CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W.1, on Monday, 10th August, 1953, at 3 p.m.

Present:

The Right Hon. R. A. BUTLER, M.P., Chancellor of the Exchequer (in the Chair).
The Most Hon. the MARQUESS OF SALISBURY, Lord President of the Council.
The Right Hon. Sir DAVID MAXWELL FYFE, Q.C., M.P., Secretary of State for the Home Department and Minister for Welsh Affairs.
The Right Hon. VISCOUNT SWINTON, Secretary of State for Commonweal th Relations.
The Right Hon. LORD LEATHERS, Secretary of State for Co-ordination of Transport, Fuel and Power.
The Right Hon. HAROLD MACMILLAN, M.P., Minister of Housing and Local Government.

The following were also present:

The Right Hon. ANTONY HEAD, M.P., Secretary of State for War.
The Right Hon. DUNCAN SANDYS, M.P., Minister of Supply (items 8-9).
The Right Hon. Sir DAVID ECCLES, M.P., Minister of Works (item 9).
The Right Hon the EARL OF HOME, Minister of State, Scottish Office.

The Right Hon. LORD DE L'ISLE AND DUDLEY, Secretary of State for Air.
The Right Hon. A. T. LENNOX-BOYD, M.P., Minister of Transport and Civil Aviation (items 1-3).
The Right Hon. SELWYN LLOYD, Q.C., M.P., Minister of State (items 1-7).
Mr. S. WINGFIELD DIGBY, M.P., Civil Lord, Admiralty.

Secretariat:
The Right Hon. Sir NORMAN BROOK.
Mr. G. MALLABY.
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1. The Commonwealth Secretary drew attention to telegrams regarding the possibility of early constitutional developments in Pakistan (Karachi telegrams Nos. 1161 and 1176 of 4th and 7th August and telegram No. 840 of 5th August from the Commonwealth Relations Office to Karachi). The Prime Minister had endorsed the views expressed in the outgoing telegram of 5th August, and wished to supplement it by a personal message to the Prime Minister of Pakistan. The Commonwealth Secretary read to the Cabinet the text of a message which the Prime Minister was proposing to send.

The Cabinet—

Took note of this exchange of telegrams and of the personal message which the Prime Minister was proposing to send to the Prime Minister of Pakistan.

2. The Lord President said that the Cabinet would now have had an opportunity to study the terms of the Soviet reply to the invitation, extended to them as a result of the Tripartite Meeting in Washington, to attend a Four-Power Meeting of Foreign Ministers to discuss the future of Germany and Austria. The Soviet reply was unhelpful, and suggested that Stalin's death had not led to any fundamental change in Soviet foreign policy. It was evidently designed to exploit such differences as existed between the three Western Powers. This view was shared by official opinion in Paris. The first reactions of the State Department were, however, more favourable: they were disposed to favour a reply blandly accepting the Soviet note and suggesting a time and place for the Four-Power Meeting. This was a surprising reaction, which appeared to overlook many of the difficulties raised by the Soviet note, and the Lord President said that he had at first been disposed to bring those difficulties to the notice of the United States authorities. He and the Chancellor of the Exchequer had, however, had an opportunity to discuss the matter with the Prime Minister on 8th August. The Prime Minister had thought it would be unwise for us to appear to be suggesting to the Americans a more severe attitude towards the Soviet response than they would otherwise have been disposed to take. We had not originated the suggestion of a Four-Power Meeting of Foreign Ministers, and there was no need for us to take the initiative in suggesting how best to answer the Soviet response to this invitation. If therefore we wished to draw attention to the difficulties posed by the Soviet note, it would be wiser to do this by putting questions to the Americans rather than by offering positive suggestions regarding the form of the reply. The Lord President said that, in the light of the Prime Minister's comments, he had prepared a revised draft of his proposed telegram to Washington, and copies of this were handed round at the meeting. Since this was prepared, however, he had had some conversation with the United States Chargé d'Affaires in London and, on hearing from him that the Secretary of State was now returning to Washington, he had said that he would welcome an early indication of his personal views on the matter. It might therefore be preferable to await an expression of Mr. Dulles's views before sending a telegram on the lines of the draft which he had prepared.

As regards the further stages, the Lord President said that, when the three Governments had reached agreement on the substance of the reply to the Soviet note, the detailed drafting could best be undertaken by a small committee of officials; and he was disposed to accept the American suggestion that this work should be done in Paris. On the question of timing, he had no doubt that it would be expedient to postpone the reply until after the German elections. The Soviet note could not fail to give offence in Germany, and it was unlikely that the reply of the Western Powers would provide better propaganda for our friends in Germany.
In discussion there was general agreement that the reply to the Soviet note should be deferred until after the German elections. It was also agreed that our object should be to ensure the success of this project for a Four-Power Meeting or, if it failed, to make it apparent that responsibility for the failure rested with the Russians. The main difficulty would doubtless be to phrase our acceptance in such terms as would avoid giving the impression that we accepted the premises underlying the arguments in the Soviet note. On this we might well leave the initiative to the United States Government, so long as we could be sure that they appreciated the difficulties. There was therefore much to be said for sending an immediate message to Washington on the general lines of paragraphs 1–3 of the draft circulated at the meeting but deferring the points set out in the remainder of the draft until Mr. Dulles’s personal views were known.

After further discussion it was agreed that, subject to the Prime Minister’s approval, a telegram should at once be sent to Washington suggesting (i) that the reply to the Soviet note should be deferred until after the German elections and (ii) that the reply should be an acceptance of a meeting of the four Foreign Ministers, with suggestions regarding the time and place of the meeting. As regards the form of the reply, the telegram should say that we awaited the expression of Mr. Dulles’s views, but it should make the point that care would be needed to avoid giving the impression of accepting the whole of the Soviet thesis.

The Cabinet—

Asked the Lord President to prepare a draft telegram to Washington on the lines indicated in the course of their discussion and invited him to submit this for the Prime Minister’s approval before despatch.

3. The Cabinet considered a report by the Lord President (C. (53) 227) on the course of the preliminary discussions which had been undertaken on the possibility of obtaining from the Egyptian Government firmer guarantees regarding the freedom of navigation through the Suez Canal.

The Lord President said that the French Government had suggested that preliminary discussions should be held with the United States Government before any wider approach was made to the maritime Powers generally. As a result it had been ascertained that the United States Government would be unwilling to take part in any multilateral approach to the Egyptian Government on this subject. Their proposal was that at an appropriate moment a single Ambassador should ask the Egyptian Government to issue a unilateral declaration re-affirming the principle of freedom of navigation through the Canal and that the maritime Powers should then take cognizance of this declaration. In his view, this proposal was open to serious objections for the reasons set out in paragraph 5 of his report. He therefore proposed that, in concert with the French Government, we should make a further effort to persuade the United States Government to join in a multilateral approach to the Egyptians on this question. We should at the same time make it clear that, if they would not join with us in this, we should wish to consult other Commonwealth Governments and we and the French would hold ourselves free to approach the other maritime Powers.

In discussion the question was raised whether the security of the Canal and the right of international passage through it should not at once be brought within the scope of our current defence negotiations with the Egyptian Government. Against this it was argued that it would be wiser to keep the two negotiations separate. In the defence negotiations we were seeking facilities to maintain the base in the
Canal Zone for a limited period for purposes unconnected with the right of international passage through the Canal. If we were now to argue that the base was necessary to the security of the Canal, we could hardly be content with an agreement of relatively short duration. Moreover, it would be most unwise to introduce a new and controversial element into the defence negotiations at this stage, if we could avoid doing so.

The Cabinet—

(1) Authorised the Lord President to arrange for a further approach to be made to the United States Government on the lines proposed in paragraph 7 of C. (53) 227.

(2) Invited the Lord President to arrange for the preparation of instructions to Her Majesty’s Ambassador in Cairo against the possibility that the question of further guarantees regarding the freedom of navigation through the Suez Canal might have to be raised in the course of the current defence negotiations with the Egyptian Government.

New Hebrides.

4. The Cabinet had before them a memorandum by the Lord President, the Commonwealth Secretary and the Colonial Secretary (C. (53) 225) recommending that an attempt should be made to reach an agreement with the French Government on a revision of the 1914 Protocol establishing the Anglo-French Condominium over the New Hebrides.

The Colonial Secretary said that the Condominium had never worked satisfactorily. In 1950 the Australian Government had suggested that our responsibilities in the territory might be transferred to them; but, before practical arrangements could be made for the transfer, they had asked that it should be deferred for at least two years. The Australians were not likely to accept this responsibility so long as the territory had to be administered on the basis of the existing Protocol. It was therefore proposed that we should seek to persuade the French Government to agree that the British and French resident Commissioners in the New Hebrides should, without commitment to either Government, jointly examine the revision of the Protocol, which at present seriously impeded effective administration. Meanwhile we should tell the Australian Government that we were making this approach to the French and should try to discover whether there was any likelihood of their being prepared in the future to take over our responsibilities in the territory.

The Cabinet—

(1) Endorsed the proposals in C. (53) 225.

(2) Invited the Lord President to suggest to the French Government that the British and French resident Commissioners in the New Hebrides should jointly examine, without commitment to either Government, the revision of the Protocol.

(3) Invited the Commonwealth Secretary to inform the New Zealand and Australian Governments of this approach, and to try to find out if there was any likelihood that the Australian Government would be willing to take over United Kingdom responsibilities in the territory.

Israel.

5. The Cabinet had before them a memorandum by the Lord President (C. (53) 228) covering a draft of a despatch to Her Majesty’s Ambassador in Washington instructing him to approach the United States Government about the role of Israel in the defence of the Middle East.
The Lord President explained that this draft had been prepared in pursuance of the conclusion, reached by the Defence Committee on 6th May, that we should hold secret discussions with the United States Government and seek to secure their support for our policy regarding the part to be played by Israel in the defence of the Middle East. He had, however, some doubts about the wisdom of making such an approach to the United States Government at the present time. If any of the Arab States should learn that we contemplated building up Israel's armed strength, this could not fail to prejudice our current negotiations with Egypt and might lose us the good will of the Arab States. We ourselves were not in a position to offer the financial and economic aid which Israel would need if she were to play the part designed for her in Middle East defence, and it was doubtful whether the Americans could be persuaded to accept fresh commitments in this area. In any event the facilities we should need in Israel could not be finally determined until the outcome of the Anglo-Egyptian negotiations was known. In these circumstances he wondered whether it would not be wiser to hold up the suggested approach to the United States Government until further progress had been made with the defence negotiations with Egypt.

In discussion there was general agreement that, in spite of the value of a strong Israeli contribution to Middle East defence, it would be wiser to defer for the time being the suggested approach to the United States Government on this matter.

The Chancellor of the Exchequer emphasised the importance of avoiding any Exchequer commitment for economic or financial aid to Israel. He wished therefore to reserve his position on the form of the approach eventually made to the United States Government on this matter.

The Cabinet—

Agreed that the suggested approach to the United States Government on the role of Israel in Middle East defence should be deferred until further progress had been made in the defence negotiations with Egypt.

6. The Chancellor of the Exchequer said that the report of the Unified Command in Korea had now been published, and certain newspapers were accusing the Government of bad faith in failing to disclose to Parliament, before it rose, the terms of the declaration regarding the possible consequences of a breach of the armistice.

The Minister of State said that, in accordance with the Cabinet's decision of 28th July, he had explained to the Leader of the Opposition and Mr. Herbert Morrison the manner in which the warning declaration would be published and the circumstances which made it impossible to inform Parliament of its terms before the beginning of the recess. Neither had questioned the propriety of the procedure which was being followed.

The Cabinet—

Invited the Lord President to arrange for the Foreign Office to give the necessary guidance to the Press regarding the method of publication of the warning declaration on the possible consequences of a breach of the armistice in Korea.

7. The Cabinet had before them a memorandum by the Minister of Labour (C. (53) 222) reporting the conclusions of a Ministerial Committee appointed by the Defence Committee to estimate the numbers of whole-time men needed by the police and
civil defence services in the first year of a future war and to recommend a scheme for meeting this need.

The Minister of Labour said that his Committee had considered means of finding the 300,000 additional men estimated to be needed for these purposes on the outbreak of a future war. They had concluded that an appeal for volunteers was unlikely to succeed in present circumstances, and that compulsory enrolment for peacetime training was not politically practicable. A possible means of meeting a part of the requirement was to allocate some 25,000 men from the R.A.F. National Service Reserve to civil defence training in 1954 and comparable numbers in the next few years. These were men who, while required by the R.A.F. for their full two-year colour service, would not be needed for R.A.F. duties during the first twelve months of a future war and were not being called up for annual reserve training. This transfer would, however, require legislation, either in the Navy, Army and Air Force Reserves Bill or in a separate Bill; and the Minister of Defence and the Service Ministers felt strongly that the introduction of such legislation would invite radical criticism of the National Service Act. The Minister of Labour said that in these circumstances it might be worth considering whether all National Servicemen could not be given some training in civil defence duties in the course of their two years' National Service.

The Home Secretary admitted the difficulties of introducing legislation but emphasised the gravity of the problem. Those who had already volunteered for civil defence training in peace were committed to part-time service in war only, and there was no Civil Defence Reserve in existence to undertake whole-time duties. At some stage some solution of this problem would have to be found.

The Chancellor of the Exchequer said that he did not believe it would be practicable to introduce in the near future legislation on the lines indicated in C. (53) 222. He was attracted by the idea put forward by the Minister of Labour that all three Services should give some civil defence training to their National Servicemen in the course of their two years' colour service. Although this would not meet the Home Secretary's desire to have a Civil Defence Reserve available for full-time duty on the outbreak of war, it would mean that in a few years there would be a large number of able-bodied men in this country who had had some basic training in civil defence duties. It could be considered later whether some of these men could be earmarked for whole-time civil defence duty in war.

In discussion the following points were made:—

(a) It might be difficult for the three Services to find time and opportunity to give the necessary training in civil defence during the two years of National Service. The Navy took a very small number of National Servicemen, and the Army had cut down their basic training to the minimum in order to enable National Servicemen to undertake essential duties overseas.

(b) It was probable that in the early stages of a war the armed forces in the United Kingdom would have to act in aid of the civil power and undertake what amounted to civil defence duties. Experience had shown that they were likely to perform these duties more effectively if they had received even a short period of training.

The Cabinet—

(1) Withheld approval of the proposal for legislation enabling 25,000 men from the R.A.F. National Service Reserve to be transferred to civil defence.

(2) Invited the Minister of Defence to examine, in consultation with the Home Secretary and the Service Ministers, the practicability of giving some civil defence training to National Servicemen in the course of their two years' service; and to submit a report on this matter to the Cabinet.
PUBLIC RECORD OFFICE

Group/Class  CAB 128
Piece  26
CC (53) 48th Meeting, Item 8

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(date)  25/10/83
(Signed)  Smith
9. The Cabinet had before them a note by the Secretary of the Cabinet (C. (53) 208) covering the Report of the Committee which, under the Chairmanship of Lord Waverley, had worked out a detailed plan for transferring the responsibility for atomic energy from the Ministry of Supply to a non-departmental form of organisation. They also had before them memoranda by the Paymaster-General, the Minister of Supply, and the Chancellor of the Exchequer (C. (53) 214, 223 and 225) commenting on the Report of the Waverley Committee.

The Cabinet's discussion turned mainly on the question whether the Atomic Weapons Research Establishment (A.W.R.E.) should be transferred, along with the remainder of the atomic energy organisation, to the proposed new Corporation. This had been recommended by the Waverley Committee, but the Chancellor of the Exchequer
and the Minister of Supply had both expressed, in their memoranda, doubts about the expediency of entrusting to an independent corporation the responsibility for the development and production of atomic weapons.

_The Paymaster-General_ said that he hoped the Cabinet would accept the findings of the Waverley Committee on this point. The Chairman and members of the Committee had all had wide administrative experience, and two of them had special knowledge of the atomic energy organisation; they had gone into this point with great care and had, in particular, considered all the objections set out in the memoranda by the Chancellor of the Exchequer and the Minister of Supply; and they had come to the firm conclusion that the balance of advantage lay in favour of transferring A.W.R.E. to the proposed new Corporation. The Paymaster-General said that he himself had no doubt that this was the right solution. Separation of A.W.R.E. from the rest of the project would destroy the whole balance of the organisation proposed by the Waverley Committee. Separation would also be wrong in principle. For it was admitted that the type of fissile material best suited for industrial use was not the type best suited for use in atomic weapons. A corporation concerned only with the industrial application of atomic energy would be biased in favour of producing the material most suited for industrial use. There was, therefore, some risk that, if responsibility for A.W.R.E. remained with the Ministry of Supply, the Ministry might eventually feel obliged to create its own facilities for the manufacture of fissile material—with the result that, in the end, there would be two atomic energy projects, neither of which could be fully efficient. Separation of A.W.R.E. from the remainder of the project was bound to lead to duplication of effort or loss of efficiency. On the other hand, transfer of A.W.R.E. to the new Corporation would not deprive the Minister of Supply of any part of his responsibility for weapon development. The new Corporation would be responsible only for the development and production of the atomic core for inclusion in atomic weapons; and responsibility for the development and production of all other parts of the atomic weapons would continue to rest with the Ministry of Supply.

_The Minister of Supply_ said that in his view it was unsound to draw so sharp a distinction between the atomic core and the remainder of the atomic weapon. The core was surrounded by a mass of high explosive and by a highly complex system of detonators; and the efficiency of the weapon turned on a high degree of inter-dependence between these three elements. It might on this account be conceded that development of the weapon as a whole must rest with the Ministry of Supply, even though the production of the atomic core was undertaken by the new Corporation. But all experience had shown that it was wrong in principle to divorce development from production; and he would himself prefer to retain responsibility for the whole of the work of A.W.R.E. His view was determined solely by considerations of efficient organisation. There were, however, other considerations which the Cabinet should not overlook. Thus, the legislation required would be far more controversial if the powers of the new Corporation were to extend to the manufacture of atomic weapons: the Opposition would then be able to represent this as a first step towards the private manufacture of atomic arms. Moreover, if the Corporation were confined to the civil aspects of atomic energy and basic atomic research, it would be possible to give them an even greater measure of freedom and independence than was proposed in the Report of the Waverley Committee. There would be no difficulty in practice in requiring the Corporation to produce the quantities of fissile material required for military use; for the division of the Corporation's effort, as between civil and military purposes, would in any event need to be determined by a Cabinet Committee. For all these reasons the Minister recommended that in the first instance at any rate responsibility for A.W.R.E. should not
be transferred to the new Corporation. This need not prevent the Government from reviewing the position again at a later date, when the Corporation had been established.

Discussion showed that the majority of the Cabinet were disinclined to abandon the main principle of organisation recommended by the Waverley Committee. Ministers felt obliged to give great weight to the conclusion reached on this point by a strong committee which had gone into the matter in detail and had paid regard to all the considerations advanced on either side of the argument. They were also impressed by the Committee's conclusion that the military effort would be dependent on the industrial and could not be satisfactorily separated from it. This certainly was true of other weapons, *e.g.*, aircraft and tanks, whose development would have been far less satisfactory if it had been carried out in isolation from comparable civilian work. It was inevitable that in time of peace science and industry should devote their main efforts to civil purposes, and the development of military weapons and equipment was bound to suffer if it were isolated from civilian industry. At the same time, Ministers felt serious doubts about the recommendation of the Waverley Committee that the new Corporation should deal directly with the Service Departments over the supply of atomic cores for atomic weapons. They accepted the view of the Minister of Supply that the Services were entitled to look to a single supplier for atomic weapons, and that the Ministry of Supply should, as the sole supplier, be responsible for the efficiency of the weapons as a whole. If A.W.R.E. were to be transferred to the new Corporation there must be an effective link between the Corporation and the Ministry of Supply, and Ministers thought that further consideration should be given to the nature of that link. It was possible that a satisfactory solution might be found along the lines suggested in paragraph 23 (i) of C. (53) 223, on the basis that the Ministry of Supply, while remaining responsible to the Service Departments for complete atomic weapons, would sub-contract to the Corporation the task of developing and producing their nuclear components.

After further discussion it was agreed that the general scheme of organisation recommended in the Report of the Waverley Committee should be adopted, but that the Paymaster-General and the Minister of Supply should consider what means could be devised, within that general scheme, of ensuring that the Service Departments could look to the Ministry of Supply as their sole supplier of complete atomic weapons.

In the course of the Cabinet's discussion the following points were also made:—

(a) It would be for the Prime Minister to determine which Minister should assume general responsibility for the proposed new Corporation.

(b) The Chancellor of the Exchequer said that, for the reasons indicated in paragraph 5 of C. (53) 226, he could not accept the suggestion in paragraph 54 of the Report of the Waverley Committee that no financial adjustments should be made between the new Corporation and the Defence Departments.

The Paymaster-General said that he would be content with any arrangements on this point which could be agreed between the Ministry of Defence and the Treasury.

(c) The Chancellor of the Exchequer said that the salaries paid to senior employees of the new Corporation must not be seriously out of scale with those paid by other public corporations.

The Paymaster-General said that he saw no reason why this should give rise to any special difficulty.

(d) The Waverley Committee had contemplated that the new Corporation would not be responsible for the procurement of raw materials. The Cabinet thought it would be preferable, however, that
the day-to-day work of procurement should be undertaken by the Corporation subject to suitable arrangements to ensure that the Government retained control over negotiations with foreign Governments and over matters of policy involving national security.

(e) The Waverley Committee had made no detailed recommendations regarding security precautions in respect of staff employed by the new Corporation. The Home Secretary said that the responsible Minister would in the last resort be accountable to Parliament for these security questions; and he would therefore need some power to give directions to the Corporation on these matters. Some rights of appeal would also have to be conceded to the staff; and it was desirable that appeals should, if possible, be handled by the same advisory tribunal which dealt with similar appeals by civil servants. He did not think that the extension of these security procedures to staff employed by a public corporation need give rise to any irresistible demand that these procedures should be extended to private contractors working on secret Government work.

The Cabinet—

(1) Accepted in principle the general scheme outlined in the Report of the Waverley Committee for the transfer of responsibility for atomic energy to a public corporation; but asked the Paymaster-General and the Minister of Supply to consider what means could be devised, within that general scheme, of ensuring that the Service Departments could look to the Ministry of Supply as their sole supplier of complete atomic weapons.

(2) Asked the Paymaster-General and the Minister of Supply, in the event of their failing to reach agreement on the point noted in Conclusion (1) above, to refer any outstanding differences to the Lord Privy Seal who would, if necessary, reconvene the Cabinet Committee which had previously considered the question whether, in principle, responsibility for atomic energy should be transferred to a non-departmental organisation; and took note that the Cabinet Committee, if required to consider any outstanding differences between the Paymaster-General and the Minister of Supply, would be able to consult, not only with the Ministers concerned, but with Lord Waverley and the members of his Committee.

(3) Agreed that the result of these further consultations should be reported to the Prime Minister and to the Cabinet before the end of August.

(4) Invited the Chancellor of the Exchequer to ask the Prime Minister to determine which Minister should assume general responsibility for the proposed new Corporation.

(5) Invited the Chancellor of the Exchequer to arrange for the Treasury and the Ministry of Defence to give further consideration to the financial arrangements mentioned in paragraph 54 of the Report of the Waverley Committee.

Cabinet Office, S.W. 1.

11th August, 1953.