CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W. 1, on Monday, 1st May, 1950, at 11 a.m.

Present:

The Right Hon. C. R. Attlee, M.P., Prime Minister (in the Chair).
The Right Hon. J. Chuter Ede, M.P., Secretary of State for the Home Department.
The Right Hon. T. Williams, M.P., Minister of Agriculture and Fisheries.
The Right Hon. J. H. Wilson, M.P., President of the Board of Trade.

The following were also present:

The Right Hon. Alfred Barnes, M.P., Minister of Transport (items 1 and 2).
The Right Hon. H. T. N. Gaitskell, M.P., Minister of State for Economic Affairs (items 1 and 2).

Secretariat:

Sir Norman Brook.
Mr. A. Johnston.
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1. The Cabinet were informed that there had that morning been a general resumption of work throughout the London docks. The troops which had been employed in the docks were, however, to be retained in the London area for another twenty-four hours, in case their services might be required. Further trouble might arise from the proposal of Messrs. Shaw, Savill and Albion to engage gangs of men to work regularly on their ships.

In discussion the view was expressed that the Government should be slow to use troops for the unloading of ships on which work had been stopped as a result of this proposal by Messrs. Shaw, Savill and Albion. For there was an industrial issue at stake here, which merited consideration by the employers and unions concerned; and the firm should not put their proposal into effect until it had been fully discussed through the normal conciliation machinery.

Later in the meeting The Minister of Labour informed the Cabinet that he had obtained specific assurances from Messrs. Shaw, Savill and Albion that they would follow the normal machinery for discussing their proposal with the unions concerned; and a meeting between representatives of the firm and of the Stevedores' Union had already been arranged for that afternoon.

The Cabinet had some general discussion about the working of the dock labour decasualisation scheme, and about the underlying causes of the current unrest in the docks and the recurrent stoppages to which this gave rise. They agreed that there was need for a thorough enquiry which would identify the cause of this trouble and suggest appropriate remedies.

The Cabinet—

Took note that the Prime Minister would discuss with the Ministers directly concerned what further investigation should be made into labour conditions in the docks.

2. The Cabinet had before them a memorandum by the Minister of Transport (C.P. (50) 83) proposing that, in the proceedings before the Transport Tribunal on the interim scheme submitted by the British Transport Commission for passenger charges in the London area, he should be represented but should not intervene unless any special point should arise in connection with charges on Government traffic.

The Minister of Transport said that he had received representations from the Ministry of Labour regarding the Commission's proposals for the modification of workmen's fares, from the Ministry of Education regarding the age-limit for half-fares for children, and from the Service Departments regarding the special fares for Servicemen. The Commission had indicated that they did not intend under the scheme to seek any alteration in the principles governing the calculation of fares for persons travelling on duty or on leave at Government expense; and the arguments in favour of workmen's fares and half-fares for children would be fully canvassed before the Tribunal by the local authorities, trade unions and other organisations which had lodged objections to the proposed scheme. He thought it would be inadvisable for him to press objections on these issues before the Tribunal against the proposals of the British Transport Commission. He had brought the matter before his colleagues because his attitude on this occasion would set a precedent which would influence him or his successors when other charges schemes came before the Tribunal.
In discussion the following points were made:—

(a) Under the old procedure under the Railways Act, 1921, the Minister of Transport had been represented before the Railway Rates Tribunal by an official of the Ministry who acted as amicus curiae and addressed the Tribunal on any issue of Government policy on which guidance was sought. It was agreed that the same procedure should be followed in relation to the Transport Tribunal.

(b) Since the estimated effect of the proposals in the draft scheme would be to increase the gross receipts from passenger services in the London area from £74½ million a year to about £77½ million a year, the increases in fares would clearly out-balance any decreases. It was, however, pointed out that the Tribunal might wish to modify some of the Commission’s proposals and that the draft scheme had doubtless been prepared with this possibility in mind.

(c) There would be strong opposition to the proposed replacement of workmen’s fares by rather higher early-morning fares, especially since this might be regarded as a precedent for similar alterations in other parts of the country. Both in London and elsewhere many workers had to travel long distances to work, and an increase in travelling costs would be most unpopular. In London, however, the present system of workmen’s fares was full of anomalies and the substitution of buses for trams had precipitated the need for a more rational system, since workmen’s fares were not available on the buses. It was also doubtful whether in London there was still the same validity in the old social argument that workmen who used the early-morning trains were less able to pay the full fare than clerical workers who used the later trains. The Minister of Transport should, however, make it known to the Commission that the Government had a close interest in the subject of workmen’s fares, that they would be interested to see how the arguments for and against these fares were developed in the course of the proceedings before the Tribunal, and that it might in certain circumstances be proper for them to introduce legislation on the subject.

(d) The Government would doubtless be held responsible in the public mind for any unpopular decisions which the Transport Tribunal might take. It was therefore important that the Tribunal should pay full regard to the interests of the consumer. The machinery set up under the Transport Act did not give Parliament any opportunity to modify the conclusions reached by the Transport Tribunal. The subject of transport charges could of course be raised in general debates on transport, but the Minister could not be questioned on the subject since he was not responsible for the fixing of the rates. At the same time, the Transport Act, by conferring responsibility for the fixing of charges on a Tribunal before whom interested parties could appear, went further in the direction of enabling the consumer to voice objections than had the other socialisation measures which left the responsibility for price-fixing to the board which managed the industry. If the present system proved to be unsatisfactory in practice, the only alternative was direct administration by a Government Department; and there would be grave disadvantages in leaving the final decision on transport charges to a Minister, who would be subject to the political pressure of local interests and sectional groups.

The Cabinet—

(1) Agreed that, as proposed in C.P. (50) 83, the Minister of Transport should be represented in the proceedings before the Transport Tribunal on the draft London Passenger Charges Scheme, but that his representative should not intervene unless any special point should arise in connection with charges for Government traffic.

(2) Invited the Minister of Transport to inform the British Transport Commission confidentially that the Government were interested in the subject of workmen’s fares, that they
would watch the development of the arguments on this subject before the Transport Tribunal, and that it might in certain circumstances be proper for them to introduce legislation on the subject.

3. The Cabinet considered a memorandum by the Minister of Education (C.P. (50) 87) explaining how he was seeking to meet by administrative measures the difficulties which the church authorities had experienced in satisfying the requirements of the Education Act, 1944, relating to aided denominational schools. The Minister thought that he had gone as far as was necessary in this matter but he was prepared, if his colleagues so desired, to propose amending legislation which would give a school provisional aided status when it could not be finally decided whether the church authorities were able to meet their share of the cost of the necessary improvements.

_The Minister of Education_ said that, where improvements were required forthwith, the church authorities were asked to show their ability to provide their full share of the cost. If the improvements had to be made within ten years, they were asked to show that they could provide 50 per cent. of their share. If the improvements were not to be made until after ten years, they were asked to show that they could provide 25 per cent. of their share. He had been advised that this administrative arrangement was _intra vires_. If it were decided to introduce amending legislation, it would be essential to preserve the general financial structure of the Act of 1944 and to secure the agreement of all the various authorities with whom the 1944 settlement had been negotiated. Without such agreement the legislation would become controversial and the whole subject of the financing of denominational education would be re-opened. Although there could be no question of going back on the 1944 settlement, he was collecting information on the cost of the necessary improvements in denominational schools, with a view to lessening the field of controversy by securing agreement on the facts.

The general view of the Cabinet was that, if the Law Officers confirmed the legality of the administrative measures which the Minister was taking, there was much to be said for proceeding on that basis. The discussions which the Minister proposed to have with the Opposition leaders might, however, show that the Opposition desired to go further and to regularise the position by amending legislation. If so, there would be no serious objection to a statutory provision on the lines indicated in paragraph 8 of C.P. (50) 87, provided that the agreement of all the interested parties on the terms of the legislation could be secured. If the Minister's discussions with the Opposition suggested that an attempt should be made to frame legislation, it was undesirable that the Government should appear to have yielded to pressure from the Opposition expressed in the opening speech by a member of the Opposition in the debate on education on Thursday, 4th May; and in any event fresh legislation could not be discussed in a Supply debate. In these circumstances it might be well if the Minister of Education, in reply to a Question which had been tabled for answer on 4th May, could indicate that the Government were prepared to consider the practicability of legislation on the lines set out in paragraph 8 of C.P. (50) 87.

The Cabinet—

(1) Agreed that, if discussions with the Opposition showed this course to be desirable, the Government should indicate their willingness to consider legislation on the lines set out in paragraph 8 of C.P. (50) 87.

(2) Invited the Minister of Education to consult the Law Officers on the legality of the administrative measures which he was taking to meet the difficulties of the church authorities.
4. The Cabinet had before them a memorandum by the Minister of Labour (C.P. (50) 63) regarding the action to be taken by the United Kingdom Government in respect of certain Conventions and Recommendations adopted by the International Labour Conference at its meeting in Geneva in 1949.

This proposed that the Government should ratify the Convention (No. 94) regarding Labour Clauses in Public Contracts, and should indicate their acceptance of the Recommendation (No. 84) on this subject with a reservation regarding paragraph 2 of that Recommendation. It also proposed that the Government should ratify the Convention (No. 98) regarding the application of the principles of the right to organise and to bargain collectively. Finally, it proposed that the Government should accept the Recommendation (No. 87) concerning vocational guidance.

In discussion it was suggested that Ministers might be informed of the extent to which Conventions and Recommendations passed at meetings of the International Labour Conference were adopted by other countries.

The Cabinet—

(1) Approved the proposals in C.P. (50) 63, and authorised the Minister of Labour to present a White Paper, in the terms of the draft annexed to that memorandum, announcing the Government's decisions in respect of these Conventions and Recommendations.

(2) Invited the Minister of Labour to submit a memorandum on the extent to which other countries ratified or accepted Conventions and Recommendations passed at meetings of the International Labour Conference.

_Cabinet Office, S.W. 1,
1st May, 1950._