CABINET

CONCLUSIONS of a Meeting of the Cabinet held at Admiralty House, S.W.1., on Friday, 9th December, 1960, at 9.45 a.m.

Present:
The Right Hon. Harold Macmillan, M.P., Prime Minister
The Right Hon. R. A. Butler, M.P., Secretary of State for the Home Department
The Right Hon. The Earl of Home, Secretary of State for Foreign Affairs
The Right Hon. John Macclay, M.P., Secretary of State for Scotland
The Right Hon. Iain Macleod, M.P., Secretary of State for the Colonies
The Right Hon. Henry Brooke, M.P., Minister of Housing and Local Government and Minister for Welsh Affairs
The Right Hon. Peter Thorneycroft, M.P., Minister of Aviation
The Right Hon. Reginald Maudling, M.P., President of the Board of Trade
Dr. The Right Hon. Charles Hill, M.P., Chancellor of the Duchy of Lancaster
The Right Hon. Selwyn Lloyd, Q.C., M.P., Chancellor of the Exchequer
The Right Hon. Viscount Hailsham, Q.C., Lord President of the Council and Minister for Science
The Right Hon. Duncan Sandys, M.P., Secretary of State for Commonwealth Relations
The Right Hon. Harold Watkinson, M.P., Minister of Defence
The Right Hon. Sir David Eccles, M.P., Minister of Education
The Right Hon. Lord Mills, Paymaster-General
The Right Hon. Edward Heath, M.P., Lord Privy Seal
The Right Hon. Ernest Marples, M.P., Minister of Transport
The Right Hon. Christopher Soames, M.P., Minister of Agriculture, Fisheries and Food

The following were also present:
The Right Hon. Richard Wood, M.P., Minister of Power
Mr. Anthony Barber, M.P., Economic Secretary, Treasury
The Right Hon. Martin Redmayne, M.P., Parliamentary Secretary, Treasury
Mr. Peter Thomas, M.P., Parliamentary Secretary, Ministry of Labour

Secretariat:
The Right Hon. Sir Norman Brook
Mr. F. A. Bishop
Mr. M. Reed
CONTENTS

British Transport Commission
The Cabinet had before them a memorandum by the Minister of Transport (C. (60) 185) covering a revised draft of the White Paper on the reorganisation of the nationalised transport undertakings.

The Cabinet considered the revised draft, which had been prepared in the light of their discussion of the earlier draft. In discussion the following points were made:

(a) The White Paper contemplated that the chairmen of the new Regional Railway Boards would be appointed by the Minister of Transport (paragraph 18), though the regional boards would be responsible to the central board. Past experience suggested that this might give rise to some conflict of loyalties. As indicated in paragraph 16 (b) either the chairman or the general manager of each regional board would ordinarily be appointed a member of the central board, according to which of them was in fact the effective working head of the regional organisation. This matter could, therefore, be best dealt with by deleting from paragraph 18 the statement that the regional chairmen would be appointed by the Minister and by amending paragraph 33 (which dealt with appointments generally) to indicate that the Minister would appoint the chairmen of the five major boards (the Railways, London Transport, the Docks, the Inland Waterways and the holding company); that he would appoint the other members of these boards in consultation with their chairmen; and that certain other appointments would be subject to the Minister's approval.

(b) Paragraphs 26 and 29 left it uncertain what machinery would be established for co-ordinating rail and bus services. This could be of considerable importance, both practical and political, when a branch line was closed and it became necessary to make consequential adjustments in local bus services. Responsibility for general co-ordination between road and rail services would rest with the Minister, acting on the advice of the Nationalised Transport Advisory Council; and the Minister should also assume responsibility for ensuring that there was adequate co-ordination at the regional and local levels. This would, no doubt, be effected normally by informal consultation between the chairmen or officers of the organisations concerned, but it might in some circumstances be found convenient to establish some more formal machinery. Paragraph 29 of the draft White Paper should be amplified to make this clear.

(c) Various drafting alterations in the text of the White Paper were suggested and approved.

The Cabinet—

Approved the draft White Paper on the reorganisation of the nationalised transport services annexed to C. (60) 185, as amended in their discussion, and authorised the Minister of Transport to present it to Parliament before the Christmas recess.

Cabinet Office, S.W. 1,
9th December, 1960.