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1. Transport Bill.

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

- P.M. H. Morrison, as reported in M. Guardian. 14/10 Cont<sup>ns</sup> to Tory Party Funds: invit<sup>n</sup> 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<sup>n</sup> 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. Batt<sup>n</sup> from M/E. cd. be flown in just in advance.  
A Batt<sup>n</sup> 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 batt<sup>n</sup> is more important.
- P.M. Yes: in add<sup>n</sup> 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 it 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) compens<sup>n</sup> at '47 value can be justified more easily if 50% D.C. remains – less inequity betwn. one land-owner & another.
- Inequity by degrees.  
Wd. yield only £2 or £3m. p.a. But £10m. for compens<sup>n</sup> 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. amend<sup>mt</sup> 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. compens<sup>n</sup> 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 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<sup>n</sup> 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.

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[Exit 2 Serv. Ministers.

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'l

10. Borrowing by Local Authorities.

- R.A.B. Indic<sup>n</sup> tht. l.a.'s won't greatly dislike. Will have valuable psych. effect.  
Not v. revolutionary, for their exp<sup>'re</sup> 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<sup>ies</sup> 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 consult<sup>n</sup> with me in advance. May I discuss with  
R.A.B.  
It is we, not they, that plan their capital exp<sup>'re</sup>. 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<sup>l</sup> exp<sup>re</sup> below the line may be  
£100m. – it's £75m. now.

H.M. This will give no add<sup>l</sup> control.

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

#### 11. Opening of Parliament.

Sim. Queen, at Coron<sup>n</sup> or at first Parlt. after accession, has to make the  
Protestant Decl<sup>n</sup>. She will make it therefore at Opening of  
Parlt.  
Read extract: as prescribed by Act of 1910.  
Geo. VI: Cab. authorised diff<sup>t</sup> 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/.



14<sup>th</sup> October, 1952.

[Enter Sec., Sect. Genl., B-H.]

1. Transport Bill.

PM. H. Morrison, as reported in M. Guardian. <sup>14/10</sup> Controversy is Tory Party Funds: interest to publish sources of Funds.

Dif. is know how to tackle this.

M.F. Not new. Debated in '49. They have said in for months in M.L. is New Town Bill and Transport Bill.

Sal. I wd treat it with contempt.

PM. V. well: I will let him come to dinner to-morrow at N° 10, as arranged; & say afterwards, if need be, that it was surprising that he accepted my invitation.

2. Kenya.

Or. Baring's report. Satisfied K.A.M. is behind Mau Mau, & wishes to lock up their leaders include Kenyatta. Pretty rough, but believe it is essential. Others from Kenya have confirmed this view.

Action about 23/10. Batt<sup>n</sup> from M/E. cd. to move in just in advance.

A Batt<sup>n</sup> K.A.R., of which 2 are in Kenya - almost all recruited from tribes other than Kikuyu. The other 2 cd. to move in quickly. But while batt<sup>n</sup> is more important.

PM. Yes: in add<sup>n</sup> 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.

Or. Stress that this is rough: & may be short period of violence. Action under em. lcg. w/out trial - review by judicial committee.

3. Development Charge.

AE. Now reduced to para. 2. issue - all others cleared away.

PM. 1947 Act was very stupid: why did we not oppose it more keenly?

Sal. Don't like W.M.'s plan: it involves inequity. But see that we can't say this £300M.: don't think it poss. to continue Dev. Charge. Acquiesce in W.M.'s plan - but only as least bad alternative.

RAB. Don't believe labour wd. reduce D.C. to 100%.

At 50% D.C. remains a nuisance - but so are all taxes.

My reason is that i) we can reduce it later, if we wish.

ii) comp<sup>n</sup> at 1/4 value can be justified more easily if 50% D.C. remains - less inequity between one land-owner & another.

Inequity by degrees.

Wd. yield only £2 or £3 m. p.a. But £10 m. for comp<sup>n</sup> in next Budget.

PM. Not a question of unpopularity - but contrary to publ. interest to deter development: that's main reason for abolishing D.C. Unconsc. plan qua hampering development.



Main Ty. gain is not having to pay £300 M. RAB. Don't think I'd easily raise a loan for that.

PA. You can't have it all ways.

AM. Abolish it. Impedes development. Also awkward if you aren't paying out.

HC. Abolish it. L. 50%. M-F. Retain some charge - 33 1/3%.

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

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

charge falls on developer not owner - wrong man. HC. Abolish.

AM. Abolition is essential if private house. Hdg. is to be encouraged & subsidised house. Hdg. is to be reduced. Bad tax anyway: matter for negotiation.

How defend 50%: what reason for reject. amendment to reduce it to 33%?

AE. On balance, abolish.

PA. Reduced rate gives worst of both worlds.

Ch. Let Ty. recoup themselves on stamp duty. RAB. Too complex. Worse than EPL.

St. G. 1947 Act has broken down - let it go. Hopeless to withhold £300 M. & go on levying charge.

PA. Balance of opinion is for abolition.

RAB. Acquiesce in majority view. Tho' warm Cal. tho' compensat' won't be held at '47 value. Tho' that won't arise for 3 or 4 years.

[Exit B.M. Enter 3 Service Ministers.]

#### 4. "D." Scheme for Furniture.

RAB. P.Q. by Allen. Propose to say we intend to introduce at proper time but are discussing with trade guarantees of quality.

H. Wycombe won't like this, but I can't deny what we have been saying to the trade.

PA. Make it clear that there will be no tax on furniture of the kind required by cottagers.

#### 5. German Archives.

AE. Can copy before we return - and we can 'lose' some if we wish.

COS are concerned about some. Want only to discuss that with US & Fr. M'while we can get on with the diplomatic documents.

AM. S/S., cyphers, intercepts of Allied persons by Germans.

JPLT. Influence units, guided missiles - we wd. prefer to keep.

L.L. Target identification

Memo. approved - M/D., with COS, is now discretion to destroy.

#### b. Chemical Warfare Policy.

PA. Cav. shd. take note of this.

Sat. Don't like "higher NATO authority". We shd make it clear that it is a pol. decision. Stress para. b. Tell Canada we are so insisting. - we will consult them when the time comes.



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[Exit<sup>1</sup> Serv. Minister

8. US. Fighter Base in Denmark.

Memo. approved.

9. Rent Restriction.

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

Don't favour putting it in Q. Speech.

Can't bring in Bill until after Xmas or Easter con.

Sw. Press is now reasonable: we don't need to make any early announcement.

HM. Relate rent increase to cost of repairs. But sub. we take no % of repairs already done: v. inequitable. Tho', if we do, it means many more rents are raised at once.

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10. Borrowing by Local Authorities.

RAB. Indirectly, L.A.'s would greatly dislike. Will have valuable psych. effect. Not v. revolutionary, for their exp<sup>n</sup> 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.

JS. Will smaller auth<sup>n</sup> be restricted? RAB. Shouldn't make them go on market. They wd. have to go on same terms as Govt.

HM. Short notice: no consultation with me in advance. May I discuss with RAB.

It is we, not they, that plan their capital exp<sup>n</sup>. Only a v. small fraction is in their control. £2 M. out of £476 M. is element in cap. investment of L.A.'s wd. be 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 carrying capacity (trans. etc.) or their high rateable value.

If we don't renew in existing laws, L.A.'s will be alarmed & confused. Is it necessary? There is a proviso which contracts right out: 5

we cd. arrange for 10 L.A.'s to be exempted & loosed on to the market.

Heavy exp<sup>n</sup> (housing) is on small auth<sup>n</sup> - 1500 of them: and only about 10 cd. go on the market.

RAB. I want an early psycholog. effect. Add<sup>n</sup> exp<sup>n</sup> below the line maybe £100 M. - it's £75 M. now. HM. This will give no add<sup>n</sup> control.

Defect - to enable RAB. to discuss with HM.



11. Opening of Parliament.

Sin. Queen, at Coron<sup>n</sup> or at first Parlt. after accession, has to make the Protestant Decl<sup>n</sup>. She will make it  $\therefore$  at Opening of Parlt.

Read extract: as prescribed by Act. of 1910.

Geo. VI: Gov. authorised diff<sup>r</sup> terms: left out "of my realm".

Do we want to do this again?

Am. X] Consider with C.D.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/.

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