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C.C. (52)

85th Conclusions

CABINET

CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W. 1, on Tuesday, 14th October, 1952, at 11 a.m.

Present:

The Right Hon. WINSTON S. CHURCHILL, M.P., Prime Minister (<i>in the Chair</i>).	
The Right Hon. ANTHONY EDEN, M.P., Secretary of State for Foreign Affairs.	The Most Hon. the MARQUESS OF SALISBURY, Secretary of State for Commonwealth Relations.
The Right Hon. LORD SIMONDS, Lord Chancellor.	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. R. A. BUTLER, M.P., Chancellor of the Exchequer.	The Right Hon. H. F. C. CROOKSHANK, M.P., Lord Privy Seal.
The Right Hon. the EARL ALEXANDER OF TUNIS, Minister of Defence.	The Right Hon. OLIVER LYTTTELTON, M.P., Secretary of State for the Colonies.
The Right Hon. JAMES STUART, M.P., Secretary of State for Scotland.	The Right Hon. LORD LEATHERS, Secretary of State for Co-ordination of Transport, Fuel and Power.
The Right Hon. Sir WALTER MONCKTON, Q.C., M.P., Minister of Labour and National Service.	The Right Hon. HAROLD MACMILLAN, M.P., Minister of Housing and Local Government.
The Right Hon. LORD CHERWELL, Paymaster-General.	

The following were also present:

The Right Hon. VISCOUNT SWINTON, Chancellor of the Duchy of Lancaster.	The Right Hon. J. P. L. THOMAS, M.P., First Lord of the Admiralty. (<i>Items 4-5.</i>)
The Right Hon. ANTONY HEAD, M.P., Secretary of State for War. (<i>Items 4-5.</i>)	The Right Hon. LORD DE L'ISLE AND DUDLEY, Secretary of State for Air. (<i>Items 4-6.</i>)
Sir REGINALD MANNINGHAM-BULLER, Q.C., M.P., Solicitor-General. (<i>Item 1.</i>)	The Right Hon. PATRICK BUCHAN-HEPBURN, M.P., Parliamentary Secretary, Treasury. (<i>Items 1-2.</i>)

Secretariat:

Sir NORMAN BROOK.
Mr. R. M. J. HARRIS.

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Kenya.

(Previous
Reference:
C.C. (52) 81st
Conclusions,
Minute 1.)

1. The Cabinet had before them a memorandum by the Colonial Secretary (C. (52) 332) covering telegrams from the Governor of Kenya proposing further measures for checking the activities of the Mau Mau.

The Colonial Secretary said that the Governor was satisfied that the crimes committed by members of the Mau Mau were instigated, directly or indirectly, by Kenyatta and other leaders of the Kenya African Union. This view was shared by most Europeans and many responsible Africans in Kenya. The Governor therefore proposed to declare a state of emergency and to arrest Kenyatta and some of his principal followers under emergency powers. There was a risk that this action might provoke outbursts of violence, and a show of military force would help to reduce that risk. The Governor therefore asked that a British battalion should be sent to Kenya from Egypt by air, immediately before the state of emergency was declared.

The Colonial Secretary said that the action proposed by the Governor was drastic, but he feared that if it were not taken the situation would deteriorate still further.

In discussion there was general support for the view that the Governor should be authorised to put his plan into operation. *The Minister of Defence* confirmed that a British battalion could arrive from Egypt by the desired date. He undertook to consider a further suggestion, made by the Prime Minister, that this show of military force might be supplemented by the dropping of a number of parachute troops to carry out exercises near the areas where disorders might occur.

The Cabinet—

- (1) Approved the plan outlined in the telegrams annexed to C. (52) 332, and invited the Colonial Secretary to authorise the Governor of Kenya to proceed accordingly.
- (2) Approved the despatch of a British battalion from the Middle East to Nairobi; and took note that the Minister of Defence would consider whether, in addition, arrangements could be made for British parachute troops to carry out exercises in Kenya.

**Town and
Country
Planning
Act, 1947.**

(Previous
Reference:
C.C. (52) 83rd
Conclusions,
Minute 3.)

2. After the Cabinet's meeting on 1st October the Prime Minister had invited the Foreign Secretary to discuss with the Ministers principally concerned the differences which had arisen over the proposals for amending the financial provisions of the Town and Country Planning Act, 1947. The Cabinet now had before them a memorandum by the Foreign Secretary (C. (52) 325) reporting that, as a result of those discussions, the only issue outstanding for decision by the Cabinet was whether development charge should be abolished altogether or whether it should be reduced by regulation to 50 per cent.

In discussion varying opinions were expressed on this question.

In favour of retaining development charge at a reduced rate it was argued that, as the Exchequer was still to pay compensation to owners who were refused permission to develop their land or were required to sell it to a public authority, it was reasonable that the Exchequer should recover some offsetting revenue from land on which private development was allowed. The retention of some development charge would also reduce the inequity between one landowner and another, and would make it easier to justify compensation restricted to the 1947 development value. If development charge were abolished, it would become progressively more difficult to hold compensation at that level and there was a risk that, as time went on, the demand for a higher rate of compensation would become irresistible.

It was also argued that some payment should be made to the Exchequer in respect of development in recognition of the fact that some part of development value had been created by public action. It might perhaps suffice for this purpose if development charge were retained at the rate of 33½ per cent.

In favour of abolishing development charge it was pointed out that the Government had already decided not to carry through the purchase of all development values for £300 millions as provided in the 1947 Act. This decision represented a substantial saving for the Exchequer, and it would mean that many landowners would not now receive payments from the Exchequer on which they had counted. It would seem unreasonable that the Exchequer should, in addition, continue to collect development charge. Moreover, it was known that this charge was acting as a brake upon development; and that it tended to fall, not on the owner, but on the developer, who had to meet it after he had paid the full market value for the land. The retention of the charge would tend to discourage private house-building, and would make it more difficult for the Minister of Housing to reduce the cost of the housing programme by increasing the proportion of privately built houses to subsidised houses built by local authorities.

The Prime Minister, summing up the discussion, said that the balance of opinion in the Cabinet was in favour of abolishing development charge.

The Cabinet—

- (1) Agreed to put forward, in substitution for the financial provisions of the Town and Country Planning Act, 1947, the limited compensation scheme (including the abolition of development charge) outlined by the Minister of Housing and Local Government in C. (52) 304.
- (2) Authorised the Minister of Housing and Local Government to arrange for legislation to be prepared for this purpose for introduction in the coming session.
- (3) Invited the Minister of Housing and Local Government to submit for their consideration the draft of a White Paper explaining his proposals.

Purchase Tax and Utility.

(Previous Reference: C.C. (52) 20th Conclusions, Minute 4.)
D Scheme for Furniture.

3. *The Chancellor of the Exchequer* said that he had to answer that afternoon a Parliamentary Question by Mr. Albu, M.P., asking whether he had yet decided to introduce a D scheme of purchase tax on furniture. It was inconvenient that any announcement on this subject should be made at the present time; but discussions with the furniture trade were already in progress and nothing could be said to imply that the Government were not intending to proceed with this scheme. He therefore proposed to say that the furniture trade were aware of the Government's intention to introduce a D scheme for furniture and that no further statement could be made pending the outcome of the discussions with the trade.

The Prime Minister suggested that this opportunity should be taken to make it plain that under the proposed D scheme purchase tax would not be payable on the cheaper types of furniture.

Germany. Return of Captured Archives.

4. The Cabinet considered a memorandum by the Foreign Secretary (C. (52) 329) regarding the request of the German Federal Government for the return of the official German documents which fell into Allied hands at the end of the war.

The Foreign Secretary said that these documents fell into two classes—diplomatic and military. It had always been contemplated that all the diplomatic documents would ultimately be returned to

a future German Government; and an offer based on this principle had already been made by the Occupying Powers in July 1951. The main points in this offer were that we should lend to the Germans copies of all the microfilm records made of these documents, and should associate them with our project for publishing a selection of the documents. It was now proposed that negotiations should be opened with the Germans on the basis of this offer.

The disposal of the military documents (including scientific and technical documents) presented more difficulty, since there were security reasons for not returning some of these to the Germans. It was therefore proposed that, before negotiations were opened with the Germans about these, preliminary discussions should be held with representatives of the United States and French Governments to determine what classes of documents should continue to be withheld from the Germans.

In discussion there was general agreement with the proposals put forward by the Foreign Secretary. The Cabinet agreed that there need be no obligation to return all the German military documents which were now in Allied military possession; and that the Minister of Defence should have discretion, after consulting the Service Ministers and the Chiefs of Staff, to decide whether any particular document or class of document should be withheld for reasons of security.

The Cabinet—

- (1) Authorised the Foreign Secretary to enter into negotiations with the German Federal Government regarding the return of the captured German diplomatic documents on the basis proposed in paragraph 3 of C. (52) 329.
- (2) Agreed that preliminary discussions should be held with representatives of the United States and French Governments regarding the return of the captured German military documents, as proposed in paragraphs 7-8 of C. (52) 329; and authorised the Minister of Defence to determine on their behalf, after consulting the Service Ministers and the Chiefs of Staff, what categories of these documents should continue to be withheld from the Germans.

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North Atlantic
Treaty
Organisation.
United States
Air Bases in
Denmark.

6. The Cabinet had before them a memorandum by the Foreign Secretary (C. (52) 326) reporting that the Danish Government had asked for the views of Her Majesty's Government on a proposal that United States fighter bases should be established in Denmark at the expense of N.A.T.O. funds and that fighter aircraft should be stationed on them in peace-time. The memorandum recommended that the Danish Government should be informed that Her Majesty's Government were in agreement with the United States proposal.

The Foreign Secretary said that the readiness of the Danish Government to accept this proposal was evidence of a courageous attitude on their part, which deserved our support.

The Cabinet—

Approved the recommendation in C. (52) 326.

Rent
Restriction
Acts.
(Previous
Reference:
C.C. (52) 83rd
Conclusions,
Minute 4.)

7. *The Prime Minister* said that the Cabinet should consider at an early date the form of the scheme for amending the Rent Restriction Acts to which they had agreed in principle at their meeting on 1st October.

The Minister of Housing said that he hoped to submit his detailed proposals to the Cabinet shortly. He thought it preferable that this subject should not be mentioned in The Queen's Speech on the Opening of Parliament, for the following period of uncertainty before the Government's detailed proposals were disclosed would be fully exploited by the Opposition both in Parliament and in the country. The Bill could not be ready before the beginning of the new year at the earliest and its eventual presentation would be covered by the usual reference in The Queen's Speech to the bringing forward of other measures. Once the Bill had been presented it should be carried through and brought into operation within the shortest possible time.

The Chancellor of the Duchy of Lancaster said that, although the newspapers were showing considerable interest in this matter, most of them were adopting a reasonable attitude and it ought not to be difficult to continue to hold the position until the Government were ready to introduce a Bill.

The Cabinet—

- (1) Agreed that The Queen's Speech on the Opening of Parliament should not include any reference to prospective legislation to amend the Rent Restriction Acts.
- (2) Invited the Minister of Housing to bring his detailed proposals for amending legislation before the Cabinet at an early date.

**Borrowing
by Local
Authorities.**

8. The Cabinet had before them a memorandum by the Chancellor of the Exchequer (C. (52) 328) suggesting a modification of the local loans procedure.

The Chancellor of the Exchequer said that, under Section 1 of the Local Authorities Loans Act, 1945, local authorities must borrow from the Exchequer through the Local Loans Fund unless authorised by the Treasury to do otherwise. The practical effect of this provision was that, apart from what they were authorised to borrow on private mortgage, local authorities were able to meet all their needs of capital through the Local Loans Fund. For each year since 1948–49 loans made by the Government from the Fund had exceeded the provision made in the Budget, the probable excess for the present financial year being estimated at about £100 millions. He now recommended that the section should be allowed to expire on 31st December by omitting it from the forthcoming Expiring Laws Continuance Bill, and that local authorities' borrowing from the Fund should in future be limited to the sum provided for this purpose in the Budget, supplemented as necessary by mortgage loans and by issues of stock by authorities of recognised credit standing. Local authorities' expenditure would continue to be controlled as at present through the machinery of the investment programme, but the necessity for the larger authorities to resort to the market for a proportion of their capital needs might be expected to make them rather more cautious in their plans. While the practical effects of the proposed change would be limited, it would be likely to strengthen both Government credit and public confidence.

The Minister of Housing and Local Government said that he did not question the advantage of shifting part of the burden of local authorities' loans from the Local Loans Fund to the capital market, but he was doubtful about the method which the Chancellor proposed to adopt for effecting this. There did not appear to be anything in the wording of Section 1 of the Local Authority Loans Act, 1945, which would prevent the Treasury from allowing and, indeed, helping a small number of the larger authorities to float issues of stock. By proceeding on such lines the Government might secure their object without making any change in the existing law. He also wished the Cabinet to understand that the proposed change would have no restrictive effect upon local authorities when they planned their capital expenditure. Of the total investment programme of local authorities, amounting to £476 millions during the present financial year, all but some £2 millions represented projects carried out at the instance of Government Departments and under their control through the machinery of the investment programme. Further, the credit-worthiness of even the larger local authorities was not what it formerly had been. Expenditure on housing, which amounted to nearly £400 millions out of their total programmes, was incurred by no less than 1,500 separate housing authorities, very few of whom would be able to raise money on the market.

The Prime Minister said that some means must be found of preventing the capital expenditure of local authorities from exceeding the provision made for it in the Budget. The Chancellor should discuss his proposals in detail with the Minister of Housing before submitting the matter again to the Cabinet for decision.

The Cabinet—

Invited the Chancellor of the Exchequer to discuss the proposals in C. (52) 328 with the Minister of Housing and thereafter to submit the matter again to the Cabinet.

The Accession Declaration.

9. *The Lord Chancellor* said that, in accordance with the Bill of Rights, it would be necessary for The Queen, when She opened Parliament on 4th November, to make the declaration required by the Accession Declaration Act, 1910. The form of declaration prescribed in the Act was as follows:—

“ I do solemnly and sincerely in the presence of God, profess, testify and declare that I am a faithful Protestant, and that I will, according to the true intent of the enactments which secure the Protestant succession to the Throne of My Realm, uphold and maintain the said enactments to the best of My powers according to law.”

It would be necessary to decide whether, following the precedent of 1937 when the declaration had been made by The late King at His Coronation, the words “ of My Realm ” in the declaration should be omitted. These words had been omitted in 1937, after consideration by the Cabinet, on the ground that they were inappropriate in view of the change in the position of the Dominions brought about by the passing of the Statute of Westminster. The Attorney-General of the time had advised that the omission could be justified without legislation and, in fact, no questions had been raised.

The Cabinet—

Invited the Lord Chancellor to arrange for his Committee on The Royal Style and Titles to consider the form of the Accession Declaration to be made by The Queen at the Opening of Parliament.

*Cabinet Office, S.W. 1,
14th October, 1952.*