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CC (68)
47th Conclusions

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CABINET

*CONCLUSIONS of a Meeting of the Cabinet held in the
Prime Minister's Room, House of Commons, S.W.1,
on Friday, 22nd November, 1968, at 9.30 a.m.*

Present:

The Right Hon. HAROLD WILSON, M.P., Prime Minister	
The Right Hon. MICHAEL STEWART, M.P., Secretary of State for Foreign and Commonwealth Affairs	The Right Hon. LORD GARDINER, Lord Chancellor
The Right Hon. RICHARD CROSSMAN, M.P., Secretary of State for Social Services	The Right Hon. BARBARA CASTLE, M.P., First Secretary of State and Secretary of State for Employment and Productivity
The Right Hon. JAMES CALLAGHAN, M.P., Secretary of State for the Home Department	The Right Hon. DENIS HEALEY, M.P., Secretary of State for Defence
The Right Hon. FRED PEART, M.P., Lord President of the Council	The Right Hon. PETER SHORE, M.P., Secretary of State for Economic Affairs
The Right Hon. WILLIAM ROSS, M.P., Secretary of State for Scotland	The Right Hon. GEORGE THOMSON, M.P., Minister without Portfolio
The Right Hon. EDWARD SHORT, M.P., Secretary of State for Education and Science	The Right Hon. ANTHONY WEDGWOOD BENN, M.P., Minister of Technology
The Right Hon. RICHARD MARSH, M.P., Minister of Transport	The Right Hon. ANTHONY GREENWOOD, M.P., Minister of Housing and Local Government
The Right Hon. CLEDWYN HUGHES, M.P., Minister of Agriculture, Fisheries and Food	The Right Hon. LORD SHACKLETON, Lord Privy Seal
The Right Hon. GEORGE THOMAS, M.P., Secretary of State for Wales	The Right Hon. ROY MASON, M.P., Minister of Power
The Right Hon. JUDITH HART, M.P., Paymaster General	The Right Hon. JOHN DIAMOND, M.P., Chief Secretary, Treasury

The following were also present:

Mr. HAROLD LEVER, M.P., Financial Secretary, Treasury	The Right Hon. JOHN SILKIN, M.P., Parliamentary Secretary, Treasury
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Secretariat:

Sir BURKE TREND
Miss J. J. NUNN
Mr. R. R. D. McINTOSH
Sir ROBIN HOOPER
Mr. H. L. LAWRENCE-WILSON
Mr. P. E. THORNTON

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**International
Monetary
Situation**
(Previous
Reference:
CC (68) 22nd
Conclusions,
Minute 1
(Confidential
Annex))

1. The Cabinet discussed the latest developments in the international monetary situation; the conclusions reached were separately recorded and copies were circulated only to The Queen, the Prime Minister and those Ministers who had to take action as a result. A copy is kept in the standard file of the Secretary of the Cabinet.

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**Nuclear
Policy**
European
Collaboration
in Gas
Centrifuge
Technology
(Previous
Reference:
CC (68) 34th
Conclusions,
Minute 2)

2. *The Minister of Technology* sought authority to announce that day, by way of a written Answer to a Parliamentary Question, that he was to meet Dutch and German Ministers in The Hague on 25th November in order to discuss the possibility of collaboration between the three countries in the production of fissile material by the gas centrifuge method. This method would enable fissile material to be produced more cheaply than by the gas diffusion method; but, although its theoretical feasibility had been known for many years, it was only relatively recently that it had become apparent to us that it should be technically possible to use the process economically on an industrial scale. Once Dutch and German scientists had acquired the corresponding technical expertise—and this was only a matter of time—there would be clear advantage in our joining in a collaborative undertaking with them. Preliminary discussions for this purpose had taken place in recent months, the meeting on 25th November being a further occasion of this kind; and we had kept the United States informed of developments. It had now become necessary, however, to make a public announcement on the subject at short notice because Herr Stoltenberg, the German Minister for Scientific Research, had felt obliged, in view of the German commitment to the European Atomic Pool (EURATOM), to inform the other members of EURATOM on the previous day of the proposed meeting on 25th November; and, in order that this news should not first reach Parliament and the public in this country by way of reports from the Continent, the Parliamentary Committee had considered, at an emergency discussion of the subject on the previous day, that, subject to assurances that an announcement would not have an adverse effect on our relations with the United States Administration, a brief announcement should be made by way of a written Answer to a Question in Parliament that day. He proposed also to give the scientific Press some supplementary non-technical information during the afternoon.

The Foreign and Commonwealth Secretary said that the United States Government had been informed of our intentions and had not reacted unfavourably, subject to further discussion of the implications of any wider dissemination of the technical information involved, which was at present classified by agreement between themselves and the Governments of the United Kingdom, Holland

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and Germany. Since it would have been open to the German Government to develop the centrifuge method on their own and there was reason to believe that they had already made significant progress in this direction, there was an advantage in a collaborative scheme which should both promote a more economic method of producing fissile material for peaceful uses and help us to contain German nuclear aspirations within legitimate channels.

In discussion, it was suggested that, even so, the proposed collaboration could be misrepresented as a means of enabling the German Government to manufacture, cheaply, the nuclear weapons which they were at present denied and that we should therefore not proceed further in the matter until they had signed the Non-Proliferation Treaty. Moreover, it was important not to prejudice our relations with the United States Government in other nuclear matters; but it was not certain how far the intentions of the German and Dutch Governments, as evidenced by their statement to EURATOM could be reconciled with the apparent American stipulation that collaboration should not prejudice the classification agreement governing the exchange of information relating to the centrifuge technique. The Cabinet might therefore be wise to discuss the matter at greater length before any announcement was made in this country. On the other hand, since a statement had already been made to EURATOM, there was no prospect of keeping the matter secret until there had been further discussions. The disclosure that we proposed to collaborate with Germany in a process which would result in the relatively easy production of fissile material might admittedly come as something of a shock to public opinion. Nevertheless, the balance of advantage lay in an unobtrusive announcement by way of a written Answer to a Parliamentary Question, provided that this was given the minimum of publicity and that the Foreign and Commonwealth Office and the Ministry of Technology confined themselves to dealing as briefly as possible with any questions which might reach them from the Press. Ministers should similarly refrain from comment in their public speeches at this stage.

The Prime Minister, summing up the discussion, said that consideration of the issues involved had necessarily had to be confined initially to a small group of the Ministers directly concerned, because it had seemed possible at that juncture that this country was ahead of others in the technical developments concerned and it had been essential to preserve this lead, if possible. But now that it had become apparent that Dutch and German scientists might well be abreast of us in this respect, the necessity for extreme secrecy was removed; and the Cabinet might well wish to consider the whole matter in greater detail. It was unfortunate that, meanwhile, the Government's hand had been forced by the German Government's statement to EURATOM. It was clear, however, that the choice lay between German development of the new process, whether alone or in collaboration with the Dutch, and some form of tripartite collaboration. In these circumstances, it was agreed that the Minister of Technology should give a written

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Answer to a Parliamentary Question that day on the lines which he proposed. But no further information should be volunteered at this stage; and our spokesmen at the forthcoming meeting at The Hague should refrain from committing us to further tripartite discussions involving the disclosure of technical details until Ministers had had an opportunity to consider the matter further, particularly as regards both the German attitude towards the Non-Proliferation Treaty and our nuclear relationship with the United States Government, which the Foreign and Commonwealth Secretary would no doubt consider carefully. The German and Dutch authorities should be asked to agree with us in future the timing and form of any public announcement affecting the proposed collaboration in order that the Cabinet should not again be compelled to take decisions of great potential importance without sufficient time for consideration.

The Cabinet—

- (1) Took note, with approval, of the Prime Minister's summing up of their discussion.

The Foreign and Commonwealth Secretary said that when the Defence and Oversea Policy Committee had discussed the timing of our ratification of the Non-Proliferation Treaty, the majority view had been in favour of early ratification. There had, however, been a minority view that we should delay ratification until other European countries signed the Treaty and that, in any event, we should not ratify the Treaty in advance of the United States and the Soviet Union. He saw no political disadvantages for us if we were to be the first to ratify the Treaty. It was likely that the United States Senate would agree to ratification early in the New Year and the Soviet Union wished to do so at the same time as the United States, although she might delay until West Germany had signed. Although a number of European countries were not satisfied with the Treaty, none of them had expressed any wish that we should not ratify it. He proposed that we should ratify the Treaty in the following week and that a statement should be made in Parliament on 27th November.

In discussion it was agreed that, particularly in view of the decision that had been taken under the previous item on the agenda to announce that we were discussing with Holland and Germany the possibility of collaboration in the gas centrifuge method of producing fissile material, we should ratify the Treaty as proposed by the Foreign and Commonwealth Secretary.

The Cabinet—

- (2) Agreed that we should deposit our instrument of ratification of the Non-Proliferation Treaty in the following week.
- (3) Invited the Foreign and Commonwealth Secretary to arrange for a statement to be made in Parliament on 27th November about our ratification of the Treaty.

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Non-Proliferation Treaty
(Previous Reference: CC (68) 34th Conclusions, Minute 2)

**Oversea
Affairs**
Vietnam
(Previous
Reference:
CC (68) 46th
Conclusions,
Minute 4)

3. *The Foreign and Commonwealth Secretary* said that there had been no major developments in the Paris talks, though there were certain minor indications that things were moving in the right direction, for example, the falling-off in North Vietnamese and Viet Cong military activity in the Demilitarised Zone.

Italy
(Previous
Reference:
CC (68) 34th
Conclusions,
Minute 2)

The Foreign and Commonwealth Secretary said that in Italy the outlook was uncertain following the fall of the Government. Whether there would be a continued coalition or a caretaker government would depend on the attitude of the Socialists, who had failed to solve the major problems facing them at their recent party conference. Meanwhile, the voice of Italy in international affairs was bound to be weakened.

NATO and
our Policy
towards
Europe
(Previous
Reference:
CC (68) 46th
Conclusions,
Minute 5)

The Foreign and Commonwealth Secretary said that during the past week a low-grade intelligence report had been received that the Soviet Union was about to invade Rumania. The United States had received reports of an impending Soviet ultimatum to Rumania. Over the last few days, there had been further evidence which would be consistent either with an intention to invade or to hold the military exercises in Rumania which had been under discussion between the two Governments for some time, although no date for them had been fixed. In these circumstances, he had thought it wise to draw the attention of the Soviet Ambassador to the rumours which were circulating, to remind him of our attitude and to ask him whether he could reassure us about Soviet intentions. The Soviet Ambassador's reply had been that he was not aware of any such rumours. We should not make too much of the reports he had mentioned, and there should be no public reference to them. However, if there were any serious possibility of an invasion he would have to cancel his forthcoming visit to Pakistan and we should have to consult our North Atlantic Treaty Organisation (NATO) allies.

If the Soviet Union were to attack a NATO country, the issues were clear-cut. If they attacked Rumania or another Warsaw Pact country, there was nothing we could do about it, though we should clearly have to hold consultations in NATO. These however would inevitably lead to a discussion of our attitude in the event of a Soviet move against Yugoslavia; and the Alliance might have to formulate its position more precisely. The Yugoslavs had not so far suggested that the situation should be discussed with them, and he had not been in touch with them about the rumours which were current. They appeared to be well content with the warning conveyed to the Soviet *bloc* in the communiqué of the recent North Atlantic Council meeting, which however in no way added to NATO's formal commitments. The Yugoslavs would certainly resist any Soviet move against them. The attitude of the Rumanians was less clear, but there were reports that they would resist.

In discussion, the point was made that a Soviet move into Rumania could very easily be combined with, and might therefore

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be quickly followed by, an onward thrust into Yugoslavia. After the Czechoslovak crisis, there had been some criticism in the North Atlantic Council that those members who had information about Soviet moves had been slow to pass it on to their colleagues and consult with them. It was important to avoid any recurrence of this by keeping our NATO allies informed and consulting them at an early stage. If the Soviet Union knew what our reaction to a Soviet invasion would be, this might deter an invasion. At some stage, it might be necessary to discuss the current situation with the Yugoslavs, though we should not enter into any commitments towards them without careful consideration and full consultation with our NATO allies.

The Cabinet—

Took note of the statements by the Foreign and Commonwealth Secretary.

*Cabinet Office, S.W.1,
22nd November, 1968.*

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