

SECRET  
C.M. (50) 34th  
Conclusions

CABINET 34 (50)

Conclusions of a meeting of the Cabinet held at 10, Downing Street, S.W, 1, on Friday, 2nd June, 1950 at 2.30 p.m.

PRESENT

The Rt. Hon. Herbert Morrison, M.P.,  
Lord President of the Council (in the Chair)

The Rt. Hon. Viscount Addison,  
Lord Privy Seal.

The Rt. Hon. E. Shinwell, M.P. ,  
Minister of Defence.

The Rt. Hon. George Tomlinson, M.P. ,  
Minister of Education.

The Rt. Hon. Viscount Alexander of Hillsborough,  
Chancellor of the Duchy of Lancaster.

The Rt. Hon. G.A. Isaacs, M.P. ,  
Minister of Labour and National Service.

The Rt. Hon. Hector McNeil, M.P. ,  
Secretary of State for Scotland.

The Rt. Hon. P.C. Gordon-Walker, M.P. ,  
Secretary of State for Commonwealth Relations.

THE FOLLOWING WERE ALSO PRESENT

The Rt. Hon. N.G. Younger, M.P. ,  
Minister of State

Sir Edward Bridges,  
Treasury.

Mr. Douglas Jay, M.P. ,  
Financial Secretary, Treasury.

Sir William Strang,  
Foreign Office.

Sir Edward Plowden,  
Treasury.

Sir Norman Brock.....Secretary

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## INTEGRATION OF FRENCH AND GERMAN COAL AND STEEL INDUSTRIES

THE MINISTER OF STATE said that, in spite of the numerous diplomatic exchanges which had taken place during the past few days, it had proved impossible to reach agreement with the French Government about the terms on which the United Kingdom could join in the examination of the French proposal for the integration of the coal and steel industries of Western Europe. The French Government were insisting that all Governments participating in the proposed examination of this proposal should commit themselves in advance to accepting the principle of the scheme before it was discussed in detail. Since the matter had last been mentioned at the meeting of the Economic Policy Committee on 25th May, a further attempt had been made to overcome the French scruples by suggesting that the position of the United Kingdom Government should be explained in a final paragraph to be added to the proposed communiqué announcing the initiation of the discussions. This paragraph (reproduced in Foreign Office telegram No. 491 to Paris of 31st May) would have stated that the United Kingdom Government would participate in the proposed conversations in a constructive spirit in the hope that, as a result of the discussions, there would emerge a scheme which they would be able to join; but it would have made it clear that the United Kingdom Government could not at this stage enter into any more precise commitment. This suggestion had, however, been rejected by the French Government, who had now invited us to accept the revised form of communiqué set out in Paris telegram No. 141 of 1st June (Annex I of C. P. (50) 120). This would involve the participating Governments in a public declaration that they "set to themselves as an immediate aim the pooling of their coal and steel production and the institution of a new high authority" whose decisions would be binding upon them. The proposed communiqué also foreshadowed the preparation of a treaty; and it was known that the French Government desired that a treaty embodying the general principles of their plan should be concluded and ratified before the participating countries proceeded to the detailed examination of a practical scheme. The French Government had stated that, if we were unable to assure them by 8 p.m. that day that we would join in the discussions on the basis which they now proposed, they would feel compelled to go forward without United Kingdom participation.

Officials of the Departments directly concerned had met that morning to consider the position, and their recommendations were set out in C. P. (50) 120. It was their view that there was a real difference of approach between the United Kingdom Government and the French Government, which could not be glossed over by mere verbal ingenuity in the drafting of a communiqué, and that it was better that this should be faced at the present stage rather than later. They therefore recommended that the latest French proposal should be rejected; and that, if the French Government decided to hold their proposed discussions without United Kingdom participation, our attitude should at once be made clear in a public announcement on the lines of the draft in Annex II of C. P. (50) 120.

THE LORD PRESIDENT said that he and the Minister of State had been able that morning to discuss the position with the Foreign Secretary, who also felt that this latest French proposal must be rejected. The Foreign Secretary considered that a communication should at once be sent to the French Government on the following lines. It should make the point that the United Kingdom Government were unable to accept the French proposal by 8 p.m. that evening, since they were still without any information about the practical details of the scheme and were therefore unable to estimate its possible effects on their programmes for economic development and defence. They were act in good faith in this matter, and were anxious to do their best to see whether a workable scheme could be devised which would be fair to all concerned and likely to promote peace, European solidarity and economic and social progress. They felt, however, that the best way of achieving this was, not by continued exchange of notes which had led only to misunderstanding and delay, but by a meeting of Ministers of the countries concerned which could consider by what means the examination of the French proposal could best be handled. If, however, the French Government rejected this offer of a meeting of Ministers and went ahead with their plan without our participation, we should certainly lose no time in making a public announcement which would make our position clear.

In discussion there was general agreement that the United Kingdom could not participate in the proposed discussion of the French proposal on the basis of the communiqué suggested by the French Government in the telegram reproduced in Annex I of C. P. (50) 120. This would commit us to accepting the principle of the French proposal before any of its details had been made known to us. No British Government could be expected to accept such a commitment without having had any opportunity to assess the consequences which it might involve for our key industries, our export trade and our level of employment. There was therefore general support for the proposals which the Lord President had put forward in the light of his conversation with the Foreign Secretary.

Other points made in the discussion were:-

(a) The bulk of public opinion in this country, as reflected in Parliament and in the Press, was likely to support the view that the Government could not be expected to commit themselves in advance to accepting the principle or this proposal before they knew what practical shape it would take and what it was likely to involve. There would doubtless be some criticism from groups which were disposed to favour almost any scheme for European integration; but most people would think that the course now proposed was not unduly cautious.

(b) There was some risk that our attitude might be regarded by public opinion in the United States as a further sign of our reluctance to promote European union; and it was especially

important from this point of view that, if the French decided to hold their conversations without our participation, the reasons for our attitude should be made clear without delay.

(c) It was important that, as proposed by the Foreign Secretary, a further attempt should be made to dissuade the French from going forward on the basis proposed without our participation. It was unreasonable that we should have been presented with an ultimatum that, if we did not concur in their proposal within 24 hours, the French would proceed without us; and it should be made clear to the French Government that we were surprised to receive such summary treatment in a matter of this importance.

In this connection it was suggested that use might be made of the argument that the German Government were not free to engage in these discussions without the permission of all the Occupying Powers. It was pointed out, however, that this argument could hardly be used at the present stage, since the Prime Minister in his statement in the House of Commons on 11th May had already welcomed the project for Franco-German discussion of this proposal. At a later stage it might be appropriate to make it clear that German adherence to a treaty entrusting control of her basic industries to an international authority would require the concurrence of the Occupying Powers.

(d) Some Ministers thought that the French Government must have some underlying political motive for urging this precipitate acceptance of the principle of integrating the coal and steel industries of Western Europe. They might perhaps envisage this plan as a means of avoiding the additional commitments for the defence of Western Europe which had been foreshadowed in the recent meeting of the North Atlantic Council. Alternatively, they might be strengthened by knowledge that the United States Government would support their efforts to secure an early agreement on the principle of their plan.

(e) Although the other European Governments invited to participate in the discussions had accepted the latest French formula, some of them had done so with reservations. It would be undesirable for the United Kingdom Government to take this course; for nothing would be more likely to exacerbate Anglo-French relations than for us to join in the discussions with mental reservations and withdraw from participation at a later stage.

(f) Our position was different from that of the other European countries by reason of our Commonwealth connections; and we should be slow to accept the principle of the French proposal without consultation with other members of the Commonwealth, especially as it appeared to involve some surrender of sovereignty.

The Cabinet agreed that if, despite the further representations which were to be made to them, the French government decided to hold their proposed discussions without United Kingdom participation, an announcement should be made without delay explaining the attitude of the United Kingdom Government towards the French proposal. This should follow the general lines of the draft set out in Annex II of C. P. (50) 120. It was, however, agreed that the reference to the Atlantic Pact at the end of that draft should be omitted; and that the whole of paragraph 5 of the draft might with advantage be recast on the lines that the United Kingdom Government would have wished to be associated with the examination of this proposal and regretted that French insistence on a prior commitment in principle had made it impossible for them to do so, having regard to their obligations to Parliament and to the public.

The Cabinet -

(1 ) Agreed that the United Kingdom Government should not participate in the examination of the French proposal for the integration of the coal and steel industries of Western Europe on the basis set out in the telegram reproduced in Annex I of C. P. (50) 120.

(2) Invited the Minister of State to arrange for a communication to be sent forthwith to the French Government, on the lines approved by the Cabinet, suggesting that they should convene in Paris a meeting of Ministers of the countries concerned to consider by what means the examination of the French proposal could best be handled.

(3) Agreed that if, in spite of these representations, the French Government decided to discuss their plan with the other Western European countries concerned, without United Kingdom participation, a public announcement should be made without delay explaining the attitude of the United Kingdom Government on the general lines of the draft in Annex II of C. P. (50) 120; and authorised the Lord President to settle the final text of that communiqué in consultation with the Minister of State.