CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W. 1, on Thursday, 30th November, 1950, at 10 a.m.

Present:

The Right Hon. C. R. Attlee, M.P., Prime Minister (in the Chair)


The Right Hon. H. T. N. Gaitskell, M.P., Chancellor of the Exchequer (Items 1-5).

The Right Hon. Viscount Addison, Lord Privy Seal.

The Right Hon. J. Chuter Ede, M.P., Secretary of State for the Home Department.


The Right Hon. T. Williams, M.P., Minister of Agriculture and Fisheries.

The Right Hon. J. H. Wilson, M.P., President of the Board of Trade.


The Right Hon. Ernest Bevin, M.P., Secretary of State for Foreign Affairs.


The Right Hon. Viscount Jowitt, Lord Chancellor.

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

The Right Hon. Aneurin Bevan, M.P., Minister of Health.

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

The Right Hon. James Griffiths, M.P., Secretary of State for the Colonies.


The following were also present:

The Right Hon. Alfred Barnes, M.P., Minister of Transport (Item 4).


Sir Ralph Stevenson, His Majesty’s Ambassador, Egypt (Item 4).

Field-Marshal Sir William Slim, Chief of the Imperial General Staff (Item 4).

The Right Hon. Maurice Webb, M.P., Minister of Food (Item 5).

The Right Hon. William Whiteley, M.P., Parliamentary Secretary, Treasury (Items 1-3).

Admiral of the Fleet Lord Fraser of North Cape, First Sea Lord and Chief of Naval Staff (Item 4).

Marshal of the Royal Air Force Sir John Slessor, Chief of the Air Staff (Item 4).

Secretariat:

Sir Norman Brook.

Mr. A. Johnston.
## CABINET 79 (50)

### CONTENTS

<table>
<thead>
<tr>
<th>Minute No.</th>
<th>Subject</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Parliament</td>
<td>183</td>
</tr>
<tr>
<td></td>
<td>Business in the House of Commons.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Durham County Council</td>
<td>183</td>
</tr>
<tr>
<td></td>
<td>Conditions of Employment.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Korea</td>
<td>183</td>
</tr>
<tr>
<td>4</td>
<td>Egypt</td>
<td>184</td>
</tr>
<tr>
<td></td>
<td>Anglo-Egyptian Treaty</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Suez Canal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Supply of Arms</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sudan</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Food</td>
<td>187</td>
</tr>
<tr>
<td></td>
<td>Meat Supplies</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Wool</td>
<td>188</td>
</tr>
<tr>
<td></td>
<td>Price of Utility Blankets</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Nepal</td>
<td>188</td>
</tr>
</tbody>
</table>
1. The Cabinet were informed of the business to be taken in the House of Commons in the following week. It was agreed that in the debate on Welsh affairs on 5th December the Government spokesmen should be the Secretary for Overseas Trade and the Postmaster General. The Minister of Fuel and Power should be in attendance in case questions should be raised about the provision of employment for ex-miners suffering from silicosis.

On 6th December the Second Reading of the Leasehold Property (Temporary Provisions) Bill should be moved by the Lord President, and the Attorney-General should reply to the debate.

It was agreed that the Government should resist the Opposition suggestion that time should be found before Christmas for a further debate on Defence.

The Cabinet were informed that Parliament would be adjourned for the Christmas Recess on 15th December and would reassemble on 23rd January.

2. The Cabinet's attention was drawn to the difficulties which would arise if the Durham County Council sought to enforce their resolution that all persons employed by them must belong to a trade union or a professional association. Apart from the political capital which would be made of this in Parliament by the Conservative Opposition, who had already tabled a motion on the subject, there was grave danger that it would become a source of dissension among Labour circles in Durham.

The Cabinet endorsed the action already taken by the Ministers of Health and Education in deprecating the policy which the County Council were seeking to follow; and agreed that in public statements, in Parliament or elsewhere, the Government must continue to offer uncompromising opposition to the enforcement of such a policy by a public authority. The Cabinet agreed, however, that informal approaches should be made to influential members of the Labour movement in Durham with a view to persuading the County Council to refrain from enforcing their resolution against individual employees. The Minister of Defence and The Chief Whip said that they would be visiting Durham at the week-end and would see whether they could arrange for suitable Labour representatives from the county to hold informal conversations with the Ministers of Health and Education.

3. The Foreign Secretary said that, since the Cabinet's discussion on the previous day, further confirmation had been obtained that the Chinese had deployed a large organised force in Korea and were holding even larger reserves in Manchuria. There were also reports that Russian aircraft were being moved into Manchuria. The position was serious; and it seemed likely that the question of reinforcing the United Nations troops would be raised before long.

He was anxious therefore that a comprehensive appreciation should be drawn up, without delay, of the military, political and economic consequences which would follow if United Nations forces became involved in large-scale hostilities against China. Such a development would seriously prejudice the prospects of building up a sound defensive position in Western Europe. Not only might it involve the despatch to the Far East of substantial numbers of troops who were required for European defence; it would also accentuate the economic difficulties, due mainly to the shortages of raw materials, which were already impeding the rearmament programmes of the European democracies. On some of these questions separate representations were already being made to different parts of the United States Administration. What was needed now was a balanced and comprehensive picture of the potential commitments involved, which could be presented to the United States Government in such a way as to ensure that it was considered as a whole at the highest level.

The Foreign Secretary said that, while Europe remained exposed to such grave dangers, he was doubtful whether the United Kingdom
Government would be justified in undertaking any further commitments in the Far East. He was certain that, before supporting any United Nations resolution which would have the effect of applying military sanctions against China, they must see clearly what liabilities this would involve—political and economic, as well as military—and how far they were capable of meeting them.

In discussion there was general agreement with the views expressed by the Foreign Secretary.

The Foreign Secretary added that, since the Cabinet's discussion on the previous day, he had instructed the United Kingdom representative on the Security Council that he should not vote for any amendment of the resolution on Korea which would introduce a charge of aggression against the Chinese Government. He had also impressed upon the United States Government the importance which he attached to leaving the existing resolution as it stood, and avoiding the introduction of any charge of aggression against China. He had heard that morning that the United States Government accepted his view on that point. In reply to a question, he assured the Cabinet that he would not, without further reference to them, authorise his representative on the Security Council to support any form of resolution involving a charge of aggression against China.

The Cabinet—

Took note that the Prime Minister would arrange for the Chiefs of Staff and Departments concerned to co-operate in the preparation of a comprehensive appreciation of the military, political and economic implications of large-scale operations by United Nations forces against China.

4. The Cabinet had before them two memoranda by the Foreign Secretary (C.P. (50) 283 and 284) on policy towards Egypt.

The Cabinet first considered the line which the Foreign Secretary was proposing to take, in his forthcoming talks with the Egyptian Foreign Minister, about the revision of the Anglo-Egyptian Treaty. The Foreign Secretary said that he would open these conversations on the lines indicated in paragraphs 20-22 of C.P. (50) 284. The indications were, however, that the Egyptian Foreign Minister would adopt an intransigent attitude reflecting the attitude of his Government that there could be no agreement, except on the basis that no British forces would be stationed in Egypt in time of peace. The Foreign Secretary said that, if the Egyptians could not be persuaded to adopt a less uncompromising attitude, he would have no alternative but to make it clear that we should stand upon our rights under the Treaty until such time as it expired.

In discussion the following points were raised:

(a) It would be open to the Egyptians to argue that the United Kingdom Government had themselves failed to carry out the provisions of the Treaty—by maintaining in Egypt troops in excess of the numbers authorised by the Treaty, by stationing some of these in areas outside the Canal Zone, and by failing to carry out their obligations to assist in the training and equipment of the Egyptian Army.

It was pointed out that only a small proportion of the British troops in Egypt were now stationed outside the Canal Zone; and that, if this were the only difficulty, it might be possible to dismantle the few depots outside that Zone. As regards numbers, it was pointed out that the limits imposed by the Treaty were 10,000 land forces and 400 pilots together with "the necessary ancillary personnel for administrative and technical duties," excluding civilian clerks, artisans and labourers. Although the total number of British troops now in Egypt numbered about 38,000, the combat forces did not exceed the numbers stipulated in the Treaty. Was it not arguable that the remainder were "ancillaries" within the meaning of the Treaty? In reply it was pointed out that a large proportion of these additional
troops were employed as armed guards, and it could not be main­
tained that they were engaged in "administrative and technical
duties." It was the general view of the Cabinet that, if the matter
were brought before an international tribunal, we should have little
chance of rebutting the Egyptian claim that the numbers of British
troops in Egypt were in excess of the limits prescribed in the Treaty.

(b) For some time past it had been the policy of the United
Kingdom Government to reduce the size of the British garrison in
Egypt, and the number of combat troops stationed there had in fact
been substantially reduced. There were, however, two main reasons
why it had not proved possible to make any greater reduction in the
number of administrative troops employed there. First, Egypt had
been a base for large British armies during the war; and as a result
there were still vast depots of valuable stores in Egypt. Unless these
were to be sacrificed, they had to be maintained and guarded against
pilfering; and for these duties substantial numbers of troops were
required. A number of Mauritians had been used for these purposes,
because they were less expensive than United Kingdom troops.
Secondly, our military plans still assumed that Egypt would be a
base for a large British army in a future war; and large numbers of
base troops were kept there for that purpose. This explained the
high proportion of administrative troops now in Egypt, in relation to
combat troops.

(c) The Foreign Secretary said that, if our requirements could be
limited to the use of a military base in Egypt in time of war, it might
be possible to secure a satisfactory agreement with the Egyptian
Government on the footing that in time of peace the base installations
would be guarded by Egyptian troops and that we would station there
only a limited number of British technicians in plain clothes.

(d) It had been our military policy to maintain a foothold in
Egypt until alternative facilities could be provided for a secure British
base elsewhere in the Middle East. The Federal State of Libya had
not yet come into being, but when it had we should hope to conclude
with it a treaty which would contain defence provisions. If we
succeeded in this, alternative proposals could be put forward for dis­
tributing our peace-time military bases in the Middle East between
Cyrenaica, Tripolitania and Cyprus. As soon as a favourable decision
had been reached in the United Nations, these proposals would be
submitted for consideration by the Cabinet.

The Cabinet—

(1) Agreed that, in his forthcoming discussions with the
Egyptian Foreign Minister on the Anglo-Egyptian Treaty,
the Foreign Secretary should take the line indicated in
paragraphs 20–27 of C.P. (50) 284.

(2) Took note that, as soon as developments in Libya permit the
Foreign Secretary and the Minister of Defence would sub­
mit to the Cabinet a joint memorandum on the provision
of British military bases in Cyrenaica, Tripolitania and
Cyprus.

The Minister of Transport said that he hoped that effective action
could now be taken to prevent the Egyptian Government from inter­
ferring with the free passage of ships through the Suez Canal. Their
application of inspection and contraband control within the Canal
was an increasing source of embarrassment to British shipping.

The Cabinet were informed that, for the reasons stated in the
Annex to C.P. (50) 283, the Law Officers were satisfied that the
Egyptian Government had been entitled to impose these controls
within the Canal during the period of hostilities between Egypt and
Israel. They had, however, signed a permanent armistice with Israel
in February 1949; and, although no formal treaty of peace had been
concluded, Egypt's case for continuing these restrictions became less
strong as the date of the armistice receded. We should therefore be
justified now in making stronger protests against these restrictions, on
the ground that they were no longer necessary for preserving security or public order in Egypt. For the moment, however, this matter was before the Egyptian-Israeli Mixed Armistice Commission, and was therefore sub judice.

The Cabinet—

(3) Took note of the statement, in paragraphs 20–25 of C.P. (50) 283, regarding Egypt’s right to interfere with the passage of ships through the Suez Canal; and invited the Foreign Secretary to keep in touch with developments of this question in the Egyptian-Israeli Mixed Armistice Commission and the Security Council.

(4) Took note that the Minister of Transport would notify the Foreign Secretary and the Attorney-General of any further examples of Egyptian interference with the free passage of shipping through the Suez Canal.

The suggestion was made that, if Egyptian interference with the passage of shipping through the Suez Canal was based on the fact that a formal treaty of peace had not been concluded between Egypt and Israel, the same argument could be used to justify our decision to suspend the delivery of Centurion tanks to Egypt. The Foreign Secretary, however, thought it would be dangerous to make a bargain with Egypt on the basis that we would resume the supply of arms to them if they undertook to refrain from interfering with shipping in the Canal. It was true that the recent protests in the House of Commons against the proposal to supply Centurion tanks to Egypt had been based mainly on Egypt’s hostile attitude towards the Anglo-Egyptian Treaty and the maintenance of British troops in Egypt. It was not to be assumed, however, that such protests would no longer be made if the Egyptian Government adopted a more accommodating attitude on those matters. If the supply of arms to Egypt were now resumed, it would be difficult to refuse similar facilities to other States in the Middle East. And there was a strong underlying feeling in the House of Commons that modern types of military equipment should not be exported to such countries as these at a time when our own forces were seriously short of the equipment which they required.

The Cabinet—

(5) Took note that, after his forthcoming talks with the Egyptian Foreign Minister, the Foreign Secretary would submit further recommendations to the Cabinet about the supply of arms to Egypt.

The Attorney-General said that he had serious doubts about the legal basis of the Government’s policy towards the Sudan. It was his view that the Anglo-Egyptian Condominium Agreement of 1899 had not altered the fact that sovereignty over the Sudan resided in Egypt, and that, in law, the Governor-General of the Sudan had had no power to introduce the constitutional reforms of 1948 without the concurrence of the Egyptian Government.

The Cabinet agreed that, despite the doubts about the legal position, the Government could not now depart from their policy that the Sudanese people must be allowed freely to decide their own future. They endorsed the Foreign Secretary’s proposal that the Governor-General should press forward with measures to broaden the electoral basis of the Sudan Legislative Assembly, and agreed that no attempt should be made to reopen negotiations with the Egyptian Government about the future of the Sudan.

The Cabinet—

(6) Endorsed the proposals in paragraphs 18–19 of C.P. (50) 283 regarding the Sudan.
5. The Cabinet considered a memorandum by the Minister of Food (C.P. (50) 282) recommending that, in view of the difficulties which were being experienced in trade negotiations with Argentina, the carcase meat ration should be reduced from Is. 6d. to Is. 2d. a week from 9th December, with an addition of 2d. worth of corned beef a week, if the settlement with Argentina was delayed, or 4d. worth of corned meat if a settlement was reached later in that week. It was also recommended that there should be a cut of about 25 per cent. in the allocations of manufacturing meat.

The Minister of Food said that it was impossible to postpone a decision about a reduction in the meat ration. Supplies from sources other than Argentina had fallen off seriously. Because of the high price of wool, farmers in Australia and New Zealand were reluctant to dispose of sheep as mutton. There was also a shortage in home supplies. Whereas last year at this time the carcase meat in store amounted to 206,000 tons, the present amount was 64,000 tons, representing about 3s. 4d. worth of meat per person. The present stock of canned corned beef was equivalent to five months' supply at 2d. per person per week.

In discussion the following points were made:

(a) While it seemed true that Australian and New Zealand farmers were disinclined to supply mutton because of the high prices of wool, the shortage of home-killed meat was due to the early fattening of livestock this year and the efforts which had been made to secure home-killed supplies at an earlier period of the year than usual.

(b) There was reason to believe that Argentina was in some difficulty because her cold stores were now full of meat. At the same time her economic position had been improved because of the high dollar prices which she was receiving for hides and wool. It was doubtful whether at this stage a threat to withhold the export to Argentina of essential commodities, notably coal, would have any effect. Very little coal would, in fact, be going from this country to Argentina in the near future.

(c) The Argentine Government were reasonably well informed about the level of meat stocks in this country. It was for this reason that it was recommended that the ration of carcase meat should be reduced to an amount which would enable the Government to hold the position for some little time. If the Argentine Government thought that the United Kingdom Government feared the consequences of a drastic cut in the meat ration and were making a smaller cut than the circumstances required, they might be inclined to play out the negotiations further in the hope of forcing a higher price.

(d) As there were fairly substantial stocks of corned meat, and as it was undesirable to make a reduction in the total meat ration at this season of the year, there was general agreement that the ration should for the present be held at Is. 6d., of which Is. 2d. worth would be given in carcase meat and 4d. worth in corned meat.

(e) Every endeavour should be made to obtain additional supplies of meat from other sources, even if the amounts appeared individually to be relatively small. The present position justified the use of dollars to secure about 20,000 tons of meat which were believed to be available in the United States. Supplies might also be available in Canada. Special steps would have to be taken to secure freight for the conveyance of United States meat to this country.

(f) Doubt was expressed whether, as suggested in paragraph 13 of C.P. (50) 282, it was undesirable for the Minister of Food, in announcing the reduction in the carcase meat ration, to make any comment which might further strain relations between this country and Argentina. On the contrary, the statement should make it clear that the Argentine Government had been endeavouring to take an unfair advantage of this country's dependence on imported supplies, and that the reduction in the ration was necessary to ensure that these tactics should not succeed.
The Cabinet—

(1) Agreed that, from 9th December next, the meat ration of Is. 6d. a week should consist of Is. 2d. worth of carcase meat and 4d. worth of canned corned meat and that a cut of 25 per cent. should be made in the allocations of manufacturing meat.

(2) Invited the Minister of Food to take all practicable steps to obtain supplies of meat from sources other than Argentina and, in particular, to buy about 20,000 tons of meat which were believed to be available in the United States.

(3) Invited the Minister of Food, in announcing the reduction in the carcase meat ration, to make it clear that this was due to the unreasonable attitude of the Argentine Government regarding the price of meat.

Wool.

The Cabinet considered a memorandum by the President of the Board of Trade (subsequently circulated as C.P. (50) 295) seeking authority for an increase of 66½ per cent. in the maximum price of utility blankets.

The President of the Board of Trade said that he had brought this matter before the Cabinet because it foreshadowed the price increases which would be demanded by manufacturers over a wide field, as time went on. Blankets were quickly produced and consisted almost entirely of wool, so that they quickly reflected increases in wool prices. If the present application was not conceded, unemployment in the blanket industry would arise within a few days. The application related to September wool prices: there had been later increases amounting to a further 12 per cent. or 13 per cent. In a few months there would be requests for substantial increases in the prices of suits, cotton goods and other textiles.

In discussion attention was drawn to the undesirability of authorising a substantial increase in the retail price of blankets before the Government had had an opportunity of considering how they should handle the marked increase in the cost of consumer goods which would take place in the next few months. In these circumstances the better course would be to take advantage of the suggestion in paragraph 3 of E.P.C. (50) 120 that, while an increase in manufacturers' prices should be conceded, consequential increases in maximum retail prices should be delayed.

The Cabinet—

Agreed that the President of the Board of Trade should authorise an increase in manufacturers' maximum prices, subject to some postponement of the date of their operation and to a delay in fixing the consequential increases in maximum retail prices.

Nepal.

(Previous Reference: C.M. (50) 77th Conclusions, Minute 9.)

7. The Foreign Secretary said that he had arranged for Sir Esler Dening to go to Delhi and Katmandu to discuss the situation in Nepal. This was certainly not a time at which to allow a serious divergence of policy to develop between the United Kingdom Government and the Government of India. At the same time, it was very undesirable that India should take arbitrary steps in regard to Nepal.

In discussion, it was pointed out that the Prime Minister of India appeared to be adopting a less intransigent attitude regarding Nepal. There were advantages in delaying a final decision.

The Cabinet—

Took note of the Foreign Secretary's statement.

Cabinet Office, S.W. 1.
30th November, 1950.