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30th January, 1957.

CABINET

GOVERNMENT EXPENDITURE

Memorandum by the Minister of Education

I quite agree that the prospective increase in the Civil Estimates of £280 millions affords an occasion for reflecting upon our general social policy. But I would urge my colleagues that decisions about economies should be made in the light of our social policy, and not simply in relation to this figure of £280 millions.

2. Government expenditure, in itself, is neither more nor less inflationary than any other kind of expenditure. What really matters, surely, is the fraction of the gross national product devoted to all the main categories of expenditure, public and private. Provided that this fraction is not excessive, then it may very well be quite appropriate for a particular item of Government expenditure to rise as the economy expands. I think it can be shown that we are spending rather less than 3 per cent of the gross national product on education. The school population will be increasing in the near future and will continue to rise until 1960/61, but so, one hopes, will the gross national product. So far from being excessive I should myself have thought that it could be quite strongly argued that this is an insufficient proportion if our professions are to be taken seriously. Speaking for myself, therefore, I am not unduly alarmed at my own Department's share of the increased Civil Estimates.

3. I now turn to the actual proposals in the Chancellor's paper (C. (57) 16). I wish vigorously to contest the proposition that a sound economy can be assisted by penalising parenthood. I should indeed regard such a proposition as quite contrary to everything that has been said about our future policy or the opportunity State.

4. If it is proposed to cut family allowances and also to attack free school milk and subsidised school meals, the effect will be cumulative. In addition to losing 8s. on the second child, the two-child family would have to find an additional 2/2d. a day for school meals and milk. The effect on the weekly budget of such a family above the free meals income scale limit will be a net addition of nearly 19s. a week. Socially I should regard the combined effect as most serious, and I should question whether we could hold it politically.

5. The School Meals Service is utilised in differing degrees in different parts of the country, but wherever it is used it can be said with confidence that it operates directly for the benefit of the child. The school meal goes into the child's stomach. The service

is most used wherever children live a long way from school. The proposal to charge the full economic cost will, therefore, strike most hardly the agricultural worker who is already one of the least well rewarded in the community. An easing of the income scales for free meals cannot help the normal wage-earner. There would thus be a big increase in the very small number of children who now take sandwiches to school. This would be bad for them and bad for the social life of the school. Taken as a whole, I do not think that the proposal would be viewed either at home or abroad as a courageous move.

6. In June the Cabinet decided not to impose any increase beyond an additional 1d. per dinner which could be defended within the existing policy of making the charge cover the cost of food (C.M.(56) 43rd Conclusions). The circular which announced this increase stated -

"The Minister himself is convinced of the value of the service as it exists today; he would not wish to see any radical alteration in its present pattern."

7. I now turn to the question of school milk, which is at present entirely free. My objections to an increase in the charge for the meal would apply equally to a charge for milk.

8. Moreover, the imposition of such a charge would raise serious administrative difficulties. At present the distribution of milk within the school causes little or no practical difficulty. If a charge were imposed it would be necessary to make arrangements for the weekly collection from each child of small sums of money, and these sums would have to be properly accounted for. There would need to be arrangements for seeing that the milk was drunk by the children who had paid for it.

9. It is also necessary to bear in mind the attitude of the teaching profession. Under the present law the supervision of children is the only duty which teachers can be required to perform in connection with school meals or milk.

10. Many of them do undertake other tasks (e.g. the collection of dinner money) voluntarily. But there has been some unrest in the profession recently over this matter and it is not proving easy to hold the present position. The changes proposed, which would add a further and especially irritating need to collect pennies for school milk would certainly exacerbate the situation and might lead to a general refusal by the teachers to continue to perform any voluntary tasks in connection with meals or milk. If this happened the service could be maintained only by coercive and contentious amending legislation or by appointing numerous additional paid staff at a very considerable cost, for which no allowance has been made in the estimate of savings.

11. Finally, consider the effect on wage claims. My own conviction is that the rise in the cost of parenthood would result in an overpowering demand by the Trade Unions for higher wages and that, so far from helping us to balance our economy, these proposals would in fact produce industrial unrest on a scale which could not fail to interfere with our economic life. If the wage demands were met we should have to face a further instalment of inflation, since demands are always out of proportion to the actual increases in the family budget and apply to the unmarried as well as the married.

H.

Ministry of Education, W.I.

30th January, 1957