CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W. 1, on Thursday, 13th March, 1947, at 10 a.m.

Present:
The Right Hon. C. R. Attlee, M.P., Prime Minister (in the Chair)
The Right Hon. Sir Stafford Cripps, K.C., M.P., President of the Board of Trade.
The Right Hon. Viscount Jowitt, Lord Chancellor (Items 3-6).
The Right Hon. Viscount Addison, Secretary of State for Dominion Affairs.
The Right Hon. J. Westwood, M.P., Secretary of State for Scotland.
The Right Hon. H. Chuter Ede, M.P., Minister of Defence.
The Right Hon. J. Chuter Ede, M.P., Secretary of State for the Home Department.
The Right Hon. Lord Pethick-Lawrence, Secretary of State for India and Secretary of State for Burma.
The Right Hon. A. Creech Jones, M.P., Secretary of State for the Colonies.
The Right Hon. T. Williams, M.P., Minister of Agriculture and Fisheries (Items 1-2).
The Right Hon. J. Chuter Ede, M.P., Minister of Education.

The following were also present:
The Right Hon. Viscount Hall, First Lord of the Admiralty (Items 1-2).
The Right Hon. Lewis Silkin, M.P., Minister of Town and Country Planning (Item 1).
The Right Hon. C. W. Key, M.P., Minister of Works (Items 1-3).
The Right Hon. William Whiteley, M.P., Parliamentary Secretary, Treasury (Items 4-6).

Marshal of the Royal Air Force Lord Tedder, Chief of the Air Staff (Item 2).

Vice-Admiral Sir Rhoderick Mcgrigor, Vice-Chief of Naval Staff (Item 2).

Secretariat:

Sir Norman Brook.
Lieut.-General Sir Leslie Hollis.
Mr. W. S. Murrie.
<table>
<thead>
<tr>
<th>Minute No.</th>
<th>Subject</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Town and Country Planning</td>
<td>185</td>
</tr>
<tr>
<td></td>
<td>Compensation on compulsory acquisition of land.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Prisoners of War</td>
<td>186</td>
</tr>
<tr>
<td></td>
<td>Repatriation.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Para-military Formations in British Zone of Germany.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Transport Bill</td>
<td>188</td>
</tr>
<tr>
<td></td>
<td>Limitations of “C” Licences.</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Parliament</td>
<td>188</td>
</tr>
<tr>
<td></td>
<td>Business in the House of Commons.</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Parliament</td>
<td>189</td>
</tr>
<tr>
<td></td>
<td>Select Committee on Parliamentary Procedure.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Mid-week Sport</td>
<td>190</td>
</tr>
</tbody>
</table>
1. The Cabinet considered memoranda by the Chancellor of the Exchequer (C.P. (47) 82) and the Minister of Town and Country Planning (C.P. (47) 83) proposing that when land is acquired compulsorily by public authorities compensation should be assessed by reference to current market value instead of 1939 value.

The Cabinet were informed that the Chancellor of the Exchequer was proposing, on the recommendation of the War Damage Commission, to invite Parliament to approve an Order providing for a percentage increase in value payments under the War Damage Act. Once this had been done, it would be impossible to justify paying only 1939 value for land compulsorily acquired by public authorities; and, as the method of a percentage increase was not applicable to these cases and it was desirable to find a basis which would not have to be changed again within a year or two, it was proposed that compensation for compulsory acquisition should in future be assessed by reference to current market value, with the qualification that, where that value included the right to immediate or early possession and the owner was not himself occupying the premises, the value of the right to possession would be excluded. The Chancellor of the Exchequer had proposed that where the owner of the property was in occupation, he should be entitled to full market value; but, after discussion with the Minister of Town and Country Planning, he had agreed that the compensation payable to owner-occupiers should include only one-half of the difference between full market value and market value excluding the value of the right to possession. This would be a rough and ready way of excluding any element attributable to the present scarcity of vacant property.

In discussion there was general agreement that it would be necessary to amend the existing law with regard to compensation for the compulsory acquisition of land by public authorities, and there was considerable support for the method agreed on by the Chancellor of the Exchequer and the Minister of Town and Country Planning.

On the other hand, The President of the Board of Trade urged that many anomalies would arise if compensation were assessed by reference to the right of immediate or early possession. This proposal took no account of the distinction between the rise in property values due to the fall in the value of money and that due to the scarcity of vacant property, and its adoption in the present disturbed state of the property market would be particularly unfortunate. There was the further objection that the treatment proposed for owner-occupiers seemed to involve accepting the principle, which had hitherto been resisted, that compensation should provide for reinstatement.

The Cabinet—

(1) Agreed that the Chancellor of the Exchequer should proceed to seek Parliamentary approval for an Order providing for a percentage increase in value payments under the War Damage Act;

(2) Agreed that some corresponding increase should be made in the compensation payable on the compulsory acquisition of land by public authorities; and invited the Compensation and Betterment Sub-Committee of the Lord President’s Committee to consider the points raised in the Cabinet’s discussion and to settle the method by which this increase should be given.
2. The Cabinet considered two telegrams from the Foreign Secretary (Moscow telegrams Nos. 37 and 39 of 12th March) urging greater expedition in the repatriation of German prisoners of war and in the dispersal of para-military formations in the British Zone of Germany.

In the first of these telegrams the Foreign Secretary stated that at the meeting of the Council of Foreign Ministers on 12th March he had offered to furnish a return of the numbers of German prisoners still in British custody and the dates of their proposed repatriation, provided that the Soviet Government would table corresponding information about the German prisoners held by them. It was of great importance that we should secure the early return to Germany of the substantial numbers of German prisoners still in Russian hands, and the Foreign Secretary wished to make the most of the opportunity afforded by the Russians' acceptance of his proposal for this exchange of information. He therefore asked for immediate authority to disclose the numbers of German prisoners in our hands and the rate at which they were to be repatriated. He also urged that the Cabinet should expedite the existing programmes of repatriation and suggested, in particular, that all German prisoners now in the Middle East should be repatriated by June 1947.

In supporting the Foreign Secretary's request, The Minister of State said that from the Foreign Office point of view there would be great advantage in expediting the repatriation of German prisoners. United States opinion was sensitive about our continuing use of prisoner labour. We were anxious to bring pressure to bear on the Soviet Government to reduce the numbers of German prisoners still held in the Soviet Union. And we were ourselves finding increasing difficulty in maintaining the substantial numbers of displaced persons who were still a charge on us in Austria, Germany and Italy. Why should we not meet our man-power difficulties by putting these displaced persons to profitable employment in place of German prisoners, who could much more readily be absorbed in their own country?

The Minister of Agriculture stressed the extent to which food production in this country depended on the continued employment of German prisoners, and said that he would deprecate any hasty decision to accelerate the planned rate of repatriation of these prisoners. There was no assurance that their place in agriculture could be taken by Poles or displaced persons, and in any event most of these would have to be trained before they could effectively replace existing prisoner labour. The Secretary of State for Scotland and The Minister of Labour endorsed these views.

It was suggested that the Foreign Secretary's difficulties would be eased if German prisoners who were willing to volunteer for employment in this country were allowed to remain here as civilians. It was the view of the Cabinet that, subject to any security objections to particular individuals, this should now be allowed.

As regards the Middle East, the Cabinet were informed that there were now about 87,000 German prisoners in this area, all of whom were employed in labouring work furthering the withdrawal of the British Forces from Egypt to the Canal Zone. The Foreign Secretary was mistaken in thinking that they swelled the total of our overseas military expenditure; on the contrary, if their services were not available, the work which they were doing would have to be done at higher cost by local labour or additional British troops. There was a phased programme for their repatriation as our military installations in the Canal Zone were completed; and all the prisoners in this area would have been repatriated by July 1948. The military authorities in the Middle East would be asked to consider accepting the 12,000 Chetniks now in Italy in replacement of a corresponding number of these German prisoners; but it was unlikely that there would be further scope for the exchange of displaced persons for German prisoners in this area.
The Cabinet—

(1) Agreed that the Foreign Secretary should disclose to the Council of Foreign Ministers detailed information of the numbers of German prisoners of war still in British hands and the rate at which these were to be repatriated; and should be authorised to say that the possibility of increasing this rate of repatriation would be considered by His Majesty's Government in the light of the information provided by the Soviet and French Governments about the rate at which they intended to repatriate the German prisoners still in their hands;

(2) Invited the Minister of State to communicate to the Foreign Secretary the latest figures of German prisoners in British custody, and to inform him of Conclusion (1) above;

(3) Invited the Minister of Labour and the Home Secretary to make immediate arrangements for enabling German prisoners of war who were willing to volunteer for civil employment in essential industries in this country to remain here for that purpose on a civilian basis on the same terms as other ex-enemy aliens, subject to any security objections to particular individuals.

In telegram No. 39 the Foreign Secretary referred to the embarrassment caused in the discussions at Moscow by our continued retention of para-military organisations of Germans and other foreign nationals for mine clearance and labouring work of various kinds in the British Zone of Germany. Over 80,000 German prisoners of war were retained for these purposes under the command of German officers; and in addition there was a Watchmen's corps of 14,000 ex-soldiers of various nationalities. The other Foreign Ministers could not be persuaded that these were not military formations. The Foreign Secretary said that he would be greatly assisted, in his discussions at Moscow, if the Cabinet could decide that these formations should be finally dissolved by the end of 1947 and that meanwhile their work should be progressively taken over by displaced persons and others on a civilian basis.

The Chief of the Imperial General Staff said that, so far as they were under the control of the Army, these Dienstgruppen could be converted to a civilian basis by the end of 1947. The dispersal of the military formation of Royalist Yugoslavs would also be completed by that date.

The Vice-Chief of Naval Staff said that the Royal Navy were responsible for a German mine-sweeping force now totalling 12,644. In view of the nature of its duties it was essential that this should be a uniformed and disciplined force. It would be disbanded as soon as all the mines had been swept. It had been hoped that this work would be completed by the summer of 1947, but operations had been delayed by the severe winter weather. This force included those engaged in sweeping mines in the territorial waters of Denmark and Holland. In addition the Royal Navy controlled Marine Dienstgruppen, employing 3,000 men, engaged mainly in the maintenance of the German mine-sweepers. It was proposed to disperse this force in the course of the next few months.

The Cabinet—

(4) Took note that the Dienstgruppen and other para-military formations in the British Zone of Germany would be either dissolved or converted to a civilian basis by the end of 1947;

(5) Invited the Minister of State to communicate to the Foreign Secretary in Moscow the information given to the Cabinet about these formations, as summarised above; and to inform him that he was authorised to assure the Council of Foreign Ministers that these formations would have been dispersed or converted to a civilian basis by the end of 1947.
3. The Cabinet considered a memorandum by the Minister of Transport (C.P. (47) 84) seeking guidance on the question whether the provisions of the Transport Bill restricting the operation of "C" licence vehicles should be modified or abandoned in view of the strong opposition which they had aroused.

The Minister of Transport said that these provisions were supported by the transport workers' unions and by his official advisers, who were impressed by the danger that without such restrictions "C" licence holders would be able to throw upon the public haulage system the less remunerative traffic. On the other hand, both in Parliament and in the country there was very strong opposition to the proposed restrictions; and, although the majority of the Government supporters on the Standing Committee favoured their retention, he believed that among all Government supporters in the House there would be a majority against the restrictions. He himself was inclined to modify Clause 57 (3) of the Bill on the lines suggested in the Annex to C.P. (47) 84, which would go some way to meet the opposition. Unless, however, the Cabinet were determined to adhere to the proposals as so modified even in the face of strong opposition which was to be expected in the House of Lords, it would be better to drop them altogether. In that event, he would propose to inform the transport workers' unions before he gave notice of the necessary amendments.

In discussion there was general agreement that the wiser course was to abandon the proposals altogether. This would not preclude the Government from introducing further legislation at a later date to control the operation of "C" licence vehicles if events showed that their exemption from restrictions was being abused to the detriment of the public haulage system.

The Cabinet—

Agreed that the provisions of the Transport Bill restricting the operation of "C" licence vehicles should be abandoned.

4. The Cabinet were informed of the business to be taken in the House of Commons in the following week.

On 17th March the Air Estimates would be taken.

On 18th March the Navy Estimates would be taken.

On 19th March there would be a debate on the distribution of Man-power, on the Report Stage of the Civil Vote on Account. Questions were likely to be raised about the labour force in agriculture, and the Agriculture Ministers should be in attendance.

On 20th March, after the Report Stage of the Navy, Army and Air Estimates, which would be taken formally, there would be a debate on a Government Motion inviting the House to approve the Statement Relating to Defence (Cmd. 7042). The Opposition had not, as previously contemplated (C.M. (47) 24th Conclusions, Minute 1), taken the opportunity of discussing in the debate on the Economic Survey for 1947 (Cmd. 7046) the proportion of our total resources to be allotted to Defence; and they now desired a separate opportunity of discussing the Defence White Paper. The Cabinet recognised that, unless this was carefully handled, it might produce an awkward Parliamentary situation which would increase the Foreign Secretary's difficulties in the discussions on the Council of Foreign Ministers at Moscow. The Minister of Defence was invited to ensure that these dangers were appreciated by Government supporters and by the Opposition leaders.

On 21st March the House would take the Committee and remaining stages of the Isle of Man Harbours Bill, the Naval Forces (Enforcement of Maintenance Liabilities) Bill, a Motion to approve the War Damage (Increase of Value Payments) Order, 1947, and the Second Reading of the Public Offices (Site) Bill.
5. The Cabinet considered a memorandum by the Lord Privy Seal (C.P. (47) 78) on the recommendations made in the Third Report of the Select Committee on Procedure.

The Lord Privy Seal said that these recommendations had first been examined by the Machinery of Government (Parliamentary Procedure) Sub-Committee, whose report was annexed to his memorandum. That report had in turn been considered by a Ministerial Committee appointed by the Prime Minister. The Ministerial Committee endorsed the Sub-Committee's views, subject to certain modifications set out in paragraph 3 of C.P. (47) 78; and they proposed that the Government's conclusions should be announced in a Parliamentary statement in the terms set out in Annex I to that memorandum.

In discussion the following points were raised:

(a) It was proposed that the Government should indicate that when Private Members' time could be restored they would favour the introduction of a scheme on the lines proposed by the Select Committees. It was the view of the Cabinet that serious consideration would have to be given to the possibility of restoring Private Members' time in the 1947-48 Session. The Lord Privy Seal said that on this point he intended to put proposals before the Cabinet when they considered in the following week the principal features of the Legislative Programme for that Session.

(b) It was proposed that the Government should put before the House, unless Mr. Speaker held strong objection to it, a proposal to abolish the present restrictions on the power of the Chairman of Ways and Means and the Deputy Chairman to accept the closure. The Chief Whip explained that Mr. Speaker had been consulted and was not in favour of this change. He believed the point to be one of great constitutional importance; and he thought that the proposed change would be highly controversial and of little practical value. In the Speaker's hands this power was an important safeguard for minorities in the House, and to share this power with others would undermine the status and authority of the Speaker. The argument from procedure in Committee was not valid, as discussion in Committee was not limited. Finally, the Chairman of Ways and Means and the Deputy Chairman were members of a political Party and open to the charge of granting the closure on Party grounds. For these reasons, Mr. Speaker would prefer that there should be no change in the existing procedure on this point; but he was ready to give an assurance that, if the Government thought it important that the closure should be moved at any time when he was temporarily absent from the House, he would do his utmost to return to the House in order to deal with the matter. On occasions when he was unavoidably absent, and this had been announced, his deputies already had power to accept the closure.

The Cabinet:

(1) Agreed that the Government should not put forward the proposal to abolish the present restrictions on the power of the Chairman of Ways and Means and the Deputy Chairman to accept the closure;
6. The Cabinet had before them a memorandum by the Home Secretary (C.P. (47) 86) reporting the results of meetings which, at the request of the Fuel Committee, he, the Secretary of State for Scotland and the Minister of Fuel and Power had held with representatives of various forms of sport with a view to limiting the number of mid-week sporting events which interfered with industrial production.

The Home Secretary said that the representatives consulted had shown a due appreciation of the seriousness of the situation. So far as concerned football, it had been agreed that from 17th March all mid-week matches would be cancelled, except possibly a few matches between boys which would not attract large crowds. This would involve extending the football season until the end of May. Further consultations were to be held about the 1947-48 season, for which tours by South African and New Zealand Rugby teams were planned.

As regards greyhound racing, the Betting and Lotteries Act, 1934, provided that racing might take place only on four Bank holidays and on two days in each week fixed by the licensing authorities, which in some areas did not include Saturdays. The greyhound-racing representatives had been told that the Government would introduce legislation as soon as possible to authorise racing at all tracks on Saturdays only; and the Home Secretary further recommended that this legislation should permit the holding of two meetings on each Saturday. The Minister of Fuel and Power was prepared to relax the ban on the use of electricity at greyhound-racing tracks on Saturdays.

The main difficulty about speedway racing was that many of the meetings were held at greyhound-racing tracks and if two greyhound-racing meetings were to be held on Saturdays it would be impossible for speedway racing to be held on Saturdays at those tracks. The Auto-Cycle Union had, however, been told that the Government could not allow meetings to be held on other days, and the Union were to try to reach an agreement with the Greyhound Racing Association for some Saturday use of the tracks.

Attendances at ice hockey matches were normally small and he had agreed with his colleagues that no restrictions need be placed on mid-week ice hockey. For the same reason he thought it unnecessary to interfere with lawn tennis. These views were endorsed by the Cabinet.

As regards horse racing, the National Hunt Committee had agreed that the date of the Grand National should be altered from Friday, 28th, to Saturday, 29th March, and the representatives of the Jockey Club had offered to draw up a revised programme under which meetings which attracted very large crowds would be held on Saturdays.

The Fuel Committee had not considered the possibility of limiting mid-week cricket and no consultation had taken place with the M.C.C. This point had, however, been raised by the representatives of the other sports. Any general prohibition of mid-week cricket would involve suspending County cricket altogether and cancelling the Test Matches with South Africa which had been arranged for next season. The M.C.C. might, however, be asked what measures could be taken to reduce the risk of loss of industrial production through the holding of Test Matches in the coming season. The Cabinet endorsed this view.
In discussion the following points were raised:

(a) The Minister of Defence said that he was concerned about the consequences of cancelling all mid-week football matches. This would deprive many workers, particularly in the distributive trades, of their normal recreation. Moreover, football clubs might suffer a considerable loss of revenue and this would affect the current negotiations about the wages of professional footballers.

(b) It was suggested that the holding of two greyhound-racing meetings on a Saturday was undesirable on the ground that this would encourage those who attended to risk more money than they could afford.

As against this it was pointed out that at present the law allowed racing on 104 days in the year, plus four Bank holidays; and that, as the main object was to avoid interference with production, the proposal that two meetings should be held on each Saturday should be accepted.

(c) It would be inadvisable for the Government to suggest that cricket matches might be played on Sundays, and the suggestion of the greyhound racing interests that greyhound racing meetings should be permitted on Sundays should be rejected.

The Cabinet—

(1) Took note with approval of the arrangements for the limitation of mid-week sporting events which the Home Secretary and his colleagues had made with the football, speedway racing and horse-racing interests;

(2) Agreed that legislation should be introduced at once to enable two greyhound-racing meetings to take place at all tracks on Saturdays and to limit meetings to that day; and that, meanwhile, electricity might be used at greyhound-racing tracks on Saturdays;

(3) Invited the Home Secretary and the Secretary of State for Scotland and the Minister of Fuel and Power to discuss with the M.C.C. whether it would be possible to rearrange the time-tables for the Test Matches with South Africa with a view to reducing the risk of loss of industrial production;

(4) Invited the Home Secretary to announce these decisions in the House of Commons later in the day; and took note that the Minister of Labour would simultaneously inform his Joint Consultative Council.

Cabinet Office, S.W. I.