1. Transport Bill.

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

P.M. H. Morrison, as reported in M. Guardian. 14/10 Contns to Tory Party Funds: invitd 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 rel'n 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. Batt² from M/E. ed. be flown in just in advance. A Batt³ K.A.R., of which 2 are in Kenya — almost all recruited from tribes other than Kikiku. The other 2 ed. be moved in quickly. But white batt⁴ is more important.

P.M. Yes: in add⁵ 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) compn at ‘47 value can be justified more easily if 50% D.C. remains – less inequity betwn one landowner & another.
Inequty by degrees. Wd. yield only £2 or £3m. p.a. But £10m. for compn 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\(\frac{1}{3}\)% 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. amendt to reduce it to 33\(\frac{1}{3}\)/.

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. compen$ won’t be held at ’47 value. Tho’ that won’t arise for 3 or 4 years.

[Exit B.H.
[Enter 3 Service Ministers


R.A.B. P.Q. by Allen. Propose to say we intend to introduce at proper time but are discussing with trade guarantees re 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, interrog$ of Allied persons by Germans.

J.P.L.T. Influence mines, guided missiles – we cd. prefer to keep.

de L’l 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 announcement.

   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’l

10. **Borrowing by Local Authorities.**

    R.A.B. Indic8 tht. l.a.’s won’t greatly dislike. Will have valuable psych. effect. Not v. revolutionary, for their exp’s 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.’s 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 consult8 with me in advance. May I discuss with R.A.B.

    It is we, not they, that plan their capital exp’s. Only a v. small fraction is w’in their control. £2m. out of £476m. is element in cap.

    investmnt. 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 ed. arrange for 6 to 10 l.a.’s to be exempted – 1,500 of them: and only about 10 ed. go on the market.
R.A.B. I want an early psycholog. effect. Add² exp⁴c below the line may be £100m. – it’s £75m. now.

H.M. This will give no add¹ control.

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

11. **Opening of Parliament.**

Sim. Queen, at Coron² or at first Parl. after accession, has to make the Protestant Decl³. She will make it therefore at Opening of Parl.

Read extract: as prescribed by Act of 1910.

Geo. VI: Cab. authorised diff⁴ 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 VI got away with modified wording, may be wiser to stick to the 1937 form.

Agreed as at x/.
1. **Transport Bill**

Prs. H. Marnon, as report in Mr. G. Underhill, 11th Court of Tony Parks. Funds: need to publish source of funds.

Mr. not new. Details in '49. They were said in 3 months in N.W. to New Town.

Sit. I must read it with caution.

Prs. V. and J. will let him come to discuss as soon as at N.P. 10, as arranged, or say afterwards, if need be. Start it was surprising that I accepted my invitation.

2. **Kenya**

Cr. Baring's report: Satisfactory K.A.R. is behind Man Mass, 3 weeks is too long and their readers include. Kenyatta. Very rough, but believe it is essential. Others from Kenya have confirmed this view.

Action about 23/10. Bart. from S.C. to be shown in just as advance.

A Bart. to K.A.R., if outside 2 are in Kenya - almost to mounted from tilted others than an Allied. To other 2 C. to be moved in quickly. But who built is more important.

P. Ask in order a show of strength by 100 or so paratroopers - dropping and landing exercises.

M. There are no aircraft to drop them from - in borrow U.S. aircraft!

But I will look into possibility.

P. Stress that this is really a way in short period of violence.

Action under cam. req. with trial - review by judicial committee.

3. **Development Charge**

AC. Now reduced to 160. All others charge away.

Pw. 1947 Act is very stupid: why did we not oppose it more strongly?

Sit. Don't like W.H.'s plan: it involves inequality. But see that in course very near £300 M. don't think it possible to continue with charge.

Acceptute in W.H.'s plan: but only as least bad alternative.

RAB. Don't think it would be lower than £200.

K. See D.C. Revenue a nuisance - but so are all taxes.

My reason is risk. If no can reduce it later, if we wish.

2) compute at 18% value can be justified more easily if 50%. D.C. Revenue - less inequality between one farm owner and another.

Inequality by degree.

V. yields very flat not M. p.c. But £10 M. for compensation in next Budget.

Pw. Not a sign of unpopularity - but contrary so pull interest to direct development: that's main reason for abolishing D.C. Maccoin plan for remunerating development.
Main Fy. gain is not having to pay £200 M. RAG. Don't want I.e. unity raise to loan for that.

Pa. Can't mean it all ways.

W. Abolish it. Hughe's argument. Also awkward if you want paying out.

L. Arrowa.

R. 50%.

N.F. Retain same change. 33%.

To acknowledge that some of increased value of land is due to public action.


W. Abolition is essential if possible. Must be like it. W. is to be encouraged + individual house. Why is it to be reduced. But two anyway - matter for negotiation.

Now 2.5%: what reason for injudicious amendments to reduce it to 3.5%.

R. On balance, abolish.

Pa. Reduced rate gives worst of both worlds.

Ch. Let Fy. conc ourself on stamp duty. RAG. Too complex. Worse than E.P.T.

1947 Act has broken down - let it go. Hopefully to be held £200 M. or go on lowering charge.

Pa. Balance of opinion n. r. for abolition.

RAG. Acquisition in majority view. The war. Cabinet. Compensate won't be held at '47 value. The share won't arise for 9 to 11 years.

[signed] B.N. Enter 3 Service.


Ministers.

RAG. P.Q. by Allen. Proposal to say we intend to introduce at proper time and am discussing with trade guarantees in quality.

W. Wycombe won't like this, and I can't deny what is done in saying no to trade.

Pa. Make it clear stand there will be no tax on furniture of the kind required by children.

5. German Archives.

R. Can copy info in return - and we can lose some if we wish.

C.Q. Can return about some. Want only to discuss that with M.S. & Co. Might we can get on with the diplomatic documents.

R. 5% of copies; everything of Allied persons by Germans.

Fall. Influence mun. pointed needles - we will order to keep.

All. Target identification

Means approved - N.D. N.M. CO. ND. main direction to destroy.

b. Chemical Warfare Policy.

Pa. Can't take more of this.

S.D. Don't like highest rate authority. We will make it clear that is a get decision. Also same as. R.F. Can't do anything.

- we will consult them when the time comes.
8. Mrs. Fringe Bacon of Denmark.
   Memo: approved.

9. Rent Restriction.
   Stm. keep it open until after election. Avoid raising wide issues.
   Short Bill only.
   Don't face people putting it in Q. Speeches.
   Don't say it - Bill must await June or Easter next.
   Sw. Price is now reasonable - we don't need to make any early announcement.
   Sw. Retail rent increase is cost of living. This and in some ways is living already done. x not worth it. The, if we do, it means many more rents on which it costs.

10. Borrowing by Local Authorities.

RAB. if not, la's can't make ends meet - will have reduced police and fire. Nor x inflationary, for their esp. depends on our policy decision. But, as extent they earn it to be market, it may mean them more economical.

Ldy. likely to strengthen public confidence.

Ch. Large increase in local loans not just as inflationary but large sums below the line.

35. Will smaller units be restricted? RAB. Hardly make them go on market. They will earn it on same lines as before.

Sw. Monitor: no consults with me in advance. May I discuss with RAB.

It is in, not they, that plan their capital esp. Only a small fraction is in plan to control. £1m. out of £4.76m. is element in cap investment. £2.2m. is in their control.

Shop window dressing - this asset is important. After to get a few to borrow as before. But they haven't got any longer their earning capacity (firms etc.) or their high retentions.

If we don't review in capacity loses, la's will be alarmed and confined.

It necessary? Then is a provision which could not be in el. arrangement for 10 years. It to be exempted or looked on as the market.

Money exp. (housing) is on small scale - 1500 of these. And only about 10 can go on the market.

RAB: I want an early psycho. effect. RAB exp. also draw line might of £100m - 15% 75m now. KM. This will give us a real control.

Defect - no enable RAB to discuss with KM.

Sir, Queen, at Coron. or at first Parl. after accession, has to make the
Proclamation Decl. Sir will make it at Opening of Parl.
Read extract in prescribed by Act. of 1910.
Geo. VI: Can. amended draft terms: lift out "of my will"
Do in want to do it again.

PM. X[ ] Consider with CAB. & H. C.

If Geo. VI. got away with modified wording, may be read to sit on
so will 1937 form.

Agreed as at X.