CABINET

STATEMENT ON DEFENCE, 1957

Note by the Minister of Defence

I circulate a revised proof of the White Paper on Defence. The following paragraphs in the fifth proof circulated under cover of C.(57) 79 have been substantially amended -


D.S.

Ministry of Defence, S.W.1.

28th March, 1957
DEFENCE

Outline of Future Policy

Presented by the Minister of Defence to Parliament
by Command of Her Majesty
March 1957

LONDON
HER MAJESTY'S STATIONERY OFFICE
NET
<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need for New Approach</td>
<td></td>
</tr>
<tr>
<td>Demands on Economic Resources</td>
<td></td>
</tr>
<tr>
<td>Scientific Advances</td>
<td></td>
</tr>
<tr>
<td>Britain's Responsibilities</td>
<td></td>
</tr>
<tr>
<td>Collective Defence</td>
<td></td>
</tr>
<tr>
<td>Nuclear Deterrent</td>
<td></td>
</tr>
<tr>
<td>Defence of the Deterrent</td>
<td></td>
</tr>
<tr>
<td>Civil Defence</td>
<td></td>
</tr>
<tr>
<td>Europe and Atlantic</td>
<td></td>
</tr>
<tr>
<td>Middle East</td>
<td></td>
</tr>
<tr>
<td>Far East</td>
<td></td>
</tr>
<tr>
<td>Overseas Garrisons</td>
<td></td>
</tr>
<tr>
<td>Central Army Reserve</td>
<td></td>
</tr>
<tr>
<td>Naval Power</td>
<td></td>
</tr>
<tr>
<td>Administrative Overheads</td>
<td></td>
</tr>
<tr>
<td>Size of Forces</td>
<td></td>
</tr>
<tr>
<td>Regular Recruitment</td>
<td></td>
</tr>
<tr>
<td>National Service</td>
<td></td>
</tr>
<tr>
<td>Reserve Forces</td>
<td></td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
</tr>
<tr>
<td>Research and Development</td>
<td></td>
</tr>
<tr>
<td>Commonwealth Co-operation</td>
<td></td>
</tr>
<tr>
<td>Switch of Resources</td>
<td></td>
</tr>
<tr>
<td>Conclusion</td>
<td></td>
</tr>
</tbody>
</table>
SECRET

Size of Forces

50. Provided that the three Services are reshaped and redistributed on the lines indicated above and commitments are curtailed in the manner proposed, the Government are satisfied that Britain could discharge her own overseas responsibilities and make her fair contribution to the joint defence of the Free World with regular forces of not much more than half their present strength. Moreover, the Government believe that this is the maximum which the country's finances can in the long run sustain.

51. There is no arithmetical method of calculating what the exact strength of the forces should be. This must depend among other things upon the view taken of the trend of international events, upon the size of the contribution which it is thought appropriate for Britain to make to NATO, upon the extent to which further administrative streamlining will be possible and upon the prospects of regular recruitment.

52. After weighing these factors, the Government have reached the conclusion that Britain should plan to maintain Armed Forces of about 375,000, as compared with about 700,000* at present. This assumes that the reduced forces would be composed wholly of regulars and that the heavy overheads of National Service would thus be avoided.

53. The curtailment of commitments will necessarily take time to complete. Similarly, a reasonable period must be allowed for reorganising the Services if serious dislocation and hardship to officers and men are to be avoided. The run-down of the Forces will therefore have to be spread over several years.

* This figure relates to adult male uniformed United Kingdom personnel of all ranks and excludes Gurkhas, Colonial forces, women and boys.
Defence: Outline of Future Policy

Need for New Approach

1. The shape of Britain's defence forces today has been largely determined by the rearmament programme launched in 1950 at the time of the Korean War. That was designed to build up military strength as rapidly as possible to meet what then seemed an imminent threat of world conflagration.

2. However, the ending of hostilities in Korea radically altered the position. The immediate danger of major war receded and was replaced by the prospect of a prolonged period of acute international tension. It was clear that the plan for a short intensive rearmament spurt no longer fitted the needs of the situation, and that for it must be substituted the conception of the "long haul." It also became evident that a military effort on the scale planned in 1950, which envisaged expenditure amounting to £4,700 million over three years, was beyond the country's capacity. In an endeavour to keep the cost within bounds, the programme was slowed down and spread out over a longer period. In addition, it has been examined each year and pruned back as far as possible.

3. However, the time has now come to revise not merely the size, but the whole character of the defence plan. On both economic and scientific grounds, it has become necessary to make a fresh appreciation of the problem and a new approach to it.

Demands on Economic Resources

4. Britain's position and influence in the world depend first and foremost upon the health of her internal economy and the success of her export trade. Without these, military power cannot in the long run be supported. It is therefore as much in the interests of defence as of prosperity that the country's financial and commercial position should be consolidated.

5. Over the last five years, defence has taken 10 per cent. of Britain's gross national income. Some 7 per cent. of the working population are either in the Services or supporting them. One-eighth of the metal-using industries, upon which the export trade so largely depends, are engaged on defence production. About half the qualified scientists and engineers engaged in this country on research and development are employed on defence work. In addition, the retention of such large forces abroad gives rise to heavy charges which place a severe strain upon the balance of payments.

6. The level of exports is still too low to provide the reserves necessary to assure the stability of Sterling. Moreover, unless more capital can be spared for the modernisation and re-equipment of industry, British manufacturers will have increasing difficulty in competing in overseas markets. If the country's productive capacity is to be expanded, it is an inescapable necessity that defence expenditure, along with Government expenditure of all kinds, should be reduced to a level which does not place an unbearable burden on the economy.
7. The necessity to re-examine defence policy on economic grounds coincides with the need to do so on scientific grounds also.

8. In recent years, military technology has been making dramatic strides. New and ever more formidable weapons have been succeeding one another at an increasing rate. In little more than a decade, the atom bomb dropped at Hiroshima has been superseded by a hydrogen or megaton bomb, hundreds of times more powerful still. Parallel with this, the evolution of rocket weapons of all kinds, both offensive and defensive, has been proceeding apace.

9. It has been clear for some time that these scientific advances must fundamentally alter the whole basis of military planning. However, it is only now that the future picture is becoming sufficiently clear to enable a comprehensive reshaping of policy to be undertaken with any degree of confidence.

**Britain's Responsibilities**

10. A defence plan, if it is to be effective and economical, must be based on a clear understanding of the military responsibilities to be discharged. Britain's armed forces must be capable of performing three main tasks:

(i) to play their part with the forces of Allied countries in deterring and resisting aggression;
(ii) to defend British colonies and protected territories against local attack, and to assist in preserving order;
(iii) to undertake limited operations to uphold the rule of law.

The aim must be to provide well-equipped forces sufficient to carry out these duties, while making no greater demands than are absolutely necessary upon manpower, money and other national resources.

11. Frequent changes in defence policy are wasteful and disturbing. Experience has shown that the rapid progress of scientific development and constant fluctuations in the international situation make it difficult to foresee future military requirements with any certainty, and that, consequently, a good deal of flexibility must be maintained. Nevertheless, an attempt must be made to establish a broad framework within which long-term planning can proceed.

**Collective Defence**

12. The growth in the power of weapons of mass destruction has emphasised the fact that no country can any longer protect itself in isolation. The defence of Britain is possible only as part of the collective defence of the free world. This conception of collective defence is the basis of the North Atlantic, South-East Asia and Baghdad alliances; and it has been further reinforced by the recent announcement of a more positive American policy in the Middle East.

13. The trend is towards the creation of integrated allied forces. Therefore, provided each member nation plays its fair part in the joint effort, it is not necessarily desirable that each should seek to contribute national forces which are by themselves self-sufficient and balanced in all respects. But whatever yardstick is taken, it is impossible to escape the conclusion that Britain has been bearing a disproportionately large share of the total burden
of Western defence. Moreover, in assessing the value of her military effort, it must be remembered that, apart from the United States, Britain alone makes a contribution to the nuclear deterrent power upon which the peace of the world so largely rests.

**Nuclear Deterrent**

14. It must be frankly recognised that there is at present no means of protecting the people of Britain against the catastrophic consequences of an attack with nuclear weapons. Though, in the event of war, the Hunters and Javelins of the Royal Air Force would unquestionably be able to take a heavy toll of any enemy bombers, a proportion would inevitably get through. Even if it were only a dozen, they could with hydrogen bombs inflict widespread devastation and might well blot out a large part of the population of the big cities.

15. This grim fact makes it more than ever clear that the overriding consideration in all military planning must be to prevent war rather than to prepare for it.

16. In the long run, it is only through comprehensive disarmament and the restoration of confidence that the nations can be saved from mutual destruction and mutual ruination; and that will continue to be the foremost objective of British foreign policy. However, pending international agreement, it is unhappily true that the only existing safeguard against nuclear aggression is the power to threaten retaliation in kind.

17. The free world is to-day mainly dependent for its protection upon the nuclear capacity of the United States. While Britain cannot by comparison make more than a modest contribution, it is generally agreed that she must possess an appreciable element of nuclear deterrent power of their own. British atomic bombs are already in steady production and the Royal Air Force holds a substantial number of them. British megaton weapons are now being developed and a stock of them will in due course be manufactured.

18. The means of delivering these weapons is provided by medium bombers of the V-class, whose performance in speed and altitude is equal to that of any bomber aircraft now in service in any other country. These will in due course be supplemented by medium-range ballistic rockets, including the American Thor type, a substantial number of which will be supplied to Britain by the United States.

**Defence of the Deterrent**

19. Since peace so largely depends upon the deterrent fear of nuclear retaliation, it is essential that a would-be aggressor should not be allowed to think he could readily knock out the bomber bases in Britain before their aircraft could take off from them. Although the country as a whole cannot be protected against nuclear attack, the defence of the very much smaller target presented by an airfield is a feasible task. A manned fighter force, smaller than at present but of adequate size for this limited purpose, will therefore be maintained and will progressively be equipped with air-to-air guided missiles. These fighter aircraft will gradually be replaced by a ground-to-air guided missile system.

20. It must be expected that, in a few years' time, the threat of raids by manned bombers will be augmented by the threat of bombardment by ballistic rockets. It is hoped that it may ultimately prove possible to devise missile defences even against this form of attack. Research on this problem, in collaboration with the United States, is being intensified.
Civil Defence

21. While concentrating available resources as far as possible on building up active deterrent power, some precautions must be taken to help organised society to survive, should the deterrent fail to prevent war. Civil Defence, through which innumerable lives might be saved, must accordingly retain a place in the defence plan.

22. As in other fields, the country's economic capacity will determine how much effort can be devoted to this purpose. In 1957-58 it will be necessary to concentrate on keeping the existing local organisation in being so as to provide a basis on which realistic planning can continue. The necessary training equipment will be provided. Essential research will proceed; and work on providing emergency communications and on setting up the fall-out warning and monitoring system will go on. These preparations will provide a basis for expansion, should that later be necessary.

Europe and Atlantic

23. The possession of nuclear air power is not by itself a complete deterrent. The frontiers of the free world, particularly in Europe, must be firmly defended on the ground. For only in this way can it be made clear that aggression will be resisted.

24. Britain must provide her fair share of the armed forces needed for this purpose. However, she cannot any longer continue to make a disproportionately large contribution. As the figures below show, the defence expenditure of this country has been higher, in relation to national income, than that of any other member of NATO, except the United States.

<table>
<thead>
<tr>
<th>Defence Expenditure</th>
<th>Per Cent. of National Income</th>
<th>Spent in 1955 (£ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>11.2</td>
<td>14,460</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>9.3</td>
<td>1,569</td>
</tr>
<tr>
<td>France</td>
<td>7.8</td>
<td>1,118</td>
</tr>
<tr>
<td>Canada</td>
<td>7.7</td>
<td>648</td>
</tr>
<tr>
<td>Netherlands</td>
<td>6.5</td>
<td>159</td>
</tr>
<tr>
<td>Greece</td>
<td>6.4</td>
<td>44</td>
</tr>
<tr>
<td>Turkey</td>
<td>5.7</td>
<td>135</td>
</tr>
<tr>
<td>Germany</td>
<td>5.3</td>
<td>625</td>
</tr>
<tr>
<td>Italy</td>
<td>4.7</td>
<td>324</td>
</tr>
<tr>
<td>Portugal</td>
<td>4.7</td>
<td>28</td>
</tr>
<tr>
<td>Norway</td>
<td>4.3</td>
<td>48</td>
</tr>
<tr>
<td>Belgium</td>
<td>4.0</td>
<td>121</td>
</tr>
<tr>
<td>Denmark</td>
<td>3.6</td>
<td>47</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>3.6</td>
<td>4</td>
</tr>
</tbody>
</table>

25. In these circumstances, Her Majesty's Government, after due consultation with the Allied Governments in the North Atlantic Council and in the Council of the Western European Union, have felt it necessary to make reductions in the British land and air forces on the Continent. The strength of the British Army of the Rhine will be reduced from about 77,000 to about 64,000 during the next twelve months; and, subject to consultation with the
Allied Governments in the autumn, further reductions will be made thereafter. The organisation of this force will be streamlined in such a way as to increase the proportion of fighting units and atomic rocket artillery will be introduced which will greatly augment their fire-power.

26. The strength of the Second Tactical Air Force in Germany will be reduced to about half its present size by the end of March, 1958. This reduction in numbers will be counter-balanced by the fact that some of the squadrons will be provided with atomic bombs. A similar reduction will be made in the light bomber force in England, which is assigned to NATO.

27. Naval forces do not for the most part contribute directly to the deterrent and their role in total war is uncertain. It may well be that the initial nuclear bombardment and counter-bombardment by aircraft or rockets would be so crippling as to bring the war to an end within a few weeks or even days, in which case naval operations would not play any significant part. On the other hand, there is the possibility that the nuclear battle might not prove immediately decisive; and in that event it would be of great importance to keep open Atlantic communications against submarine attack. It is therefore necessary for NATO to maintain substantial naval forces and maritime air units. Britain must make her contribution, though, for the reasons given above, it will have to be on a somewhat reduced scale.

Middle East

28. Outside the area covered by the North Atlantic Alliance, Britain has military responsibilities in other parts of the world, in particular in the Middle East and South-East Asia.

29. Apart from its own importance, the Middle East guards the right flank of NATO and is the gateway to the African continent. In the Arabian Peninsula, Britain must at all times be ready to defend Aden Colony and Protectorates and the territories on the Persian Gulf for whose defence she is responsible. For this task, land, air and sea forces have to be maintained in that area and in East Africa.

30. In addition, Britain has undertaken in the Baghdad Pact to co-operate with the other signatory States for security and defence. It is the especial purpose of the Pact Powers to prevent Communist encroachment and infiltration. In the event of emergency, all British forces in that area would be made available to support the Alliance. They would consist of those in the Arabian Peninsula and Persian Gulf, referred to above, and of bomber squadrons based in Cyprus capable of delivering nuclear weapons.

31. As a result of the termination of the Treaty with Jordan, Britain has been relieved of the responsibility for defending that country in the event of attack; and British forces are being withdrawn. The British troops in Libya will also be progressively reduced. Should it be necessary to send reinforcements to the Middle East, these will be provided from the Central Reserve in Britain.

Far East

32. In South-East Asia, apart from defending her colonies and protectorates, Britain has agreed to assist in the external defence of Malaya after she attains independence. Britain also has an international commitment, as a member of the SEATO and ANZAM defence systems, to help preserve stability and resist the extension of Communist power in that area.
33. It is proposed to maintain in this theatre a mixed British Gurkha force and certain air force elements, together with a substantial garrison in Hong Kong and a small naval force based on Singapore.

34. In addition, there is a Commonwealth Strategic Reserve. This includes a brigade, to which Britain contributes two battalions. Australia and New Zealand jointly provide the remainder of the brigade and some naval and air forces.

35. After consultation with the United States and with the other Commonwealth countries concerned, the Government decided to withdraw the remaining United Kingdom troops, approximately a battalion, from Korea. A liaison mission will be retained at the Headquarters of the United Nations Command.

Overseas Garrisons

36. Garrisons for British colonies and protectorates make substantial demands upon military manpower. Some of these garrisons are at present larger than is necessary for internal security and yet are too small to provide effective protection against serious aggression.

37. Having regard to the fact that Colonial forces are increasingly assuming responsibility for internal security and that it is now possible to send reinforcements rapidly from Britain, the Government propose to reduce garrisons generally to the numbers immediately necessary for the defence against local attack where such a threat exists.

38. It is accordingly proposed to reduce garrisons generally to the strengths required for purely local defence and security, and to rely in emergency on rapid reinforcement from a central reserve.

Central Reserve

39. With the reduction in the size of garrisons and other British forces overseas, it is more than ever essential to be able to despatch reinforcements at short notice. With this object, a Central Army Reserve has been created in the British Isles.

40. To be effective, the Central Reserve must possess the means of rapid mobility. For this purpose, a substantial fleet of transport aircraft has been built up in R.A.F. Transport Command. This is at present mainly composed of Comet II's, Beverley freighters and Hastings aircraft, to which a number of Britannias will later be added. These transport resources of the R.A.F. would be supplemented, when necessary, by suitable civil aircraft and naval vessels.

41. Should an overseas emergency develop which calls for larger reinforcements than can be provided from the Central Reserve in Britain, the additional forces needed might have to be transferred from Germany. The right to do this is specifically provided for in the Paris Agreements of 1954.

42. Besides the land forces of the Central Reserve additional military power for overseas emergencies can be rapidly provided from the resources of the Bomber, Fighter and Coastal Commands of the Royal Air Force.
43. On account of its mobility, the Royal Navy provides another effective means of bringing power, in particular air power, rapidly to bear in peacetime emergencies or limited hostilities. As the number of Britain's overseas bases is reduced, the role of the aircraft carrier, which is in effect a mobile air station, becomes increasingly significant.

44. With this consideration in mind, it is proposed to base the main elements of the Royal Navy upon a small number of carrier groups, each composed of one aircraft carrier and a number of supporting ships. Apart from carriers, the number of large ships will be restricted to the minimum. The cruisers in the active fleet will be reduced and, in due course, replaced by new ships of the Tiger Class, now under construction. Similarly, in the various categories of smaller vessels, the policy will be to rely on a reduced number of more modern ships, some of which will be equipped with guided missiles. A considerable number of ships now in reserve, including battleships, will be disposed of or scrapped.

45. It is the Government's intention to maintain British naval strength East of Suez at about its present level. One carrier group will normally be stationed in the Indian Ocean and a small force at Singapore. Thus the proposed reductions will primarily affect the forces in Home Waters and in the Mediterranean.

Administrative Overheads

46. The smaller the forces become, the more important it is to prune to the utmost the elements which do not directly contribute to their fighting capacity.

47. The Service Departments and Ministry of Supply are engaged in a further intensive drive to reduce administrative overheads of all kinds, and in particular to cut down the numbers of headquarters and the size of staffs, both military and civilian. Economies will be sought by eliminating duplication between the Services on common tasks such as signal communications, and by reducing the number of men serving in depots and base installations. It is proposed to concentrate work in fewer places and to curtail greatly the holdings of stores.

48. A further effort will be made to reduce the manpower in the training organisation. There are at present no less than 150,000 men training or being trained in the establishments of the three Services. This high figure is due in large measure to the continuous turnover inseparable from National Service, the abolition of which would, of course, make big economies in manpower possible.

49. Experience has shown that it is more efficient and economical to employ civilians on tasks where it is not essential for military reasons to employ Service personnel; and every endeavour will be made to extend this practice. In particular, the Service Departments are seeking to reduce the number of uniformed personnel through the increased use of civilians or civilian contractors on duties such as store-keeping, accounting, maintenance of equipment, policing and catering.

Size of Forces

50. Provided the three Services are reshaped and redistributed on the lines indicated above and commitments are curtailed in the manner proposed,
the Government believe that Britain could discharge her responsibilities with forces much smaller than at present.

51. In fact, they consider that forces of about 375,000, on an all-regular basis, would be sufficient. This is little more than half the existing strength of about 700,000.*

52. Of the reduced total, about 20 per cent. would be in the Royal Navy, 45 per cent. in the Army and 35 per cent. in the Royal Air Force.

53. The curtailment of commitments will necessarily take time to complete. Similarly, a reasonable period must be allowed for the re-shaping of the Services if serious disorganisation and hardship to Officers and men are to be avoided. The run-down in the Forces will therefore have to be spread over several years.

**Regular Recruitment**

54. So long as the strength of the Services had to be maintained at its present high level it would have been unrealistic to hope that they could be wholly manned by regular recruitment. However, the revised defence plan, with its greatly reduced demands on manpower, now makes it reasonable to contemplate putting the armed forces on to an all-regular footing.

55. But this will not be easy; nor is the problem the same in all three Services. The Royal Navy is already, in the main, a regular force on long-service engagements and it should readily attract enough recruits to meet its needs. In the Royal Air Force, 127,000 other ranks, or about two-thirds of the present strength, are regulars. However, some 31,000 of these are serving on three-year engagements; and many of them would not have enlisted but for their liability for National Service. Nevertheless, the recent improvement in its recruiting makes it reasonable to hope that the R.A.F. could enlist enough regulars to meet the smaller numbers required under the revised plan.

56. It is in the Army that the greatest difficulty arises. Only about 164,000 are regulars; and of these, less than 80,000 are serving on engagements of over three years. Thus it is clear that, although the Army is to be reduced to not more than half its present strength, a marked improvement in regular recruiting will be needed to make it independent of National Service.

57. Moreover, it is not enough simply to reach the total strengths required. A proper balance must be maintained in the composition of the forces. In particular, there is the problem of replacing the men who are now called up after deferment as apprentices. With the continuous development of modern equipment, skilled tradesmen are increasingly important. Unless, therefore, an adequate proportion of these can be recruited, the Services would be unbalanced and would lose in efficiency. There is also the problem of obtaining sufficient recruits to man the branches which perform the less popular duties.

58. In order to encourage recruiting, the Government will seek to make life in the Services more attractive. As already announced, the scales of rations are being increased. Despite the general need for economy, it is proposed to press ahead with the modernisation of barrack accommodation. *This figure relates to adult male uniformed United Kingdom personnel of all ranks and excludes Gurkhas, Colonial forces, women and boys.
the construction of more married quarters, and the provision of better
recreational facilities. Methods of improving the serviceman's prospect of
good employment on his return to civilian life are being examined. In these
and other ways, plans are being prepared for the different ranks and branches
of each Service, with the object of offering good long-term careers.

59. In order to waste no time in building up the Regular element, the
recruiting campaign will be intensified, and more money will be provided in
the coming year for this purpose.

National Service

60. The Government have stated that it is their aim to abolish National
Service as soon as this is practicable consistently with the needs of defence;
and they believe this is the general wish of the country.

61. In all the circumstances, they consider it reasonable to assume that
regular recruitment can over the next few years be increased to the level
required. They have accordingly decided to plan on the basis that there will
be no further call-up under the National Service Acts after the end of 1960.

62. As has been explained earlier, there is no absolute certainty that
the recruits needed will be obtained; but there never will be any certainty
until the attempt is made. If National Service is retained until all doubts
have been removed, it will never be abolished.

63. Nevertheless, it must be understood that if voluntary recruiting fails
to produce the numbers required, the country would have to face the necessity
for some limited form of compulsory service to bridge the gap.

64. While recruitment is building up and the strength of the Forces is
being run down, it will be necessary to reduce progressively the size of the
National Service intake. The number of men becoming available for National
Service will therefore to a growing extent exceed requirements. The Govern­
ment will announce as soon as possible the way in which they intend to effect
the call-up of the numbers needed. Every effort will be made to ensure that
this is done in as fair and reasonable a manner as possible. The Govern­
ment believe that, provided it is seen to be an inseparable part of the
process of winding up National Service, the country will accept any
unavoidable anomalies with understanding.

Reserve Forces

65. Reserve forces will continue to have an important part to play.

66. Apart from the flying units of the Royal Auxiliary Air Force and
the Royal Naval Volunteer Reserve which it has regretfully been found
necessary to disband, the Naval and Air Forces Reserves will be retained in
their present roles, though the numbers required will have to be reduced to
accord with the new plan.

67. Reservists will continue to be needed to make good deficiencies in
the Regular Army in overseas emergencies. However, the great majority of
the Reserve Army, in particular the Territorial Army and A.E.R., will
continue to be trained and equipped primarily for Home Defence.

68. Under present plans Britain is due to provide two Territorial Army
divisions as reinforcements for NATO. Since these certainly would not be
ready for action on the Continent in less than three months, which in nuclear
war would be of little value, the Government consider that it would be more appropriate to assign them to Home Defence duties like the rest of the Territorial Army. This question is being discussed with SACEUR.

Expenditure

69. The Defence Estimates for the year 1956/57 amounted to about £1,600 million, before deducting receipts from the United States and Germany. Had the programme as planned a year ago been allowed to continue unchanged, the figure for 1957/58 would have risen to about £1,700 million.

70. However, as a result of strenuous efforts to effect economy, it has been found possible to keep the defence estimates for the coming year down to a total of £1,489 million. From this must be deducted receipts from Germany and the United States, which are expected to amount to about £50 million and £19 million respectively. Thus the net estimate of total defence expenditure for the year 1957/58 will amount to about £1,420 million. This large saving has been secured by various measures, including in particular a substantial reduction in the overall strength of the forces, the cutting down of production orders and purchases of stores and some curtailment of the research and development programme.

71. It is not yet possible to forecast the level of expenditure in later years. It should not however be expected that it will show a decline in any way comparable with that in the manpower strengths of the forces. This is primarily due to the ever-increasing complication of modern weapons and equipment, the higher cost per man of regular forces and the fact that proportionately more civilians will be employed. Nevertheless, it can safely be assumed that the new plan, when it is fully implemented, will further appreciably reduce the burden on the economy. Above all, it will release skilled men, including many badly needed scientists and technicians, for employment in civilian industry. Both exports and capital investment will gain.

Research and Development

Commonwealth Co-operation

73. With the advance of military technology, Commonwealth co-operation on research and development is assuming increasing importance. An outstanding example is the development of guided missiles at Woomera, which is being undertaken jointly by the United Kingdom and Australia.

74. The Government will seek to maintain and foster close co-operation in defence matters generally with members of the Commonwealth. This will continue to be effectuated by normal intergovernmental consultations, frequent meetings of Chiefs of Staff, the exchange and secondment of officers, and the supply of training facilities.
Switch of Resources

75. This new plan involves the biggest change in defence policy ever made in normal times. In carrying it through a certain amount of disturbance is unavoidable.

76. The large reduction in the size of the forces will inevitably create some surplus of officers and N.C.Os. It will take a little time to assess the numbers precisely. The proportion will differ for each Service and for the various ranks and branches. Those whose careers have to be prematurely terminated will be given fair compensation and will be helped in every way possible to find suitable employment in civil life.

77. Similarly, the volume of defence work of many kinds will be curtailed, and some establishments will have to be closed. The manpower and industrial resources released must be absorbed into productive use as quickly as possible. The Government Departments concerned will do all they can to secure that this switch is effected smoothly.

Conclusion

78. The Government have adopted this new defence plan in the confidence that it will not only give relief to the country's sorely strained economy, but will produce compact all-regular forces of the highest quality.

79. The three Services will be equipped and organised on the most up-to-date lines. The Fleet will be composed of modern vessels. The Army will be equipped with atomic artillery and given a high degree of strategic mobility. The Air Force will be supplied with British megaton bombs; a missile system of air defence will be developed; and ballistic rockets will be introduced to supplement the V-bombers.

80. In short, it is the intention that, when reorganised in accordance with the new plan, Britain's armed forces shall be better equipped, better trained and better designed for the tasks that lie ahead.