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C. (61) 212

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CABINET

EDUCATIONAL EXPENDITURE

Memorandum by the Minister of Education

The Annex to this paper sets out the consequences to the schools and the pledges we must break if the reductions in my building programme are made as proposed in C. (61) 210.

Forward planning is firmly built-in to the education service. On present policies the annual increase in expenditure will be about 4.6 per cent over the next four years. The Chief Secretary, Treasury, wishes to reduce this rate to 3 per cent on purely financial grounds.

2. In paragraph 4 of C. (61) 199, he says - "if the public services take too large a share of the manpower and capital available, too small a share will be left for private consumption, private investment and exports".

At some total of public expenditure this must be true, but even then not necessarily for all the constituent elements, since each has a different impact on economic growth, which is a prime object of all domestic policies.

3. To what extent is the planned rate of advance in education likely to damage growth in the private sector?

I take the Chief Secretary's three tests:-

- (a) Private Consumption. It can hardly be argued that in present circumstances educational expenditure ought to be held down in order to allow more personal consumption.
- (b) Private Investment. Private building is not to be controlled but the Chief Secretary's proposal would compel me publicly to bring in a control over the starting dates for school building. (See Annex.)

Would that be either good economics or good politics?

- (c) Exports. Education does not compete with exports. I am being bombarded by exporting firms to do more for their prospective employees in schools and technical colleges. How else shall we maintain our position in the European and other markets?

4. The demand from the general public for better education is stronger to-day than it has ever been. This demand comes from parents, pupils and students, teachers and employers. Much talent is still being wasted. The opportunities for the 15 to 18 year olds are especially open to criticism, i. e., we are not improving the fundamental instruments of growth as fast as our economic predicament demands.

5. If we announce a reduction in the rate of advance now when the pressure is all the other way the outcry will cut right across political and social boundaries. This outcry will have particular relevance for the income policy which we are trying to introduce. The excess of income over production runs into hundreds of millions and swamps anything that can be done in the Budget. But we can only deal with incomes by consent. Wage and salary earners are much less likely to exercise restraint if at the same time the Government are deliberately checking the opportunities for their children to get on and, incidentally, to increase the Gross National Product.

Moreover, families who can afford school fees would not be affected. We would also have to reckon with the teachers. They are sore as it is. If we stopped replacements of all schools, however bad, they would desert us in every constituency.

6. My view is that the 4.6 per cent rate of advance, far from being reduced, ought to be increased, and increased because long term growth and improved competitive efficiency are the only answers to our economic difficulties.

7. The public want a higher rate of advance in education and they are willing to pay for it. I conclude that the Chief Secretary's proposal should not commend itself to my colleagues.

D. E.

Ministry of Education, W.1.

11th December, 1961.

ANNEXEDUCATIONAL INVESTMENT

What would I have to do if I accepted the Chief Secretary's £120.5 millions per annum for 1963/66, instead of my average of £136.7 millions?

Teacher Training Colleges

2. Last July I agreed to an un-announced delay of one year in completing the teacher training expansion programme. I can do no more without announcing a deliberate slowing down of our teacher recruitment plans. The supply of teachers is the yardstick by which, above all others, the public judges our belief in educational advance. We have said a great deal about our determination to reduce the size of classes. But even on present form it looks as though there may be nearly as many children in oversize classes by 1970 as there are to-day (2,668,000 - see Appendix).

We ought to be training more teachers, not fewer.

Technical Colleges

3. We are all agreed that the technical education programme cannot be cut. For the first time I am hearing of students being turned away. If the demand in excess of planned provision continues to grow, an increase in the programme will be inevitable.

Minor Works

4. The big cuts made last July have hit the primary schools very hard, and both in the House and among local authorities and teachers I am in growing trouble over this. The other small programmes are not big enough to produce worth while savings, particularly after last July's cuts in youth service building.

The main school building programme

5. This is at present made up as follows:-

(i) Schools for children who would otherwise have no places to go to	47 per cent
(ii) Re-organisation of all-age schools	9.4 per cent
(iii) Science projects	12.6 per cent
(iv) Other improvement projects (mainly workshops)	5.7 per cent
(v) Replacements and major remodellings	25.2 per cent

6. No one could justify any cuts in the first four of these categories. So the whole cut would have to fall on replacements and remodellings; these are projects for the slum clearance of schools (mainly secondary) built more than 60 years ago. Projects of this type would have to be pushed out of the programme for two years, and could be included thereafter at less than half the current rate.

7. Clearance of slum schools is what the 1958 White Paper was mainly about. We have as yet hardly scratched the surface of the problem. We should therefore be following last July's cut in minor works, which has practically stopped the slum clearance of primary schools, with a similar embargo on secondary schools.

Even if we stopped replacements, there would be practically no reduction in current expenditure to show for it; few of these projects lead to appreciable extra current expenditure, and some actually save money.

8. Since the programmes for 1961-63 are going forward on a scale that will produce in 1963-64 £14-£17 millions more work done than the Chief Secretary's proposal, it follows that to get down to his figure schools already authorised would have immediately to be taken out not only of the 1962-63 programme but of the 1961-62 programme as well. This will mean introducing a new control to compel the deferment of starts. The 1963-64 programme would then have to be less than half the size of those for recent years, and contain only projects needed to put "roofs over heads" (Category (i) in paragraph 5).

9. There would therefore be no concealing the fact that we had slashed school building, abandoned the five year programme announced in the 1958 White Paper, and gone back on assurances given more than once that the 1961-63 programmes would not be cut.

December, 1961

APPENDIXINCIDENCE OF OVER-CROWDING IN SCHOOLS

In Annex A to his memorandum (C. (61) 210), the Chief Secretary states that the pupil/teacher ratio will improve from 24.0 to 22.8 between 1962 and 1966. On the face of it this may look satisfactory, but the hard facts, as they affect children, are as follows:-

Last year there were 2,650,000 children in classes exceeding the regulation size, 1,777,000 (three pupils out of five) in senior classes and 891,000 (one pupil out of five) in junior classes. We hope by 1966 to be able to halve the proportion in senior oversize classes, but the proportion in junior oversize classes is likely to double. There will therefore be a change in the incidence of over-crowding, but the overall situation will be little better since there will still be about $2\frac{1}{2}$ million children in oversize classes.

December, 1961