CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W.1, on Wednesday, 17th February, 1954, at 11 a.m.

Present:

The Right Hon. Sir WINSTON CHURCHILL, M.P., Prime Minister.
The Most Hoa. 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. VISCONT WOOLTON, Chancellor of the Duchy of Lancaster and Minister of Materials.
The Right Hon. the EARL ALEXANDER OF TUNIS, Minister of Defence.
The Right Hon. OLIVER LYTTELTON, M.P., Secretary of State for the Colonies.
The Right Hon. WALTER MONCKTON, Q.C., M.P., Minister of Labour and National Service.
The Right Hon. PETER THORNEycROFT, M.P., President of the Board of Trade.
The Right Hon. FLORENCE HORSEBRUGH, M.P., Minister of Education.

The following were also present:
The Right Hon. J. P. L. THOMAS, M.P., First Lord of the Admiralty (Items 6-7).
The Right Hon. LORD DE L'ISLE AND DUDLEY, Secretary of State for Air (Item 7).
The Right Hon. Sir DAVID ECCLES, M.P., Minister of Works (Item 5).
The Right Hon. SELWYN LLOYD, Q.C., M.P., Minister of State (Items 1-9).

The Right Hon. ANTONY HEAD, M.P., Secretary of State for War (Items 7-8).
The Right Hon. GEOFFREY LLOYD, M.P., Minister of Fuel and Power (Item 5).
The Right Hon. IAIN MACLEOD, M.P., Minister of Health (Item 10).
The Right Hon. Sir LIONEL HEAD, Q.C., M.P., Attorney-General (Item 8).
The Right Hon. PATRICK BUCHAN-HEPBURN, M.P., Parliamentary Secretary, Treasury (Items 1-4).

Mr. A. R. W. LOW, M.P., Parliamentary Secretary, Ministry of Supply (Items 5-6).

Field-Marshal Sir JOHN HARDING,
Chief of the Imperial General Staff (Item 8).

Secretariat:
The Right Hon. Sir NORMAN BROOK.
Mr. G. MALLABY.
Mr. R. M. J. HARRIS.

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1. The Cabinet were informed of the business to be taken in the House of Commons in the following week. The Lord Privy Seal said that the Opposition were delaying the progress of the Committee Stage of the Housing Repairs and Rents Bill; and, unless they could be brought to agree to a voluntary time-table, it would be necessary to apply a compulsory time-table providing for the completion of the Committee Stage by 18th March. If this course had to be adopted, the time-table motion would be debated on the floor of the House on 22nd February.

In view of the approaching end of the Four-Power Meeting in Berlin, it would be necessary to grant the Opposition's request for a two-day debate on Foreign Affairs. It would meet the Foreign Secretary's convenience if this were held on 24th and 25th February, without any earlier statement by him; and every effort would be made to persuade the Opposition to accept this arrangement. They might, however, press the suggestion that, if the debate could not be held earlier in the week, it should be preceded by the issue of a White Paper summarising the results of the Berlin Meeting.

2. The Minister of Education reported that considerable opposition had developed among Government supporters to the Bill to increase the superannuation contributions of teachers. She had, however, addressed a meeting of Government supporters on this question and she understood that many of those attending it were now persuaded of the need for the Bill. She was satisfied that it represented a just and fair settlement, and that the Government should proceed with it.

The Chancellor of the Exchequer said that the Bill was necessary for the purpose of limiting Exchequer liability on sound financial lines. The only alternative was to ask the taxpayers to continue to pay £2½ millions a year toward the cost of teachers' pensions because the teachers were unwilling to pay their fair share. He recommended that Ministers should continue to explain informally to private groups of Government supporters the objects of the Bill and the justification for it. He would willingly play his part in this. He would hope that by this means the way could be prepared for taking the Second Reading of the Bill in the House of Commons early in March.

The Cabinet—

Took note that the Chancellor of the Exchequer and the Minister of Education would continue their efforts to rally support for the Teachers' Superannuation Bill.

3. The Prime Minister drew attention to a telegram from Khartoum (Khartoum Telegram No. 28) reporting a speech made by the Prime Minister of the Sudan on the occasion of the anniversary of the signing of the Anglo-Egyptian Agreement. The speech was strongly biased in favour of Egypt, and contained statements to the effect that the Sudan would never consider herself free unless the Suez Canal was evacuated, and that Britain should realise that the time had passed for forcible occupation of other people's lands. These hostile sentiments would be ill-received in this country.

The Cabinet—

Took note of this statement.
4. The Minister of State said that the Four-Power Meeting in Berlin would be concluded before the end of the week. It was already clear that no agreement would be reached over Germany or Austria, but there was still a possibility of some agreement about a Conference on the Far East.

The Prime Minister said that, even though no decisions were reached, some advantage might accrue from the fact that there had been no violent disharmony in the conduct of the discussions and no lasting sense of frustration at their conclusion. The Cabinet would wish to have an early opportunity of hearing the Foreign Secretary’s account of the Meeting; and, if it were convenient to him, the Cabinet might meet for that purpose on the afternoon of 22nd February.

5. The Cabinet had before them a memorandum by the Lord President (C. (54) 52) suggesting that the United Kingdom should take a 50 per cent share in the cost to be incurred by the Union Minière du Haut Katanga (a Belgian Company) in respect of the completion of a treatment plant and further exploration work for uranium.

The Lord President said that the Belgian Congo was a major source of uranium for the Combined Development Agency (C.D.A.) and we provided 50 per cent of the Agency’s funds. When, early in 1953, we had hoped to secure our uranium needs from Australia, the Cabinet had decided to limit to 10 per cent. the United Kingdom’s share in any further expenditure by the C.D.A. in the Congo. Our hopes of meeting the bulk of our uranium needs from Australia had, however, been disappointed and we were still dependent on the supplies available to the C.D.A. Moreover, the Cabinet’s decision to limit our share in any further expenditure by the C.D.A. in the Congo had been taken under a misapprehension. In fact, the United States and the United Kingdom were each obliged by the terms of their agreement to pay 50 per cent. of new expenditure incurred by the C.D.A. If the United States took more than 50 per cent. of the uranium mined, we were proportionately credited with dollars in the dollar account supporting the agreement. If we were to reduce our contribution in sterling below the 50 per cent., the only result would be that we should be debited by that amount in the dollar account. There seemed, therefore, no alternative but to continue to make a 50 per cent. contribution to the cost of new work undertaken by the C.D.A.

The Chancellor of the Exchequer agreed that there was no alternative to the course proposed by the Lord President. He suggested, however, that we should in addition make some token purchases of uranium from Canada and continue to keep in mind the possibility of future purchases from Australia. We should not get ourselves so far committed to obtaining uranium supplies from the C.D.A. that we no longer had the need or the resources to buy from the Commonwealth.

The Commonwealth Secretary supported the views expressed by the Chancellor of the Exchequer.

The Cabinet—

Agreed that the United Kingdom Government should continue for the time being their participation in the Combined Development Agency, on the basis of a 50 per cent. contribution towards new expenditure incurred by it; but invited the Lord President to arrange for some token purchases of uranium from Canada and to keep in mind the possibility of future purchases of uranium from Australia.
6. The Cabinet considered a note by the Prime Minister (C. (54) 46) covering a report by a Committee under his Chairmanship which had considered, in the light of the Cabinet’s discussion on 18th January, the possibility of extending trade with countries in the Soviet bloc.

This Committee had agreed that, on the new strategic hypothesis of a prolonged period of international tension without major war, it would be reasonable that the restriction on exports to the Soviet bloc should in future be confined to goods of direct military value together with some which, though not of direct military value, had a significant indirect military importance. The Committee had concluded that, if that principle were applied, the existing Embargo List of Strategic Industrial Goods could be reduced from 263 items to about 135. Appendix I of their report contained a revised version of this List comprising 133 items, on which full agreement had been reached by all the interested Departments of the United Kingdom Government. The questions reserved for decision by the Cabinet were: (i) whether copper should be added to this List; and (ii) whether there should also be added three further types of machine tool whose export to the Soviet bloc had been the subject of criticism during the controversy on this question in 1950.

The Cabinet first considered whether the export of copper to the Soviet countries should continue to be prohibited. In favour of this course it was argued that copper was an important factor in munitions’ production and that the Soviet countries would be short of it in war. It would therefore be to our advantage to prevent them from building up a strategic stock of copper for use in war. It was also argued that we should have a better chance of persuading the Americans to accept our revised Embargo List if it included copper.

On the other side it was pointed out that the peace-time uses of copper were so numerous that it must be regarded as a basic industrial product. Its continued denial to the Soviet countries would be more consistent with the earlier policy of seeking to hamper their general industrial development. There was a prospect of a substantial world surplus of copper, which would make it easier for the Soviet countries to satisfy their requirements despite any embargo by countries in the Paris Group. If the embargo were lifted, sterling area countries could expect to secure a significant share of the expanding market in Soviet countries; and much of the dealings would be conducted through the London Metal Exchange.

It was the general view of the Cabinet that the balance of advantage lay on the side of excluding copper from the revised Embargo List which was to be discussed with the United States authorities—even though some concession might have to be made to them on this point in the course of those discussions.

As regards machine tools, it was argued that the three disputed items (certain types of vertical boring and turning mills, large centre lathes and large planing machines) had no greater military significance than some of the items which it was proposed to free from embargo. Moreover, two of these had hitherto been subject only to quantitative control; and it might prove difficult to persuade the other members of the Paris Group to agree that they should henceforward be subject to embargo. There would be special difficulty in proposing the embargo of large planing machines, since machines for planing armour-plate were already subject to embargo.

On the other hand, it was argued that these large machine tools would be generally supposed to be required for munitions’ production; and it was recalled that they had been so represented by Conservative spokesmen in the debate in the House of Commons on 18th September, 1950. Even though circumstances had changed since then, the Opposition were bound to charge the Government with inconsistency if they now proposed a revised Embargo List which did...
not include these particular types of machine tool. Such a charge would tend to confuse the issue and to weaken the Government’s general case for seeking enlarged opportunities of trade with the Soviet countries.

It was the general view of the Cabinet that in these circumstances the three types of heavy machine tool discussed in paragraph 6 of the report annexed to C. (54) 46 should be included in the revised Embargo List of Strategic Industrial Goods.

As regards the tactics to be followed in presenting these proposals to the United States Government, it was agreed that the revised Embargo List should be put forward as the result of applying a new policy consistent with the new hypothesis of a prolonged period of international tension without major war. It was suggested in discussion that it might be inexpedient to invite Mr. Harold Stassen, the Director of the Foreign Operations Administration, to come to London to discuss this question in person—both because this might weaken the influence which he could exercise on this matter in Washington, and also because the subsequent negotiation of a new agreement in the Paris Group might be made more difficult if it were known that it had been the subject of prior consultation between ourselves and the Americans. The Prime Minister said that he would prefer to put the suggestion to Mr. Stassen and leave him to form his own judgment on both these points.

The Cabinet—

1. Approved the revised Embargo List of Industrial Goods set out in Appendix I of the report annexed to C. (54) 46, subject only to the addition of the three types of machine tool mentioned in paragraph 6 of that report.

2. Agreed that it would be a reasonable policy in present circumstances that the countries represented in the Paris Group should henceforward be free to export to the Soviet bloc any goods save those included in the Munitions List, the Atomic Energy List and the List of Strategic Industrial Goods revised in accordance with Conclusion (1) above.

3. Agreed that this revised List of Strategic Industrial Goods should be presented to the United States Government as the result of applying a new policy consistent with the new hypothesis of a prolonged period of international tension without major war.

4. Took note that the Prime Minister would ascertain whether the Director of the Foreign Operations Administration of the United States Government would be willing to come to London to discuss this matter in person with the United Kingdom Ministers concerned; and, if that could not be arranged, would consider by what other means we should seek to reach agreement with the United States Government on a new policy for extending trade with the Soviet bloc on the lines approved by the Cabinet.

5. Took note that the First Lord of the Admiralty would submit to the Cabinet a separate report on the export of ships to countries in the Soviet bloc.

7. The Cabinet discussed the timing and presentation of the proposed increases in Service pay.

As regards presentation, the Minister of Labour said that awkward comparisons could be drawn between the increases proposed for skilled tradesmen in the Services and the increases claimed in the current wages disputes in the engineering and shipbuilding industries. It was therefore important that the scheme should be so presented as to cause the least possible embarrassment to the
employers' representatives in their efforts to resist those claims. He hoped that the Service Ministers would do their utmost to meet his views on the presentation of the scheme.

As regards timing, the Cabinet agreed that the announcement of the scheme must be made before the debates in the House of Commons on the Service Estimates. It would be preferable that a general announcement should be made in the Defence Debate on 2nd March, and that the details should be published later that day in the form of a White Paper. An early announcement was made all the more desirable by the partial disclosures which had already been published in certain newspapers.

The Cabinet—
(1) Agreed that the scheme of the increases in Service pay which the Cabinet had approved on 10th February should be announced in general terms in the course of the Defence Debate on 2nd March, and that the details should be published later that day in a White Paper.
(2) Invited the Minister of Defence to consult with the Minister of Labour on the terms of the general announcement and of the proposed White Paper, with a view to reducing as far as practicable the difficulties to which this announcement was likely to give rise in the settlement of the current wages disputes in the engineering and shipbuilding industries.

8. The Prime Minister drew attention to a telegram from the Governor of Kenya stating that there was now some possibility that General China might be ready to arrange for a substantial number of Mau Mau rebels to surrender under the conditions of the amnesty offer and that, if he were able to bring this about, this would justify the commutation of his sentence. The Prime Minister expressed the view that, once negotiations had been opened with General China on that basis, it would not be justifiable to execute the death sentence even if the negotiations failed.

The Colonial Secretary did not dissent from that view. He himself adhered to his original opinion that this sentence should have been carried into effect, despite any attempt by General China to purchase his life by an offer to give information or to procure the surrender of a number of his followers. But the exercise of clemency was a matter for the Governor's discretion, in which he did not propose to intervene.

The Cabinet—
(1) Took note of these statements.

The Cabinet considered a memorandum by the Colonial Secretary (C. (54) 50) recommending that more effective steps should be taken to neutralise the passive supporters of Mau Mau and, in particular, the large numbers of unemployed Kikuyu who had drifted into Nairobi. He proposed that the Governor of Kenya should be authorised to hold substantially increased numbers of these persons in detention and that, while under detention, they should be required to undertake useful employment. This course had been recommended despite the fact that it was thought to involve a technical breach of the Forced Labour Convention of 1930 and of the Convention on Human Rights adopted by the Council of Europe.

The Colonial Secretary said that, since his memorandum was circulated, the legal difficulties had been further discussed with representatives of the other Departments concerned. As a result it was now agreed that breach of the two Conventions could be avoided if
the employment to be undertaken in the detention camps were in some way related to the emergency. It was therefore proposed that the regulation authorising compulsory employment should contain words to the effect that any person detained in a special detention camp might be usefully employed in work which, in the opinion of the officer in charge, would assist in bringing the emergency to an end. He proposed to instruct the Governor to make the regulation in this form. In these circumstances it would probably be unnecessary to pay market rates of wages for work undertaken by prisoners in the detention camps.

The Minister of Labour welcomed this modification of the proposal originally put forward in C. (54) 50. It would be much easier to defend this modified plan if it were challenged at an International Labour Conference or elsewhere.

The Cabinet—

(2) Approved the proposals for large-scale detention of Mau Mau supporters in Kenya, and for requiring them to undertake useful employment while under detention, on the basis proposed in the discussion; and authorised the Colonial Secretary to instruct the Governor of Kenya accordingly.

9. The Cabinet had before them memoranda by the Colonial Secretary (C. (54) 56 and 57) recommending the immediate publication of certain documents indicating that the leaders of the People's United Party (P.U.P.) in British Honduras had sought aid from Guatemala.

The Colonial Secretary drew attention to his proposal in C. (54) 56 that publication of the documents contained in Annex A to that paper and Annex B to C. (54) 57, which he recommended, should be followed by the immediate appointment of an enquiry into their authenticity and into other current allegations of links between the P.U.P. and Guatemala. The alternative course would be to publish the documents and await public reactions to them before instituting any enquiry.

In discussion there was support for the view that it would be prudent to take all practicable steps to establish the authenticity of the documents in question before they were published, and that any enquiry which might be instituted for this purpose should not be confined to that narrow issue but should extend to current allegations of links between the P.U.P. and Guatemala generally.

The Colonial Secretary said that this course would be acceptable to him. The Cabinet should realise, however, that such an enquiry, even if it could be initiated on a confidential basis, would be bound to become a matter of public knowledge before long.

The Minister of State said that the Foreign Ministers of Latin-American States were due to meet in conference in Caracas on 1st March and there would be some advantage in deferring for as long as possible any charges of interfering in the affairs of British Honduras which we might eventually find it necessary to bring, if only by implication, against the Guatemalan Government.

The Cabinet—

Invited the Colonial Secretary to arrange for an enquiry to be held into current allegations of links between the P.U.P. and Guatemala, with particular reference to the documents annexed to his memoranda, and to defer publishing these documents until this was made necessary by the course of the enquiry.
10. The Cabinet had before them a memorandum by the Minister of Food (C. (54) 42) on the question whether, before publication of the National Food Survey's Annual Reports for 1952 and 1953, the Government should announce special measures to help families with three or more children.

The Minister of Food said that these Annual Reports, which would become available during the course of the present year and which he would be pressed to publish without delay, would show that the nutritional position was generally satisfactory and, in particular, that there was no ground for anxiety about the diet of old-age pensioners. They would, however, reveal a deterioration in the nutritional standards, as reflected in consumption of calcium and protein expressed as a percentage of need, of families with three or more children, which accounted for 20 per cent. of the population and about 40 per cent. of schoolchildren. This deterioration had not been halted by the increase made in 1952 in family allowances. While he had no specific proposal to make at this stage, it was for consideration whether the Government ought not to be ready with plans for helping such families, for example by increasing the amount of milk supplied free to children in schools.

The Minister of Health said that the evidence available in his Department—for example, the weights of children entering the State schools—tended to confirm that there had been some deterioration in the health standards of children belonging to larger families. It seemed desirable, however, that the problem should be examined in greater detail before specific remedies were considered and it might be found convenient to refer it for such examination to the inter-departmental standing Committee on Medical and Nutritional Problems.

The Minister of Education said that, when these Reports were published, the Government were likely to incur renewed criticism for having raised the price of school meals.

It was the general view of the Cabinet that several aspects of the problem required closer investigation. For example, did consultation of three thousand households every quarter constitute an adequate basis for Government action in a matter of this kind? Was it the case that family allowances were proving inadequate or rather that they were not spent on objects of the kind for which they were intended? Did the decreased consumption of calcium and protein in larger families reflect under-nourishment of children or of parents?

The Cabinet—

(1) Agreed that publication of the National Food Survey Reports for 1952 and 1953 should not be delayed on account of the points raised in C. (54) 42.

(2) Invited the Minister of Food and the Minister of Health to obtain the comments of the inter-departmental standing Committee on Food and Nutritional Problems on the findings of those Reports on the nutritional standards of larger families and on the points raised in the Cabinet's discussion; and to report further to the Cabinet on this question in the light of the Committee's comments.

11. The Cabinet again had before them memoranda by the Home Secretary (C. (53) 317 and C. (54) 41) on the recommendations made in the Report of the Royal Commission on Betting, Lotteries and Gaming (Cmd. 8910).

The Home Secretary said that this matter had lost its immediate urgency as Mr. G. R. Mitchison, M.P., had now indicated that he did not intend to proceed with his Motion and resolution on the subject, which were down as Second Order for 19th February. On
the other hand, the subject was bound to attract public attention before long owing to the need for an enquiry into the state of the Leeds Police Force, which had become seriously corrupted through the prevalence of illegal betting in that city. He would, therefore, welcome early authority from his colleagues to explore, in informal discussions with Opposition leaders, the possibilities of promoting a solution to the problem in an atmosphere as free as possible from Party controversy.

The Cabinet—

Agreed to consider the Home Secretary’s memoranda (C. (53) 317 and C. (54) 41) at their meeting on 24th February.

12. The Cabinet had before them a memorandum by the Minister of Labour (C. (54) 25) seeking authority for the issue of a White Paper declaring the Government’s attitude to three Conventions and three Recommendations adopted by the International Labour Conference in 1952.

The Minister of Labour said that he was proposing ratification of one Convention, acceptance of one Recommendation, and rejection of the remaining two Conventions and two Recommendations on technical grounds. The general effect of his proposals was summarised in paragraph 3 of C. (54) 25. They would not involve either legislation or additional public expenditure.

The Cabinet—

Approved the proposals in C. (54) 25 for dealing with the Conventions and Recommendations of the International Labour Conference, 1952, and authorised the Minister of Labour to present these proposals to Parliament in a White Paper.

Cabinet Office, S.W.1,
17th February, 1954.