CABINET

FAMILY ALLOWANCES FOR APPRENTICES

Memorandum by the Minister of Labour

The proposal in C. (61) 167 to alter the law governing the award of family allowances in respect of apprentices is logical if we accept that apprentices should be dealt with as though they were ordinary wage-earners. But I doubt whether this is right. There are good reasons, and precedents (e.g., in Income Tax law), for giving special treatment to parents of apprentices.

2. To make such a drastic change now could have an unfortunate effect on our campaign to increase apprenticeships. The campaign has had considerable success this year but it is still essential to maintain our effort, both in the short-term, to cope with the "bulge" of school-leavers, and in the long-term because of the need to increase our skilled labour resources.

3. I fear that it would certainly be said that the Government now attached less importance to the need for more apprentices. Some employers might well make this a pretext for reducing their intake. The more favourable line now being taken by many Trades Unions might also be adversely affected.

4. I would much prefer, therefore, that the matter should not be pursued at this stage, at least so far as is proposed. If my colleagues consider that some change is desirable, it would surely be better not to state a specific limit in the proposed Bill, but to take power to fix the limit by regulation. The specific limit could then be altered as circumstances required; and the first step in reducing the limit at present fixed by the Umpire should be more modest than that proposed. I appreciate that the Minister of Pensions and National Insurance would naturally prefer that the limit of 40s. should be applied to apprentices; but apprentices are at present distinguished from other categories by a wide margin, and it would be going too far to create full uniformity at a single stroke.

J. H.

Ministry of Labour, S. W. 1.

24th October, 1961.