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C.M. 85 (52) 14th October, 1952

1. Transport Bill.

[Enter Sw., Solr. Genl., B-H

P.M. H. Morrison, as reported in M. Guardian. 14/10 Cont^{ns} to Tory Party Funds: invitⁿ to publish sources of Funds. Diff. to know how to tackle this.

- M-F. Not new. Debated in '49. They have said in for months in relⁿ to New Towns Bill and Transport Bill.
- Sal. I wd. treat it with contempt.
- P.M. V. well: I will let him come to dinner to-morrow at No. 10, as arranged; & say afterwards, if need be, that it was surprising that he accepted my invitation.

2. Kenya.

- O.L. Baring's report. Satisfied K.A.U. is behind Mau Mau, & wishes to lock up their leaders incldg. Kenyatta. Pretty rough, but believe it is essential. Others from Kenya have confirmed this view.
 - Action about 23/10. Battⁿ from M/E. cd. be flown in just in advance. A Battⁿ K.A.R., of which 2 are in Kenya almost all recruited from tribes other than Kikiku. The other 2 cd. be moved in quickly. But white battⁿ is more important.
- P.M. Yes: in addⁿ a show of strength by 100 or so parachutists dropping and doing exercises.
- Al. There are no aircraft to drop them from we borrow U.S. aircraft! But I will look into possibility.
- O.L. Stress that this is rough: & may be short period of violence.

 Action under em. leg. w'out trial review by judicial committee.

3. Development Charge.

- A.E. Now reduced to para. 2 issue all others cleared away.
- P.M. 1947 Act was very stupid: why did we not oppose it more keenly?
- Sal. Don't like H.M.'s plan because in involves inequity. But see that we can't pay the £300m: don't think it poss. to continue Dev. Charge.

 Acquiesce in H.M.'s plan but only as least bad alternative.

R.A.B. Don't believe Labour wd. restore D.C. to 100%. At 50% D.C. remains a nuisance - but so are all taxes. My reason is tht.

- i) we can reduce it later, if we wish.
- ii) compensⁿ at '47 value can be justified more easily if 50% D.C. remains less inequity betwn. one landowner & another.

Inequity by degrees.

Wd. yield only £2 or £3m. p.a. But £10m. for compensⁿ in next Budget.

P.M. Not a ques. of unpopularity – but contrary to publ. interest to deter development: that's main reason for abolishing D.C.

Uneconomic plan qua hampering developmt.

Main Ty. gain is not having to pay £300m.

R.A.B. Don't think I cd. easily raise a loan for that.

P.M. You can't have it all ways.

W.M. Abolish it. Impedes developmt. Also awkward if you aren't paying out.

H.C. Abolish it.

L. 50%.

M-F. Retain some charge $-33^{1}/_{3}\%$. To acknowledge that some of increased value of land is due to publ. action.

O.L. Abolish. Sim. 50%. M/D & S/S. Scott Abolish. Sw. Abolish

H.M. Abolition is essential if private house bldg. is to be encouraged & subsidised house bldg. to be reduced. Bad tax anyway: matter for negotiation.
 How defend 50%: what reason for rejectg. amend^{mt} to reduce it to 33¹/₃.

A.E. On balance, abolish.

P.M. Reduced rate gives worst of both worlds.

Ch. Let Ty. recoup themselves on stamp duty.

R.A.B. Too complex. Worse than E.P.L.

Sol. Genl. 1947 Act has broken down – let it go. Hopeless to w'hold £300m. & go on levying charge.

P.M. Balance of opinion is for abolition.

R.A.B. Acquiesce in majority view. Tho' warn Cab. tht. compensⁿ won't be held at '47 value. Tho' that won't arise for 3 or 4 years.

[Exit B.H. [Enter 3 Service Ministers

- 4. "D" Scheme for Furniture.
- R.A.B.
 P.Q. by Allen. Propose to say we intend to introduce at proper time but are discussing with trade guarantees <u>re</u> quality.
 H.Wycombe won't like this, but I can't deny what we have bn. saying to the trade.
- P.M. Make it clear that there will be no tax on furniture of the kind required by cottagers.
 - 5. German Archives.
- A.E. Can copy before we return and we can "lose" some if we wish.

 C.O.S. are concerned about some. Want only to discuss that with U.S.

 & Fr. M'while we can get on with the diplomatic documents.
- A.H. S.I.S., cypher, interrogⁿ of Allied persons by Germans.
- J.P.L.T. Influence mines, guided missiles we cd. prefer to keep.
- de L'1 Target identification.

Memo approved – M/D. with C.O.S., to have discretion to destroy.

- 6. Chemical Warfare Policy.
- P.M. Cab. shd. take note of this.
- Sal. Don't like "higher N.A.T.O. authority". We shd. make it clear that is a pol. decision. Stress para. 6. Tell Canada we are so insisting. & we will consult them when the time comes.

7.

CLOSED UNDER THE

FREEDOM OF INFORMATION

ACT 2000

8. U.S. Fighter Bases in Denmark.

Memo approved.

9. Rent Restriction.

H.M. Keep it open until after by-election. Avoid raising wide issues. Short Bill only.

Don't favour putting it in Q. Speech.

Cdn't bring in Bill until after Xmas or Easter even.

- Sw. Press is now reasonable: we don't need to make any early announcemt.
- H.M. Relate rent increase to cost of repairs. But shd. we take no a/c of repairs already done: v. inequitable. Tho', if we do, it means many more rents are raised at once.

[Exit de L'1

- 10. Borrowing by Local Authorities.
- R.A.B. Indicⁿ tht. 1.a.'s won't greatly dislike. Will have valuable psych. effect. Not v. revolutionary, for their exp're depends on our policy decisions.

 But, to extent they have to go to market, it may make them more economical.

 Likely to strengthen public confidence.
- Ch. Large increase in Bank loans wd. be just as inflationary as large sums below the line.
- J.S. Will smaller auth^{ies} be restricted?
- R.A.B. Shdn't make them go on market. They wd. have to go on same terms as Govt.
- H.M. Short notice: no consultⁿ with me in advance. May I discuss with R.A.B.
 - It is we, not they, that plan their capital exp^{re}. Only a v. small fraction is w'in their control £2m. out of £476m. is element in cap. investmt. of l.a.'s wh. is w'in their control.
 - Shop-window dressing tho' that is important. Aim to get a few to borrow as before. But they haven't got any longer their earning capacity (trains etc.) or their high rateable value.
 - If we don't renew in Expiring Laws, l.a.'s will be alarmed & confused. Is it necessary? There is a proviso which contracts right out: & we cd. arrange for 6 to 10 l.a.'s to be exempted 1,500 of them: and only about 10 cd. go on the market.

- R.A.B. I want an early psycholog. effect. Add exp^{,re} below the line may be £100m. it's £75m. now.
- H.M. This will give no add^l control.

Defer – to enable R.A.B. to discuss with H.M.

11. Opening of Parliament.

Sim. Queen, at Coronⁿ or at first Parlt. after accession, has to make the Protestant Declⁿ. She will make it therefore at Opening of Parlt.

Read extract: as prescribed by Act of 1910.

Geo. <u>VI</u>: Cab. authorised diff^t terms: left out "of my value."

Do we want to do this again?

P.M. x/ Consider with C.R.O. &.H.C. & M-F. If Geo \underline{VI} got away with modified wording, may be wiser to stick to the 1937 form.

Agreed as at x/.

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Mr. You can't man it all ways. with. Abolish it, hugedes developent. Mas awkwart if you aren't paying out. Mr. Abour it. L. 50% M.F. Actain some charge - 33 3/6. To acknowledge that some of increased value grand is due is publication Abolish. Sim. 50%. MyD. + 5/5. Scott. Abolish. Sw. Abolish: charge lalls on durloper not owner - wrong man. HT. Abolish. Abolition is essential if private house. Hdg. is is er encouraged + nebridesed house. Hdg is to be nduced. But tax anyway : matter for negotiation. How detend 50%; what nason for njedje amendrut is udure it to 333 Du valance, abolish. Acduced take gives worst of both worlds. Let Ty. neoup themselves on stampduli. RAB. Too complex. Worse Was Sol. Gud. 1947 Act has troken down - lit it go. Hopeless is willold & 300 M. F go on lawying charge. P.M. Balance of opinion in for abolition. RAD. Azquiesce in majority view. The warm Cav. wo. compens" won't or held at '47 value. The' strat mont arise for 3 or 11 years. LEXIT BY. Enter 3 Service 4. "D" Scheme for Furniture. Ministers. P.Q. my Allon. Ropon is say in nitend is introduce at proper time RAB. but an discussing with tradi quarantees in quality. H. Wycombs won't like this, our I can't deny what in han bu saying to stu trade. Pm. Make it clear that them will be no tax on furniture of the kind required by cottagers. 5. German Archives. Can copy voton in intum - and in can 'lose 'some if in wish. AT. Cos an concerned about some. Want only is discuss that with Ms. oto. M'while in can get on with the diplomatic documents 515, cypher, miterroge of Allied sersons by Germans. AH. In plurence muio, quided missiles - ne ud. more is keep. JPLT. Tanget identification del. MyD., with Cos, is man discretion to Maura, approved distroy. b. Chemical Warfan Policy. car. mid . take note of this .

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FREEDOM OF INFORMATION ACT 2000

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Read extract: as prescribed by Act. of 1910.

Geo. vi : car. authorisid dip! terms : left out "of my nahu!"
Do on want is do stie again.

PM. X Couride with cao. NTC. - M.F.

15 Geo. VI. got away nite modified wording, may be more to strick io ste 1937 form.

Agreed as at x/.