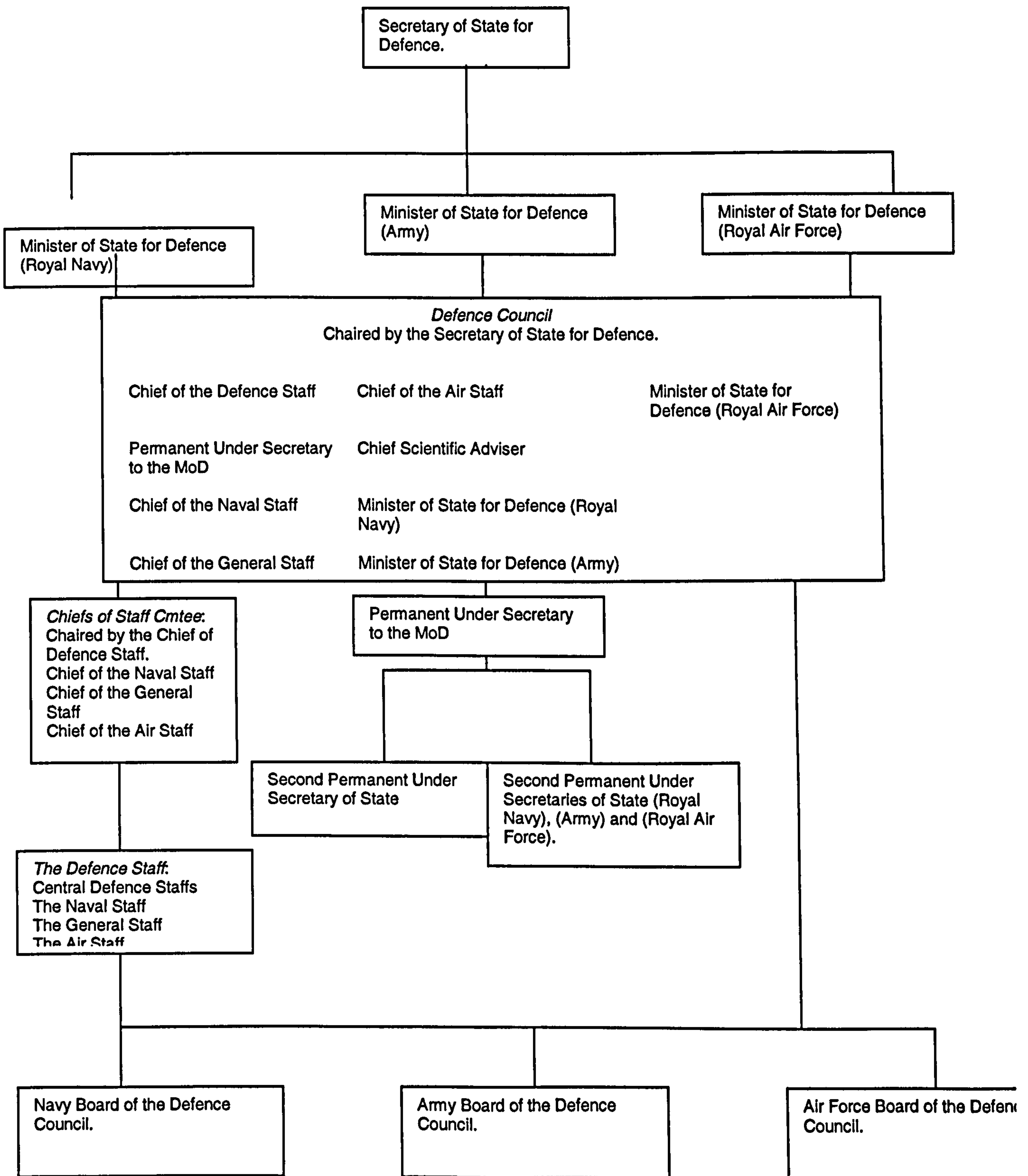
Sir Alexander Clutterbuck

Sept 1959-Dec 1961

Sir Saville Garner

Jan 1962-1968

Ministry of Defence: After 1964 Re-organisation.



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| CAB 129 | Cabinet: Memoranda. |
| CAB 130 | Cabinet: Miscellaneous Committees: Minutes and Papers. |
| CAB 131 | Cabinet: Defence Committee: Minutes and Papers. |
| CAB 133 | Cabinet Office: Commonwealth and International Conferences and Ministerial Visits to and from the UK: Minutes and Papers. |
| CAB 134 | Cabinet: Miscellaneous Committees: Minutes and Papers (General Series). |
| CAB 147 | Cabinet Office: Economic Adviser to the Prime Minister: Records. |
| CAB 148 | Cabinet Office: Defence and Overseas Policy Committees and Sub-committees: Minutes and Papers. |
| CO 1015 | Colonial Office: Central Africa and Aden: Original Correspondence. |
| DO 35 | Commonwealth Relations Office: Original Correspondence. |
| DO 168 | Commonwealth Relations Office: East and General Africa: Registered Files. |
| DO 169 | Commonwealth Relations Office and Commonwealth Office: Far East and Pacific Department: Registered Files. |
| DO 196 | Commonwealth Relations Office and Commonwealth Office: South Asia Department: Registered Files. |
| FCO 7 | Foreign Office and Foreign and Commonwealth Office: American and Latin American Departments: Registered Files. |
| FCO 46 | Foreign Office and Foreign and Commonwealth Office: Defence Department and successors: Registered Files. |
| FO 371 | Foreign Office: Political Departments: General Correspondence. |
| FO 372 | Foreign Office: Treaty Department and successors. |
| PREM 11 | Prime Minister's Office: Correspondence and Papers, 1951-1964. |

- PREM 13 Prime Minister's Office: Correspondence and Papers, 1964-1968.
 T 235 Treasury: Mutual Aid Division: Registered Files.
 T 298 Treasury: National Resources Divisions: Registered Files.
 T 325 Treasury and other departments: Sir R W B (Otto) Clarke Papers.

Private Papers.

Sir Richard 'Otto' Clarke Papers, Churchill College, Cambridge.
 Gordon-Walker Papers, Churchill College, Cambridge.
 Selwyn Lloyd Papers, Churchill College, Cambridge.
 Harold Macmillan Papers, Bodleian Library, Oxford.
 Duncan Sandys Papers, Churchill College, Cambridge.
 Michael Stewart Papers, Churchill College, Cambridge.

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Hyam, R., and Wm. R. Louis, *The Conservative Government and the End of Empire, 1957-1964: Economics, International relations, and the Commonwealth*. (Part II), (London: Published for the Institute of Commonwealth Studies in the University of London by The Stationery Office, 2000).

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