

THE MOVEMENT FOR FAMILY ALLOWANCES IN GREAT BRITAIN, 1918-45.

John Macnicol

Ph.D.

University of Edinburgh

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## ABSTRACT

This thesis is an attempt to examine the process of social policy development by reference to one particularly interesting case-study.

The movement for family allowances originated in demands for a 'living wage' in the late 19th century, which in turn led on to demands that wages take account of varying family needs. This became a concerted campaign in Britain in the period 1918-45, and was led by Eleanor Rathbone and the Family Endowment Society. Arguments for family allowances in this period were many and varied, but generally they centred on two points: that family allowances would alleviate poverty in large working class families, and that they might raise the birth rate.

The composition, aims and methods of the Family Endowment Society are analysed, and then the thesis goes on to describe how the anti-poverty and pro-natalist arguments were presented to the Government. The attitudes of the main political parties are examined, and a brief account is given of foreign developments and of private family allowance schemes in Britain.

Finally, the events of the Second World War period are described in detail. In this period family allowances

were suddenly accepted by the Government and quickly passed into law, and the question is whether this indicated an acceptance on the part of the Government of the arguments put forward by the campaigners over the previous twenty-five years.

The conclusion is that the Government introduced family allowances in 1945 not for the anti-poverty or pro-natalist reasons, but for reasons relating to the overall management of the economy.

INTRODUCTION

Social administration as an academic discipline is still a relatively new subject. The last twenty years have seen it expand rapidly, with the establishment of new university departments and a growing realisation that it must encompass not only the training of social workers but specialised research into problems of social policy. Yet still there is a widely-held feeling that the subject requires a much greater measure of theoretical coherence if it is to become a recognised independent entity rather than just an untidy meeting-place for several diverse academic disciplines.

One way in which this might be achieved is through a deeper understanding of the historical development of welfare provision, for only by analysing the "intricate relationship between interest, ideology and the pressures inherent in administrative procedures themselves"<sup>1</sup> can one hope to arrive at a proper evaluation of the function of welfare in modern societies. Indeed, one writer has even gone so far as to suggest that "the dearth in this country of adequate studies in depth of the intricate relationships which have determined particular social policies.... is one of the main obstacles to the development of the subject of social administration".<sup>2</sup>

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1. J.R. Poynter: Society and Pauperism (1969), quoted by Una Cormack in Social and Economic Administration, 4, January 1970, p.59.
  2. Una Cormack, *ibid.*

With a number of laudable exceptions,<sup>1</sup> much of the existing work on the historical development of social policy fails to analyse satisfactorily the complex interaction of these 'intricate relationships'. On the one hand are the generalist 'Poor Law to Welfare State' accounts which are obviously intended as rapid guides for the non-specialist; the tendency of these books to view social policy development as a gradual, orderly process marked by legislative achievements has been savagely criticised in recent years as a latter-day version of the 'Whig' view of history in which societies are seen as inevitably progressing upwards on a path to perfection.<sup>2</sup> On the other hand there is a considerable volume of dilettantist sociology on welfare development which, while it may sometimes present stimulating ideas, is usually based on such woefully inadequate historical data as to be almost useless.<sup>3</sup>

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1. For example, Bentley B. Gilbert: The Evolution of National Insurance in Great Britain (1966).
  2. For example, in England's Road to Social Security (New York, 1961 ed.) Karl de Schweinitz concludes (p. 246): "The realisation in statute and administration of the ideals of the Beveridge Report may take time; but there is a quality of inevitability about the project and its auspices..... The people of England in their long pilgrimage have come at last "to the top of the hill called Clear", whence they can see opening before them the way to freedom with security".
  3. For example, John Carrier and Ian Kendall: "Social Policy and Social Change - Explanations of the Development of Social Policy", Journal of Social Policy, 2, July 1973, pp. 209-224, and "The Development of the Welfare State", ibid., 6, July 1977, pp. 271-290. A notably successful effort at synthesising social policy history and sociology, however, is W.G. Runciman: Relative Deprivation and Social Justice (1972 ed.), especially pp. 57-77 where Runciman analyses events in Britain in the inter-war years.

The aim of this thesis is to try and examine all the influences that brought about one particular piece of social policy, and in doing so to provide a case study that might contribute to the sociology of welfare. Generally - and it must be borne in mind that what follows must of necessity be the briefest of summaries - theories of social policy development have tended to fall into two categories, the 'consensus' and the 'conflict' interpretations. Despite the fact that this categorisation can easily be criticised as too rigid,<sup>1</sup> and that to discuss it adequately one would really need to refer to the extensive literature on social and political theory, it still provides a useful framework of analysis.

The consensus interpretation of welfare development posits that social policies have come about as a result of a fundamental consensus on the need for them. Empirical evidence of hardship, produced by social investigators, reformers, pressure groups, etc., awakens public opinion to the need for a social policy and, after a period of campaigning in which the evidence is presented to the Government, eventually this need is met through an appropriate piece of social legislation. Sidney Webb once told Eleanor Rathbone that in Britain exactly nineteen years were required to elapse between the birth of an idea on social

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1. For example, there is the question of whether the notion of inter-class conflict presupposes the notion of intra-class consensus.

policy and its eventual acceptance by public opinion;<sup>1</sup> it was no doubt a remark in jest, but at the same time was an accurate reflection of the Webbsian empiricist view of social policy development which has long been the dominant ideology in social administration<sup>2</sup> and which maintains that if incontrovertible empirical evidence is presented forcefully enough to governments, the latter will, in a rational manner, respond by introducing social legislation. This, for example, was the view of the Fabian William Robson in 1943 after reading the Beveridge Report: the fact that the Fabian Society's recommendations were very close to what Beveridge eventually recommended showed, Robson wrote, that "if persons with qualified and trained minds will apply themselves in a disinterested manner to a great social problem..... the proper principles will emerge so unmistakably that the right solution will cease to be a matter of mere opinion and become a question of scientific knowledge".<sup>3</sup>

In general, the consensus view sees welfare as taming the worst excesses of free-market capitalism: social policy is seen as "a collective term for the public provisions through which we attack insecurity and correct the debilitating tendencies of our 'capitalist' inheritance".<sup>4</sup>

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1. Mary Stocks: Eleanor Rathbone (1949), p. 86. Sir John Walley attributes a similar remark to another public figure of 'pragmatic socialist' views - Ernest Bevin. Walley: Social Security: Another British Failure? (1972), p. 54.
  2. For an interesting historical account, see Robert Pinker: Social Theory and Social Policy (1971), chapter 2.
  3. W. Robson (ed.): Social Security (1943), pp. 4-5.
  4. H.L. Beales: The Making of Social Policy (1946), p. 7.



Perhaps the best example of this viewpoint can be seen in the writing of T.H. Marshall. "The central function of welfare", Marshall maintains, "...is to supersede the market by taking goods and services out of it, or in some way to control and modify its operations so as to produce a result which it would not have produced itself".<sup>1</sup> Marshall argues that as democratic rights were extended in Britain by stages, so also were 'citizenship' rights extended to a larger number of people; part of this extension of citizenship rights was achieved through welfare provision, the aim of which is "to give equal care to similar cases".<sup>2</sup> Social policy thus comes about through a fundamental consensus in society and has as its primary aim the alleviation of hardship and the reduction of inequalities.

On the other hand, the conflict view maintains that class conflict is fundamental to societies and that social policies are introduced as a means of appeasing political, economic and social discontent and thus consolidating the power and legitimacy of the ruling class. Saville sees the development of social policy in Britain as the result of three main influences: the struggle of the working class against their own exploitation; the requirements of industrial

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1. T.H. Marshall: "Value Problems of Welfare-Capitalism", Journal of Social Policy, 1, January 1972, p. 19.
  2. Ibid., p. 29. Marshall expresses similar ideas in "Citizenship and Social Class", in Sociology at the Crossroads (1963), pp. 67-127.

capitalism for a more efficient environment in which to operate and the need for a healthier, more productive workforce; and the recognition by property owners that a price must be paid for political security.<sup>1</sup> For Saville, "the range and distribution of social security in Britain represents no more than elementary social justice for the mass of the people; and from the side of industry it can be reckoned a sound economic investment".<sup>2</sup>

Social policy is thus one out of a range of controls - social, political, cultural, economic - by which a ruling group maintains its position of power, and far from being a rational and objective response to evidence of hardship it is in fact a reluctant concession to political power: a ruling group only admits that a social problem exists when it is forced to do so. Hay has shown, for example, that in the early twentieth century many employers were extremely interested in welfare policy as a possible means of counteracting militant trade unionism and controlling their workforce; this is in contrast to the older, consensus-orientated view of social policy history which assumed that employers were generally hostile or indifferent.<sup>3</sup> Thus while a piece of social policy may be presented as a sharing of wealth and

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1. John Saville: "The Welfare State: An Historical Approach", New Reasoner, 1, Winter 1957-8, pp. 5-6.
  2. Ibid., p. 17. For another brief outline of the conflict view, see Victor George and Paul Wilding: "Social Values, Social Class and Social Policy", Social and Economic Administration, 6, September 1972, pp. 236-248.
  3. Roy Hay: "Employers and Social Policy in Britain: the Evolution of Welfare Legislation, 1905-14", Social History, 4, January 1977, pp. 435-455.

economic power, in fact it may really perpetuate inequality, impose a greater measure of social control over a politically-threatening group and leave those for whom it is ostensibly designed little better off.

The consensus and conflict views obviously require a far lengthier exposition than can possibly be provided here.<sup>1</sup> What particularly concerns this thesis is the basic question that gives rise to a crucial point of difference between the two views, and that question is: do social policies come about through governments responding rationally to evidence of need, and therefore are they primarily aimed at assisting those in need; or is it the case that despite the presentation of such evidence by reformers, social investigators, pressure groups, etc., governments do not really accept its validity and, while pretending to assist those in need, in fact introduce social policies for ulterior political and economic motives? It is this fundamental question that this thesis attempts to answer.

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1. For an interesting summary of the opposing views, see Adrian Webb in Hall, Parker, Land and Webb: Change, Choice and Conflict in Social Policy (1975), pp. 130-153. Most advocates of one view are aware of valid points in the other. For example, Richard Titmuss, generally consensus-orientated, on one occasion wrote that "welfare can serve different masters. A multitude of sins can be committed under its appealing name. It can be used as a form of social control. It can be used as an instrument of economic growth which, by benefiting a minority, indirectly promotes greater inequality". R.M. Titmuss: "Poverty versus Inequality", in J.L. and J.K. Roach (eds.): Poverty (1972), p. 321.

Family allowances<sup>1</sup> are a particularly suitable case-study for this type of approach, for a number of reasons. First, the movement for their introduction fits nearly into the 1918-45 period and can thus be studied with the aid of much newly-released Public Record Office material. Beveridge on one occasion declared that the 1945 Family Allowances Act was "in all the legislation of recent years the greatest break with the old tradition", since in all other respects his 1942 Report was "no more than a completion of what was begun in Britain in 1911: the battle of Social Insurance for cash benefits and for medical treatment was fought and won in principle thirty-six years ago".<sup>2</sup> In studying family allowances one is studying a piece of social policy that arose out of conditions in the inter-war years, and had important implications for many areas of social policy.

Second, family allowances are very interesting to study because they attracted support (and opposition) from a very wide range of opinion, often for very confused and contradictory reasons. The topic of family allowances "could be approached from so many directions with such an infinite variety of

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1. Family allowances must be distinguished from family endowment. The former are cash payments paid (usually weekly) in respect of a stipulated number of dependent children in a family, thus adjusting the wage-system so that some account is taken of varying family needs. The latter, however, usually refers to any policy which provides assistance in relation to family needs: for example, rent rebates proportional to family size. Sometimes, however, the terms were confused, particularly in the early 1920s when family endowment usually meant family allowances.
  2. Beveridge in epilogue to E. Rathbone: Family Allowances (1949), p. 269.

emphasis and application. It could be handled as a problem of vital statistics, housing administration, minimum wage legislation, child nutrition, national insurance, teachers' salary scales, coal mining economics, feminism, social philosophy or pure finance".<sup>1</sup> In analysing why family allowances came about one must therefore bear in mind Goldthorpe's point that a movement for social reform may consist of many different interest groups, each with its own perspective,<sup>2</sup> and that in contrast to the functionalist view of welfare development, one must not assume that there was fundamental agreement on the nature of the problem and the necessity for solving it. Family allowances were a social policy ostensibly aimed at assisting children, and it is possible that since children are one of the few groups in society unable to campaign for themselves the motives of those who supported or opposed family allowances were, as a result, more complex and devious than in a more orthodox case of self-interest.

A third point of interest is that despite these many different perspectives the movement for family allowances was based on two obvious arguments: that a considerable amount of poverty existed in large working class families thanks to a wage system that took no account of family needs, and that

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1. Stocks, op. cit., p. 102.

2. John Goldthorpe: "The Development of Social Policy in England, 1800-1914", Transactions of the Fifth World Congress of Sociology, (Louvain, 1964), p. 56.

the steadily-declining birth rate would eventually cause very serious social and economic problems. Family allowances were seen as a remedy for both of these (the former always being the most important), and in support a vast amount of evidence was repeatedly presented to the Government. In the Family Endowment Society one has an excellent example of a pressure group marshalling this evidence, and the evidence itself being the product of detailed research by leading social scientists, nutritionists, medical officers, demographers, etc. In short, if the consensus theory holds true, then at some point in the twenty-five year process the Government must have admitted the validity of this evidence and rationally decided to introduce family allowances as the appropriate remedy. This is essentially what is under investigation in what follows.

In this thesis, therefore, the approach has been to build up a picture of the movement for family allowances - who belonged to it, what their reasons were, how it was organised, the evidence that was produced - and then examine what exactly happened when this movement presented its case to those in government. In doing so, it has been decided to adopt a thematic approach, examining each constituent part of the movement separately; while this may at times be a little confusing chronologically, or result in a certain amount of repetition, it provides a more interesting analysis than if each chapter dealt with, say, successive five-year



periods.<sup>1</sup> The thesis therefore begins with a chapter outlining the historical background; although some of it deals with the period before 1918, and therefore strictly outwith the scope of the title, it is nevertheless very important to look at the long-term causes behind what happened in the inter-war years in Britain. Chapter two begins with a description of the family background and early life of Eleanor Rathbone, the acknowledged leader of the movement, showing how she arrived at the idea of family allowances; and then it analyses the composition, aims and methods of the main pressure group founded by her, the Family Endowment Society. Chapters three and four examine the two main areas of argument presented in the inter-war years, the family poverty and the demographic, and analyse the extent to which these arguments were accepted by those in government by 1939. Chapter five

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1. Wherever possible, of course, unpublished sources have been used, but in three cases this proved difficult. First, there seems to be no large surviving collection of Family Endowment Society papers. Neither the late Baroness Stocks nor Mrs. Diana Hopkinson (Eva Hubback's daughter) knew of any such records, and the Eleanor Rathbone Papers contain disappointingly little on the Society. Second, unpublished Public Record Office material on the population problem of the 1920s and 1930s is extremely scanty simply because the Government took little interest in it. Third, attempts to find manuscript material relating to the interest shown by politicians and political parties were also relatively unsuccessful, and again the conclusion to be drawn from this is that by and large most politicians (predominantly male) were indifferent. Generally the length of each chapter reflects the relative importance of its subject and the availability of good evidence.

describes the gradual emergence of the family endowment principle in income-maintenance policies towards the unemployed in the period 1918-39, and shows how this eventually produced a demand for the principle to be applied to wages also. Chapter six deals with the three least important elements in the movement: the attitude of political parties, the development of family allowances in foreign countries (which, though again strictly outwith the scope of the title of this thesis, adds an important extra dimension to one's understanding of events in Britain), and the growth of private industrial schemes and other forms of family endowment. These six chapters, therefore, provide a thematic account of the movement for family allowances in the period 1918-39, and the impression it made on those in government. Finally, chapter seven deals with the Second World War period, during which the need for family allowances was dramatically accepted by the Government, and examines the extent to which the 1945 Family Allowances Act was passed because the Government admitted the validity of the family poverty and demographic arguments.



CHAPTER ONE: THE HISTORICAL BACKGROUND.

Family allowance systems are essentially a feature of advanced industrial societies which have placed restrictions on the employment of children and have introduced some form of compulsory education - thus creating a situation where large families become a major cause of poverty, and giving rise in turn to demands that the wage-system should take account of family needs.<sup>1</sup> This stage was reached in Britain in the late 19th century and the demand for family allowances grew in strength thereafter, reaching a peak in the early 1940s.

Yet paradoxically the idea of paying bonuses to parents who have large families is also a very old one, and instances can be found throughout history. Glass mentions several ancient systems, including three laws introduced by the Roman Emperor Augustus sometime between 18 B.C. and 9 A.D., and shows that various pro-natalist policies have existed in Europe ever since.<sup>2</sup> Thus all modern family allowance systems have inherited an interesting history, and in order to understand fully the movement for family allowances in Britain between 1918 and 1945 it is important to have an understanding of this history. The discussion of family allowances in Britain in the inter-war years tended to revolve round two main areas of controversy: firstly, whether allowances would

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1. J.H. Richardson: Economic and Financial Aspects of Social Security (1960), p. 141.
  2. D.V. Glass: Population Policies and Movements in Europe (1940), pp. 86-98.

influence the birth rate, and secondly, what effect they might have on wage levels. In both cases historical evidence was frequently cited, and therefore this evidence must be examined.

In Britain the most important historical legacy was left by the pre-1834 Poor Law, and in particular by the so-called 'Speenhamland System' under which relief payments based on family size and the prevailing price of bread were granted to labourers to supplement their wages.<sup>1</sup> The origins of this system are conventionally seen as Gilbert's Act of 1782 (which sanctioned the principle of relieving the able-bodied without requiring them to enter the workhouse) and the historic decision of the 6th May 1795 at the Pelican Inn at Speenhamland in Berkshire where, in a period of rapidly rising wheat prices, bad harvests, severe winters and a French blockade of British shipping, the local magistrates decided to adopt a scale of allowances in aid of wages graded according to family size as a means of alleviating temporary distress.<sup>2</sup> So began the first family allowance system in British social policy.

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1. For example, when a gallon loaf cost 1s.0d. every man would receive 3s.0d. per week for himself, and 1s.6d. cash in respect of his wife and children, either in wages or relief. Sir George Nicholls: A History of the English Poor Law (1898), p. 131.
  2. Mark Neuman: "Speenhamland in Berkshire" in E.W. Martin (ed.): Comparative Development in Social Welfare (1972), pp. 85-9.

Thereafter, it was long believed, this practice of supplementing wages had a disastrous effect. Labourers became idle (since their income, in wages or relief, was guaranteed whether they worked or not) and bred recklessly (since the normal economic penalties of a large family were now removed); farmers were encouraged to pay lower wages (since they knew these would be made up to the agreed minimum by relief payments), and prices rose.<sup>1</sup> The system also corrupted many sections of society apart from the labouring class: for example, those who stood to gain from the labourer having a guaranteed income (such as small shopkeepers and publicans who paid low rates) encouraged him to spend it to their own profit, and supported the allowance system by all kinds of dishonest means.<sup>2</sup> Most important of all, Poor Law expenditure rose alarmingly: in 1760, the cost of the poor rate had been £1,250,000 (equivalent to 3s.6 $\frac{3}{4}$ d. per head of population) but in 1834 it was £6,317,000 (8s.9 $\frac{1}{2}$ d. per head).<sup>3</sup> From the point of view of the 1834 Commissioners, this experiment in family allowances had provided "a bounty on indolence and vice" by setting up a wage system under which "idleness, improvidence, or extravagance occasion no loss, and consequently diligence and economy can afford no gain".<sup>4</sup>

Modern economic historians have almost completely demolished this view, however. In the first place, there

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1. The Poor Law Report of 1834 (ed. S. and E. Checkland, 1974), pp. 140-179.
  2. *Ibid.*, p. 138-9.
  3. Nicholls, *op. cit.*, p. 225.
  4. 1834 Report, pp. 121, 156.

is evidence that Poor Law family allowances existed long before the 1790s. The pre-1834 Poor Law was administered in many different ways according to local economic and geographic conditions. Over fifteen thousand parishes existed in the 18th century, and each carried out its duties with only a vague reference to the Elizabethan statutes that ostensibly formed the basis for the Poor Law; often, indeed, parishes had little knowledge of what was being done in other areas.<sup>1</sup> Thus many ad hoc irregularities occurred, particularly in the case of allowances to subsidise the wages of labourers with large families. Hampson found them quite common in Cambridgeshire in the 18th century and earlier;<sup>2</sup> the Webbs pointed out that the policy made notorious by Speenhamland "had long existed in the spontaneous practice of the overseers, and was, in fact, the most obvious device for saving themselves trouble and the parish immediate expense";<sup>3</sup> and other writers have emphasised that when the Speenhamland magistrates made their historic decision they were in fact merely formalising what had been a common practice for centuries.<sup>4</sup>

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1. S. and B. Webb: English Local Government: English Poor Law History: Part I, the Old Poor Law (1927), pp. 149-150.
  2. E.M. Hampson: The Treatment of Poverty in Cambridgeshire, 1597-1834 (1934), p. 37.
  3. S. and B. Webb, *op. cit.*, p. 170.
  4. J.D. Marshall: The Old Poor Law, 1795-1834 (1968), p. 11; Mark Blaug: "The Poor Law Report Re-examined", Journal of Economic History, 24, June 1964, pp. 231-2.

Secondly, modern research disputes the fact that the Speenhamland System raised the birth rate and encouraged earlier marriages, as the 1834 Commissioners maintained. Blackmore and Mellonie made this point in 1927,<sup>1</sup> but it was not until recently that it was further investigated. Blaug views the Speenhamland decision as a response to an already-rising birth rate,<sup>2</sup> and from a detailed study of two parishes in Kent (one of which operated an allowance system and one of which did not) Huzel concludes that allowances had no measurable effect on birth rates or marriage rates, though they might have lowered infant mortality.<sup>3</sup>

Similarly, it is likely that allowances were the effect rather than the cause of low wages. Gilbert's Act and the Pelican Inn meeting simply gave official sanction to a practice that was spreading anyway,<sup>4</sup> and which was "an alternative to, and a method of evading the payment of a minimum statutory earned wage" in a period of acute economic crisis.<sup>5</sup> Faced with widespread distress and falling real wages, magistrates in declining rural areas simply adopted the most convenient and time-honoured

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1. J.S. Blackmore and F.C. Mellonie: "Family Endowment and the Birth Rate in the Early Nineteenth Century", Economic Journal, 37, May 1927, pp. 205-213.
  2. Blaug, op. cit., p. 232, and "The Myth of the Old Poor Law and the Making of the New", Journal of Economic History, 23, June 1963, pp. 173-4.
  3. J.P. Huzel: "Malthus, the Poor Law, and Population in Early Nineteenth Century England", Economic History Review, 22, December 1969, pp. 445-451.
  4. Other parishes were adopting similar policies at this time, e.g. Wettlesford in 1783. Hampson, op. cit., pp. 189-190.
  5. Marshall, op. cit., p. 13.

solution - one which would, they hoped, temporarily relieve unemployment by encouraging farmers to use more labour than they could otherwise have paid for. Indeed, in many ways the allowance system of the Old Poor Law, with its cost-of-living basis for minimum wages, its family allowances, its unemployment relief and its job-creation scheme, was remarkably akin to modern welfare provision.<sup>1</sup>

Lastly, it is important to remember that despite the Commissioners' rhetoric against them, allowances continued after 1834. Local Boards of Guardians still enjoyed considerable autonomy, even after the creation of a strengthened Central Poor Law Board in 1847, and inevitably resorted to this cheap and convenient form of relief.<sup>2</sup> For example, in one quarter of 1840 more than 20% of all adult able-bodied persons on relief in England and Wales were receiving allowances in aid of wages.<sup>3</sup>

That the conclusions of the 1834 Commissioners were in fact a wilful distortion of the evidence to fit Benthamite prescriptions is now well known,<sup>4</sup> but for over a century their view of Speenhamland remained the standard one and

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1. Blaug, op. cit., p. 152.
  2. The payment of allowances (especially to certain classes like widows with dependent children) was cheaper than the cost of maintaining a pauper in a workhouse. M.E. Rose: "The Allowance System Under the New Poor Law", Economic History Review, 19, December 1966, pp. 613, 616. For evidence of the continuance of allowances in Lancashire, see E.C. Midwinter: Social Administration in Lancashire, 1830-1860 (1969), pp. 49-52.
  3. Rose, op. cit., p. 608.
  4. For an account of how this was done see S.E. Finer: The Life and Times of Sir Edwin Chadwick (1952), pp. 39-49, 69-78.



was repeated by subsequent writers<sup>1</sup> to such an extent that the 1909 Majority Report of the Royal Commission on the Poor Laws could assert that "no economic doctrine has gained wider currency than that public relief is a grant in aid of wages and tends to reduce them".<sup>2</sup> By the early 20th century, 'Speenhamland' stood for everything that ruling class opinion feared most from over-generous relief - that it would create an ever-expanding army of indolent, work-shy paupers who would breed recklessly and whose attitudes would eventually infect the rest of the workforce. From this viewpoint, the first experiment in family allowances appeared to have been an unmitigated disaster.

This historical legacy dominated subsequent discussion of family allowances and deeply affected the attitudes of those involved. Eleanor Rathbone referred to "the disastrous experiment in subsidising wages known as the Speenhamland system" which "put the idle or inefficient family on the same level with the industrious",<sup>3</sup> and always insisted that by paying them to the mother family allowances would be kept completely separate from wages. Perhaps the most influenced were trade unionists, the majority of whom remained staunchly opposed to family allowances in the inter-war years for fear

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1. For example, Sir George Nicholls maintained that the Speenhamland experience had demonstrated that to adjust wages to family size and the cost of living was "contrary to the ruling of providence". Nicholls, *op. cit.*, p. 132.
  2. Quoted in Rose, *op. cit.*, p. 607.
  3. E. Rathbone: The Disinherited Family (1924), p. 12.



that they would depress wages. In 1928, for example, a Trade Union Congress and Labour Party Committee warned that "the notorious Speenhamland System, originating in 1795, was an early example of the family allowance principle grafted on to the Poor Law ..... the disastrous effects of this policy in reducing wages are too well known to require comment".<sup>1</sup> This opposition from trade unionists was a factor very much taken into account by civil servants when family allowances were first being seriously considered by the Government in 1939-42. The Treasury even composed a special memorandum on Speenhamland and wages since "the Trade Unions have always studied Economic History and this point is in their minds when they express doubts about family allowances".<sup>2</sup> Thus when the Government published a White Paper on family allowances in 1942 (one purpose of which was to set out the arguments for and against) they included in it a warning that to use family allowances to bring wages up to a specified minimum level would "make the amount of his wages a matter of indifference to the low wage earner with a family, and this would lead to consequences similar to those which resulted from the wage subsidy associated with the name of Speenhamland".<sup>3</sup>

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1. T.U.C. General Council and Labour Party Executive: Joint Committee on the Living Wage: Interim Report on Family Allowances and Child Welfare (1928), p. 6.
  2. Margin comment by Sir Horace Wilson in E. Hale to B. Gilbert, 8/10/41, P.R.O. T 161/1073.
  3. Family Allowances: Memorandum by the Chancellor of the Exchequer, 1942, Cmd. 6354, p. 3.

However, alongside this rather negative legacy was the important fact that by 1918 the principle of family endowment had been quite openly recognised by Government spokesmen on several occasions. The earliest example of this (the significance of which has been noted by several writers)<sup>1</sup> was William Pitt's interest in family allowances as an alternative to a statutory minimum wage. Speaking against Samuel Whitbread's wage-regulation bill in the House of Commons in 1796 Pitt pointed out that a minimum wage on the lines of Whitbread's that took no account of varying family needs was useless, since "were the minimum fixed upon the standard of a large family it might operate as an encouragement to idleness in one part of the community, and if it were fixed on the standard of a small family, those would not enjoy the benefit of it for whose relief it was intended".<sup>2</sup> In a remarkable passage which presaged 20th century thinking (and which was greatly abhorred by subsequent Malthusian pamphleteers) he suggested that the solution was "to make relief in cases where there are a large number of children a matter of right and an honour, instead of a ground for opprobrium and contempt. This will make a large family a blessing, and not a curse; and thus

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1. Rathbone, *op. cit.*, p. 163; V. George: Social Security, Beveridge and After (1968), p. 187; Sir John Walley: Social Security: Another British Failure? (1972), pp. 16-20; Hilary Land: "The Introduction of Family Allowances" in Hall, Parker, Land and Webb: Change, Choice and Conflict in Social Policy (1975), p. 157; J.C. Vadakin: Family Allowances: an Analysis of their Development and Implications (Miami, 1958), p. 21. It was also mentioned by Sir William Jowitt, Minister of National Insurance, in a 1944 Commons debate on social insurance. Hansard, (5th series); Vol. 404, 2/11/44, Col. 988. (All Hansard references are to 5th series).
  2. Quoted in J.R. Poynter: Society and Pauperism (1969), pp. 58-9. Poynter mentions that the question of the family wage was discussed in several popular pamphlets at this time. *Ibid.*, pp. 59-60.

will draw a proper line of distinction between those who are able to provide for themselves by their labour, and those who, after having enriched their country with a large number of children, have a claim on its assistance for their support".<sup>1</sup> Quite how serious were Pitt's intentions is hard to know. Certainly, he later attempted to introduce a bill to give effect to his family endowment plan, but it had to be withdrawn in face of hostile criticisms over other proposals contained in it.<sup>2</sup> What is so interesting, however, is that the 'family allowances versus a minimum wage' arguments of which Speenhamland and Pitt's bill were practical manifestations were exactly those that were to be repeated again and again in the campaign for family allowances that began over a hundred years later.

In the early 20th century there were two important practical recognitions of family needs in public policy. The first of these occurred in 1909, when Lloyd George as Chancellor of the Exchequer introduced child tax rebates in his budget, casually admitting the family endowment principle when he reasoned that "the family man is, generally speaking, a much heavier contributor to that portion of the revenue which is derived from indirect taxation and inhabited home duty, so that in comparison with the bachelor he is taxed not so much in proportion to his income as in proportion to his outgoings".<sup>3</sup> The implications of this went completely

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1. Ibid., p. 59.

2. Walley, op. cit., pp. 17-20

3. Hansard, Vol. 4, 29/4/09, Col. 507. Child tax allowances had previously operated between 1796 and 1806.

unchallenged in a House of Commons whose Members had everything to gain from it; indeed, the only point of dispute was whether the allowances should not have been higher.<sup>1</sup> These new rebates provided a £10 abatement for each child under 16 years of age for parents with incomes below £500 and above £160 per annum (the exemption limit), and in 1910 were benefiting  $3\frac{1}{2}$  million taxpayers out of an estimated 18 million income recipients.<sup>2</sup> The importance of this quietly-introduced precedent has often been overlooked; one economist has even suggested that the 1945 Family Allowance Act was far less historic than the 1909 measure, since "whatever revolution there was in 1945 was chiefly in the manner and coverage of family differentiation".<sup>3</sup> Certainly, campaigners for family allowances in the inter-war years were to make much of the anomaly of 'family allowances for the rich and none for the poor'.

The second instance of State family endowment took place during the First World War, when service pay separation allowances were extended to cover Britain's first conscript army. Along with the enormous step forward made by women through their entry into previously all-male professions there occurred during the War what Eleanor Rathbone saw

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1. Ibid., Vol. 11, 20/9/09, Cols. 182-6.
  2. Allan M. Cartter: "Income Tax Allowances and the Family in Great Britain", Population Studies, 6, March 1953, p. 219.
  3. Ibid.

as "the largest experiment in the State endowment of maternity that the world has ever seen".<sup>1</sup> These separation allowances were additions to the serviceman's pay in respect of his dependants - the term dependant covering a wide range of categories, including the children of a household "permanently maintained by him" (i.e. illegitimate children);<sup>2</sup> servicemen had to make an allotment from their pay, to which the Government added an allowance. The administrative structure of these allowances was highly complex, covering differences in rank and family circumstance (for example, some allowances were higher in winter than in summer), but the main distinction was between separation allowances (for the dependants of men fighting abroad) and family allowances (in respect of men stationed at home)<sup>3</sup> - though the term 'separation allowance' is generally used to describe both. As with so many rapid expansions of wartime social policy there was much administrative confusion, payment being made by five main authorities: the War Office through regimental paymasters dealt with the army; the Admiralty operated slightly different scales for the navy; the Old Age Pensions Committees assessed the needs of dependants other than wives and children; and two bodies, the Civil Liabilities Committee and the Local Committees, were jointly responsible for

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1. E. Rathbone: "The Remuneration of Women's Services", Economic Journal, 27, March 1917, p. 55. The principle, however, was an old one. The 1834 Poor Law Report mentions an Act of 1793 "which ordered that if a militia-man, when called out and ordered to march, should leave a family unable to support themselves", the overseers should pay that family a weekly allowance "according to the usual price of labour", op. cit., p. 214.
  2. War Office Pamphlet: Regulations for the Issue of Army Separation Allowances, Allotments of Pay and Family Allowances During the Present War (1916), p. 17.
  3. Ibid., pp. 1-4, 43.

supplementing allowances in cases of exceptional distress.<sup>1</sup> In addition, there were intricate regulations to cover all eventualities - such as what should happen if a soldier deserted, or was reported missing.<sup>2</sup> Thus no single cash figure can be quoted as a 'typical' allowance level, but for the sake of illustration a corporal or private in 1916 serving abroad would have had paid to his wife 12s.6d. (representing the allotment from his pay plus the separation allowance) and to a wife and four children 25s.0d. - while for a warrant officer the equivalent amounts would have been 23s.0d. and 35s.6d. respectively.<sup>3</sup>

However, for this study the most interesting feature of the separation allowance system was not its administrative complexity but the principle behind it. The stated aim of the system was to make good the difference between normal and service pay: allowances were intended "to represent the loss which the dependant has sustained by the man's enlistment" and were therefore supposed to be "based on the value of the support given to the dependants by the soldier before his enlistment".<sup>4</sup> In other words, they compensated the enlisted man for the drop in his income brought about by service in the Armed Forces - and thus

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1. E. Rathbone: The Muddle of Separation Allowances (1915), p. 2.
  2. Regulations, p. 11.
  3. Ibid., p. 30.
  4. War Office Pamphlet: Recoverable Advances, Supplementary Separation Allowances and Temporary and Special Grants Authorised under Part II of the Regulations (1916), pp. 4, 12.



contained the implicit assumption that his normal civilian wages were sufficient to meet his family needs. In a sense, therefore, separation allowances were not analogous to a family allowance system, since the principle behind the latter is that normal wages are inadequate to meet family needs.<sup>1</sup> Again, separation allowances covered many types of dependant and included grants for special cases of distress (illness, funeral expenses, high rents, etc.).<sup>2</sup> Thus they were essentially a compensation for loss of earnings and could just as easily be likened to unemployment assistance or workmen's compensation.

Yet in several respects they did establish a family allowance precedent. The State had undertaken to meet family needs and had drawn up the scales of allowances in a way that recognised the extra financial burden brought by each additional child. Many aspects of the administrative machinery, such as payment through the Post Office by means of draft books,<sup>3</sup> anticipated the 1945 Family Allowances Act. More importantly, they appeared to demonstrate that family-adjusted income improved child health and nutrition - a point

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1. This was a point later made by opponents of family allowances. For example, Alexander Gray asserted that separation allowances had been paid "because the State could not enter into a contract to pay to all the wages they had previously received" and that the principles of the system were thus "very different to those applicable to free and voluntary labour". Gray: Family Endowment, a Critical Analysis (1927), pp. 23-4.
  2. Recoverable Advances, etc., p. 21.
  3. Ibid., p. 2.

later stressed by supporters of family allowances.<sup>1</sup> Separation allowances also provided the precedent for dependants' allowances in out-of-work donation after 1918, which in turn led to the introduction of dependants' allowances (and thus the concept of family needs) into the main unemployment insurance scheme in 1921. Lastly, the experience of separation allowances transformed Eleanor Rathbone's vague ideas on State motherhood endowment into a coherent advocacy of family allowances. Her experience while working for the Liverpool branch of the Soldiers' and Sailors' Families Association (a charitable body that made cash advances to wives whose separation allowance payments had been delayed) convinced her that the system ought to be applied to normal wages in peacetime and inspired her to begin her campaign.<sup>2</sup>

Such were the practical precedents. At the same time there were occurring several important changes in the economic structure of the working class family. In the pre-industrial economy child labour had been an important source of family income: children were expected to work as soon as it was physically possible for them to do so, and so large families automatically earned a collective

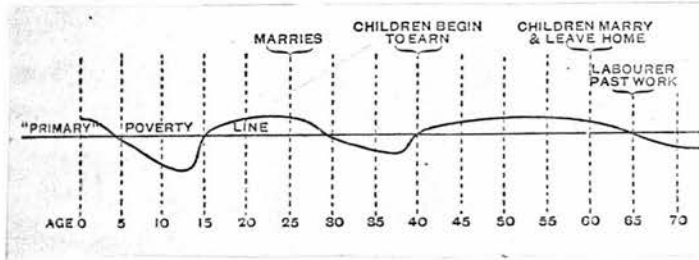
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1. E. Rathbone: The Disinherited Family (1924), pp. 59-61. Some observers maintained, however, that this had been brought about more by the high wartime wages. See T.E. Gregory: "The Endowment of Motherhood", The Common Cause, 18/10/18.
  2. Mary Stocks: Eleanor Rathbone (1949), pp. 73-7.



wage roughly commensurate with their needs.<sup>1</sup> In the initial hundred years or so of industrialisation child labour had been an essential factor in producing rapid economic growth, and thus the working class wage continued to be related to family needs, albeit crudely and inadequately. But with the gradual limitation of child labour and the introduction of State elementary education (made compulsory by stages after 1870) this situation changed. Children ceased to be producers of family wealth and became passive consumers. The larger the working class family, the more likely it was to be living in poverty.<sup>2</sup> The social surveys of Booth and Rowntree at the end of the 19th century provided statistical proof of this: Rowntree, for example, showed that in York in 1899 22.16% of primary poverty was caused by 'largeness of family', i.e. more than four children. In addition, 51.96% of primary poverty was caused by 'low wages', i.e. wages insufficient to maintain a family of not more than three children in a state of physical efficiency.<sup>3</sup> More striking still was Rowntree's point that a high proportion of working class individuals were likely to pass into poverty

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1. For example, Daniel Defoe, writing of a visit to Yorkshire in the 1720s, noted that "scarcely anything above four years old, but its hands were sufficient for its own support". Quoted in H.N. Brailsford: Families and Incomes: the Case for Children's Allowances (1926), p. 3.
  2. Lord Shaftesbury seems to have been aware of this, for when moving an amendment to the 1870 Education Bill to lower the school leaving age from 13 to 10 he said that "the extent to which persons in London depended on the labour of their children their Lordships would scarcely be aware of, it was impossible that a man could maintain a wife and family on 9s.0d. a week unless he was assisted by such labour". Quoted in Women's National Liberal Federation: Children's Allowances (1927), p. 4.
  3. B.S. Rowntree: Poverty, a Study of Town Life (2nd ed., 1902), p. 120.

at three stages of their lives - childhood, parentage and old age - which he illustrated thus:<sup>1</sup>



Children were thus the cause of primary poverty at two stages: at the first, the individual and his siblings dragged the family below the poverty line; at the second, his own children repeated the process.

Alongside this change in the economic role of children (which was taking place in all advanced industrial societies) there was occurring the movement for women's emancipation. A full account of the feminist movement is obviously well outside the scope of this study, but several aspects of it need to be mentioned briefly. First, the entry of a large number of women into voluntary social work in the latter half of the 19th century was important. This was one of the first manifestations of the feminist movement, and was led initially by upper-middle class women who wished to find a useful alternative to the stultifying boredom of their

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1. Ibid., p. 137.

domestic role as mere decorative appendages of their husbands. The entry of these women into voluntary social work, prison reform, nursing, hospital administration, etc., was of vital importance to the later development of the women's suffrage movement and to future developments in social policy.<sup>1</sup> Within such work women were able to create their own career structures and 'professionalise' themselves to the extent that thereafter they began to demand entry into the conventional male-dominated professions; day-to-day contact with social problems gave them valuable practical experience; and in such work they learned the techniques of political campaigning at local and municipal level.<sup>2</sup> Allied to this was the fact that their later involvement in the suffrage movement provided women with an excellent education in the nuances of pressure group politics; or, as Eleanor Rathbone put it, "the struggle for the right to become politicians in itself made women into politicians".<sup>3</sup> In their struggle for the vote, women inherited and further developed the techniques of political propaganda that had

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1. "The breaking up of the masculine monopoly was made possible because the work undertaken by women was of a charitable nature and therefore not in conflict with the prevailing ideas of femininity; it was in a new field and therefore did not, at first, mean an intrusion into masculine spheres; and in most cases it was not connected with remunerative reward and therefore did not imply loss of caste." Viola Klein: "The Emancipation of Women: its Motives and Achievements", in H. Grisewood (ed.): Ideas and Beliefs of the Victorians (1949), p. 266.
  2. Women gained the local government franchise (by Acts of 1869, 1888 and 1894), were able to serve on School Boards from 1870, as Poor Law Guardians from 1875 and on Parish and District Councils from 1894. Constance Rover: Women's Suffrage and Party Politics in Britain (1969), p. 29.
  3. E. Rathbone: "Changes in Public Life", in Ray Strachey (ed.): Our Freedom and its Results (1936), p. 21.

been developed over the previous hundred years by such groups as Christopher Wyvill's Yorkshire Association, the Anti-Slavery Movement, the Chartists and the Anti-Corn Law League.<sup>1</sup> Each of the three major figures of the Family Endowment Society - Eleanor Rathbone, Mary Stocks and Eva Hubback - had been involved with the women's suffrage movement and used the same campaigning methods in their fight for family allowances.

Each of these three women saw the movement for family allowances as a natural outgrowth of the struggle for the vote: only when political equality had been won could women move on to the much more difficult and lengthy task of gaining economic equality.<sup>2</sup> They realised that this latter struggle would involve campaigning over an enormously wide field, and would have to overcome all kinds of deep-seated prejudices and taboos that winning the vote had done nothing to remove - for example, the fact that before the turn of the century a bill in Parliament to enforce the proper training and registration of midwives had little chance of intelligent general discussion, since "the very word 'midwife' in those days was apt to make Members titter and dig each other furtively in the ribs".<sup>3</sup> Family allowances were thus one out of several causes that Eleanor Rathbone supported with the overall

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1. Ibid.
  2. E. Rathbone: Milestones: Presidential Addresses at the Annual Council Meetings of the National Union of Societies for Equal Citizenship (1929), pp. 6-8. This was the view of many feminists. See Vera Brittain: Lady into Woman (1953), p. 7.
  3. E. Rathbone in Strachey, op. cit., p. 49.

aim of gaining economic justice for women;<sup>1</sup> for instance, in the 1930s much of her time was taken up with campaigning for the rights of coloured women in the British colonies, and she even asserted that the desire to help Indian women was one of the "principal motives" or even "the deciding factor" behind her entering Parliament in 1929.<sup>2</sup> Similarly, Mary Stocks looked on her campaigning for birth control and family allowances as part of a much wider effort on behalf of women; she "always regarded the two subjects as the positive and negative of voluntary parenthood".<sup>3</sup>

Feminists were not the only ones concerned with the economic rights of women, however. In the early 20th century State motherhood endowment became a favourite cause of many socialists, who argued that the capitalist industrial system had destroyed family life; since motherhood and child-rearing was so important to society, under socialism the State should assume greater responsibility in these areas. "People rear children for the State and the future", wrote H.G. Wells; "if they do that well, they do the whole world a service, and deserve payment just as much as if they built a bridge or raised a crop of wheat".<sup>4</sup> Wells saw State payment for motherhood as part of a general transformation of the family under socialism, with legal and economic

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1. Stocks, op. cit., pp. 115-8.

2. Ibid., p. 125.

3. Mary Stocks: My Commonplace Book (1970), p. 162.

4. H.G. Wells: Socialism and the Family (1906), pp. 57-8.

equality for women as an essential cornerstone.<sup>1</sup> Wells's fellow-Fabian Henry Harben demanded improved maternity services, the provision of pure milk and the payment of free, universal and non-contributory maternity pensions of 10s.0d. per week for eight weeks' confinement.<sup>2</sup> The socialist Dr. M.D. Eder went as far as to advocate a State system of creches and maternity wages, maintaining that by raising the status of women and encouraging earlier marriages, motherhood endowment would eliminate such evils as prostitution and its social obverse, enforced celibacy.<sup>3</sup> The most extreme language came from Sidney Webb, who advocated motherhood endowment for eugenic pro-natalist reasons. Lamenting the decline in the birth rate and the concomitant growth of differential fertility, Webb advocated the encouragement of motherhood in "the best members of the middle and upper artisan classes", instead of the existing situation in which "half, or perhaps two-thirds of all married people are regulating their families" yet at the same time children were being "freely born to the Irish, Roman Catholics and the Polish, Russian and German Jews on the one hand, and to the thriftless and irresponsible - largely the casual labourers and other denizens of the one-roomed tenements of our great cities - on the other".<sup>4</sup>

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1. Ibid., pp. 56-9. Wells also mentioned motherhood endowment in his satirical novel The New Machiavelli (1911), pp. 410-5.
  2. Henry Harben: The Endowment of Motherhood (1910), pp. 12-21.
  3. M.D. Eder: The Endowment of Motherhood (1908), pp. 11-12, 46-52.
  4. Sidney Webb: The Decline in the Birth Rate (1907), pp. 16-17, 19.



The form of motherhood endowment envisaged by such socialists was thus extremely paternalistic and sprang in large part from fears over declining national fitness, but other sections of the labour movement were showing a milder interest in the subject. In 1905 a conference on the State maintenance of children was organised by the T.U.C., the London Trades Council and the Social Democratic Federation, which passed a motion in support of Treasury- or rate-financed school meals,<sup>1</sup> and pressure from Labour M.P.s was an important factor behind the Liberal Government's introduction of the 1906 Education (Provision of Meals) Act which allowed local authorities to provide rate-financed school meals for needy children.<sup>2</sup>

From feminists came the cry of 'equal pay for equal work'; from socialists, the demand for a 'living wage'; and in addition to this there emerged in all advanced industrial societies in the late 19th and early 20th centuries a debate over whether wages should be 'industrial' (i.e. solely based on the individual's productivity) or 'social' (also related to family needs). On what basis should wages be calculated? Against a background of growing international economic rivalry and a resultant increasing concern over the industrial efficiency of the workforce, plus fears of rising socialism, economists were forced into the

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1. Hilary Land, *op. cit.*, pp. 158-9.
  2. J.R. Hay: The Origins of the Liberal Welfare Reforms of 1906-1914 (1975), pp. 43-4.

realisation that a wage that provided minimum human needs would result in higher per capita productivity and might also stifle political discontent. Perhaps the best example of this strand of thought can be seen in Seebohm Rowntree, employer and social scientist. Rowntree's interest in minimum human needs stemmed from his concern that a seriously underfed workforce was also a chronically inefficient one. "The relation of food to industrial efficiency", he wrote, "is so obvious and so direct as to be a commonplace amongst students of political economy"; what an employer got out of a workman depended on what he first got into him, and for Rowntree the significance of this had "now acquired an urgency that it is not easy to exaggerate in consequence of the stress and keenness of international competition.... the highest commercial success will be impossible so long as large numbers even of the most sober and industrious of the labouring class receive but three-fourths of the necessary amount of food".<sup>1</sup> Again, the living wage, argued the Polish economist Piotr Prengowski, was necessary in order to maintain good relations between employer and employee, and to keep the worker immune from "the revolutionary propaganda of the enemies of social order".<sup>2</sup> Gradually the industrial advantages of the living wage began

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1. Rowntree, op. cit., pp. 260-1.

2. Piotr Prengowski: Workers' Family Allowances (1931), p. 53.



to be more clearly perceived, and in the process it began to attract increasing attention from academic economists and others who attempted to construct elaborate theoretical justifications for it. An interesting expression of this was the 1891 Papal Encyclical 'De Rerum Novarum' which suggested that "the wage paid to the working man must be sufficient for the support of himself and of his family... if in the present state of society this is not always feasible, social justice demands that reforms be introduced without delay which will guarantee every adult working man just such a wage", and went on to praise existing industrial family allowance schemes in Europe.<sup>1</sup> In 1906 the American economist John A. Ryan published 'A Living Wage' in which he supported the idea of the family wage on grounds of abstract human rights and social justice. "The right to a family Living Wage", argued Ryan, "belongs to every adult male labourer, whether he intends to marry or not; for rights are to be interpreted according to the average conditions of human life, and these suppose the labourer to become the head of a family".<sup>2</sup> Thus the living wage should be based on the needs of a man, wife and the average number of children in a working class family (which Ryan put at 4.4) - 'needs' being defined with reference to "the conventional standard of life that prevails in any community or group".<sup>3</sup>

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1. Quoted in The Family Endowment Chronicle, July 1931; 1, p. 1.
  2. J.A. Ryan: A Living Wage (2nd ed., 1912, New York), p. 120.
  3. *Ibid.*, pp. 125-133. The living wage was also discussed less interestingly by Sidney and Beatrice Webb in Industrial Democracy (1919), pp. 590-9.

But it was just after the First World War and during the 1920s that the discussion of wages and family needs reached a peak in Britain. Essentially, the points of dispute were (a) whether wages should take account of family size, and (b) if so, what size of family should be assumed as average.

On the first point, there was much theoretical opposition from economists to any concept of need in wage-calculation. J.H. Richardson (though interested in family allowances for the low-paid) expressed the view held by many academic economists when he argued that "as a general rule, the adjustment of needs to income is preferable to the family allowance system of adjusting income to needs".<sup>1</sup> D.H. Macgregor argued that family allowances would increase the birth rate and thus exacerbate the wages problem they set out to solve: "it is one thing to relieve distress, another to adapt the wage system so as to create the conditions that require relief".<sup>2</sup> The most virulent criticism came from Alexander Gray, Professor of Economics at Aberdeen University, who maintained that not only were needs impossible to assess ("the needs of the loafer, by virtue of his leisure, may indeed exceed the needs of the worker") but that if needs were to be henceforth the basis of wage-regulation then soon

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1. J.H. Richardson: A Study on the Minimum Wage (1927), p. 15. For a similar view, see D.H. Robertson, "Family Endowment" (1924), in Economic Fragments (1931), p. 150.
  2. D.H. Macgregor: "Family Allowances", Economic Journal, 36, March 1926, pp. 4-5.

the rights of private property would be challenged ("once a society has embarked on this slippery slope, there is no logical stopping-place until the community is at the mercy of those who ask loudest and are most unrestrained in the satisfaction of their desires").<sup>1</sup>

But this opposition was more than counteracted by a growing support for the idea of the family wage such that in 1925 Eveline Burns could claim that "for those who have eyes to see, an exciting social revolution can be watched at the present time.... Economics is beginning to take account of the family as an institution".<sup>2</sup> A foreign observer noted that the discussion of family endowment in Britain in the early 1920s sprang from as many as five separate sources: apart from the newly-formed Family Endowment Society (examined at length in the following chapter) these were the State Bonus Plan, Beatrice Webb's equal wage and child endowment proposals, Seebohm Rowntree's interest in a minimum wage plus family allowances, and a continuing discussion of motherhood endowment within the T.U.C. and Labour Party.<sup>3</sup>

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1. Gray, op. cit., pp. 27, 32.

2. Eveline Burns: "The Economics of Family Endowment", Economica, 5, June 1925, p. 155.

3. Paul Douglas: "The British Discussion of Family Endowment", Journal of Social Forces, 3, November 1924, pp. 118-124.

The State Bonus Plan originated in 1918 when Dennis and Mabel Milner published their Scheme for a State Bonus, in which they argued that every man, woman and child regardless of income should receive a 'State bonus' of 5s.0d. per week which would be paid for out of a 20% levy on all earned and unearned incomes and would be analogous to the service separation allowances then in force.<sup>1</sup> The idea was to establish a basic guaranteed minimum that would be completely stigma-free, paid as of right, and would not be regarded as part of wages.<sup>2</sup> At a contribution rate of 20% of income, a family of five whose income was £2.10s.0d. per week would pay 10s.0d. a week into a fund and receive £2.5s.0d. back (at a bonus rate of 9s.0d. per person), making their final income £4.5s.0d.<sup>3</sup> Dennis Milner was the son of a Quaker manufacturer and had been educated at Bootham School in York (a background similar to Seebohm Rowntree's), and together with another Quaker, Bertram Pickard, the Milners founded the State Bonus League in 1918. The League soon developed twenty-four branches and Dennis Milner contested a seat at the 1918 General Election campaigning on the State Bonus issue. Over the next three years the League continued its activities, and in 1919 even persuaded the Labour Party (of which Milner was a member) to appoint a committee to consider

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1. E. Mabel and Dennis Milner: Scheme for a State Bonus (1918), pp. 4-12. This 5s.0d. was at pre-war prices.
  2. Bertram Pickard: A Reasonable Revolution (1919), pp. 14, 52.
  3. E. Mabel and Dennis Milner: Labour and a Minimum Income for All (1920), pp. 2-5.

the idea. But in 1921 the Labour Party Executive eventually rejected it, and the State Bonus League had to be disbanded through lack of support.<sup>1</sup>

Beatrice Webb's brief interest in family endowment occurred when she was appointed to a War Cabinet Committee on Women in Industry in 1918 which investigated, amongst other things, the question of women's wages. The Majority Report of the Committee rejected the idea of family endowment in wages,<sup>2</sup> but Beatrice Webb published her own Minority Report in which, while admitting that wages could not be determined by family obligations, she nevertheless supported the idea of "a children's allowance on the scale of the present separation allowance" financed out of taxation.<sup>3</sup>

Probably the most coherent advocacy of family endowment at this time (apart from the Family Endowment Society) came from Seebohm Rowntree. Rowntree's suggestion was that a distinction should be made between minimum wages and wages above the minimum; "the former should be determined primarily by human needs, the latter by the market value of the services rendered".<sup>4</sup> After a calculation of the cost of minimum human needs Rowntree arrived at a figure of 35s.3d. (at 1914 prices) as a minimum income for a man, wife and three children.<sup>5</sup> However, although 46.4% of men investigated by Rowntree in

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1. Douglas, op. cit., pp. 120-1. Report of the Annual Conference of the Labour Party for 1920, pp. 185-6, and ibid. for 1921, pp. 60-62.
  2. Report of the War Cabinet Committee on Women in Industry, 1919, Cmd. 135, pp. 177-9.
  3. Ibid., pp. 285-7, 305-7.
  4. B.S. Rowntree: The Human Needs of Labour (1918), p. 15.
  5. Ibid., pp. 126-9.

York had three or more dependent children (thus justifying the three-child minimum wage), 62.0% of the children belonged to families having four or more dependent children; such a minimum wage would thus leave nearly two-thirds of the children unprovided for. The only solution was a three-child minimum wage plus a system of family allowances, which Rowntree suggested should be 3s.0d. per week.<sup>1</sup>

Finally, family endowment was still being discussed within the labour movement. In February 1920 several Labour M.P.s (led by Tyson Wilson, and including Arthur Henderson, John Jones and J.H. Thomas) attempted to introduce a Women's Pensions Bill in the House of Commons, without success.<sup>2</sup> The Bill would have provided pensions for women with one or more children who had been widowed, deserted, or who had an invalid husband, at a rate of 36s.8d. per week for a mother and one dependent child, rising to 50s.2d. for a mother and three dependent children, with 6s.0d. per week for each subsequent child.<sup>3</sup> Labour M.P.s continued to press for a Government Committee on Mothers' Pensions,<sup>4</sup> and in June 1921 Tyson Wilson and his group again attempted to introduce a Bill, without success.<sup>5</sup> Meanwhile, the National Conference of Labour Women, meeting at Manchester in April 1921, passed a resolution calling on the Government to introduce a Mothers'

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1. Ibid., pp. 34-41, 141-2.

2. Hansard, Vol. 125, 13/2/20, Col. 388, and ibid., 20/2/20, Col. 1233.

3. Women's Pensions Bill, Parliamentary Papers, 1920, v, 709.

4. Hansard, Vol. 130, 23/6/20, Col. 2172, and ibid., Vol. 131, 29/6/20, Col. 261.

5. Ibid., Vol. 142, 2/6/21, Col. 1250, and ibid., 9/6/21, Col. 2221. Though listed in Parliamentary Papers, 1921, iv, 65, the Bill was never printed.



Pensions Bill and requesting the Labour Party to set up a committee to investigate the general question of motherhood and child endowment,<sup>1</sup> and at the main Labour Party Conference in June 1921 a resolution was passed that called for mothers' pensions on the lines of the 1920 Bill and maternity payments for twelve weeks' confinement.<sup>2</sup> In September 1921 the Labour Party Executive appointed the Committee, and the following year they published their Report, which was intended to provide a basis for discussion. The Report recognised that wages were often inadequate for family needs, and included a brief survey of foreign family allowance systems, but came out in favour of extensions of services in kind (e.g. universal free education from nursery school to university, universal free health services, better maternity care, etc.) as having greater priority over cash allowances.<sup>3</sup> At the 1923 Conference of Labour Women, the Report was debated: Mary Stocks attempted to introduce a motion in favour of endowment in cash rather than in kind, but it was defeated by 206 votes to 49.<sup>4</sup> Nevertheless, interest in family allowances remained strong in the Labour Party, even though the leadership was by-and-large opposed.<sup>5</sup>

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1. Labour Party: Report on Motherhood and Child Endowment (1922), p. 3.
  2. Report of the Annual Conference of the Labour Party for 1921, p. 210
  3. Report on Motherhood and Child Endowment, pp. 5, 10-16.
  4. Douglas, op. cit., pp. 123-4.
  5. According to Mary Stocks, the vote went against cash allowances "at the instance of the Party bureaucracy". Stocks, op. cit., (1949), p. 101.



However, one difficult problem encountered by all who supported the principle of the family wage was the question of exactly what constituted the 'average family'.<sup>1</sup> Generally, this was assumed to consist of man, wife and three children, but critics of the family wage principle were quick to point out that only 9% of married workers had the supposedly 'average' family of three dependent children; 42% had none, 23% had one, 16% had two and 10% had more than three.<sup>2</sup> Thus a three-child minimum wage would be on the one hand wasteful, since it would provide more than was needed by the 81% of married workers who had fewer than three children (plus the single workers, who constituted 26.5% of the workforce),<sup>3</sup> and on the other hand would be insufficient for the needs of the 10% with more than three. This former point gave rise to moralistic warnings that single and small-family men would fritter away the surplus income on drink, gambling, cigarettes, etc.,<sup>4</sup> while the latter point Rowntree attempted to overcome by recommending that the three-child minimum wage be supplemented by family allowances starting with the fourth child.

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1. In the 1920s there were a number of studies into family dependence. See, for example, B.S. Rowntree and F.D. Stuart: The Responsibility of Women Workers for Dependants (1921), and H. Peat: "Economic Welfare and Family Responsibility", Economica, 6, November 1926, pp. 269-284.
  2. Figures from Paul Douglas: Wages and the Family (Chicago, 1925), p. 32. (Figures from 1921 Census).
  3. Ibid.
  4. Some even made this point about the existing wage system. See Mrs. H.A.L. Fisher: "Family Allowances", Quarterly Review, 480, July 1924, pp. 76-7.

But a more serious criticism made against the three-child wage was its cost. The economist A.L. Bowley calculated that to raise all adult male wages before the First World War up to the Rowntree 'Human Needs' level of 35s.3d. per week and women's wages to 20s.0d. per week would have cost about £250 million - but raising this sum would have involved the nationalisation of all unearned income except that belonging to persons with less than £160 per annum all told, and reducing all other sources of income from salaries, profits, earnings, etc., down to £160 per head per annum.<sup>1</sup> Similarly, Sir Josiah Stamp calculated in 1921 that if all persons with incomes over £250 per annum pooled the excess over that amount and redistributed it (after deductions for public expenditure) the resulting sum would provide less than 5s.0d. per week per family.<sup>2</sup> Such figures seemed to provide reassuring proof to opponents of the family wage that the concept was pure economic moonshine.

This, then, was the situation at the beginning of the movement for family allowances in Britain. The principle of family endowment was an old one, and had twice

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1. A.L. Bowley: The Division of the Product of Industry (1919), pp. 18-20.
  2. Sir Josiah Stamp: Wealth and Taxable Capacity (1921) pp. 95-7.

been recently acknowledged by the Government, in child tax rebates and service separation allowances. On the other hand, classical economic thinking strongly opposed any concept of family need in wages, and held up the apparently disastrous Speenhamland policy as an example. However, by the beginning of the 20th century concern over the industrial efficiency of the workforce had reopened the question of the 'living', 'social' or 'family' wage. This was the intellectual climate in which Eleanor Rathbone formed her Family Endowment Society and began the campaign.

CHAPTER TWO: ELEANOR RATHBONE AND THE FAMILY ENDOWMENT  
SOCIETY.

The Rathbones were a prominent Liverpool family who had built up a large importing and shipping business by the beginning of the 19th century and wielded correspondingly great social and political power in Liverpool society. It was exactly the same background as had produced the pioneer social investigator Charles Booth, and like Booth the Rathbones' Nonconformism imposed on them a religious obligation to take an active interest in philanthropy - so much so that it seems they even regarded business activity as primarily a means to an end, as a way of financing their charitable work.<sup>1</sup> William Rathbone VI, Eleanor's father, displayed all those contradictory motives that characterised his fellow Nonconformist merchants:<sup>2</sup> a frugal and abstemious man (and well liked), he apparently pursued wealth solely for the power and social status enjoyed by rich men,<sup>3</sup> yet was continually afraid that excessive wealth would cause "too much danger of enervation to a man's self and still more to his children".<sup>4</sup> Always acutely conscious of the duties of the rich, throughout his life he gave away a proportion of his income to charity, this proportion rising as his income rose.<sup>5</sup> This insistence on self-imposed ethical

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1. Sheila Marriner: Rathbones of Liverpool, 1845-73 (1961), p. 3.
  2. A man "in whom a sensitive social conscience and the compulsions of Christian obligation were in some degree frustrated by the class assumptions of his age" was David Owen's comment. Owen: English Philanthropy(Cambridge, Mass., 1965), p. 456.
  3. Eleanor Rathbone: William Rathbone, a Memoir (1905), p. 113.
  4. *Ibid.*, p. 114.
  5. Marriner, *op. cit.*, p. 4.



standards often posed the Rathbones with serious moral dilemmas in their everyday affairs in the brutally competitive Liverpool shipping business - as in their quandary over whether to participate in the Chinese opium trade of the 1850s - but despite these uncertainties the family had amassed enough of a fortune by the late 19th century to let the business run down, leaving them free to pursue public activities.<sup>1</sup>

In William Rathbone's case this was philanthropy, and his work in Liverpool provides a fascinating microcosmic view of the growth of charity organisation outside London. Indeed, along with Thomas Chalmers in Glasgow in the 1820s, William Rathbone was one of the great British pioneers of charity organisation and social casework.<sup>2</sup> Rapid commercial expansion in Liverpool in the first half of the 19th century had brought with it all the attendant problems of overcrowding, disease and poverty - all accentuated by the city's dependence on its docks, and hence on a large army of casual labourers, many of them rootless immigrants.<sup>3</sup> By the 1860s there were growing fears amongst the wealthy merchant community that pauperism was getting out of control and expanding faster than existing charities were able to cope;

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1. Ibid., p. 131.

2. A.F. Young and E.T. Ashton: British Social Work in the Nineteenth Century (1956), pp. 67-80, 95.

3. Owen, op. cit., p. 454. Margaret Simey: Charitable Effort in Liverpool in the Nineteenth Century (1951), pp. 8-12.

a prominent charity journal warned in 1869 that "pauperism is literally flooding us. It is growing much faster than our growth; strengthening out of all proportion to our strength. Fast as our population increases, the increase of our pauperism is far quicker. It may almost be said that every man earning a living in this town has now a pauper on his back".<sup>1</sup> In the eyes of the merchant class the causes of this new urban danger lay partly in the failure of the Poor Law to stick to the principle of less eligibility, with its strict Benthamite distinction between poverty and indigence, and partly in the chaotic and indiscriminate way that existing charities handed out relief to all who applied. William Rathbone deplored this wastefulness which he saw as demoralising both the giver of charity (the raising of money being dependent on "fancy balls and bazaars")<sup>2</sup> and the receiver (who, it seemed, was turned into a scrounging idler). He visited the German town of Elberfeld in 1869 and was very impressed with its use of citizen committees to administer relief in accordance with defined rules;<sup>3</sup> the system appealed to his conviction (already voiced in books and pamphlets) that business methods could be used to solve social problems via rational and scientific conclusions, and he persuaded the Committee of the Liverpool Central Relief Society to adopt a similar approach.<sup>4</sup> Thereafter, his commitment to the aims

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1. Quoted in Simey, *op. cit.*, p. 81.
  2. *Ibid.*, p. 82.
  3. Young and Ashton, *op. cit.*, p. 79.
  4. Rathbone, *op. cit.*, chapter 10.



and methods of the newly-founded Charity Organisation Society greatly increased, and it was in this social and intellectual background that Eleanor grew up.

The ideology of the Charity Organisation Society was complex, and has been closely examined by several writers.<sup>1</sup> Although the subtleties of the Society's attitudes are well outside the scope of this study, two strands of C.O.S. thought need to be mentioned briefly. On the one hand there was the class-orientated, harshly individualistic analysis of poverty which saw it as a product of the individual's own moral failure and thus opposed all moves towards State intervention into social problems. This intense fear of a pauperised army of indolents roaming the streets haunted C.O.S. thinking,<sup>2</sup> and gave rise to a highly emotional and moralistic attitude towards the poor. Thus in its assessment of whether applicants for charity were 'deserving' or not strict moral tests were used; for example, if a destitute old person applied for relief the first consideration was to be: "Have they wasted their earnings in drink or gambling, or led vicious lives? If so, they may be fairly said to have chosen their own lot, and they belong to a type which we do not wish to encourage by giving them special assistance to avert the consequences of their own

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1. Owen, op. cit., pp. 215-246, Young and Ashton, op. cit., pp. 92-125, C.L. Mowat: The Charity Organisation Society, 1869-1913 (1961), M. Roof: A Hundred Years of Family Welfare (1972), K. Woodroffe: From Charity to Social Work (1962), pp. 25-55.
  2. "Throughout its history, the Charity Organisation Society carried the scars of the panic that led to its creation, and it could never shake off an almost pathological fear that pauperism might get out of control", commented David Owen, op. cit., p. 222.

misdeeds".<sup>1</sup> Similarly, the Society opposed free school meals on the grounds that these would weaken parental responsibility.<sup>2</sup>

Yet on the other hand, alongside this highly emotional fear of pauperism the ideology of the C.O.S. contained a firm conviction that social problems needed far more dispassionate and 'scientific' investigation than had been the case in the past; indeed, arguably the only positive legacy left by the C.O.S. was its pioneering work in social casework techniques.<sup>3</sup> Precise investigation of social problems was thought to be part of the process of bridge-building between classes; the rich should involve themselves actively in the administration of charity rather than merely salving their consciences with an easy donation, for in this way they would learn to view the poor "primarily as husbands, wives, sons and daughters, members of households as we ourselves, instead of contemplating them as a separate class", as Octavia Hill put it.<sup>4</sup> This belief in scientific social casework, carefully-administered relief and intimate investigation of working class problems thus ran alongside (and indeed, was a natural corollary of) a deep-seated fear of the

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1. Helen Bosanquet: The Strength of the People (2nd ed., 1903), p. 258.
  2. Mowat, op. cit., pp. 74-5.
  3. Owen, op. cit., p. 236.
  4. E. Moberly Bell: Octavia Hill (1942), p. 108.

potential power of the urban poor, a fear that expressed itself in decidedly unscientific outbursts of moralism.

These two strands of C.O.S. thinking were always to be found in Eleanor Rathbone. "Of all his children she was the most obvious inheritor of her father's qualities", Margaret Simey has noted,<sup>1</sup> and certainly Eleanor was the offspring who carried the Rathbone tradition on into the 20th century. Born in 1872, she grew up when the influence of the C.O.S. was at its zenith, and died just as the Beveridge proposals were coming onto the statute book: her life thus spanned the formative years of the Welfare State and the greatest period of women's emancipation. Significantly, the changes in her attitude towards poverty and social problems mirrored almost identically the general changes of attitude in the British political mainstream in the years 1872-1946.

At Oxford (1893-6) her fondness for metaphysics and philosophical problems became tempered by the influence of Edward Caird and D.G. Ritchie, two teachers who were disciples of the T.H. Green 'Idealist' school of philosophy that preached the individual's Christian duty to social reform and had such a powerful influence in the years 1880-1914 on Oxford undergraduates who later entered many

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1. Simey, *op. cit.*, p. 133. The Eleanor Rathbone Papers contain little of interest before the 1920s, and therefore this section has to rely on published sources.

branches of public life.<sup>1</sup> The strong pull of her background meant that after graduation she returned to Liverpool to immerse herself in various aspects of charity organisation and voluntary work. In addition to C.O.S. casework as a visitor for the Liverpool Central Relief Society she also served on the board of Granby Street Council School and as Honorary Secretary of the Liverpool Women's Industrial Council.<sup>2</sup> Thus began the first phase of her public life, in which an involvement in local politics taught her many important lessons for the future.

During this period she appears to have accepted the rigid principles of the C.O.S. quite readily; possibly its grim intellectual certainty appealed to the system-building philosopher in her. In 1896, for example, she wrote to her father complaining that the Liverpool Central Relief Society was not keeping up to strict London C.O.S. standards: the proper business of charity visitors, she maintained, ought to be "not so much to relieve as to prevent the poor from needing relief, and when relief is given to let it be in such a form as may, if possible, help them into a position of self-support"; thus no relief should be given for such regular events as "the wife's annual confinement", for thus "the fear of being

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1. Mary Stocks: Eleanor Rathbone (1949), p. 40.  
T.S. Simey: Social Purpose and Social Science  
(Eleanor Rathbone Memorial Lecture, 1964), pp. 8-9.
  2. Stocks, op. cit., p. 50.

driven into the workhouse, which is the only inducement likely to drive the average labourer to save, is removed from him".<sup>1</sup>

Gradually her attitudes changed, though. By the time she published How the Casual Labourer Lives (1909) and The Condition of Widows Under the Poor Law in Liverpool (1913) her views had softened. The years of practical contact with the day-to-day realities of working class poverty plus the influence of the new trend of thought based on empirical social investigation had left their mark on her, and although the upper-middle class moralising remained it was increasingly tempered with genuine sympathy. Thus while on the one hand she could look on Poor Law widows who were bad mothers as "the grossly negligent and slatternly, as well as the chronic drinkers and loose livers", suggesting that their out-relief be stopped and their children confiscated from them,<sup>2</sup> on the other hand she could also see that "it is hard for a woman to be an efficient housewife and parent while she is living under conditions of extreme poverty..... The astonishing thing to us is not that so many women fail to grapple with the problem successfully but that any succeed", and recognise that since they suffered from a "completely blameless misfortune" widows should be removed from a Poor Law based on the principle of deterrence.<sup>3</sup> Similarly, in her analysis of separation allowances she could

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1. Ibid., p. 51.

2. E. Rathbone: Report on the Condition of Widows Under the Poor Law in Liverpool (1913), p. 24.

3. Ibid., pp. 29-30.

maintain that the prime reason for her concern was "the sapping of public morality" brought about by their inefficient administration,<sup>1</sup> yet four years earlier her analysis of the economic problems of seamen's wives displays very little moral hysteria, and after sympathising with their difficulties places the blame not on individual failings but firmly at the door of the Merchant Shipping Act.<sup>2</sup>

Certainly, Eleanor Rathbone was capable of the kind of empirical approach to social problems pioneered by Charles Booth - though this approach was undoubtedly not as free from middle class moralising as has sometimes been assumed.<sup>3</sup> Her enquiry into dock labour in Liverpool, for example, was a pioneer of its kind, and anticipated Beveridge's famous analysis of unemployment by several years (Beveridge acknowledging his debt to it<sup>4</sup>). In a masterfully few pages she outlines the main problems of casual dock labour, inevitably concluding that "it is by the wives and children that the hardship of irregular earnings are felt most keenly. Low earnings are of course an evil in themselves, but quite apart from the amount the mere irregularity exercises a most demoralising influence on the family life and habits".<sup>5</sup>

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1. E. Rathbone: The Muddle of Separation Allowances (1915), p. 14.
  2. E. Rathbone and E. Mahler: Payment of Seamen (1911)
  3. J. Brown: "Charles Booth and Labour Colonies", Economic History Review, 21, August 1968, pp. 349-360, and "Social Judgements and Social Policy", *ibid.*, 24, February 1971, pp. 106-113.
  4. W.H. Beveridge: Unemployment, a Problem of Industry (2nd ed., 1910), pp. 95-6, 108.
  5. E. Rathbone: Report of an Inquiry into the Conditions of Dock Labour at the Liverpool Docks (1904), p. 43.



Eleanor Rathbone, in fact, remains something of an enigma to the historian. Her twin inheritance of "a long tradition of public service and a considerable fortune"<sup>1</sup> gave her the financial and intellectual independence to take up any cause she wished, and she was thus uniquely placed to apply herself dispassionately to social problems. Yet she never quite lost her upper-middle class values, despite efforts to the contrary. An immensely down-to-earth and practical woman, she steadfastly refused to commit herself to any political party and throughout her Parliamentary career (1929-46) remained an Independent M.P. for the rather anachronistic Combined English Universities seat.<sup>2</sup> The causes she espoused were many and varied, bringing her into a wide range of political company: when first developing the idea of family allowances she worked with the socialist H.N. Brailsford, yet when campaigning to stamp out female circumcision in the British Empire her companion was the arch-conservative Duchess of Atholl.<sup>3</sup> One of her closest friends described the source of her personal motivation as a "personal awareness of individual human distress and a desire to relieve it..... whether it occurred in the back-streets of Everton, the ghettos of Warsaw or the villages of the Punjab",<sup>4</sup> and in that respect she was cast firmly in the mould of the upper-middle class

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1. Barbara Wootton: Remuneration in a Welfare State (E. Rathbone Memorial Lecture, 1961), p. 1.
  2. "The one good argument for university representation" was how Hugh Gaitskell saw the situation. Gaitskell: Population Trends and Social Policies (E. Rathbone Memorial Lecture, 1954), p. 3.
  3. Stocks, op. cit., pp. 200-2.
  4. Mary Stocks: The Philanthropist in a Changing World (E. Rathbone Memorial Lecture, 1952), p. 11.



evangelical social reformer; yet her practical experience of working class family problems usually made her avoid the hypocritical attitudes often displayed by that species. Because of these contradictions, many would-be opponents found her hard to fathom; trade unionists, for example, were for a long time suspicious of possible hidden motives in - as her biographer put it - "a woman of the privileged classes who owed no party allegiance and professed views which were in some respects surprisingly revolutionary, and in others uncompromisingly critical of the motives and methods of left-wing bureaucracy".<sup>1</sup>

Thus besides family endowment and the rights of women, the causes she espoused included Spanish Civil War and Czechoslovakian refugees, coloured women in the colonies, child poverty and malnutrition, stopping persecution of Jews, housing and anti-Nazism.<sup>2</sup> Indeed, these campaigns received far more of her attention during her Parliamentary career than did family allowances.<sup>3</sup>

Undoubtedly, however, there ran through her thinking an underlying conservatism which surfaced from time to time in some of the causes she espoused. This was particularly true of her involvement with India, when what one writer has

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1. Stocks: Eleanor Rathbone (1949), p. 96. The ambiguity of her political attitudes may explain why "in Parliament Eleanor was admired and respected but never popular". Pamela Brooks: Women at Westminster (1967), p. 159.
  2. On the Jewish question, for example, see Rathbone: Falsehoods and Facts About the Jews (1945) and Rescue the Perishing (1943).
  3. Evidence for this can be seen in a digest of speeches and questions by her in the Commons, contained in Eleanor Rathbone Papers, XIV, 3. 5.

called "her characteristic bull-in-a-china-shop indignation"<sup>1</sup> revealed a complete lack of understanding and sympathy for Indian nationalism. In 1927 she read Katherine Mayo's book Mother India and was immediately horrified by its lurid descriptions of child marriage, suttee, purdah, sexual taboos against women and the wastage of life through infant and maternal mortality. Ignoring the fact that Mayo's book was a piece of pro-imperialist propaganda, she began a series of meetings to discuss the problem of Indian women which were clumsily-organised and which engendered much suspicion in Indian nationalist circles.<sup>2</sup> A rapid six-week tour of India followed in 1932, and this slender experience (plus some reading of official reports) formed the basis of her campaign, during the negotiations leading up to the 1935 Government of India Act, to secure separate representation for women in the new legislature. The letters sent home during this tour display her lack of sympathy with the real issues of Indian nationalism and the bitterness felt by Indians: to her, Congress was "the most unscrupulous and relentless enemy-propagandist body in the world", and the women who supported it were "completely illogical" in their arguments.<sup>3</sup> She was thus very apprehensive of any transfer of power that would mean placing the fate of 170 million

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1. Vera Brittain: Lady Into Woman (1953), p. 5.
  2. Stocks: Eleanor Rathbone (1949), pp. 134-40.
  3. Circular letter, 23/2/32. Eleanor Rathbone Papers XIV. 1. 6-13.

Indian women in the hands of these "largely untried rulers".<sup>1</sup> It never occurred to her to question Britain's imperial role in India: her attitude was that "so long as imperialism is an inescapable fact, its responsibilities are also an inescapable fact and these, for the women of this country, include the welfare of all those women in India and the East whose wrongs, as compared to the worst wrongs of our past, are as scorpions to whips".<sup>2</sup> Much the same approach governed her campaign against female circumcision in Kenya.<sup>3</sup>

This brief account of Eleanor Rathbone's social background and political attitudes, with all their contradictions, must be borne in mind when considering the development of her interest in family allowances. Why did a wealthy upper-middle class woman steeped in C.O.S. philosophy eventually campaign for a cause that proposed a drastic reorganisation of the wage-structure and was (initially at any rate) supported by many left-wing intellectuals?

The starting-point was undoubtedly her interest in feminism. The demand of 'equal pay for equal work', an important feminist cause, was usually met by the argument that men should be paid more than women because they had wives and children to keep. But if this was so, should not

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1. E. Rathbone: Child Marriage, the Indian Minotaur (1934), p. 14.
  2. Quoted in Stocks, op. cit., p. 127.
  3. Eleanor Rathbone Papers XIV. 2. 1.

men with large families logically be paid more than men with small ones - and should bachelors receive the same wage as fathers with nine children? Eleanor Rathbone's mind was working on this question when she published a pamphlet in 1911 in which, she said much later, the idea of family endowment was "hinted shyly at".<sup>1</sup> In fact, far from being shy, the language is strongly feminist and uncompromising: observing that in the present wage structure "economic and social forces have worked out a solution satisfactory alike to masculine sentiment and to masculine love of power" she insists that "the community must provide somehow for the rearing of fresh generations. Hitherto it has provided for it indirectly and only half consciously by paying through the employer of the adult male worker (who is assumed to be normally a husband and father) enough to cover the prime cost of the maintenance of his own family".<sup>2</sup> The seeds of her future arguments are all there - in particular the crucial point that the existing wage structure treats all men as 'hypothetical fathers' - but they remain undeveloped.

Gradually, she began to examine the whole problem of the economics of motherhood. She saw that the wives of both dock labourers<sup>3</sup> and seamen<sup>4</sup> suffered greatly from the way that their husbands were paid, and that no amount of

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1. Speech for Family Allowances Reception, 13/11/45. Eleanor Rathbone Papers XIV. 3. 82.
  2. E. Rathbone: Disagreeable Truths About the Conciliation Bill (1911), p. 10.
  3. Rathbone, op. cit., (1904).
  4. Rathbone and Mahler, op. cit., (1911).

moral exhortation could change this. She investigated the circumstances of Poor Law widows and their children in Liverpool, and was amazed that they had to live on so little in such desperate circumstances: "it may be said that thousands of non-pauper families of Liverpool live under no better conditions", she wrote, and hinting at her future ideas added, "true, but the community has not assumed direct responsibility for the welfare of these families, as it has done for those of the widows".<sup>1</sup> By 1917 her thoughts on women's wages were almost settled. Now she rejected the feminist slogan of 'equal pay for equal work' because the real problem was varying family needs, and paying women the same would do nothing to alter a wage system that gave bachelors and fathers of one child the same wage that was paid to the father of fourteen children.<sup>2</sup> The rearing of future generations was of vital importance to the State, yet the State did nothing to improve the lot of the average housewife, who would still be dependent for money on the whim of her husband since "whether he expends the wages so received upon his family or upon his own 'menus plaisirs' depends, of course, entirely upon his goodwill, since the State, though it recognises in theory the rights of wife and children to maintenance, does practically nothing to enforce it".<sup>3</sup>

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1. Rathbone, op. cit. (1913), p. 17.
  2. E. Rathbone: "The Remuneration of Women's Services", Economic Journal, 27, March 1917, pp. 64-5.
  3. Ibid., p. 61.

This feminist strain of thought sometimes gave rise in her writing to moralistic outbursts against bachelors, accusing them of being financially irresponsible. Because of this, at least one writer has taken the view that family allowances "accorded with the middle class view that working class fathers were thriftless characters too much given to beer and tobacco".<sup>1</sup> Certainly, an important element in her argument was that bachelors were paid too much in relation to family men, and in emphasising this she often lapsed into C.O.S. language. But she did temper this with an understanding of human nature, observing that "the demoralising feature about our present system is not that it gives young men a considerable surplus above the minimum necessary for the satisfaction of primary physical needs, but that they come into the enjoyment of that surplus at a time when their habits and standards have already been formed, amid the wrong environment and at a low level".<sup>2</sup> If a proper family wage was paid, nobody would grudge bachelors and spinsters this extra, she maintained.<sup>3</sup> Essentially what she objected to was, she claimed, the unequal distribution of much of the existing economic system: housing subsidies, for example, failed to concentrate on those in greatest need and through

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1. L.C.B. Seaman: Post-Victorian Britain, 1902-1951 (1966), p. 442. In fact, as a heavy smoker herself Eleanor Rathbone rarely mentioned tobacco as a wasteful expense.
  2. E. Rathbone: The Disinherited Family (1924), pp. 45-6.
  3. *Ibid.*, p. 36.



inefficiency of administration were allowed "to slip into the hands of people well able to look after themselves and clamorous in pressing their claims".<sup>1</sup>

Besides feminism, the second reason for her interest in family allowances was the years of practical experience in observing the harsh realities of working class poverty in her social work in Liverpool. It was this that changed the brash social worker of 25 who liked the C.O.S. because it made 'respectable citizens'<sup>2</sup> out of the poor, and the mature woman of 52 who realised that "most well-to-do parents indeed would be aghast at the idea of a cherished daughter running such a risk as is undertaken by nearly every working woman who marries within her own class".<sup>3</sup>

Finally, the experience of helping to administer separation allowances in the First World War set the seal on her ideas. Just at the time when she was ruminating on payment for motherhood there was instituted this highly-organised State family allowance system. In her S.S.F.A. charity work amongst the wives and children of Liverpool servicemen she met a far wider section of the working class than with the Central Relief Society (thereby seeing the magnitude of the problem of family poverty), saw that often these allowances were the only thing preventing such families

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1. E. Rathbone: The Use and Abuse of Housing Subsidies (1931), p. 8.

2. Stocks, op. cit., p. 56.

3. E. Rathbone: The Disinherited Family (1924), p. 249.



from starvation, and witnessed their beneficial effect on child health. She also had to investigate cases where Liverpool servicemen had deserted their wives or brought charges against them, and this led her to the inescapable conclusion that "as for the actively unhappy marriages, it is probably safe to say that in the large majority the rift has begun in quarrels about money, in the husband's inability to earn, or refusal to give, enough for the support of the home".<sup>1</sup>

By 1924 her thoughts on family endowment had crystallised, and in that year she published her magnum opus, The Disinherited Family. It is a remarkable book, in which she combined ruthlessly logical argument, practical experience, sympathy for working class women and a sardonic feminist wit into one devastating attack on male-dominated economic theory. It starts from the fact that although much has been written about the family, nowhere is the importance of the family as an economic unit considered.<sup>2</sup> Although "the whole business of begetting, bearing and rearing children is the most essential of all the nation's business",<sup>3</sup> generations of male economists have refused to recognise this; indeed, "if the population of Great Britain consisted entirely of adult self-propagating bachelors and spinsters, nearly the whole output of writers on economic theory during the past fifty years might remain as it was

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1. Ibid., p. 253.

2. Ibid., pp. vii-viii.

3. Ibid., p. ix.

written".<sup>1</sup> Their most recent creation, the living wage concept, is a fallacy, since to base such a minimum on the supposedly 'average' family of two adults and three children would be both wasteful (in that it would make provision for 3 million phantom wives and over 16 million phantom children, in the families containing fewer than three children and in the case of bachelors), yet at the same time insufficient (because in families containing more than three children, over 1½ million would still remain unprovided for).<sup>2</sup> To talk of 'low wages' or 'large families' as being causes of poverty (as Rowntree had done in his York survey) is to miss the blindingly obvious point that "by far the greatest cause of poverty is the failure of the wage system to adapt itself to the needs of the variously sized households actually dependent on the wage-earner".<sup>3</sup>

It is when she goes on to describe the effects of the existing wage-system on family and home life that she shows greatest sympathy for working class mothers. Even a married couple who were models of thrift and abstinence would be "not a match for the laws of arithmetic" if their family size increased while their income did not.<sup>4</sup> In addition to this wellnigh impossible task of running a household whose needs leapt ahead of income (likened to "making bricks without straw")<sup>5</sup> the wife must live in a state of legal

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1. Ibid., p. 13.
  2. Ibid., p. 20.
  3. Ibid., p. 27.
  4. Ibid., p. 56.
  5. Ibid., p. 88.

and social disadvantage - yet at the same time accept hypocritical praise for her role in society ("popular sentiment places her little lower than the angels, the law a little higher than a serf").<sup>1</sup>

The second part of the book gives a comprehensive survey of foreign family allowance systems, and considers possible schemes for Britain. Rejecting fears over the possible adverse effect of family allowances on the birth rate, parental responsibility, wage levels and industrial costs, she investigates the unconscious irrational opposition that such a family-orientated measure is likely to arouse, naming it the 'Turk complex'. This, she believes, is the real underlying force behind male opposition - stemming from the man's psychological need to dominate and possess, and his refusal to recognise his wife and children as separate personalities with rights equivalent to his own. Thus opponents of family allowances may pretend to put forward reasoned arguments, but when examined none of these stand up, and ultimately the task of family allowance supporters must be the very difficult one of overcoming the irrational prejudices of this 'Turk complex' that permeates politics, the civil service, the professions, the trade unions - indeed all walks of public life.<sup>2</sup>

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1. Ibid., p. 68.

2. Ibid., pp. 256-7, 268-274.

The most striking feature of The Disinherited Family is thus its iconoclastic challenge to existing economic theory, and its attempt to re-direct economic thinking towards the needs of the family. Accordingly, no one particular scheme of family endowment is suggested: a State-financed system of cash family allowances would be best, but one run by private industry might be easier to achieve in the short term.<sup>1</sup> Essentially, the book is a plea that the principle of family endowment be applied wherever possible in social and economic policy.

This was to be Eleanor Rathbone's aim throughout the movement for family allowances, and was the policy of the pressure group formed by her. Having examined Eleanor Rathbone's background, motivation and growth of interest in family allowances, we must now examine the composition, aims and methods of the Family Endowment Society.

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1. Ibid., pp. 312-4.

The Family Endowment Society<sup>1</sup> originated in a small committee assembled by Eleanor Rathbone in October 1917 to discuss possible schemes of family allowances. Clearly, she wanted to share with some sympathetic companions the vague ideas expressed in her article in the Economic Journal of March 1917, and shape them into a coherent plan. Not surprisingly, therefore, the composition of this 'Family Endowment Committee' had strong leanings towards feminism and socialism: apart from Eleanor Rathbone herself, three of the members (Kathleen Courtney, A. Maude Royden and Mary Stocks) had connections with the N.U.W.S.S., one (H.N. Brailsford, the author and journalist) was a prominent member of the Independent Labour Party, and the remaining two (Emile and Elinor Burns) were "both good feminists, socialists and students of economics".<sup>2</sup> The Committee began by examining the popular feminist slogan of 'equal pay for equal work' - at that time attracting much attention through the entry of so many women into previously all-male jobs during the War. Rejecting this slogan as irrelevant and misleading, they maintained that family endowment would achieve equality of wages anyway, since men would no longer have the excuse that they need higher wages because they had families to keep.<sup>3</sup> The heart

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1. A Family Endowment Society existed as far back as 1836, when an insurance scheme under that name was set up to cover the cost of bringing up children. Family Endowment Society: Observations Explanatory of the Principles and Practical Results of the System of Assurances Proposed by the Family Endowment Society (1836)

2. Stocks, op. cit., p. 84.

3. K.D. Courtney, et al.: Equal Pay and the Family (1918), p. 18

of the problem was a wage system that took no account of family needs, and by a majority they came out in favour of a national family allowance system providing 12s.6d. per week for mothers, 5s.0d. per week for the first child and 3s.6d. per week for each subsequent child, to cover children of at least up to the age of 5 and preferably up to 14.<sup>1</sup> The language of the Committee's report reflected its political complexion: along with a visionary utopianism<sup>2</sup> there was a strong element of State paternalism, with allowances being payable to the mother only on condition that she "obtained at regular intervals from any registered infant welfare centre, nursery school, or qualified visiting officer a certificate that the general condition of her children was satisfactory".<sup>3</sup>

The Committee thereafter gradually built up publicity for its cause (Brailsford developing it into his 'Living Wage' policy within the I.L.P.). They gave evidence to the 1918 War Cabinet Committee on Women in Industry,<sup>4</sup> began collecting information on the subject and in 1924 expanded into a fully-fledged society. From the beginning the Family Endowment Society's aims were kept deliberately vague - "to collect and disseminate information, to promote

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1. Ibid., pp. 35-41. The cost would have been about £240 million.
  2. "We thought we were originals, building castles in the air", Eleanor Rathbone later recalled. Speech for Family Allowances Reception, 13/11/45, Eleanor Rathbone Papers, XIV. 3. 82.
  3. Courtney, op. cit., p. 48.
  4. Report of the Committee on Women in Industry. Appendices, Summaries of Evidence, etc., 1919. Cmd. 167, pp. 46-7.

discussion and to take action, with a view to bringing about as quickly as possible a more adequate method than at present of making provision for families"<sup>1</sup> - so that all sections of opinion could be accommodated. The Society thus aimed at stimulating public discussion with a view to getting the principle of family endowment accepted.<sup>2</sup>

Membership was never large - only 77 in 1925 rising to 123 in 1930, equally divided between the sexes and predominantly of university-educated middle class professional people of some public standing.<sup>3</sup> There was thus never any attempt at being a mass organisation, powerful through weight of numbers; instead, the Society concentrated on 'capturing' important and influential public figures who knew their way round the corridors of power in Westminster, Fleet Street and the civil service. These figures would be utilised at the appropriate moment to put the case for family endowment by a process of very elitist permeation. Eleanor Rathbone early on realised that "in a subject so new it is very valuable to have a strong list of names, representative of different sections of the community",<sup>4</sup> since the idea would have little chance of catching on "so long as those pressing for it are a small group of people, mostly women whose names naturally carry little weight with large employers, trade unionists, politicians,

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1. Report of the Family Endowment Society for 1925, p. 1.
  2. E. Rathbone: The Ethics and Economics of Family Endowment (1927), p. 9.
  3. Report of the Family Endowment Society for 1925, p. 1, and for 1930, pp. 4-5.
  4. Rathbone to Beveridge, 20/5/24. Beveridge Papers, IIb. 23 (Part 3).



etc."<sup>1</sup> These important names made up the Council (about fifty strong in the 1920s); in addition there were the ordinary members and subscribers; and at the heart of the organisation worked the small group on the Executive Committee, carrying on the day-to-day business.

For most of the 1920s the Society's joint Presidents were Professor Gilbert Murray, Sir Henry Slesser, K.C., and Lord Balfour of Burleigh.<sup>2</sup> The Council included such names as Sir William Beveridge, the Bishop of Manchester, H.N. Brailsford, Lady Astor, the Archbishop of York, Professor R.A. Fisher (the statistician), Ramsay Muir (historian and a Liberal M.P. from 1923-4), Sir Arthur Newsholme (former Chief Medical Officer at the Local Government Board), Ernest Simon (prominent in local politics in Manchester and a Liberal M.P. from 1923-4 and 1929-31), Sir Arthur Steel-Maitland (Minister of Labour in the 1924-9 Conservative Government) and Barbara Wootton (the economist).<sup>3</sup>

Most of the administrative work was carried out by a small group consisting of Eleanor Rathbone, Mary Stocks, Elizabeth Macadam, Eva Hubback, and the Society's official secretaries - Olga Vlasto from 1924 to 1930,

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1. Rathbone to Beveridge, 26/5/24, *ibid.*
  2. Murray was Professor of Greek at Oxford; Slesser was a Labour M.P. from 1924-29 and Solicitor-General in 1924; Balfour had a number of public activities (e.g. a Kensington Borough Councillor, 1924-49).
  3. Reports of the Family Endowment Society, 1925-30.

Mrs. E.M.L. Douglas from 1928 to 1930 and Marjorie Green from 1930.<sup>1</sup> Mary Stocks (1891-1975) had been born into a prosperous upper-middle class London family which had Charity Organisation Society connections; like Eleanor Rathbone, she worked for a time with a C.O.S. committee and campaigned actively in the women's suffrage movement. After graduating from the London School of Economics in 1913 she became a part-time lecturer in economics there, and in 1917 became one of the 'Equal Pay and the Family' group. After moving to Manchester in 1924 (where her husband had become Professor of Philosophy) she naturally took less part in the day-to-day running of the Family Endowment Society's affairs in London, but remained one of Eleanor Rathbone's closest friends and allies in the cause.<sup>2</sup> Elizabeth Macadam had been a young social worker in Liverpool when she first met Eleanor Rathbone in the early 1900s; a strong friendship developed, with many common interests such as feminism (in 1919 she became Honorary Secretary of the National Union of Societies for Equal Citizenship, and in 1923 joint editor of its organ, the Woman's Leader) and the two women lived together; although Elizabeth Macadam tended to keep in the background in the movement for family allowances her emotional and practical help to Eleanor Rathbone was considerable.<sup>3</sup>

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1. Ibid.

2. Mary Stocks: My Commonplace Book (1971), pp. 1-140, 148-164.

3. Stocks: Eleanor Rathbone (1949), pp. 58, 92-3, 109.

Eva Hubback (1886-1949), like Mary Stocks, was from a prosperous upper-middle class London family, and after graduating from Cambridge in 1905 also worked for C.O.S.-influenced bodies in London; an interest in feminism took her into work for N.U.S.E.C. from 1918, where she met Eleanor Rathbone, and in the 1920s she worked in a number of areas - in the various campaigns run by N.U.S.E.C. (such as resulted in the 1925 Guardianship of Infants Act), in the work of the Family Endowment Society (which she joined in 1924), and as Principal of Morley College from 1927 until her death.<sup>1</sup>

All these women came from a class background that blessed them with complete financial security.<sup>2</sup> This enabled them to devote themselves full time to the various causes they supported, and also ensured that such causes were financially self-supporting. Thus the Family Endowment Society was largely financed by Eleanor Rathbone; the bulk of each year's donations and subscriptions (amounting in 1930, for example, to just over £507)<sup>3</sup> came from her own pocket.<sup>4</sup> In addition, the social and educational background provided them with a myriad of connections in all areas of public life; even geographically they were close to the centre of power.<sup>5</sup>

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1. Diana Hopkinson: Family Inheritance: a Life of Eva Hubback (1954), pp. 28-126.
  2. For example, at the time she went to Cambridge Eva Hubback "had no need to earn her living, nor.... any intention of doing so". Ibid., p. 48.
  3. Report of the Family Endowment Society for 1930, p. 6.
  4. Stocks, op. cit., p. 101.
  5. In the 1920s and 1930s the Society changed its headquarters five times, but always stayed in London S.W.1.

However, despite these inherited advantages the leaders of the Family Endowment Society clearly felt that because they were women their task would be an extremely difficult one. Thus their aim was to get the idea of family endowment discussed as much as possible, so that hopefully other organisations would become interested, espouse the cause and assist in leading the campaign. Propaganda was all-important, and was directed through as many channels as possible. Lectures were given by members (particularly the leaders) to as many audiences that might care to listen; books and pamphlets were continually sent free of charge to numerous organisations (the Society liked to publish brief and inexpensive pamphlets putting the family endowment case in different ways); articles were written (in 1924-5, for example, at least nineteen journals and twenty-one newspapers ran articles on family allowances); meetings were held with political parties; Parliament was lobbied each time a bill with family endowment implications appeared; and public figures were wooed whenever they displayed evidence of sympathy to the cause.<sup>1</sup>

Because the Society aimed at getting the principle of family endowment accepted rather than any one particular system it tried to present its case over a very wide front

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1. Reports of the Family Endowment Society, 1925-30, and Family Endowment Society: Monthly Notes. Much of this work was carried out by the leaders. "The burden of expense and the exhausting work of speaking continue to fall on a few individuals", complained the 1926 Report (p. 2), and other Reports constantly made pleas for more contributions and active campaigning by members.

to as many organisations as possible. This meant dressing up the idea in language attractive to the listener, and given that by the end of the 1920s family endowment was a much-discussed topic, many different organisations were beginning to take an interest in it "as an appendage to their own aims",<sup>1</sup> giving rise to a certain amount of confusion. There began to develop the situation (which was to be a feature of the family allowance movement) where the idea became all things to all men. Mary Stocks, whose Labour Party sympathies led her to support a universal scheme financed out of taxation, by 1927 clearly rather regretted the way that the original 1918 'Equal Pay and the Family' scheme had become "embodied in a host of projects, many of them drawn from contemporary experience overseas, and supplying according to the vagaries of individual political taste" many different versions.<sup>2</sup>

Yet Eleanor Rathbone firmly believed that a pressure group led largely by a few women would have no chance of success if it presented its case in a narrow, over-defined way such as might immediately alienate people who would otherwise be amenable to gentle persuasion, and thus the Society subtly altered its propaganda depending on who it was trying to persuade.

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1. 1927 Report, p. 2
  2. Mary Stocks: The Case for Family Endowment (1927), p. 41.

To women's societies it stressed that political freedom was not enough: economic equality must now be achieved, and this could best come about by altering the wage structure in favour of women and children, thereby achieving in part the old feminist aim of payment for motherhood.<sup>1</sup> In her role as President of the National Union of Societies for Equal Citizenship (1920-9) Eleanor Rathbone stressed this aspect,<sup>2</sup> and persuaded the organisation to include a demand for family endowment in its programme.<sup>3</sup> Thus when pressing for aspects of family endowment that represented economic justice to women and children (such as higher allowances for widows and orphans under a new contributory pensions scheme) the language would be strongly feminist, angrily declaring that "Parliament is still under the dominion of the tradition that a woman is a kind of grown-up child, with no rights but only privileges which can be given or withheld at the discretion of her betters".<sup>4</sup>

In its overtures to the main political parties the Society trod very carefully. Labour supporters tended to favour a universal scheme financed solely from taxation, Liberals a contributory insurance one, and Conservatives (the least interested of the three) inclined if anything

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1. Ibid., pp. 36-9. E. Rathbone and M. Stocks: Why Women's Societies Should Work for Family Endowment (1925).
  2. N.U.S.E.C. pamphlet: National Family Endowment (1920)
  3. Stocks: Eleanor Rathbone (1949), pp. 115-8.
  4. E. Rathbone: Memorandum on Widows', Orphans' and Old Age Contributory Pensions Bill (1925), p. 10.



towards the 'equalisation fund' type of system introduced in private industry in Europe. Thus Eleanor Rathbone was careful not to alienate any of these views: though she favoured the first alternative, she would still advocate the third as more practical in the short-term, and tried to combine both by suggesting that the best course of action would be "to make the State system a flat-rate one and secure the necessary gradation by supplementary allowances from an occupational pool for all the higher-grade occupations".<sup>1</sup> On the one hand she would allay the fears of trade unionists who suspected that an industrial-financed scheme would be used by employers to avoid across-the-board wage rises;<sup>2</sup> yet on the other hand she would emphasise to employers that family allowances "would not involve a penny extra taxation nor any addition to the cost of production".<sup>3</sup>

Family allowances were thus presented as a way of achieving many things - they would lower the birth rate amongst slum dwellers by enabling them to obtain roomier accommodation,<sup>4</sup> they could be used to maintain wage differentials between skilled and unskilled workers (which had been narrowing since the First World War),<sup>5</sup> or they could be a method of redistributing income.<sup>6</sup> Indeed, the

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1. Rathbone: The Disinherited Family (1924), p. 294.
  2. Family Endowment Society pamphlet: Will Family Allowances Mean Lower Wages? (n.d., probably 1925).
  3. Letter to the Liverpool Evening Express, 14/11/22. Eleanor Rathbone Papers, XIV. 3. 90.
  4. E. Rathbone: Family Endowment and its Bearing on the Question of Population (F.E.S. pamphlet, 1924).
  5. Olga Vlasto: "Family Allowances and the Skilled Worker", Economic Journal, 36, December 1926, pp. 577-585.
  6. H.N. Brailsford: "The State and Family Allowances", in W.H. Beveridge (ed.): Six Aspects of Family Allowances (1927), pp. 17-20.



only point upon which the Society stood firm was that allowances should be paid to the mother. Apart from the fact that this would tend to keep the allowance separate from wages,<sup>1</sup> the reason for this was the feminist one of recognising women's rights. Direct payment to the mother would help to rectify the existing situation in which motherhood was "generally regarded not as a service necessary to the community but as a service to an individual man, a private luxury on which he may or may not choose to spend his surplus income",<sup>2</sup> and would guarantee that the money would be wisely spent on the children.

The Society supported almost any form of family endowment, and consequently directed its campaign at securing short-term results alongside the long-term aim of a universal State scheme of child allowances in cash. Even something as insignificant as the introduction of separation allowances for married Indian Army Officers was regarded as a step forward, another recognition of the basic principle.<sup>3</sup> Literally anything with family endowment implications was made the object of a campaign. In particular, this involved watching out for any bills in the House of Commons that might be relevant, and attempting to insert a family endowment clause. For example, in the

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1. Rathbone: The Disinherited Family (1924), p. 265.
  2. Stocks: The Case for Family Endowment (1927), p. 37.
  3. Family Endowment Society: Monthly Notes, February 1925.

Parliamentary session of 1924 considerable effort was expended on an attempt to secure amendments in two bills. The Society persuaded a group of M.P.s led by Francis Acland to press for the insertion of a permissive clause in the Agricultural Wages Bill to enable County Wage Boards to require the payment of children's allowances in addition to the statutory wage, the cost to be met out of a fund to which employers would contribute according to the number of workers they employed.<sup>1</sup> And an attempt was made during the passage of the Wheatley Housing Bill to direct local authorities to differentiate rents according to family size in the case of houses receiving the higher rate of subsidy.<sup>2</sup> Both failed, but set the pattern for subsequent political campaigning: lobbying of M.P.s and organisation of deputations would be accompanied by publication of specialised pamphlets on the particular topic, with articles and letters in the press.<sup>3</sup> In all this Eleanor Rathbone followed two rules: firstly, to campaign only for what was achievable in practice at any one time, and never demand too much;<sup>4</sup> secondly, to get in early and lobby politicians, civil servants, etc., while a proposal was still in the initial stages of consideration when they would welcome evidence and suggestions rather than resent criticism.<sup>5</sup>

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1. Report of the Family Endowment Society for 1925, p. 2. Hansard, Vol. 176, 28/7/24, Col. 1781.
  2. Report of F.E.S. for 1925, p. 2. Hansard, Vol. 173, 7/5/24, Cols. 417-8, and ibid., Vol. 176, 17/7/24, Cols. 716-724.
  3. For example, Rathbone's letter to The Times, 17/7/24, on the 1924 Housing Bill.
  4. "My practice was always to make up my mind what was the most I had the chance of getting and to ask for first that or perhaps 20 per cent more, to leave a margin for bargaining." Letter from Rathbone to Nehru, 28/8/41, quoted in Stocks: Eleanor Rathbone (1949), p. 360.
  5. Hopkinson, op. cit., p. 96.

The best specific example of how the Society conducted its campaigning can be seen in its relationship with Sir William Beveridge and, through him, its attempt to get family allowances introduced into the mining industry. Beveridge was Director of the London School of Economics (from 1919 to 1937) and by the 1920s had established an enormous number of personal contacts with public figures through his experiences in journalism, the civil service and academic life; he was thus exactly the kind of person the Family Endowment Society were looking for, Eleanor Rathbone later referring to him as "my prize convert".<sup>1</sup>

Beveridge had no doubt heard of family endowment before 1924, and probably had a hazy notion of what it involved. In September 1923 he had chaired a meeting of the British Association in Liverpool on the role of women in industry where Eleanor Rathbone and the economist F.Y. Edgeworth had spoken in favour of family allowances, and had been lukewarm towards their proposal on demographic grounds and also because he "doubted whether there was any conceivable ground for making any special concession to women in industry".<sup>2</sup> But by May of the following year he was a wholehearted supporter: he had been given The Disinherited Family to review for a journal, the Weekly Westminster, and reading the book produced "constant and total conversion" to Eleanor Rathbone's cause.<sup>3</sup>

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1. Speech for Family Allowances Reception, 13/11/45. Eleanor Rathbone Papers, XIV. 3. 82.
  2. Cutting from the Liverpool Daily Post, 18/10/24. Beveridge Papers, XII.. 7.
  3. Beveridge's epilogue to E. Rathbone: Family Allowances (1949), p. 270.

Immediately, the Family Endowment Society leaders took notice. Three days after the review appeared Eva Hubback wrote to Beveridge, congratulating him on it and asking if the Society could use the L.S.E. for a conference.<sup>1</sup> Beveridge's reply was encouraging: reading the book "has converted me to believing that something must be done on your lines".<sup>2</sup> The next approach came from Eleanor Rathbone: could the Society reprint his review as a pamphlet; and would he allow his prestigious name to be placed on the Council list, and on the headed notepaper?<sup>3</sup> Beveridge agreed, "provided I do not have to do anything".<sup>4</sup> Inching her way forward, Eleanor Rathbone then asked him to become the Society's President, emphasising that this would not commit him to any particular scheme of family endowment, but would simply provide them with a much-needed important figurehead.<sup>5</sup> Beveridge refused to go this far,<sup>6</sup> but enough friendly contact had been established for the Council to realise that here they had a most valuable friend and ally.

One of his first practical actions was to introduce a family allowance system for teachers and senior administrators at the L.S.E. Sir Arthur Steel-Maitland (a Governor of the School and a member of the Family Endowment Society Council) actually seems to have thought of the idea around

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1. Hubback to Beveridge, 13/5/24, Beveridge Papers, IIb. 23. (Part 3).
  2. Beveridge to Hubback, 14/5/24, *ibid.*
  3. Rathbone to Beveridge, 20/5/24, *ibid.*
  4. Beveridge to Rathbone, 21/5/24, *ibid.*
  5. Rathbone to Beveridge, 26/5/24, *ibid.*
  6. Beveridge to Rathbone, 4/6/24, *ibid.*

the same time,<sup>1</sup> but it was Beveridge who was more instrumental in persuading the Governors to introduce what was one of the first privately-financed occupational family allowance schemes in Britain. By 1927, two years after their introduction, these allowances amounted to £30 per annum per child from birth to the age of 13, followed by £60 per annum to the age of 23 for children in full-time education,<sup>2</sup> and added just under 4% to the total salary bill.<sup>3</sup>

Almost as soon as he put down The Disinherited Family Beveridge began working out for himself a possible national family allowance scheme, and drew up a plan for discussion by a group of Liberals at Grasmere in June 1924. As a convinced 'insurance man' he favoured a contributory scheme covering those within the scope of health insurance, with flat-rate contributions from employer and employed, and payment to the mother: a total contribution of 2s.9d. per week in respect of adult men and juveniles (1s.0d. each from employer and employee, 9d. from the State), and half that rate for women, would produce an allowance of

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1. Correspondence between Steel-Maitland and Beveridge, 21 and 22/7/24. Beveridge Papers, V. 1.
  2. W.H. Beveridge: The London School of Economics and its Problems, 1919-37 (1960), pp. 46-7. Beveridge had introduced these because he "thought the Professors should be free from financial worries even though they had children". A typescript note on the administration of the system is contained in L.S.E. Coll. Misc. 9. Beveridge and the Family Endowment Society.
  3. F.E.S. pamphlet: Memorandum on Family Allowances in the Teaching Profession (1932).

3s.0d. per week for each child up to the age of 15 and a margin for administration costs.<sup>1</sup>

Soon after Beveridge discussed the scheme with other Liberals and clarified his views still further, particularly on the reasons for making the scheme an insurance-based one. At first sight, it appeared odd to base family endowment on such a foundation, since the essence of social insurance was that only circumstances over which the individual had no control (such as sickness, unemployment, old age, industrial injury) could be covered; the decision to marry and have children could be seen as a deliberate and avoidable one. But Beveridge's justification was, firstly, that an insurance-based scheme would be "a simple first step" before the eventual introduction of a universal State scheme, in that it could be easily attached on to the existing health insurance machinery; secondly, at a time when the key to industrial recovery lay in reducing costs (as he and most other economists believed), such a scheme would achieve its object "without imposing any fresh burden on industry or on the taxpayer". To prevent possible injustice to those who remained unmarried throughout their lives, Beveridge suggested linking their contributions to pensions so that in the end they received something back.<sup>2</sup> It was an interesting scheme for a number of reasons, not the least

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1. Typescript of points for discussion by Beveridge, 11/6/24. L.S.E. Coll. Misc. 9.
  2. Typescript Report of a Discussion on Family Allowances, 17/6/24, *ibid.*



of which was that it showed how far the original 1918 concept of family allowances as a method of redistributing income from rich to poor could be altered into something very different.<sup>1</sup>

Throughout the 1920s the Family Endowment Society leaders kept up close contact with Beveridge, calling upon him whenever his name would be useful. In December 1924 they asked him to speak at a proposed conference on family allowances and teachers' salaries; the conference was cancelled, but Eleanor Rathbone asked him to put the case to Lord Burnham privately.<sup>2</sup> In October 1927 he organised a conference at the L.S.E. (which produced the booklet Six Aspects of Family Allowances) where six speakers looked at the subject from six different points of view.<sup>3</sup> In January 1928 and May 1930 he helped the Society lobby the T.U.C. and Labour Party over their report on family allowances.<sup>4</sup> In October 1929 they asked him to be one of their witnesses

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1. Beveridge saw his scheme as redistributing income within the occupational group subject to compulsory insurance, leaving the rest of society untouched. Beveridge to Australian Royal Commission on Child Endowment, 1/6/28, Beveridge Papers, IXb. 14.
  2. Rathbone to Beveridge, 2, 12 and 15/12/24, *ibid.*
  3. Apart from Beveridge, the speakers were R.A. Fisher (the statistician, and prominent in the Eugenics Society), V.H. Mottram (Professor of Physiology at the University of London), H.N. Brailsford, Joseph Cohen (a member of the International Labour Office) and John Murray (Principal of University College, Exeter).
  4. Correspondence between Olga Vlasto and Beveridge, 6 and 12/1/28. Beveridge Papers, IXb. 14. Rathbone to Beveridge, 22/5/30. L.S.E. Coll. Misc. 9.



to the Royal Commission on the Civil Service.<sup>1</sup> Three years later there was another conference at the L.S.E. under his auspices,<sup>2</sup> and on many occasions during the 1920s the Society's leaders sought his advice.<sup>3</sup>

The most interesting episode - and the most revealing of the Society's aims and methods - came when Beveridge was appointed to the Royal Commission on the Coal Industry under the chairmanship of Sir Herbert Samuel. The mining industry was a particularly fruitful ground for a family allowance campaign. Nearly all European mining industries had family allowance systems and by the mid-1920s these were working quite successfully, welcomed by employers and unions alike. More importantly, miners in Britain had a high fertility rate relative to the rest of the population,<sup>4</sup> and the distribution of their children made them a particularly suitable case in need of family allowances: 47% of miners' children under 16 years of age belonged to households with more than three dependent children, and a much larger proportion were members of such households at some stage in their childhood. Thus the Miners' Federation's call for a minimum wage was seen by Eleanor Rathbone as

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1. Correspondence between Vlasto and Beveridge, 18 and 29/10/29. L.S.E. Coll. Misc. 9.
  2. Beveridge Papers, IXb. 19.
  3. Much of this correspondence is contained in L.S.E. Coll. Misc. 9.
  4. An average of 1.3 children per man, as compared with 0.9 for agricultural workers and 0.6 for teachers. L.S.E. Coll. T. Vol. X. Coal Commission, 1925-6, p. 130.

unrealistic, since to base this on a three-child family would still leave nearly half the children insufficiently provided for at any one time, and would also be wasteful, since 48% of miners had no children under 16; in fact, only 9% of them had the supposedly 'average' family of three children. Again, wage levels in the mining industry were such as to cause great concern over the condition of the children: using Rowntree's 'Human Needs' standard, Eleanor Rathbone calculated from the table of miners' wages in 1925 that 32.9% of their households, covering 66.5% of the children, were below the so-defined poverty line. If one took a mid-way point between this Human Needs level and the much more austere poverty line calculated by Rowntree in his 1899 study, this would result in a figure (at 1925 prices) of 35s.0d. for man, or man and wife, plus 5s.7d. for each child. A family allowance of 5s.7d. per week could be introduced into the mining industry without any additional cost, simply by imposing wage cuts of 5s.10d. per week on all male workers: the result would be that the lowest-paid childless miners would still receive 35s.3d. per week, and every miner's wife and child would be raised out of poverty. The health of the children would benefit, industrial relations would improve since the real cause of hardship was being immediately met, and maternal mortality would probably diminish.<sup>1</sup>

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1. Memorandum of Evidence by Miss Eleanor Rathbone, on Behalf of the Family Endowment Society, to the Royal Commission on the Coal Industry (1925), pp. 2-9. (Contained in *ibid.*, pp. 112-9). Eleanor Rathbone was fond of pointing out that the maternal mortality rate of 4.3 per thousand was over three times higher than the fatal accident rate amongst miners (1.3 per thousand).

The Family Endowment Society campaigned vigorously in the years 1924-7 to get some sort of family allowance system introduced into the mining industry. The Disinherited Family included a brief outline of why the mining industry was a suitable case,<sup>1</sup> and in the same month as it was published (March 1924) the pamphlet Family Allowances in the Mining Industry was sent to all district secretaries of the Mining Association and Miners' Federation, 1,500 collieries and the press.<sup>2</sup> By 1925 speakers from the Society were touring mining districts, discussing family allowances with meetings of miners, who showed great interest and enthusiasm "in striking contrast to the ostrich-like attitude of the official representatives of the Miners' Federation at the Coal Commission".<sup>3</sup> In 1926 the Society decided at its annual general meeting to concentrate on the mining industry, and set up a special fund to finance the distribution of information: 29,000 copies of Family Allowances in the Mining Industry were sent out to branches of the Miners' Federation; 100 copies of The Disinherited Family were sent to miners' institutes and libraries in mining districts; reprints of the Society's Evidence to the Samuel Commission were also made available; and in addition between March and October 1926 seventeen circulars and memoranda were despatched to mine owners, mining directors, Miners' Federation branches, M.P.s, libraries and the press.<sup>4</sup>

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1. Op. cit., pp. 279-280.

2. Report of F.E.S. for 1925, p. 3.

3. Ibid., for 1926, p. 2.

4. Ibid., for 1927, p. 2.

Some interest was aroused among the mineowners.

On the 25th June 1925 the Central Committee of the Mining Association discussed the question of the minimum wage in the mining industry and concluded that a family allowance system would be cheaper than an all-round subsistence wage.<sup>1</sup> The South Wales and Monmouthshire Coalowners' Association tried to introduce such a scheme in August 1925;<sup>2</sup> the miners chose to continue working on the old terms, but in April 1926 the South Wales mineowners were still keen to introduce a family allowance scheme of 1s.0d. for the wife and 4d. for each child as an alternative to a subsistence minimum wage.<sup>3</sup> Whether this was directly due to Family Endowment Society propoganda is not clear, but certainly Scottish coalowners took notice of a speech made by John Murray in November 1925 to the Glasgow Chamber of Commerce, in which Murray stressed the advantages to French employers of their family allowance schemes: "the tone of French industry was better and friendlier and production had been helped".<sup>4</sup>

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1. Memorandum: Revision of Wages Agreement, 25/6/25, Scottish Record Office, S.R.O. CB 7/5/28.
  2. Memorandum by South Wales and Monmouthshire Coalowners' Association, 1/8/25, *ibid.*
  3. Finlay Gibson (Secretary of South Wales and Monmouthshire Coalowners' Association) to Robert Baird (Secretary, Scottish Coalowners' Association), 15/4/26, *ibid.*
  4. Press cutting of 13/11/25 (probably Glasgow Herald), contained in *ibid.*

The Society's most intensive campaigning was directed at the Samuel Commission, which was set up in September 1925 to investigate the whole range of economic problems that had beset the British coal industry since the relinquishment of Government control in April 1921. Beveridge was appointed to the Commission, and throughout its work he carefully shepherded the Family Endowment Society's leaders through the protocol of submitting evidence. Of his own accord he wrote to Eleanor Rathbone on the 19th October 1925 discreetly point out that as a Commissioner he was not permitted to make the first move in inviting evidence from them, but he was expecting them to give evidence and they should do so.<sup>1</sup> The Society had in fact already written officially to offer evidence, and Eleanor Rathbone was clearly delighted that Beveridge had been appointed to the Commission since he would guarantee them a sympathetic hearing.<sup>2</sup> In December she and Lord Balfour of Burleigh gave evidence to the Commission, and thereafter Beveridge worked on his fellow-Commissioners to persuade them to recommend family allowances in the final Report.

Beveridge saw family allowances as a means of facilitating the wage cuts he believed were essential to make the British coal industry competitive on world markets once the Government's subsidy ended in April 1926. As

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1. Beveridge to Rathbone, 19/10/25. Beveridge Papers, IIb. 24. (Part 2).
  2. Rathbone to Beveridge, 21/10/25, *ibid.*

opposed to introducing longer hours while leaving wages untouched (the only other alternative envisaged by the Commission), wage cuts would be easier to restore once prosperity returned and if accompanied by family allowances would not result in undue hardship.<sup>1</sup> Above all else, the cost of the wages bill had to be reduced, and Beveridge warned Eleanor Rathbone that unless she accepted this presupposition in her evidence she would not be listened to seriously; if, for example, she used Rowntree's 'Human Needs' standard as a desirable minimum "and add 42% so as to allow the present rating for skill, you get above the present wages even before you have provided your family allowances, and thus become obviously a mere visionary".<sup>2</sup> Together they agreed that it would be most practical to take a standard mid-way between Rowntree's 'Human Needs' level and his 1899 York survey one, resulting in figures of 51.70 shillings for a family of five and 34.20 for a man and wife, at 1925 prices (plus increments for skill).<sup>3</sup> A weekly allowance of 6s.0d. for each dependent child up to the age of 14 would cost £286,000 per week, and would result in an overall wages bill £105,000 less than at present - a saving of 4½%. Were this £105,000 distributed

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1. Memorandum on Family Allowances and Minimum Wage in Coal Mining Industry by Beveridge. L.S.E. Coll. T. Vol. X, pp. 132-3. Lord Beveridge: Power and Influence (1953), pp. 220-1.
  2. Beveridge to Rathbone, 2/12/25. Beveridge Papers, VIII. 2.
  3. Beveridge to Rathbone, 30/11/25, ibid. Memorandum on Family Allowances and Minimum Wage in Coal Mining Industry - Statistical Basis, L.S.E. Coll. T. Vol. X, p. 145.



equally to all miners as a flat-rate wage increase not taking account of family size, then more than a quarter of the children would be left below this poverty line.<sup>1</sup>

Beveridge won his fellow-Commissioners over, and their Report, published in March 1926, included a recommendation of family allowances as a means of ensuring that wage-cuts did not result in undue hardship. If wages were to be no higher than subsistence level, then they would have to be accompanied by family allowances.<sup>2</sup> Family allowances the Commission saw as "one of the most valuable measures that can be adopted for adding to the well-being and contentment of the mining population. If the total sum available for workers' remuneration can be kept at the present level, the allocation of a small part of this to children's allowances will raise materially the general level of comfort; if the full remuneration cannot be maintained, the harmful effects of any reasonable reduction can be largely mitigated".<sup>3</sup>

Thus did family allowances receive their first Government-sponsored recommendation, albeit for a reason that was anathema to most trade unionists, confirming the

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1. Ibid., p. 147.
  2. Report of the Royal Commission on the Coal Industry (1925) Cmd. 2600, (publ. 1926), pp. 160-2.
  3. Ibid., p. 164. The Report (pp. 162-3) stipulated that allowances should be paid so long as the father remained on the books of any colliery or attached to the industry during unemployment, and suggested that absenteeism amongst single men would be reduced because they would have to attend more regularly in order to make up the percentage removed from their pay to finance the family allowance system.



suspicion of the anti-family allowances lobby in the labour movement that allowances would be used by employers as an alternative to wage-rises. In the aftermath of the General Strike and the miners' lock-out the Report was forgotten. Indeed, only two months after the Report was published Eleanor Rathbone seems to have realised that its proposal for family allowances was now of academic interest only, and would not be implemented.<sup>1</sup> But the Society continued to campaign. In the summer of 1927 a Family Endowment Society local organiser went on a tour of two large mining districts to measure rank-and-file feeling amongst miners about the question of family allowances (i.e. their response to the propaganda the Society had sent them over the previous three years and the Samuel recommendation). Generally, the ordinary miner was favourable, though not without suspicions (in the aftermath of the lock-out) that family allowances would be used by the mineowners to weaken solidarity.<sup>2</sup> Certainly, the Society's campaign appears to have succeeded with the leaders of the Miners' Federation, because from the late 1920s onwards they were the strongest supporters of family allowances within the trade union movement.<sup>3</sup>

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1. Rathbone to Beveridge, 12/5/26, Beveridge Papers, VIII. 3.
  2. Extract from Letter from Family Endowment Society Organiser in Mining Districts, 8/8/27. L.S.E. Coll. Misc. 9.
  3. See, for example, statement by A.J. Cook in the 1930 T.U.C. debate on family allowances, Annual Report of the T.U.C. for 1930, pp. 391-3.

The campaign aimed at the miners set the pattern for subsequent lobbying, and in the late 1920s and early 1930s the Society tried to get family allowances introduced in certain professions. This was very much in line with Eleanor Rathbone's 'minimum possible advance' approach: better to achieve a series of minor victories and hope that occupational schemes would spread, than keep on campaigning for a universal State-financed scheme which would only come about in the very long run.

Thus in February 1930 the Society gave evidence to the Royal Commission on the Civil Service. Preceding this, there was the usual flurry of activity: meetings with civil service organisations, articles in journals, a conference, questionnaires sent out to European Governments that ran family allowance schemes, and so on.<sup>1</sup> In their evidence, the Society's leaders pointed out that family allowances existed in all European nations except Britain, Turkey and Russia. At some point in their lives the majority of civil servants were burdened with family responsibilities, and there was considerable hardship amongst the lower grades: out of 300,000 civil servants in 1928 (nearly the total number), 50% were receiving less than £3 per week and 75% less than £4; at 1927 prices, Rowntree's 'Human Needs' level for a family of five was £3.3s.6d.<sup>2</sup>

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1. Report of F.E.S. for 1930, p. 3.

2. F.E.S. pamphlet: Memorandum on Family Allowances Presented to the Royal Commission on the Civil Service (1930).

In its civil service campaign the Society also suggested that family allowances for the professions might have a eugenic effect by raising the birth rate of the white collar occupations, quoting R.A. Fisher's warning that "in about thirty years, more or less, with our present birth rate, whatever is worth keeping in the genetic potentialities of the upper and middle classes in England and Scotland, will have been reduced to half its present quantity".<sup>1</sup> This was one of the first expressions in the Society's propaganda of the eugenic fears that were growing at the time (discussed fully in a later chapter), and as it directed its campaigning at selected professions these pro-natalist reasons began to take an equal place alongside the anti-poverty ones. Thus when presenting the case for family allowances among the clergy, the Society mentioned family hardship amongst those with low stipends, but also under the heading "In the Interests of the Community" suggested that the children of clergymen "born of parents whose mental and moral qualities are presumably above the average and reared and educated in Christian homes, are a particularly valuable addition to the population... unless something is done to lessen the financial burdens of parenthood, the dis-eugenic decline in the birth rate will continue".<sup>2</sup>

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1. Ibid.

2. F.E.S. pamphlet: The Case for Family Allowances Among the Clergy (1933).

But in addition to the tactical reasons and the growing eugenic fears there was a third factor behind the Society's decision to aim at specific occupational groups. This was that in the aftermath of the 1931 economic crisis in Britain any social reform as expensive as a universal State-financed family allowance system would stand little chance of being accepted by a National Government pledged to keep public expenditure as low as possible. The 1931 crisis had also resulted in cuts in the salaries of certain occupations, and thus by campaigning to get family allowances introduced into one such an occupation - the teaching profession - the Society believed it was following the only policy likely to succeed.<sup>1</sup> Mary Stocks expressed the dilemma when she spoke at a conference organised by the Society at the L.S.E. on 29th and 30th April 1932. She was a supporter of a State-financed universal scheme as a long-term aim, but in a situation "in which we have a Government in power which, for better or for worse, has declared war on the social services" the only hope was for the adoption of family allowances in the professions or in certain industries. She felt it was very unfortunate that the trade unions had missed the opportunity of pressing for family allowances on their own terms, letting the initiative

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1. Marjorie Green: "Family Allowances in the Teaching Profession", Family Endowment Chronicle, 1, January 1932, pp. 31-3.

pass out of their hands into those of the employers; but she supposed that an employers' scheme might be better than none at all, and there was a chance of family allowances being introduced in a few professions.<sup>1</sup>

The 1930s were years of disappointment for the Family Endowment Society, in which the promise of the previous decade was not fulfilled. The Society's Annual Report for 1933, for example, rather woefully stated that "the most, perhaps, we can hope is that efforts, which now seem fruitless, may yield results upon which we shall be able to congratulate ourselves in some future Annual Report".<sup>2</sup> At the Society's A.G.M. that year Eleanor Rathbone reviewed the progress made since she organised the 'Equal Pay and the Family' group in 1917: there had been many developments abroad, but in Britain "there had been more thinking on the theory of family allowances than practical experiment". There had been some advances - dependants' allowances in unemployment insurance, rent rebates proportional to family size in some local authorities since 1930, the L.S.E. scheme, the interest shown by the labour movement in the late 1920s - but for the moment the campaign for family allowances was "in the trough of a wave". She thought that the falling birth rate would give strength to their case in the future, and expected

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1. Stocks: "The Future of Family Allowances", *ibid.*, 2, May 1932, pp. 8-9.
  2. *Ibid.*, 3, July 1933, p. 3.

that employer-financed industrial systems would probably be how family allowances would begin to grow - though she "looked forward to a State system, probably partly contributory, as the end to aim at".<sup>1</sup>

Faced with this bleak economic situation, the leaders of the Family Endowment Society tended to devote their time to other causes they regarded as of more immediate importance - for example, the Children's Minimum Council, which had Eleanor Rathbone as its Chairman and Marjorie Green as its Secretary.<sup>2</sup> In addition, Eleanor Rathbone (now an M.P.) was devoting a lot of her time to her many other activities, such as Indian women. This, therefore, seems an appropriate point at which to end this study of the composition, aims and methods of the Family Endowment Society. Subsequent chapters will examine in detail how the Society's leaders campaigned on the main arguments that made up the case for family allowances - arguments relating to child poverty, the birth rate, unemployment relief - and how those within the Government reacted to this campaigning.

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1. Ibid., pp. 1-2.

2. Ibid., 3, August 1934, p. 1.

CHAPTER THREE: FAMILY ALLOWANCES AND FAMILY POVERTY.



Throughout the inter-war years the most powerful argument put forward for family allowances was the 'family poverty' one. Under the existing wage structure, it was claimed, mothers and children belonging to large families in poor working class areas were suffering severe under-nourishment and poor health, since wages took no account of family needs. In support of this argument there was produced a vast amount of evidence which was repeatedly presented to the Government. This chapter will examine this evidence in detail, and consider the extent to which it forced the Government to accept the need for family allowances.

For most of the 19th century Government concern over the health of its citizens was confined to permissive environmental sanitation legislation, with the 1875 Public Health Act the most notable expression of this.<sup>1</sup> By the beginning of the 20th century, however, the focus of attention was shifting onto the physiology of the individual and the concept of minimum human needs. There it was to remain throughout the 1920s and 1930s, becoming the subject of bitter and protracted controversies over the duties of the State to guarantee these minimum needs for all its citizens.

The prime reason for this change was the concern over national fitness increasingly felt by businessmen and politicians after the 1870s. Growing international economic

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1. J.M. Mackintosh: Trends of Opinion about the Public Health, 1901-51 (1953), p. 6.

competition forced into public debate the question of how physically efficient the industrial workforce was, and after the military humiliations of the Boer War this concern also took on national defence implications. The Boer War medical inspection scandal, which revealed that on average three out of five soldiers attempting to enlist in the British army were physically unfit, broke against a general atmosphere of imperialist hysteria, with alarmist articles in the press warning of national degeneration and racial decline.<sup>1</sup> Such was the public concern that Balfour's Conservative Government was very reluctantly obliged to appoint an Interdepartmental Committee on Physical Deterioration which in July 1904 published its fifty-three recommendations, many of which related to the health of the nation's children.<sup>2</sup> Repeatedly, witness after witness testified to the Committee that most of the major defects causing men to be rejected (bad teeth and eyesight, retarded growth, general anaemia, heart disease) had originated early in life. For example, Dr. Alfred Eicholz, a school inspector, had made a special investigation of a school in the deprived area of Lambeth, and concluded that "90 per cent of the children there are unable, by reason of their physical condition, to attend to the duties of school in a proper way".<sup>3</sup> A year earlier the Royal Commission on Physical Training (Scotland) had reported that almost one third of Edinburgh children had not enough to eat, with over

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1. Bentley B. Gilbert: The Evolution of National Insurance in Great Britain (1966), pp. 83-7.
  2. Ibid., pp. 88-9.
  3. Summary of Evidence Given Before the Physical Deterioration Committee on the Question of the Feeding of Schoolchildren. P.R.O. ED. 24/106.

ten thousand in urgent need of medical attention; and in 1909 the Report of the Royal Commission on the Poor Laws confirmed this gloomy picture.<sup>1</sup>

Military recruitment figures had a particularly chilling authority because they applied to the country as a whole, unlike poverty surveys that applied only to specific areas, and so provided a total picture of physical deterioration. Thus the conscription figures for the First World War were disturbingly accurate, concluding that "of every nine men of military age in Great Britain, on the average three were perfectly fit and healthy; two were upon a definitely infirm plane of health and strength whether from some disability or some failure in development; three were incapable of undergoing more than a very moderate degree of physical exertion and could almost (in view of their age) be described with justice as physical wrecks; and the remaining man was a chronic invalid with a precarious hold on life".<sup>2</sup>

This concern over industrial and military efficiency provided the impetus behind the first halting steps taken by the Government to improve the health of children. In 1906 was introduced the Education (Provision of Meals) Act which empowered local education authorities to provide meals for only 'necessitous' school children on condition that no

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1. S. and V. Leff: The School Health Service (1959), p. 24.
  2. Report upon the Physical Examination of Men of Military Age by National Service Medical Boards, 1917-18 (1920), Cmd. 504, p. 4.

private funds were available (or if available, were inadequate) and that the expenditure did not exceed a halfpenny rate.<sup>1</sup> In 1907 there followed the Education (Administrative Provisions) Act under which local education authorities were to provide for the medical inspection of children at certain times in their school career.<sup>2</sup> And in 1919 there was established the Ministry of Health, which liaised with the Board of Education on the question of the health of schoolchildren, and on its own had responsibility for such problems as infant and maternal mortality. The atmosphere in which these reforms were introduced had a profound influence on the way they subsequently operated, and thus before considering the whole question of child health in the inter-war years it is important to bear in mind three points.

Firstly, it must be remembered that the Boer War recruiting scandal was about industrial and military efficiency; the concept of 'health' was only really meaningful in those terms. Thus Major-General J.F. Maurice's famous Contemporary Review articles of 1902 and 1903<sup>3</sup> (which are usually seen as the spearhead of the press campaign leading up to the 1904 Commission) were based on the contention that unless a society had enough fit men to defend itself it would

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1. S. and V. Leff, *op. cit.*, pp. 23-4. F. le Gros Clark: A Social History of the School Meals Service (1964), p. 8.
  2. Gilbert, *op. cit.*, p. 130.
  3. 'Miles' (J.F. Maurice): "Where to Get Men", Contemporary Review, 81, January 1902, pp. 78-86, and "National Health: a Soldier's Study", *ibid.*, 83, January 1903, pp. 41-56.

perish: "in some way or other", he wrote, "if our complicated social organism is to work out its own improvement in security, there must be provided an adequate supply of those who are to protect it".<sup>1</sup> Maurice, in common with other writers on the subject, also warned of the financial wastage that resulted from national deterioration: if, for example, after two years of service only two out of five men wishing to enlist remained in the Army as effective soldiers, then an "alarming proportion" of recruits "had involved the State in considerable expense, but had given no return".<sup>2</sup> Thus it is hardly surprising that in the inter-war years, when the militaristic fervour had waned, there was less immediate concern over the health of future generations.

In the second place, these 'financial wastage' arguments were the dominant ones behind the introduction of school meals and medical inspection, and thus meant that the problem was seen as an educational rather than an anti-poverty one. It was thought to be a waste of educational resources if children were too hungry or ill to concentrate on their lessons. This was the line taken by nearly all the witnesses to the 1904 Commission<sup>3</sup> and by a deputation to the Board of Education from the very influential National League for Physical Education and Improvement. The League desired "that the children of the poor should have the same chances in life as those of the rich by having their bodies improved by feeding where

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1. Ibid. (1903), p. 50.
  2. Ibid. (1903), p. 41.
  3. Summary of Evidence, op. cit.

necessary and by physical training, so that they may be able to utilise, in the struggle for existence, the mental training which the State has already decided to be necessary for every child throughout the country".<sup>1</sup> Similarly, the British Medical Association, while chiefly concerned with preventing national deterioration, also approached the problem "from the point of view that every child, so far as he is hampered by physical defects and thereby unable to obtain proper advantage from the educational opportunities offered him by the community, should be put in the condition to receive that education".<sup>2</sup>

Although it is possible that Sir Robert Morant, the enormously powerful Permanent Secretary at the Board of Education (1903-11), and to a lesser extent Sir George Newman, the Chief Medical Officer at the Board of Education (1907-35), took a wider view at the time and also saw medical inspection and school meals as a method of medical treatment,<sup>3</sup> there is no doubt that this narrowly 'educational' view became the dominant ethos behind both measures. A second Education (Provision of Meals) Act in 1914 improved opportunities for expanding the service, but strongly re-emphasised the point that feeding was to be regarded as an aid to learning rather than a form of poor relief.<sup>4</sup> Whatever his view may have been in 1906-7, Newman in later life certainly supported the

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1. Note of Deputation, 27/2/06, P.R.O. ED. 24/279.
  2. Minute of a Deputation from the B.M.A. on Medical Inspection of Schoolchildren in London, 27/6/11, P.R.O. ED. 24/282.
  3. Argued by Gilbert, op. cit., pp. 123-6.
  4. Ibid., p. 116. This view was, of course, deemed politically necessary if school meals were to avoid carrying a Poor Law stigma.



'educational' view,<sup>1</sup> and looking back to those years asserted that "the school problem of malnutrition seemed at that time to be insufficiently important or universal to demand compulsory legislation".<sup>2</sup> Throughout the 1920s and 1930s both Ministry of Health and Board of Education stuck to the line that milk and meals should be provided only for those children in extreme need who were "unable by reason of lack of food to take full advantage of the education provided for them" and they "always resisted the suggestion that the Provision of Meals Act should be used to relieve poverty as such".<sup>3</sup> Both Departments thus refused to accept any responsibility for child poverty in general, and steadfastly maintained that this was the province of the Poor Law Boards of Guardians (later the Public Assistance Committees) or the Unemployment Assistance Board.

In addition to these two factors was a third - that the Ministry of Health was at best a weak body. In spite of great hopes that it would be given powers to tackle the problem of sickness on a large scale, the actual establishment of the Ministry in 1919 was preceded by so much political in-fighting that in its final form it was only a shadow of what had originally been intended.<sup>4</sup> For the twenty years

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1. Annual Report of the Chief Medical Officer at the Board of Education: The Health of the School Child, 1931, p. 6. Even the School Dental Service was regarded in this way. See ibid., 1932, p. 51.
  2. Newman: The Building of a Nation's Health (1939), p. 329.
  3. Memorandum on Milk in Schools, 13/12/33, P.R.O. ED/1367.
  4. B.B. Gilbert: British Social Policy, 1914-1939 (1970), pp. 98-132. See also, Frank Honigsbaum: The Struggle for the Ministry of Health (1970).



after its foundation it remained essentially a supervisory body: action on any particular point tended to be initiated by the issue of a circular advising local authorities, and there were limited powers of compulsion.<sup>1</sup> For example, when discussing the poor condition of children's teeth and ways of improving the situation, the Ministry of Health's Advisory Committee on Nutrition in 1933 felt very limited by the fact that the power of Government Departments to compel local authorities to introduce better dental treatment was not strong, and the latter could ignore a circular if they wished.<sup>2</sup> The standard approach of the Ministry of Health was thus "to get a little new money, and then ginger them [the local authorities] up as much as we can by a circular and any other possible way",<sup>3</sup> hoping that this would eventually produce results.

Along with this growing concern over national fitness there was occurring the rapid development of the science of nutrition. The last quarter of the 19th century had been the zenith of environmental sanitation; at the turn of the century came new discoveries in bacteriology; and thereafter a shift of emphasis onto physiology and biochemistry gave rise to detailed research on the importance of the individual's

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1. Political and Economic Planning: Report on the British Health Services (1937), pp. 29-30.
  2. Minutes of the 4th meeting of the Advisory Committee, 12/2/34, P.R.O. MH 56/52.
  3. Memorandum by Dame Janet Campbell, 4/10/30, P.R.O. MH 55/272.

nutritional needs.<sup>1</sup> Until about 1900 studies of nutrition (or metabolism, as it was most commonly called) had been limited to energy requirements, with an emphasis solely on proteins, fats and carbohydrates.<sup>2</sup> But with the discovery of vitamins, amino acids and mineral elements, analysis of food composition became more sophisticated, and at the same time research began to uncover a growing list of 'deficiency diseases' caused by faulty diet.<sup>3</sup>

This process of discovery was immensely speeded up by the First World War. On the one hand, the War demonstrated the importance of food intake on military efficiency. Troops could be made to withstand appalling conditions in the trenches if their diets were adequate and well-balanced; evidence from captured documents suggested that the rapid collapse of the Turkish Army in 1918 in Palestine was due in part to inadequate food,<sup>4</sup> and a similar situation (in this case, the reduction of cereal rations) led to the Italian defeat at Caporetto.<sup>5</sup> On the other hand, the disruption of food supplies and the economic blockades brought about by the War provided nutritionists with positive evidence of the effects of prolonged

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1. McGonigle and Kirby suggested that Rowntree's Poverty (1901) would have received much greater attention from the medical profession had they not been so concerned with discoveries in bacteriology at the time.  
G.C.M. McGonigle and J. Kirby: Poverty and Public Health (1936), p. 22.
  2. Henry C. Sherman: The Nutritional Improvement of Life (New York, 1950), p. 15.
  3. *Ibid.*, pp. 30-2
  4. Ministry of Health unpublished report: Minimum Food Requirements: An Investigation into the Diet of an Enclosed Monastery by H.E. Magee (1934), P.R.O. MH 56/41.
  5. John Burnett: Plenty and Want (1966), p. 224.

malnutrition on previously healthy populations: even a neutral country like Holland, which suffered severe disruption of its food supplies, was affected so that its tuberculosis rate rose in the War period - thereby establishing a link between malnutrition and tuberculosis.<sup>1</sup>

By the early 1930s this 'newer knowledge of nutrition', as it was quaintly called, was attracting a vast amount of research in numerous journals and papers. One authority estimated that in 1933 about five thousand papers describing the results of original work appeared in the world's literature.<sup>2</sup> Much of this work carried far-reaching social and economic implications: medical scientists now realised the prime importance of food intake as a measure of preventive medicine, since "many of the commoner physical ailments and defects could be reduced or even eliminated by proper feeding. Indeed, it is probably no exaggeration to say that proper feeding of the population of this country would be as revolutionary in its effect on public health and physique as was the introduction of cleanliness and drainage in the last century", as one eminent nutritionist put it.<sup>3</sup> The political implications were obvious: if nutrition was the most important factor in public health, then it followed that the best weapon

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1. Bulletin of the Committee Against Malnutrition, May 1934, p. 9.
  2. F.C. Kelly: "Fifty Years of Progress in Nutritional Science", The Medical Officer, 16/2/35.
  3. Memorandum by Dr. E. Mellanby (Secretary of the Medical Research Council), 19/3/34, P.R.O. ED 24/1374.

in public health was to ensure proper feeding - from which stemmed the further dangerous implication that this could be only achieved if low-income groups such as the unemployed had enough money with which to buy the necessary food.

Gradually, nutritional research in the 1920s and 1930s began to show that a large number of important human activities could be profoundly affected by diet. First of all, there was the straightforward correlation between diet and physique. One of the most famous studies of this was McCarrison's investigation into the nutritive value of various regional diets in India. He discovered that rats fed on the high-protein diet of the Northern Indian warlike tribes (Pathans, Sikhs, Baluchis, Rajputs) ended the experiment about 50% heavier than those fed on the low-protein diet of the Madras area; food-value differences corresponded exactly with the differences between "the manly, stalwart and resolute races of the north.... and the poorly developed, toneless and supine peoples of the east and south".<sup>1</sup> Corry Mann's 1924 experiment similarly showed a connection between diet and growth: boys who were given extra amounts of milk daily for one year grew 43% faster in height and 81% in weight than a control group.<sup>2</sup>

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1. Robert McCarrison: "Problems of Nutrition in India", Nutrition Abstracts and Reviews, 2, July 1932, pp. 1-8.
  2. H. Corry Mann: Diets for Boys During the School Age (1926).

Others investigated the link between nutrition and intellectual performance. Seymour and Whitaker found that young children who ate good breakfasts (porridge, fruit juice, cocoa, eggs or fish, brown bread and butter) performed significantly better in mental tests (as well as showing increased weight, higher body temperature and resistance to fatigue) than similar children starting the day with the normal breakfast in poor working class homes (tea, bread and jam).<sup>1</sup>

Lady Rhys Williams's experiments in the depressed Rhondda Valley area pointed to nutrition's effect on maternal mortality. In 1934, financed by the National Birthday Trust Fund, she began a scheme to improve maternity services there; yet during that year the puerperal death rate continued to rise, reaching a figure of 11.29 per thousand births. Throughout 1935 the original scheme was supplemented by extra food distributed through the maternity clinics, whereupon the rate fell to 4.77 with only one death occurring amongst the mothers who had received the extra nourishment.<sup>2</sup> The famous 'Oslo Breakfast' in Sweden, whereby every schoolchild could have a breakfast high in the 'protective' foods, was claimed to have a dramatic effect on child mortality rates.<sup>3</sup> Nutrition also

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1. A.H. Seymour and J.E. Whitaker: "An Experiment in Nutrition", Occupational Psychology, 12, Summer 1938, pp. 215-223.
  2. Memorandum by Children's Minimum Council: Proposed Provision for Additional Food, etc., for Mothers and Children in Distressed Areas (1937), P.R.O. MH 55/688.
  3. Sir John Boyd Orr: Not Enough Food for Fitness (1937), p. 8.

affected tuberculosis: comparisons between standardised respiratory tuberculosis rates for sixteen 'Depressed Area' County Boroughs (with high unemployment, and therefore insufficient feeding) and for the rest of England and Wales (excluding London) revealed the former's rate of improvement over five years to be twice as slow as the latter's.<sup>1</sup>

Experiments also demonstrated that inadequate nutrition could offset the beneficial effects of environmental improvement. McGonigle and Kirby illustrated this in the case of housing: a low-income group of slum dwellers in Stockton-on-Tees was rehoused in a new municipal estate and then compared with a similar group still inhabiting the slums; contrary to earlier theories on public health the rehoused group's death rate rose (from 22.91 per thousand to 35.55) despite their greatly improved living conditions. The reason was that rents in the new area were almost double those in the old (9s.0d. as against 4s.7 $\frac{3}{4}$ d.), and an analysis of household budgets found the rehoused group to be suffering from a far worse diet than the slum dwellers, since less money was available for food.<sup>2</sup> The same authors also showed that much of the work of the school medical service could be undone if children came from poor homes and consequently suffered under-nourishment before their fifth birthdays;

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1. Bulletin of the Committee Against Malnutrition, May 1934, pp. 10-11.
  2. McGonigle and Kirby, op. cit., pp. 108-129.



these children would already be displaying serious health defects by the time they entered school, and thus the school medical service was changed from a preventive agency into one "mainly concerned with the detection and correction of established pathological conditions".<sup>1</sup>

This was only a fraction of the nutritional research carried out in the inter-war years. As they uncovered more and more social implications raised by diet, medical scientists unwittingly began to stray onto more and more politically sensitive areas. In particular, when their findings were put into practical application as a means of measuring the extent of poverty, the science of nutrition began to pose a serious political threat to the Government.

In his pioneering survey of the East End of London, Charles Booth had calculated his poverty line fairly subjectively: the figure generally mentioned was an income of 18s.0d. to 21s.0d. per week per family, but in addition his investigators used their own judgement in deciding whether a family was living below the line.<sup>2</sup> Booth, therefore, drew his poverty line without reference to nutritional data, since these were not available at the time. In his 1899 survey of York, however, Seebohm Rowntree set the

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1. Ibid., p. 81.

2. The criteria used by Booth are discussed in M.B. and T.S. Simey: Charles Booth (1960), pp. 184-9.

pattern for subsequent poverty surveys by making a precise assessment of individual nutritional needs and then adding to this estimates of minimum expenditure on such items as rent, clothing, fuel, light, etc., to arrive at his poverty line level.<sup>1</sup> Rowntree's background as an industrial chemist through his family's firm had given him a training in the analysis of food composition, and he drew heavily on the studies of the American nutritionist Professor W.O. Atwater and others to arrive at his energy requirements of 3,500 calories per man per day.<sup>2</sup>

By the time Rowntree published The Human Needs of Labour in 1918 research into nutrition had developed rapidly, and thus when he translated the 3,500 calories per man per day plus 115 grammes of protein standard into cash terms and arrived at a minimum human needs level of 35s.3d. for a family of five (at 1914 prices)<sup>3</sup> he was ushering in something that was to be one of the most controversial political topics of the inter-war years - the scientific minimum income level. The social surveys that followed in the next twenty years based their estimations of the poverty line on the growing volume of nutritional research, and came up with disturbing evidence of the extent of child poverty.

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1. B.S. Rowntree: Poverty, a Study of Town Life (2nd ed., 1902), chapter 4. The figure for a family of two adults and three children, for example, was 21s.8d. - very close to Booth's level.
  2. Ibid., pp. 88-103. Asa Briggs: Social Thought and Social Action, a Study of the Work of Seebohm Rowntree (1961), pp. 32-3.
  3. Rowntree, op. cit., pp. 123-9.

In 1924 Professor A.L. Bowley and Margaret Hogg carried out their 'Five Towns Survey' (Northampton, Warrington, Bolton, Reading and Stanley), calculating their poverty line according to Rowntree's 1899 level. They found that 8% of working class families in the week of investigation were living below this line, and this included 11.3% of all children under fourteen;<sup>1</sup> however, if their survey had been extended over several years, then the proportion of children passing through poverty at some point in their lives would have been nearer 16.6%.<sup>2</sup> In 1928 a research team based at the L.S.E. and directed by Sir Hubert Llewellyn Smith began a second survey of London, on the lines of Charles Booth's, and published the result in nine volumes. The East London volume showed that in the week of investigation 16% of children were in poverty, and 11% of families.<sup>3</sup> Both of these surveys attempted to measure the reduction in poverty in comparison to earlier surveys, and were thus fairly optimistic in their conclusions; Bowley's, for example, pointed out that the total number of children in poverty had nearly halved between 1912-14 and 1923-4.<sup>4</sup>

But with the worsening of the depression in the late 1920s and early 1930s each poverty survey that was published began to reveal disturbing information about the extent of

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1. Bowley and Hogg: Has Poverty Diminished? (1925), pp. 17-18.
  2. Ibid., pp. 24-5.
  3. The New Survey of London Life and Labour, Volume 3 (1932) pp. 83, 89.
  4. Bowley and Hogg, op. cit., p. 18.

child poverty. The Southampton survey found that 21% of working class households surveyed were below the poverty line, that in fully 34% of the working class families with dependent children the head of the family had insufficient income to keep his wife and children of school age above the poverty line without assistance from supplementary earners,<sup>1</sup> and out of 761 schoolchildren surveyed, 232, or just over 30%, were in families below the poverty line.<sup>2</sup> In 1934 was also published Caradog Jones's Merseyside survey, which found that nearly one child out of four in working class families surveyed was living in an overcrowded home, and a similar proportion was living below the poverty line.<sup>3</sup> Two years later Boyd Orr published his findings showing that half the population of Britain was living on a diet incapable of producing perfect health; he deliberately set this nutritional standard at an optimum rather than a minimum level, but even when he divided the population into six groups according to family income the result indicated that about 20 to 25% of the child population was in the lowest group, receiving a diet that was inadequate in all respects.<sup>4</sup> Two more surveys were published in 1938: in Liverpool, the Pilgrim Trust found that of the 97 families studied who had two or more children under fourteen years of age, 83 were in poverty;<sup>5</sup> and the Bristol survey found that 44.3% of

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1. P. Ford: Work and Wealth in a Modern Port (1934), p. 200.
  2. *Ibid.*, p. 120.
  3. D. Caradog Jones: The Social Survey of Merseyside, Vol. 1 (1934), pp. 172-3.
  4. J. Boyd Orr: Food, Health and Income (2nd ed., 1937), p. 27.
  5. Pilgrim Trust: Men Without Work (1938), p. 111.

all persons in poverty were children, concluding that "if any form of remedy could be devised to raise to a higher level those families which contain three or more children and fall below the (poverty) line..... 76% of child poverty would be abolished".<sup>1</sup> Finally, in his 1936 York survey Rowntree found that nearly half the persons in primary poverty were children under fourteen years of age, and of these, 61% were in families where there were more than three children.<sup>2</sup>

These poverty surveys<sup>3</sup> were just the tip of the iceberg as far as the overall picture was concerned, for in addition to them there was carried out in the inter-war years a vast number of investigations by doctors, medical officers, social scientists and nutritionists into the health and dietary of infants, school children and mothers. Essentially the problem was not that severe poverty was evenly distributed throughout the population without regard to age, sex or location, but that it was mainly confined to mothers and children in large families in the depressed areas. For example, the L.S.E. East London survey of 1928 showed that while 11.0% of families were living in poverty, 13.9% had incomes of 10s.0d. to 20s.0d. above the poverty line, and 64.2% had incomes of 20s.0d. and more above the

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1. H. Tout: The Standard of Living in Bristol (1938), pp. 39-40.
  2. B. Seebohm Rowntree: Poverty and Progress (1941), pp. 117, 115.
  3. Surveys were also published for Miles Platting (1933) and Sheffield (1933).

poverty line.<sup>1</sup> Similarly, the Bristol survey found that the average working class family enjoyed a standard of living that was more than 100% above its minimum needs.<sup>2</sup> In addition, the inter-war years undoubtedly saw great overall advances in the diet and standard of living of the population in general:<sup>3</sup> consumption of the protective foods rose by nearly 50% per head of population between 1919 and 1939, and Boyd Orr estimated that whereas in 1930 only one half of British families were adequately fed, by 1939 this had risen to two-thirds.<sup>4</sup>

Thus it was towards the plight of mothers and children in the depressed areas that many nutritionists, social scientists, etc., turned their attention. This 'family poverty lobby', as it can conveniently be called, mostly consisted of individuals acting in an unco-ordinated way, but also was spearheaded by several organisations. Many of the poverty surveys referred to already were sponsored by universities. Often, organisations funded research: for example, Margaret Balfour and Joan Drury's investigation of motherhood and nutrition in Tyneside and Durham was financed by the Council of Action for Peace and

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1. New Survey, etc., Vol. 3, p. 91.

2. Tout, op. cit., p. 24.

3. Discussed by Burnett, op. cit., chapter 12.

4. J. Boyd Orr: "Nutrition and the Family", in Sir James Marchant (ed.): Rebuilding Family Life in the Post-War World (1945), p. 43.



Reconstruction,<sup>1</sup> and Boyd Orr carried out his 1936 investigation under the auspices of the Rowett Research Institute in Aberdeen and the Agricultural Marketing Boards.<sup>2</sup> Some belonged to political organisations: Dr. Somerville Hastings, who carried out his own enquiry into the nutrition of London schoolchildren,<sup>3</sup> was President of the Socialist Medical Association and was a Labour M.P. from 1923-4 and 1929-31.<sup>4</sup> In addition, minimum nutritional levels were drawn up by bodies like the League of Nations, International Labour Office and Medical Research Council. But what characterised the family poverty lobby most of all was that it was composed of vastly different types of people. At the one end of the scale were private individuals like the young Richard Titmuss, working in an insurance office by day and in the evenings collecting the statistical information on poverty, nutrition and mortality that was eventually published in Poverty and Population (1938).<sup>5</sup> At the other were eminent authorities like V.H. Mottram, Professor of Physiology at the University of London, who used his knowledge to arrive at a minimum wage figure of 41s.8d. for a family of five in 1927.<sup>6</sup> In between

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1. M. Balfour and J. Drury: Motherhood in the Special Areas of Durham and Tyneside (1935), p. 3.
  2. Lord Boyd Orr: As I Recall (1966), pp. 114-5.
  3. Hastings examined 53 children of unemployed fathers and judged 33 to be under-nourished and 31 to be under-weight. See letter to The Lancet, 25/3/33.
  4. Also from 1945-59.
  5. Margaret Gowing: "Richard Morris Titmuss", Proceedings of the British Academy, 61, 1975, pp. 403-4.
  6. V.H. Mottram: "The Physiological Basis of the Minimum Wage", The Lancet, 22/10/27.

were a vast number of ordinary medical officers of health, scientists, doctors, etc., who witnessed every day in the course of their work the serious effect the economic depression was having on mothers and children, and voiced their concern in journals like The Lancet, The Medical Officer, the Journal of Hygiene, Public Health and the British Medical Journal. Indeed, it is hardly possible to open one of these journals in the 1930s without seeing somewhere a discussion of child malnutrition.

Two pressure groups were particularly important. In March 1934 a group of doctors met in London and formed the Committee Against Malnutrition to publicise the problem and bring it to the Government's attention. The Committee agreed: "that there exists in this country widespread undernourishment among the families of the unemployed and low paid workers; that this must inevitably lead to a steady deterioration in the physical standards and the health of the population, and of this deterioration there are already signs; that the last thing upon which a community must economise is the nutrition of its working class".<sup>1</sup> Throughout the 1930s the Committee campaigned for higher unemployment allowances, better school medical inspection, more free milk and meals for schoolchildren, family allowances and a national food policy, and included in its membership people like F. le Gros Clark, J.B.S Haldane,

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1. Bulletin of the Committee Against Malnutrition, March 1934, p. 1.

Sir F. Gowland Hopkins, Boyd Orr, McGonigle, Mottram, Julian Huxley, J.R. Marrack and Professor S.J. Cowell.<sup>1</sup>

The other important pressure group, the Children's Minimum Council, will be examined in detail later.<sup>2</sup>

What particularly concerned the family poverty lobby was the situation in the chronically depressed parts of Britain where whole communities had been dependent upon a single industry; with the decline of that industry had come mass unemployment, and large numbers of families having to live on unemployment pay for extended periods. When compared with the nutritionally-assessed poverty lines, these unemployment benefit and assistance levels were shown to be seriously inadequate in relation to the needs of large families. Caradog Jones, for example, illustrated the income shortfall thus:<sup>3</sup>

<u>Man, wife and:</u>	<u>Poverty line</u>	<u>Unemployment benefit</u>	<u>Liverpool public assistance scales</u>
1 infant	27s.7d.	28s.0d.	22s.0d.
1 infant, 2 schoolchildren	37s.7d.	32s.0d.	29s.0d.
2 infants, 3 schoolchildren	46s.2d.	36s.0d.	35s.0d.

Clearly, if a family containing more than three children was forced to live for several years on unemployment benefit

1. Ibid., 1934-9.

2. Other less important organisations were the Save the Children Fund, the Ten Year Plan for Children and the Next Five Years Group.

3. Caradog Jones, op. cit., p. 150. The figures relate to 1929-30.

or public assistance its members would suffer malnutrition and a deterioration of health. In addition, there were many families in which the employed wage-earner brought home an income little higher than these amounts, or in some cases even lower.<sup>1</sup> The family poverty case for family allowances was thus based on the contention that widespread malnutrition existed amongst working class mothers and children such as could only be alleviated by an alteration of the wage system in accordance with family needs. The remainder of this chapter will examine in detail how this evidence of malnutrition was presented to the Government (and in particular, the Ministry of Health) and how the Government reacted.

From the outset, the whole debate over child poverty in Britain in the inter-war years was clouded by a failure on all sides to define accurately what constituted malnutrition. Despite the volumes of research, there was much confusion over assessment methods and minimum standards. At one extreme, Boyd Orr chose an optimum level that produced "a state of well-being such that no improvement can be effected by a change in the diet", and found half the population (including three quarters of the children) below this level.<sup>2</sup>

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1. For example, the Pilgrim Trust (op. cit., p. 202) quotes such weekly wages as: restaurant porter - 20s.0d.; night watchman - 20s.0d.; window cleaner - 24s.0d.
  2. J. Boyd Orr: Food, Health and Income (2nd ed., 1937), p. 11.

At the other extreme, a leading medical journal could publish a paper purporting to show that a man could live on 960 calories per day.<sup>1</sup> Between the two were many different opinions. Rowntree, in the second edition of The Human Needs of Labour (1937) put his minimum nutritional requirements at the precise level of 3,400 calories per day for a man, 2,800 for a woman and 2,210 for a child under fourteen years.<sup>2</sup> This was also the figure reached by the British Medical Association, Medical Research Council and League of Nations.<sup>3</sup> Yet the Week-End Review's 1933 "Hungry England" committee (chaired by Professor A.L. Bowley, and including V.H. Mottram) came out with a figure 400 calories lower.<sup>4</sup> The Army's peacetime ration for soldiers was 2,812 calories plus 2½d. for freely-chosen food (bringing the total to just over 3,000 calories); on the other hand, convicts fared better with an allowance of 4,200 calories when on normal heavy labour.<sup>5</sup> The diet of a group of monks was found to produce 2,914 calories per day,<sup>6</sup> yet a typical West End club's menu contained 5,148 calories in its three meals - twice as much as would have been needed by its sedentary members.<sup>7</sup>

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1. A.F. Dufton: "Food For Thought", The Lancet, 26/12/36.
  2. Rowntree, op. cit., p. 70.
  3. See, for example, B.M.A.: Report of Committee on Nutrition (1933), p. 8.
  4. Week-End Review, 1/4/33.
  5. Rowntree, op. cit., p. 71.
  6. Ministry of Health unpublished report: Minimum Food Requirements: An Investigation into the Diet of an Enclosed Monastery by H.E. Magee (1934), P.R.O. MH 56/41.
  7. Rowntree, op. cit., pp. 75-6.

Many doctors refused to commit themselves to such rigid definitions, however. Like health, they pointed out, nutrition varied greatly from person to person, and from day to day. If there was 'primary' malnutrition due to faulty diet then there was also 'secondary' malnutrition which arose from other causes (such as diseases of the respiratory, circulatory or endocrine systems).<sup>1</sup> Nutrition was essentially a process of change, and could not be assessed in strict dietary terms; malnutrition was a term which was "suffering from the vagueness of expression which is the inevitable result of too rapid attraction of public interest".<sup>2</sup> The counting of calories had become a "fetish" with some nutritionists, maintained Professor E.P. Cathcart,<sup>3</sup> and such an approach took no account of the many other physical and psychological factors that might influence how food was absorbed by the body.<sup>4</sup> Not surprisingly, this was the official view adopted by the Ministry of Health, whose officials viewed with alarm the growing challenge from the family poverty lobby. Sir George Newman argued that nutrition was not solely the product of dietary deficiency, and that it was not possible to measure it precisely anyway: "no simple test has been found", he wrote, "... the

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1. See, for example, Dr. Robert Hutchison in British Medical Journal, 23/3/35, and Dr. H.E. Magee in ibid., 2/2/35.
  2. Magee in Proceedings of the Royal Society of Medicine, 28, 1935, p. 713.
  3. Statement by Cathcart in report of a meeting on 6/2/34, P.R.O. MH 56/56.
  4. Cathcart: "Nutrition and Public Health", Public Health, 48, May 1935, p. 286.



nutrition of an individual is a process, a variable clinical syndrome, not a static, fixed or measurable feature".<sup>1</sup>

Newman's successor as Chief Medical Officer at the Board of Education, Sir Arthur MacNalty, also took this line: nutrition, he maintained, depended as much on secondary 'exogenous' factors ("upon adequate sleep, proper and uncrowded housing, sunlight, fresh air, exercise and even happiness") as on the primary 'endogenous' ones which could be clinically tested.<sup>2</sup> In addition, the Ministry's medical advisers always stressed that ignorance of food values was as crucial a factor as anything else, since many people "did not know how to buy the right type of food and, what was equally important, did not know how to prepare and cook it";<sup>3</sup> educating the public in food values was thus seen as "the most effective weapon to attack the problem of malnutrition".<sup>4</sup>

Research was undertaken into methods of assessment in the hope of arriving at some kind of cast-iron 'nutritional index', but without success. Many approaches were suggested: blood haemoglobin could be measured;<sup>5</sup> Quetelet's formula used height divided by weight, expressed as a

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1. Newman: The Building of a Nation's Health (1939), p. 336. See also The Health of the School Child, 1933, p. 14.
  2. The Health of the School Child, 1935, pp. 13-14, 27.
  3. H.E. Magee in Public Health, 48, May 1935, p. 291.
  4. Memorandum by H.E. Magee, 29/8/33, P.R.O. MH 56/53.
  5. Magee to J.C. Carnwath, 18/10/33, *ibid.*



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percentage, and when applied to existing school medical inspection results showed a definite correlation;<sup>1</sup> Emerson's 'zones of weight' used optimum weights for different heights as a standard of normality;<sup>2</sup> the American 'A.C.H.' method measured arm, chest and hip width;<sup>3</sup> and numerous physical efficiency tests were tried, such as the Romberg test (where children had to stand steadily for fifteen minutes with their eyes closed).<sup>4</sup> Yet these clinical tests were all open to criticism if one took the view that nutrition was dynamic, not static, and varied from person to person. Height-weight indices, for example, would produce an incorrect result in the case of the protein-starved, carbohydrate-surfeited child whose bulky, flabby body would pass as normal,<sup>5</sup> and the rachitic child whose low stature was pathological but would be judged malnourished.<sup>6</sup>

Once again, the Ministry of Health spokesmen were adamant that no reliable clinical tests for child nutrition had been discovered.<sup>7</sup> But the family poverty lobby came back immediately with the point that if this was so, how could the

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1. Victor Freeman: "Weights, Heights and Physical Defects in School Children", The Medical Officer, 18/8/34.
  2. C.E. McNally: Public Ill-Health (1935), pp. 80-1, 83-5.
  3. The Medical Officer, 24/2/34.
  4. Proceedings of the Royal Society of Medicine, 28, 1935, p. 717.
  5. Letter in The Medical Officer, 20/1/34.
  6. W.R. Dunstan: "Malnutrition and Weightage", *ibid.* The drawbacks of such tests are discussed in F. le Gros Clark (ed.): National Fitness (1938), Chapter 8 (by W.E. le Gros Clark).
  7. See, for example, The Health of the School Child, 1937, p. 20-1.

Ministry of Health maintain that child malnutrition hardly existed? In particular, how could the Ministry of Health and Board of Education be so confident in the methods used in the medical inspection of schoolchildren? Might it not be the case that school medical officers were seriously underestimating the extent of child malnutrition? Throughout the 1930s there was bitter controversy on this point.

The 1908 Schedule of Medical Inspection had outlined a fourfold division of health categories - 'good', 'normal', 'subnormal' and 'bad'<sup>1</sup> - and school medical officers placed children into these categories according to vague general criteria which were supposed to include "the facts as to height and weight, condition of skin and mucous membrane, nervous balance, freedom from deficiency defect, general well-being".<sup>2</sup> Since no accurate clinical test existed, the child was assessed not on the basis of "a hypothetical or academic standard of nutrition but whether the child's nutrition was such as debarred it from receiving full advantage from its education".<sup>3</sup> Gradually school medical officers changed the fourfold classification into the registration only of (a) children requiring treatment, and (b) children requiring to be kept under observation, but in 1935 the original system was re-established.<sup>4</sup>

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1. Ibid, 1935, p. 11.

2. Newman, op. cit., p. 334.

3. Ibid.

4. The Health of the School Child, 1935, pp. 11-12.

According to the Ministry of Health and Board of Education, the figures obtained from school medical inspection proved conclusively that child malnutrition had all but disappeared by the 1930s. Thus in reviewing the progress of the nation's health Newman could assert with great satisfaction that "in the early years of medical inspection (1908-12) bad and severe under-nutrition (malnutrition) affected quite commonly 10-15 per cent of the children in the elementary schools. The school reports show that it now rarely exceeds 1 per cent. In London in 1912 the proportion of children with subnormal nutrition was 12.8 per cent. By 1934 it had been reduced to 4.6 per cent, and the cases of 'malnutrition' formed less than 1 per cent".<sup>1</sup> Official pronouncements by both Departments constantly painted a rosy picture of a child population unharmed by the effects of the economic depression: for example, in 1935, 1936 and 1937 the proportion of school-children classified as suffering from 'bad' nutrition (malnutrition) was said to be a mere 0.6% to 0.7%.<sup>2</sup>

But were these official figures reliable? There were many critics of the Ministry of Health who suggested that the criteria by which children were assessed were so vague and meaningless that by basing health statistics on

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1. Newman, op. cit., p. 335.

2. The Health of the School Child, 1937, p. 12.

them the Ministry was practising a form of deception, wilful or otherwise. For a start, the period of inspection was very short. Each child had three six-minute examinations during its school life - a total of only eighteen minutes - and shortage of staff meant that (in 1935) the ratio of medical officers to children was 1 : 7,140.<sup>1</sup> Medical officers thus had neither the time nor the criteria to assess nutrition properly. As early as 1911 the B.M.A. had complained about this: in a deputation to the Board of Education Dr. Christopher Addison had voiced their concern over the "exceedingly inadequate" inspection methods of the L.C.C., and pointed out that "probably at least one-half of the defects which exist are certainly over-looked".<sup>2</sup> Yet this system remained in force throughout the 1930s.

Far more serious was the criticism that the inspection methods used were so subjective as to be almost worthless. A medical officer had to rely on his own judgement and experience, which could be affected by many factors. Most commonly, doctors tended to fix their standard of normality at the average for their area: 'normal' in an economically depressed area like South Wales would be a lower standard than in prosperous Buckinghamshire. McNally cited the instance of a medical officer who moved from a country district of Bedfordshire to South Wales and by applying his accustomed standards produced child malnutrition figures so alarming

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1. The Health of the School Child, 1935, p. 73.
  2. Minutes of B.M.A. deputation, 27/6/11, P.R.O. ED 24/282.



that a special enquiry had to be made,<sup>1</sup> and whenever tests were carried out in which medical officers from different areas independently assessed a single group of children, startlingly different verdicts were returned.<sup>2</sup> The most striking illustration of this came from R. Huws Jones's experiment into the reliability of four medical officers' subjective impressions: not only was there a great variation in their assessments (in only 36% of all children examined did all four doctors agree, and in 28% each doctor gave an opinion which did not tally with any of the other three), but also each was highly inconsistent in his own judgement, for when the experiment was repeated one week later one doctor changed his assessment in 20% of the cases examined, and the other three in from 27% to 31% of cases. In addition, all the doctors found more children 'excellent' on the second occasion, showing that their standards had been set by the first experiment.<sup>3</sup> Somerville Hastings pointed out that if 'normal' nutrition was confused with the regional 'average' by medical officers year after year, with even only 5% of the children being placed below the average each year, then "a very considerable divergence from the normal may in fact exist after a period of years".<sup>4</sup> Critics maintained that

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1. McNally, op. cit., p. 29.
  2. F. le Gros Clark, op. cit., pp. 132-4. Le Gros Clark conducted a survey of school medical officers' definitions of 'normal' and found that the majority took this to mean 'average'. Ibid., pp. 127-130.
  3. R. Huws Jones: "Physical Indices and Clinical Assessments of the Nutrition of Schoolchildren", Journal of the Royal Statistical Society, 100, 1938, pp. 1-52.
  4. Letter in The Lancet, 25/3/33. This could, of course, also work the other way. The Health of the School Child, 1935, (p. 130) maintained that standards of 'normality' had risen since 1926 as a result of rising average standards.

due to this woeful inaccuracy, the school medical service was failing in its duty as an agency of preventive medicine. As one of its medical officers lamented, "we are still dealing with, and endeavouring to cure, conditions in children whose causes we, as a service, can do little or nothing to cure".<sup>1</sup>

The reaction of the Ministry of Health and Board of Education to this criticism was one of resentment and defensiveness. Both Departments steadfastly clung to the narrowly 'educational' view that their responsibility for child welfare extended no further than making the child fit enough to take advantage of the education provided for him; this was what one six-minute medical inspection every three years was designed to ensure. But behind this outward rationale lay another more fundamental reason, and this was that the Ministry of Health was clearly terrified of the political and economic repercussions that would follow if they ever announced publicly a minimum subsistence level in cash terms, stating that all those receiving an income below that level were likely to be malnourished. For this would lay the Government wide open to the demand that unemployment benefit and assistance rates be brought up to that level, and, more importantly, that the Government introduce some form of statutory minimum wage. To a Conservative-dominated National Government, dedicated to free enterprise and fiscal retrenchment, this was something

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1. Henry Herd: "The School Medical Service", Public Health, 48, January 1935, p. 125.

to be avoided at all costs, since it would involve an unprecedented State intervention into a vast number of low-wage industries; in addition, most economists (and in particular, the Treasury) in the 1930s still saw the key to Britain's economic recovery in keeping export prices as low as possible, which meant keeping wage costs at a minimum. Officials and advisers at the Ministry were thus acutely sensitive about the whole malnutrition controversy, and always tried to avoid direct confrontation, choosing instead to meet criticism with a plethora of evasive arguments designed to divert attention away from this politically-explosive topic.

At the centre of the controversy was Sir George Newman, the enormously influential Chief Medical Officer at the Board of Education and Ministry of Health. Newman was born in 1870 of a Quaker family, and after his medical training worked as Medical Officer for Bedfordshire (1897-9) and Finsbury (1900-7). In 1907 he became the first Chief Medical Officer at the Board of Education, and in 1918 took over the same post in the Local Government Board (which in 1919 became part of the Ministry of Health), in succession to Sir Arthur Newsholme.<sup>1</sup> Newman was a remarkably successful civil servant, with an enormous array of acquaintances in public life.<sup>2</sup> Undoubtedly, his contribution to public health

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1. Newman Diaries, 1907-12.

2. The bound collection of his papers in the Wellcome Institute Library, while not very instructive on other points, does at least show how extensive were his contacts.

in the years until his retirement in 1935 was enormous. "No living man has done more to improve those health conditions than you have", Lloyd George told him,<sup>1</sup> and on his retirement The Medical Officer paid tribute by asserting that he had "raised the public health of this country to a level which few other countries have attained and which, when he went to the Ministry, seemed hardly attainable".<sup>2</sup> Bentley Gilbert's account of the establishment of the Ministry of Health shows that Newman began his career with great plans for developing a comprehensive system of preventive medicine, on which he had been much influenced by the Webbs,<sup>3</sup> and he brought to the fairly mundane subject of public health an imaginative approach, political pragmatism and flair for public relations that set him well above the usual senior civil servant: for example, he turned official reports into interesting and readable documents by the use of a lively presentation and literary style.<sup>4</sup>

However, by the early 1930s Newman was nearing the end of his career and was clearly out of touch with new developments in nutrition. This was perhaps understandable, since

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1. Newman Diaries, 8/2/33.
  2. Ibid., 30/11/35.
  3. Gilbert: British Social Policy, 1914-1939 (1970), Chapter 3, esp. pp. 105, 210.
  4. See, for instance, his interesting 'civil service' account of how and why social policies come about in The Health of the School Child, 1932, p. 6.

his specialism had been bacteriology, but when added to the general apprehension that prevailed within the Ministry of Health over the economic implications of minimum subsistence it meant that Newman displayed a particularly stubborn and resentful attitude towards the criticisms of the family poverty lobby.

He was adamant that although the British people had had to live through a long period of economic depression and mass unemployment, "so strong had been their physical defences that the stability of the national health had not yet been materially affected. There was as yet no evidence of widespread physical impairment, of increasing sickness, or of rising mortality".<sup>1</sup> Thus when criticised by doctors such as George McGonigle, Medical Officer of Health for Stockton-on-Tees, who found, for example, that death rates among the unemployed were higher than among the employed (thereby concluding that the unemployment was affecting national health),<sup>2</sup> Newman reacted angrily. All of McGonigle's criticisms were just "stunts", he maintained, and came from someone who was "socialistically inclined".<sup>3</sup>

Newman's attitudes were shared by senior civil servants in the Ministry of Health, and by those in the

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1. Report of Presidential Address by Newman to the Conference of the National Association of Maternity and Child Welfare, Newman Diaries, 5/7/33.
  2. McGonigle and Kirby, op. cit., p. 267.
  3. Memorandum by Newman, 17/1/34, P.R.O. MH 56/56.

higher echelons of the B.M.A. Boyd Orr's autobiography relates how, when he was engaged in the food consumption survey that resulted in Food, Health and Income, he encountered strong opposition from those in authority. In 1933 he and McGonigle were invited to give a radio broadcast on the extent of malnutrition and the need for a food policy based on the health needs of the population but "we were told that this would not be in keeping with the ethical standards of the medical profession, and that we would be brought before the British Medical Council and probably have our names removed from the Medical Register"; McGonigle had to give way, but since Boyd Orr had no intention of ever practising medicine again he ignored the threat.<sup>1</sup> When the Government discovered what was contained in Food, Health and Income they tried to prevent its publication (since the research for it had been undertaken with the co-operation of the Ministry of Agriculture), but by a policy of carefully-judged leaks to the press Boyd Orr was able to ensure that it reached the eyes of the public.<sup>2</sup>

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1. Lord Boyd Orr: As I Recall (1966), pp. 115-6. The Newman Diaries (9/4/33) contain the cryptic note "deputation from the B.M.A. on MacGonigle (sic) and disqualification", but Boyd Orr implies that the threat came from senior civil servants.
  2. Ibid., pp. 116-7. It was published by Macmillan and Co., whose Chairman was Harold Macmillan - M.P. for Stockton-on-Tees, McGonigle's province.



This great fear of what might follow if they acknowledged the existence of widespread malnutrition meant that officials within the Ministry of Health went to great lengths to disprove the allegations of their critics.

The first line of defence was, of course, to quote the official school medical inspection figures - but since the Ministry strongly denied that any accurate test of malnutrition existed, critics were easily able to point out that these figures were therefore useless. A second line of defence was to maintain that in the absence of nutritional tests death rates were the only reliable index, and these showed great improvement overall. For example, in the Commons on 20th June 1934 Sir Hilton Young, Minister of Health, pointed out that "the general death-rate of the nation shows an encouraging downward tendency, and that downward tendency is the best proof positive we could have of the general maintenance of national health and physique", and went on to emphasise the steady fall in infant mortality.<sup>1</sup> But, maintained critics, if standardised death rates were examined then there were grounds for serious disquiet: the differences in death rates between the depressed areas and the rest of the country were greatest in the case of children;<sup>2</sup> since 1900 the decline in mortality rates from

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1. Hansard, Vol. 291, 20/6/34, Cols. 391-2.

2. New Statesman, 23/11/35.

tuberculosis (a disease associated with malnutrition) among adolescents and young adults had been much slower than in other age groups;<sup>1</sup> infant mortality was related to overcrowding;<sup>2</sup> and there was a positive relationship between low incomes and high death rates.<sup>3</sup> Critics pointed out that army recruiting figures showed the effect the economic depression was having: the proportion of men rejected in the Home Counties was 32% but in East Lancashire it was 58%.<sup>4</sup>

Thirdly, the Ministry of Health maintained that even if malnutrition did exist, it was not related to income. In 1933 the London County Council Education Committee examined 1,281 schoolchildren, aged about ten, in a poor area, and found only 6.5% "poorly nourished": the proportion of poorly nourished among those whose parents were on unemployment benefit was 5.3%, among those on public assistance 7.5%, and among those in full time employment 7.6%.<sup>5</sup> The Ministry's officials and advisers found this most gratifying, and regretted that the L.C.C. Report was not published: it proved, said Dr. J.C. Carnwath, that "there is a basic percentage (? 5%) of malnutrition, 'the ineducible remnant of the malnourished', which is found equally in all strata

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1. Bulletin of the Committee Against Malnutrition, May 1934, p. 5.
  2. R.M. Titmuss: Poverty and Population (1938), p. 224.
  3. McGonigle and Kirby, *op. cit.*, p. 273.
  4. Titmuss, *op. cit.*, pp. 66, 69, 132.
  5. L.C.C. Education Committee Report: Nutrition of School Children, 13/11/33, P.R.O. MH 56/53.

of society and is due apparently to individual idiosyncrasies affecting assimilation and growth".<sup>1</sup> The Permanent Secretary of the Ministry of Health, Sir Arthur Robinson, "found this interesting - malnutrition is ignorance quite as much as insufficient resources and it is the ignorance on which I want to organise the attack".<sup>2</sup> The Ministry and Board of Education accordingly decided to conduct a similar enquiry using the same doctor, R.H. Simpson of the L.C.C. school medical service, and send him to different parts of the country. Clearly, the Ministry hoped for a conclusive report showing that no link existed between malnutrition and income status. On the 28th November 1933 Dr. H.E. Magee went to Leeds and visited Simpson at work, examining 85 children in one day: only 12% of these were found to be under-nourished, but many of them were in families enjoying an income above the level of poor relief, thus proving, said Magee, "that malnutrition is as much a question of ignorance as of £.s.d.". <sup>3</sup> Magee wanted Simpson's final report to show unequivocally that unemployment did not cause malnutrition,<sup>4</sup> and must have been very disappointed when the report eventually appeared, for in it Simpson merely discussed at length the impossibility of measuring child malnutrition exactly, and

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1. Carnwath to Sir Arthur Robinson, 6/12/33, *ibid.*
  2. Robinson to Sir Hilton Young, 18/12/33, *ibid.*
  3. H.E. Magee to J.C. Carnwath, 28/11/33, *ibid.*
  4. Magee to Carnwath, 16/1/34, *ibid.*

the unreliability of existing medical inspection figures.<sup>1</sup> The report was not published, and throughout the 1930s the Ministry of Health steadfastly maintained that education in food values, methods of cooking, avoidance of waste, etc., was the best way of ensuring that malnutrition was avoided.

Critics, however, argued that such an approach was both unpleasantly moralistic, and deliberately avoided the real issues. It "cast an undeserved slur upon the capacity of the working-class housewife", said McGonigle, and was designed to obscure the truth that the unemployed man or low-wage earner simply did not have enough money, after payment of rent, fuel, light, clothing, etc., with which to purchase sufficient food.<sup>2</sup> Such advice was often so unrealistic as to be absurd. For example, in 1937 the Ministry of Health Advisory Committee on Nutrition recommended that every nursing or pregnant mother should have two pints of milk per day, and children a pint and a half; for a family of five this would have cost about 14s.0d. per week - a figure way outside what most working class families could have afforded:<sup>3</sup> if this advice was obeyed, Titmuss calculated, about 22,000,000 people would not have sufficient money left with which to purchase other essential food such

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1. Board of Education Nutrition Inquiry, 1933-34: Report (Confidential), *ibid.*
  2. G.C.M. McGonigle: Nutrition; the Position in England To-Day (1936), p. 10.
  3. J. Boyd Orr: Not Enough Food for Fitness (1937), p. 5.

as fresh vegetables, fruit, eggs, cheese, butter, fish and meat.<sup>1</sup> In addition, the Government were at the same time indulging in a programme of widespread food destruction as a method of raising retail prices and benefiting the food producing industries.<sup>2</sup> Thus in the 1930s "one Government department was educating and advising the public to make a wise and wide choice of foods, while another was restricting the production and entry of foods in the country".<sup>3</sup>

Perhaps the best single example of how the Ministry of Health tended to fend off criticism was the question of whether malnutrition had any influence on infant or maternal mortality. This was an important aspect of the family poverty case for family allowances, because raising the economic status of mothers and children was seen as a way of lowering these death rates.

Maternity and child welfare services had existed before the First World War in Britain mainly on a voluntary basis, but as a result of the 1915 Notification of Births (Extension) Act and the 1918 Maternity and Child Welfare Act, Treasury grants became available to local authorities and voluntary societies to enable them to improve services.<sup>4</sup> Infant

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1. Titmuss, op. cit., p. 247.
  2. J. Boyd Orr: As I Recall (1966), p. 117-8,  
S. Leff: The Health of the People (1950), pp. 132-3.
  3. Leff, op. cit., p. 133. In the 1930s Leff was a member of the Committee Against Malnutrition.
  4. P.E.P., op. cit., p. 90.

mortality had shown a continuous decline, from 142 deaths per 1,000 live births in 1881-90 to 56 per 1,000 in 1936-8. (figures for England and Wales),<sup>1</sup> a success story that was hailed by Newman as "one of the greatest single achievements in Preventive Medicine which have marked modern times".<sup>2</sup> The 1930s saw great improvements in maternity services: in 1932, 33% of all expectant mothers were receiving ante-natal supervision under local authorities, and by 1937 this had risen to 54%;<sup>3</sup> in 1930 there were 2,400 maternity beds in 152 institutions in England and Wales (not including the voluntary maternity hospitals), and by 1937, 6,700 beds in 558 institutions;<sup>4</sup> the number of infant welfare centres rose from 650 in 1918 to 3,580 in 1938, and the number of ante-natal clinics from 120 in 1918 to 1,795 in 1938.<sup>5</sup>

But if infant mortality was "a measure of man's ability and willingness to control his environment", as Titmuss put it,<sup>6</sup> was enough of an effort being made? Critics thought not. McNally denied that the Ministry of Health through the local authorities deserved much credit: the main reasons for the fall in infant mortality rates were related to technological improvements, such as the reduction of horse traffic since the turn of the century (which had reduced the number

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1. R.M. Titmuss: Birth, Poverty and Wealth (1943), p. 88.
  2. Newman, op. cit., p. 312.
  3. Ibid., p. 310
  4. Ibid.
  5. Titmuss, op. cit., p. 33. The figures also relate to England and Wales.
  6. Ibid., p. 11.



of germ-transmitting flies in cities and thereby lowered the incidence of epidemic diarrhoea amongst infants).<sup>1</sup> Others pointed to the high number of defects found in children that survived to the age of five: of 741 pre-school children attending child welfare centres in Stockton-on-Tees, 49.8% suffered from unsatisfactory diet, 43.0% from bone conditions, 27.0% from dental decay, 31.2% from anaemia, 36.7% from bronchitis and 39.0% from diarrhoea<sup>2</sup> and a Board of Education found that over 50% of children never attended these infant welfare centres.<sup>3</sup>

In addition, critics pointed to the failure of the maternal mortality rate to fall as indicating that much more could be done. In the decade 1881-90 the annual rate had been 4.7 maternal deaths per 1,000 live births in England and Wales; it fell to 4.03 in 1911-15 and to 3.90 in 1921-5; but thereafter rose, until it reached 4.60 in 1934, and then it dropped to 3.08 in 1939.<sup>4</sup>

There was considerable doubt in medical circles over the exact reasons for this. For a start, maternal mortality was not related to social class. A Ministry of Health

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1. McNally, op. cit., p. 113.
  2. G.C.M. McGonigle and P.L. McKinlay: "An Investigation into the Effects of Certain Factors Upon Child Health and Child Weight", Journal of Hygiene, 32, October 1932, p. 472.
  3. The Health of the School Child, 1931, p. 42.
  4. Newman, op. cit., pp. 282, 307, 311.



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investigation in 1935 found the following distribution:<sup>1</sup>

<u>Class, by husband's occupation and Registrar-General's assessment</u>	<u>Percentage of maternal deaths</u>
I	-
II	8.9
III	56.0
IV	21.7
V	13.4

Puerperal sepsis, for example, occurred more frequently among middle class women than working class.<sup>2</sup> In 1928 a Departmental Committee on Maternal Mortality was set up by Neville Chamberlain, Minister of Health, to look into the problem, and in their Final Report (1932) the Committee stated that there were four major causes of maternal deaths: lack or failure of ante-natal care (15.3% of cases), errors of judgement by doctors or midwives (19.1%), lack of delivery facilities (3.7%) and negligence by the patient (e.g. failure to follow medical advice properly) (7.7%). But this still left 54.1% of cases in which there was no obvious preventable factor,<sup>3</sup> and there was great puzzlement over this high residue of unaccountable deaths. Kingsley Wood, Minister of Health from June 1935, expressed bewilderment that the maternal mortality rate should have shown no improvement in 1931-4 while in the same period the number of ante-natal clinics increased by 20% and the number of women attending

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1. Ministry of Health unpublished report: Maternal Mortality Investigation (1935), P.R.O. MH 55/264.
  2. Sir Comyns Berkeley: "Factors in Maternal Mortality", The Medical Officer, 21/1/35.
  3. Ministry of Health: Final Report of Departmental Committee on Maternal Mortality and Morbidity (1932), p. 23.

them by 23%, the number of maternity beds increased by 10% and the number of women admitted to them by 30%.<sup>1</sup> Newman attributed this paradox to the increase in recorded deaths owing to more accurate certification after 1931, the spread of abortion, greater use of operative intervention in childbirth (which shortened the period of labour but increased fatalities), the failure by mothers to use available maternity services, and the neglect of many local authorities in high-mortality areas to take any serious preventive measures.<sup>2</sup> And there were many other theories put forward: eugenicists, for example, claimed that by lowering the death rate of infants, medical science had allowed girls of 'defective stock' to survive; for genetic reasons these were unfit for childbirth, and their increasing survival at birth resulted in no improvement in maternal mortality figures a generation later.<sup>3</sup>

In the midst of this confusion many in the family poverty lobby insisted that the nutrition of the mother was an important factor. Lady Rhys Williams's 1935-7 experiment in South Wales (already referred to) showed that supplementing the diets of Rhondda mothers lowered maternal mortality dramatically: among the extra-diet mothers the maternal death rate was only 1.63 per 1,000 live births (with only one death

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1. Speech to a deputation from the Standing Joint Committee of Industrial Women's Organisations, quoted in The Medical Officer, 3/8/35.
  2. Newman, *op. cit.*, pp. 311-2.
  3. G. Pitt-Rivers: "The Problem of Maternal Mortality", Eugenics Review, 26, January 1935, pp. 273-9.

from puerperal sepsis), but among a similar group not receiving the supplementation it was 6.15 (with 46 deaths from sepsis).<sup>1</sup> Balfour and Drury quoted the growing volume of evidence that adequate nutrition was very important for the pregnant woman, and showed that in Tyneside and Durham wives of men who were unemployed or in receipt of low wages were receiving insufficient food.<sup>2</sup> Research showed that maternal mortality was influenced by the shape of the mother's pelvis - which in turn was a product of healthy nutritional development in girlhood.<sup>3</sup> Thus surely the best way to reduce this 54.1% of cases in which there was 'no obvious preventable factor' was to ensure that mothers had enough income with which to purchase protective foods?

The Ministry of Health published two important Reports on maternal mortality in 1932. One was an enquiry by three women doctors, Dame Janet Campbell, Isabella Cameron and Dilys Jones, into areas with high maternal mortality, and it appeared to come out quite strongly in favour of the view that malnutrition was an important factor in the areas

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1. Titmuss, op. cit., pp. 153-4. 10,384 mothers received the extra food and 18,854 did not.
  2. Balfour and Drury, op. cit., pp. 4-17.
  3. Kathleen Vaughan: "Maternal Mortality and Its Relation to the Shape of the Pelvis", Proceedings of the Royal Society of Medicine, 23, November 1929 to April 1930, pp. 191-6. Dr. Vaughan sent this and another two research papers on the same subject to the Ministry of Health in 1930 and 1934, but they aroused little interest amongst officials. P.R.O. MH 55/687.

surveyed (the West Riding of Yorkshire, Lancashire and Wales). Poverty and unemployment were influential factors, said the Report; nutrition played "a more important part in maternal morbidity than is generally realised. Some degree of malnutrition is fairly widespread among all women in these towns".<sup>1</sup> Yet the Report's analysis of the causes of malnutrition was that it resulted more from incorrect choice of food than insufficient purchasing power: malnutrition was "due mainly to ill-balanced dietaries and ignorance of food values and cookery, as well as the lack of more expensive but important foods, such as meat, eggs, fruit and green vegetables. There is much anaemia, indigestion and constipation in the women attending ante-natal clinics".<sup>2</sup> In the section on the West Riding, the Report maintained that although the mothers must have experienced "a period of poverty and some degree at any rate of malnutrition" their general health was not markedly below the average, and all that was said on the question of income available for food was that "the dietary of the people on the dole and earning low wages is necessarily limited and monotonous. There is ignorance of food values and money is seldom spent to the best advantage".<sup>3</sup> Among the many suggestions made (such as the educating of public

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1. Ministry of Health: Reports on Public Health and Medical Subjects, No. 68: High Maternal Mortality in Certain Areas (1932), pp. 3, 8.
  2. *Ibid.*, p. 8.
  3. *Ibid.*, p. 52.



opinion, the training of girls in hygiene, the maintenance of a healthy environment, improved ante-natal services, etc.) nowhere was there a suggestion that the economic status of the mother should be raised.<sup>1</sup>

Similarly the Final Report of the Departmental Committee also played down the importance of malnutrition. Although it attributed the low maternal mortality rate in Holland to better pelvic development in Dutch women, which in turn was a product of better nutrition,<sup>2</sup> and admitted that in high-mortality areas of Britain poverty and unemployment were severe,<sup>3</sup> nevertheless it maintained that "malnutrition and the indirect effects of poverty do not in themselves explain the high maternal death rate which has in fact persisted in these areas for many years during periods of prosperity as well as adversity, for well-nourished as well as for ill-nourished women",<sup>4</sup> and in its recommendations made no further mention of the question.<sup>5</sup>

From 1934 onwards, as the controversy over malnutrition intensified, the Ministry dug its heels in further, and firmly resisted any claims by critics that maternal mortality would improve if working class mothers had incomes

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1. Ibid., pp. 21-3.
  2. Final Report, op. cit., pp. 60-1.
  3. Ibid., pp. 92-8.
  4. Ibid., p. 98.
  5. Ibid., pp. 134-140. The P.R.O. file for the Departmental Committee (MH 55/266) contains little of interest.

sufficient for their nutritional needs. In September 1934 the T.U.C. passed a motion expressing concern over the effects of prolonged economic depression on the nutrition of the population, and in November Walter Citrine (the T.U.C. General Secretary) wrote to Sir Hilton Young pointing out that unemployment benefit and assistance levels were too low and that more free milk and meals should be provided for mothers and children.<sup>1</sup> In his reply, Young strongly denied that maternal mortality would be improved if local authorities supplied more milk and meals,<sup>2</sup> but the Ministry realised that more would be needed to meet such criticisms. The Labour Party and T.U.C. were clearly beginning an intensive campaign against the Government on the issue of maternal mortality and it was important that together the Ministry and Conservative Central Office should prepare "counter-propaganda" for this.<sup>3</sup>

Thus a second enquiry into areas with high mortality rates was set up, with the express intention of proving no connection between maternal deaths and malnutrition.

Sir Arthur Robinson warned that the topic had recently been raised more and more in the House of Commons, and that "this was largely "political" and needed watching".<sup>4</sup> The Ministry

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1. Citrine to Young, 30/11/34, P.R.O. MH 55/217.
  2. Young to Citrine, 27/12/34; *ibid.*
  3. A.N. Rucker to Sir Arthur Robinson, 15/11/34, P.R.O. MH 55/265.
  4. Note by Robinson, 6/4/35, P.R.O. MH 55/264.

secured the services of Sir Comyns Berkeley, a distinguished consultant obstetrician, as an adviser, and in April 1935 he wrote to one of the investigators, Dr. Barbara Macewen, outlining the aims of the enquiry: "in view of the political situation", it was important that a quick preliminary report be produced showing (if warranted by the evidence) that malnutrition and bad housing had no effect on maternal mortality; "Sir Robinson (sic) was very pleased with this idea and said that if it was feasible the Minister of Health (and the Government) would be most happy to make such an announcement and that it would be most useful for their purpose. I don't say that we shall find this to be the case, but if you and your colleagues would not mind 'calling off' your visits for a time we might be able to ascertain whether such an opinion was justified, so far as we had got it, and I take it that with such an announcement the Minister would not worry much about the time taken thereafter".<sup>1</sup>

By August the preliminary Report was ready, and Robinson wrote to Sir Kingsley Wood suggesting that since the purpose of it was political, it might be best to delay publication "unless some strong agitation arises during the recess or when the House reassembles. In that event it might serve as a stop gap".<sup>2</sup> The Report maintained that "the

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1. Berkeley to Macewen, 5/4/35, *ibid.*

2. Robinson to Wood, 2/8/35, *ibid.*

evidence obtained in the towns was to the effect that, as a class, expectant and nursing mothers are not poorly nourished", and although it agreed that "where means are straitened it is the mother who denies herself for the sake of the children", it suggested that where women did not obtain sufficient food for their needs this was due "in some cases to ignorance of the resources available, to shiftlessness, or to pardonable pride".<sup>1</sup>

The Report remained unpublished, but information from it went towards two further Reports published in 1937, one for certain areas in England and another for Wales. As might be expected, both repeated the standard arguments. Such experiments as had been done on nutrition and death rates were too unrepresentative for general conclusions to be drawn;<sup>2</sup> facilities existed for the supply of extra nourishment to expectant mothers, but many mothers did not utilise these services properly;<sup>3</sup> a precise assessment of malnutrition in pregnant women was beyond the scope of the Report, but the general opinion was that malnutrition due to insufficient food was rare.<sup>4</sup> This was the line taken with all deputations on the subject to the Ministry - as when, for example, a maternal mortality committee of women under the

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1. Typescript of Report: Maternal Mortality Investigation, *ibid.*
  2. Ministry of Health: Report of an Investigation into Maternal Mortality, 1937, Cmd. 5422, p. 121.
  3. *Ibid.*, p. 123.
  4. *Ibid.*, p. 124. Ministry of Health: Report on Maternal Mortality in Wales, 1937, Cmd. 5423, pp. 93-4.

leadership of Mrs. May Tennant met Kingsley Wood on the 23rd November 1937 to complain that the recently-published Reports said nothing about malnutrition's influence on childbearing.<sup>1</sup> Throughout the 1930s the Ministry of Health always rejected such arguments.

Thus the Government regarded the challenges of the family poverty lobby primarily as a political threat, to be dealt with as such; meeting criticisms with counter-propaganda was more important than really finding out the true extent of malnutrition in Britain.

This approach dominated the Ministry of Health and Board of Education's investigations into not just maternal mortality but the whole question of the condition of the people. In the winter of 1927-8, for instance, the Board sent a team of doctors to South Wales to find out what effect the depression was having on children, led by the same Dr. Eicholz who had given evidence to the 1904 Physical Deterioration Committee. The Report concluded that while the footwear and clothing of the children was generally bad, the overall picture was that there was no evidence of physical deterioration or malnutrition.<sup>2</sup> Lord Eustace Percy, President of the Board of Education, found the Report

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1. Papers contained in P.R.O. MH 55/679.
  2. Board of Education Report: Children: Physical Condition in Welsh Mining Areas (1928), P.R.O. MH 55/691, published as Report on Investigation in the Coalfield of South Wales and Monmouth, (1929), Cmd. 3272, pp. 6-7.

"very encouraging", and suggested to Neville Chamberlain, Minister of Health, that the only action needed was perhaps a 50% grant to the local authorities concerned to help them extend their school meals and child welfare provision, and an appeal for private subscriptions (through the Save the Children Fund) with which more clothing could be bought.<sup>1</sup> Newman likewise felt reassured,<sup>2</sup> and concluded that there was "no need for exceptional action".<sup>3</sup> Yet the investigation upon which these confident conclusions were based was hardly a vigorous one. Eicholz's team spent only seven days in South Wales, merely taking evidence from school medical officers (an approach that would have produced little more than could have been gleaned anyway from the school medical inspection returns), and underneath the surface confidence there was unease: the general view of medical officers was that the worst victims of the depression were pregnant mothers, and one medical officer (from Aberdare) took the view that "we are 'on the brink' and cannot safely count upon the present maintenance of good health for any length of time in the future".<sup>4</sup> Clearly, those connected with the problem at local level felt puzzlement that no firm evidence of malnutrition had been found, and wondered if that was

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1. Percy to Chamberlain, 16/1/28, P.R.O. MH 55/280.
  2. Memorandum by Newman, 17/1/28, *ibid.*
  3. Memorandum by Newman, 21/2/28, P.R.O. MH 55/691.
  4. Board of Education Report, *ibid.* The published version (Cmd. 3272, p. 6.) does not include this, and merely mentions that the generally optimistic view on the part of local doctors was often "accompanied by reservations indicating surprise at the absence of ill-effects and apprehension that the inevitable sequel of the prolongation of such conditions must be a deterioration of physique".



more a sign of inadequate medical inspection methods than anything else; for example, two officials of the Welsh Board of Health were evidently uneasy that "whilst there must be a considerable amount of undernourishment and suffering in districts like the Rhondda, it has to be admitted that so far as we have been able to gather, there has been no striking evidence of malnutrition among the children under three".<sup>1</sup>

In 1934-5 a similar enquiry was made into conditions in Sunderland and Durham. A Sunderland doctor, G.F. Walker, had written to The Times on the 11th December 1934 criticising Newman's latest Annual Report On the State of the Public Health, maintaining that he and other local doctors were convinced that "a substantial and progressive" deterioration of public health was taking place in Sunderland, and accusing the Ministry of Health of complacency. Questions were asked in the House of Commons, and on the 15th December the controversy grew when a letter by Dr. W. Grant, Medical Officer of Health for Easington, Durham, was published in The Times, disagreeing with Walker and maintaining that his own personal experience indicated no evidence of malnutrition. The Times devoted part of its editorial to a support of Grant's position: he and "the great majority of other qualified observers" were of the opinion that unemployment had not

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1. D.L. Williams and H.E. Jones to Newman, 8/2/28, *ibid.*

damaged public health; Walker's opposite conclusions were based on experiences that "differed from that of a body of witnesses which includes practically the whole personnel of the health service of this country".<sup>1</sup> The Ministry of Health immediately put an enquiry into action, and in April 1935 published a White Paper disproving Walker's allegations.<sup>2</sup> As regards children, "clinical observations" found only 2.2% malnourished in Sunderland, and 1.3% in County Durham.<sup>3</sup>

But as in the case of the 1927-8 South Wales enquiry, the Ministry's method of investigation was simply to use the vague and inaccurate school medical inspection methods; as the White Paper admitted, "our investigation has been extensive rather than intensive, and our conclusions, other than those based on official statistics, should, therefore, be regarded as approximate rather than as of scientific accuracy: for example, where numbers and percentages relating to conditions of nutrition are given, it is unlikely that any two observers would arrive at precisely the same figure".<sup>4</sup> Critics pointed out that the enquiry team had spent only 17 days inspecting over 4,600 people, which must have meant an average time of less than five minutes per

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1. Press-cuttings, etc., contained in MH 61/9.
  2. Report of an Inquiry into the Effects of Existing Economic Circumstances on the Health of the Community in the County Borough of Sunderland and Certain Districts of County Durham, (April 1935), Cmd. 4886.
  3. *Ibid.*, p. 41.
  4. *Ibid.*, p. 3.

person - a fact which, commented the Committee Against Malnutrition drily, "sheds some light on the mentality and methods acceptable to the Ministry of Health and Board of Education, but none on the health of the people of Durham".<sup>1</sup>

In private, officials in the Ministry of Health and Board of Education were less confident than they appeared in public. For example, in 1934 an investigation had been carried out into conditions in Tyneside, County Durham, Lancashire and South Wales. Once again, the impetus came not from within the Government but because outside pressures made such an enquiry "politically necessary".<sup>2</sup> By July 1934 the investigations were complete, and after reading them Sir Hilton Young admitted in a meeting with the President of the Board of Education and the Minister of Labour that "the reports as a whole, and especially that of South Wales, seemed to him to give cause for grave disquiet. They indicated that the effects which were to be expected as the result of a long depression were beginning to be shown. In particular, there was cause for anxiety about the state of nutrition of children and young persons, especially boys, between the ages of 14 and 18".<sup>3</sup> The unpublished Report found the condition of infant children disquieting, and

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1. Bulletin of the Committee Against Malnutrition, July 1935, pp. 39-40.
  2. Sir Arthur Robinson to Newman, 21/2/34, P.R.O. MH 79/331.
  3. Note of meeting, 12/7/34, P.R.O. MH 79/337.

pointed out that in South Wales the death rates in the age group fifteen to twenty-five had actually increased.<sup>1</sup> In private, some of the Ministry's medical advisers were very uneasy about the validity of the school medical inspection figures upon which the Government's confident statements were based. "We have for a long time been very doubtful as to the value of the statistics of malnutrition received annually from S.M.O.'s", one of them wrote in 1933, "... the returns for the whole country are published in the C.M.O.'s Reports and attract considerable attention, but we know that they are compiled from individual figures which will not bear detailed examination".<sup>2</sup>

Perhaps the best example of this public confidence and private unease is to be found in the Ministry of Health's Advisory Committee on Nutrition. The idea of a committee of eminent nutritionists to furnish expert advice had been suggested by Dr. Edward Mellanby in a British Medical Journal article and a meeting with Newman in late 1927.<sup>3</sup> Throughout 1930 the Ministry worked on the idea, and eventually on the 28th January 1931 the Committee held its first meeting.<sup>4</sup> Its object was to disseminate information to the public, investigate the problem of how to measure malnutrition, decide on minimum nutritional levels, and advise the Government on particular points.

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1. Typescript Report, *ibid.*
  2. Memorandum by C.W.M., 9/11/33, P.R.O. MH 56/53.
  3. Memorandum by Newman, 6/12/27, P.R.O. MH 56/43.
  4. Correspondence in *ibid.* The Committee Chairman was Major Greenwood and the other members were Dr. G.F. Buchan, Professor E.P. Cathcart, Sir Frederick Gowland Hopkins, Miss Jessie Lindsay, Professor Edward Mellanby and Professor V.H. Mottram.

From the start, the Committee's work was made almost impossible by the Ministry's absolute veto on any translation of minimum nutritional levels into cash terms, and its insistence that malnutrition hardly existed. The Committee's first publication was The Criticism and Improvement of Diets (1932), in which it outlined suitable minimum diets on the level of 3,000 calories per man per day. The pamphlet was fairly innocuous, but already there was apprehension within the Ministry; one of the Committee members, Professor E.P. Cathcart, feared the economic implications, since "the diet recommended.... is something much better than the average working man can afford", and Cathcart was "afraid that if it is embodied in an official document it may be seized upon by transitional beneficiaries and others as a yard stick to measure what their allowances should be".<sup>1</sup> The Committee considered investigating minimum cash levels, but in view of the "wide and possibly embarrassing repercussions" decided to confine themselves to general statements of principle.<sup>2</sup>

Several of the Committee, on the other hand, were clearly unhappy about this - most of all, its Chairman. After only two years of working within these restrictions, Greenwood was complaining of the Committee that "I do not think that its recommendations have done much more than tell the Ministry what they already knew and were actually doing

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1. J.C. Carnwath to Newman, 1/12/31, P.R.O. MH 56/51.  
2. Carnwath to Newman, 4/4/33, P.R.O. 56/40.

their best to implement";<sup>1</sup> a few months later he was pointing out to his colleagues that the Ministry's veto meant "that having laid down certain principles they can hardly refrain from expressing an opinion upon the application of those principles without laying themselves open to another charge (one, perhaps, as damaging as that of meddling outside their sphere) viz., of behaving like the 'scientists' of the comic papers, i.e. of only being interested in a subject so long as it is of no practical importance".<sup>2</sup> Greenwood also wondered whether physiological indices were really sensitive enough to measure long-term physical deterioration: in a memorandum of the 12th December 1932 he pointed to the situation in Germany, where economic conditions had been deplorable without showing any appreciable changes in death rates among adults or height-weight indices among children, and feared that malnutrition might show itself in the form of a sudden deterioration at the end of a long period of deprivation, as occurred in Germany at the end of the First World War; he warned that this might well happen in the depressed parts of Britain.<sup>3</sup> Similarly, Dr. Mellanby argued strongly against Newman, maintaining that malnutrition was widespread,<sup>4</sup> and pointing to the fact that a recent examination of 1,000 London children under the age of five revealed 70% to have widespread dental caries.<sup>5</sup>

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1. Memorandum by Greenwood, 12/12/32, P.R.O. MH 56/52.
  2. Memorandum by Greenwood, 15/7/33, P.R.O. MH 56/48.
  3. Memorandum by Greenwood, 12/12/32, P.R.O. MH 56/52.
  4. Minutes of the 7th meeting of the Advisory Committee, 7/6/34, P.R.O. MH 56/53.
  5. Minutes of the 4th meeting of the Advisory Committee, 12/2/53, P.R.O. MH 56/52.



These internal tensions came to a head in the winter of 1933-4. In November 1933 the B.M.A.'s Committee on Nutrition published a Report in which they recommended 3,400 calories plus 50 grammes of protein per man per day as a level of minimum requirements.<sup>1</sup> A year earlier, the Ministry of Health Advisory Committee had recommended 3,000 calories plus 37 grammes of protein as its minimum,<sup>2</sup> and immediately a fierce controversy arose. The B.M.A. Report was widely published in the press, and much of the comment was adverse: newspapers, for example, carried reports of interviews with housewives who claimed that the suggested diets were monotonous and unrealistic.<sup>3</sup>

But the real controversy centred on the fact that the B.M.A. had not only fixed its minimum higher than the Ministry of Health's Advisory Committee, but had also included specimen diets and costed them. Critics immediately asked the question: if a respectable body like the B.M.A. arrived at a higher figure than the Ministry, then had the latter chosen the lower level and avoided naming a cash minimum in order to avoid exposing the inadequacy of unemployment benefit and assistance rates? It was doubly unfortunate for the Ministry that the publication of the B.M.A. Report was followed closely by the

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1. B.M.A.: Report of Committee on Nutrition (1933), p. 8. The Committee Chairman was Dr. E. Le Fleming, and its membership included Sir Robert Hutchison, Professor V.H. Mottram, Dr. G.P. Crowden and Dr. G. McGonigle.
  2. The Criticism and Improvement of Diets (1932), pp. 5-7.
  3. British Medical Journal, 9/12/33.

lengthy discussions in Parliament on the 1934 Unemployment Bill, in which the question of minimum needs was frequently raised. For example, on the 30th November 1933 Arthur Greenwood (in the Second Reading of the Unemployment Bill) pointed out that according to the B.M.A. a man, wife and three children needed to spend £1.2s.6½d. per week on food alone - yet the maximum rate of unemployment benefit for such a family was then £1.9s.3d., leaving the absurdly inadequate sum of 6s.8½d. for a week's rent, coal, lighting, clothing, etc.<sup>1</sup>

The Ministry's raw nerve had been touched, and officials reacted quickly. A meeting was arranged between representatives of the two bodies to try and arrive at some face-saving compromise, and the Ministry took stock of the situation. Sir Arthur Robinson and Sir George Newman believed that the B.M.A. Committee had been composed of people who were not true experts in nutrition, and suspected that the Report's conclusions had been engineered by that "promising labour politician", Dr. McGonigle.<sup>2</sup> Clearly, there was great alarm within the Ministry over possible consequences. Newman urged Robinson to prevent any meeting between the two bodies, as this would "involve the Ministry in a far-reaching economic issue, which is most important to avoid - an issue which might easily affect wages, cost of food, doles, etc.",

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1. Hansard, Vol. 283, 30/11/33, Col. 1110.

2. Robinson to Young, 11/1/34, P.R.O. MH 56/56. Memorandum by Newman, 17/1/34, ibid. Note of meeting, 11/12/33, P.R.O. MH 56/43.

and went on to re-state his conviction that the population was generally well-nourished.<sup>1</sup> By then, however, Sir Hilton Young had decided that a meeting would have to be held, but issued a strong warning to Mellanby, who was to attend it, that "there can be no discussion of the translation of diets into money values or of the application in practice of the scientific principles at issue", on the intriguing basis that "these are administrative and not scientific questions".<sup>2</sup> Greenwood also warned that a discussion of cash levels would be political dynamite.<sup>3</sup>

In February the two sides met,<sup>4</sup> and quickly agreed on a face-saving formula: the two calorie levels were to be part of a sliding scale, ranging from 3,400 to 4,000 calories for a man engaged in heavy work, and 3,000 to 3,400 calories for moderate work, down to 900 to 1,000 calories for a child aged one to two years.<sup>5</sup> Yet the incident greatly damaged the public reputation of the Advisory Committee, and eventually led to Greenwood's resignation on the 11th July 1934. He had been deeply unhappy about the restrictions placed on the Committee, and had pressed for some economists to be included in its membership in order

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1. Memorandum by Newman, 17/1/34, P.R.O. MH 56/56.
  2. Young to Mellanby, 11/1/34, *ibid.*
  3. Memorandum by Greenwood (n.d., probably January 1934), *ibid.*
  4. Ministry of Health: Nutrition: Report of Conference between Representatives of the Advisory Committee on Nutrition and Representatives of a Committee Appointed by the British Medical Association (1934), p. 6.

to produce recommendations on family budgets; he had felt the inadequacy of his work for the Ministry most keenly when the Week-End Review of the 1st April 1933 had gone ahead on the basis of the Advisory Committee's nutritional recommendations and calculated the cost of such a diet as 17s.5d. per week for a man, wife and two children;<sup>1</sup> in particular, he had felt unhappy about the number of controversial issues the Committee had had to deal with,<sup>2</sup> and over having to cope with such intense criticism from some sections of public opinion.<sup>3</sup>

Thus ended the first Advisory Committee on Nutrition, on a somewhat ignominious note. On the 30th May 1935, however, a second Advisory Committee was appointed under the new Chairmanship of Lord Luke of Pavenham.<sup>4</sup>

The reasons for this appear to have been twofold. Firstly, the Government had for some time realised that the method of calculating the cost-of-living index needed revising: it was still based on a working class budgetary survey carried out in 1904, and was coming in for increasing

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1. Memorandum by Greenwood, 15/7/33, P.R.O. MH 56/48.
  2. Letter of resignation from Greenwood to Young, 11/7/34, P.R.O. MH 56/40.
  3. For example, the Daily Herald of 11/1/34 pointed out that the Advisory Committee's publication Diets in Poor Law Children's Homes (1932) had recommended 4s.6½d. as the weekly cost of feeding a child, yet unemployment insurance child allowances were only 2s.0d. The paper criticised Greenwood strongly for tolerating this anomaly. Press cutting in MH 56/56.
  4. Ministry of Health: Advisory Committee on Nutrition, First Report (1937), pp. 2, 4. Apart from Luke there were seventeen members (including some civil servants) and amongst the medical representatives were Boyd Orr, Mellanby, Gowland Hopkins and Cathcart.

criticism from employers, trade unionists, economists, and the like;<sup>1</sup> for example, in 1931 the newly-formed Economic Advisory Council recommended an overhaul of the index,<sup>2</sup> but owing to the economic situation this was postponed. Secondly, by 1935 the Ministry of Health were clearly becoming concerned over the intensity of the malnutrition controversy, and realised that public opinion would soon demand an official enquiry into the subject. Again, the Economic Advisory Council had had an influence here, for on the 30th June 1934 the Council's Committee on Scientific Research published a Report in which it made out a clear case for improving the nutrition of the population and recommended the establishment of a strong committee to investigate the problem.<sup>3</sup>

Clearly, what the Ministry of Health wanted was a new Advisory Committee that would be sufficiently representative in composition to be acceptable to public opinion, yet one which would still be under their control.

Sir Hilton Young thus recommended to the Cabinet on the

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1. Memorandum by the Minister of Labour: Proposed Enquiry into the Working-Class Expenditure, and Revision of the Basis of the Official Cost-of-Living Index (n.d., probably December 1935). P.R.O. MH 79/345.
  2. Report of Committee of Economic Advisory Council. Committee on Revision of Cost-of-Living Index-Number, 13/2/31, C.P. 16(36), P.R.O. CAB 24/259.
  3. Economic Advisory Council. Committee on Scientific Research, Second Report, The Need for Improved Nutrition of the People of Great Britain, 30/6/34, C.P. 185(34), P.R.O. CAB 24/250.

30th January 1935 that the Advisory Committee be reconstituted,<sup>1</sup> and nearly five months later it held its first meeting.<sup>2</sup> The initial work of the Committee was directed at a survey of national food consumption on the basis of information provided by the Market Supply Committee, and it found that about one-third of the people in the sample were receiving a calorie intake below the B.M.A. recommended level of 3,400 calories per day, and about two-thirds were below the B.M.A. minimum protein intake level of 50 grammes per day.<sup>3</sup>

The Report was kept confidential, but Boyd Orr went ahead and, using the Market Supply Committee's data, published his own Food, Health and Income in early 1936.<sup>4</sup> Immediately, a political row broke out within the Departments concerned, and (as already mentioned in this chapter) the Government did everything it could to prevent its publication. At the first meeting of the Advisory Committee following publication of Boyd Orr's work, on the 30th March 1936, it was discussed: Boyd Orr defended the limited data upon which his conclusions had been based, saying that it had given a true approximation of the situation, and Mellanby backed him up; but civil

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1. Cabinet 6(35)11, P.R.O. CAB 23/81.
  2. Minutes of 1st meeting, 13/6/35, P.R.O. MH 56/49.
  3. Advisory Committee on Nutrition, Interim Report on Food Consumption Statistics, 18/10/35, P.R.O. MH 79/344.
  4. There were many similarities between the two reports, e.g. the classifying of the population according to weekly food expenditure.



servants argued equally strongly that the book's conclusions were not accurate. Eventually it was decided to refer sections of the book to various Government Departments for analysis.<sup>1</sup>

By then, however, the Government had decided to launch a comprehensive survey of family budgets. On the face of it, this does appear to indicate a slight change of heart, and a willingness to investigate the incidence of malnutrition among the population. There is no doubt that senior civil servants and Ministers viewed the steady stream of evidence from the poverty surveys with alarm, and wanted the Government to test their accuracy.<sup>2</sup> But beyond that, the determination to avoid any announcement of a Government-approved minimum nutritional level was as strong as ever, and the launching of the new family budget enquiry was a very reluctant concession to political pressure.

In the first place, the Advisory Committee had been asking for more accurate data on food consumption, income distribution, nutrition, etc., to be collected by Government Departments and "both on merits and on political grounds it will be in our judgement impossible to refuse this request",

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1. Minutes of 6th meeting, 30/3/36, P.R.O. MH 56/49.
  2. See, for example, The Proposed Enquiry into Working-Class Expenditure and Revision of the Basis of the Official Cost of Living Index Number. Memorandum by the Minister of Labour, 30/1/36, C.P. 19(36), P.R.O. CAB 24/259.

said four Ministers.<sup>1</sup> There was a danger that the results of such a new enquiry by the Advisory Committee might be used as political propaganda, Ministers realised, especially as regards the condition of low-income families with a large number of children;<sup>2</sup> in particular, it might be used to provide evidence of the need to raise low wages.<sup>3</sup> But existing data from private poverty surveys and the like was already being used in this way, and soon public opinion would demand some sort of official action.<sup>4</sup> Therefore the terms of reference of the new enquiry should be carefully worded so that it confined itself primarily to a new calculation of the cost of living index (for which there was a need), rather than questions of nutrition "which would create the maximum of difficulty".<sup>5</sup> If the terms of reference were so drawn up, argued Ernest Brown, the Minister of Labour, then the evidence produced could not be used as political propaganda; the published family budgets would merely show "how various totals of expenditure are divided among particular items; they will not show what expenditure is necessary to provide an adequate standard of maintenance".<sup>6</sup>

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1. The Cost of Living Index Number. Note by the Ministers of Agriculture, Health and Labour and the Secretary of State for Scotland, 21/2/36, C.P. 55/36, CAB 24/260.
  2. Ibid.
  3. Memorandum by the Minister of Labour, 30/1/36, op. cit.
  4. The Cost-of-Living Index Number. Memorandum by the Minister of Labour, 21/2/36, C.P. 55(36), P.R.O. CAB 24/260.
  5. Ibid.
  6. Memorandum by Minister of Labour, 30/1/36, op. cit.

In this way, the Government managed to steer the Advisory Committee away from the sensitive question of minimum cash needs. The Committee's First Report, published in 1937, accordingly interpreted its terms of reference as "to indicate in what direction changes in the nation's diet are desirable rather than to show how these changes can be brought about by economic or political action",<sup>1</sup> and devoted most of its space to a general summary of national food consumption and recommendations on food values.<sup>2</sup> The cost-of-living enquiry was launched in May 1936 with the appointment of a separate committee (including representatives of the National Confederation of Employers' Organisations, the T.U.C. General Council, the Co-operative Movement and retail traders, as well as statisticians and civil servants),<sup>3</sup> and in 1937-8 about 31,000 household budgets were collected, analysed, and the results published in the Ministry of Labour Gazettes of December 1940, January 1941 and February 1941.<sup>4</sup> No attempt was made, however, to analyse food expenditure by income group, and households of the long-term unemployed living on unemployment assistance were specifically excluded.<sup>5</sup> The enquiry thus made no attempt to measure the extent of inadequate feeding in the population.

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1. Ministry of Health: Advisory Committee on Nutrition, First Report (1937), pp. 5-6.
  2. Ibid., pp. 9-26.
  3. Ministry of Labour Gazette, 48, December 1940, p. 300.
  4. Ibid., pp. 300-5; ibid., 49, January 1941, pp. 7-11, and February 1941, pp. 28-31.
  5. Ibid., December 1940, p. 300.

Given this determined opposition within the Government to all the evidence of malnutrition, particularly in the case of children, it is hardly surprising that the main child poverty pressure group of the 1930s, the Children's Minimum Council, achieved very little.

The Children's Minimum Council was the organisation through which Eleanor Rathbone and some of the Family Endowment Society members participated in the overall family poverty campaigning of the 1930s. It began in early 1934 under the name of the Children's Minimum Organising Committee, holding its first public conference on the 15th February.<sup>1</sup> Eleanor Rathbone seems to have been the main driving force behind it, and with Eva Hubback and Marjorie Green also very active in the day-to-day administrative work, it obviously had close links with the Family Endowment Society.<sup>2</sup> The Council's leadership included M.P.s such as Francis Acland, Robert Boothby, R.D. Denman, Sir Edward Grigg, Harold Macmillan and Duncan Sandys; and also nutritionists such as Boyd Orr, Sir Francis Gowland Hopkins, Sir Robert McCarrison and Dame Janet Campbell (who had retired from service with the Ministry of Health in 1933).<sup>3</sup> It was avowedly non-political, and had affiliated to it many different organisations, such as

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1. Invitation to conference, P.R.O. MH 55/275. The name was changed in 1936, but for convenience it is hereafter referred to as 'Council'.
  2. Marjorie Green was secretary of both organisations, and the Society was formally affiliated to it.
  3. Invitation to conference, op. cit., and Report of the Children's Minimum Council for Year Ending 30th June 1938, Eleanor Rathbone Papers XIV. 2. 7. (5).

the Save the Children Fund, the Nursery Schools Association of Great Britain, the National Baby Week Council, the Fabian Society, the Women's National Liberal Federation, the London Teachers' Association, the Association of Head Mistresses, the National Association of Schoolmasters, the Workers' Educational Association, the National Council for Equal Citizenship, the Women's Co-operative Guild, the Industrial Christian Fellowship and the Catholic Social Guild.<sup>1</sup> Thus its leaders could with justification claim that the Council represented several million supporters.<sup>2</sup>

The pressure group methods of the Council bore all the hallmarks of an Eleanor Rathbone campaign. Important public figures were made Vice-Presidents and called upon whenever appropriate, and there were frequent appeals to such people for donations.<sup>3</sup> Much use was made of the press, and short pamphlets were regularly published summarising the Council's case.<sup>4</sup> Campaign methods were forceful and imaginative: for example, on the 30th March 1938 guests were invited to a lunch at the L.S.E. based on what the average unemployed family would eat as the main meal of their day, and after that sobering experience they listened to speeches from Council leaders.<sup>5</sup>

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1. Full list of affiliated organisations in 1934 contained in letter to the Prime Minister, 27/2/34, P.R.O. MH 55/275.
  2. Speech by Eva Hubback in Note of Deputation to Prime Minister from the Children's Minimum Committee, 12/3/34, P.R.O. PREM 1/165.
  3. See, for example, the letters sent in 1939 to various people in Eleanor Rathbone Papers, XIV. 2. 7. (11).
  4. For example, Marjorie Green: Evidence on Malnutrition (C.M.C. pamphlet, September 1934).
  5. Invitation, menu, etc., in P.R.O. MH 55/688.

The Council had both short-term and long-term aims. On the one hand, it put pressure on Government Departments during the implementation of the 1934 Unemployment Act to ensure that levels of unemployment benefit and assistance (particularly in the case of large families) would be calculated in accordance with the B.M.A. minimum standard.<sup>1</sup> This was seen by Eleanor Rathbone as very much in line with her tactic of getting in early with suggestions while proposals were still in the melting-pot.<sup>2</sup> On the other hand, the Council aimed at securing official recognition of the extent of child poverty, and the introduction of appropriate remedial measures.

This latter aim contained a number of proposals, the most important of which was that the Ministry of Health should set down an official minimum needs scale, which would then be used as a basis for unemployment allowances,<sup>3</sup> and any wage-earning household whose income was below that level should have milk and meals provided free for its children.<sup>4</sup> In addition, there were demands for higher child allowances for the unemployed, rent rebates proportional to family size, free milk for infants and expectant

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1. Eleanor Rathbone: Memorandum on the Scale of Needs Suitable for Adoption by the Unemployment Assistance Board in Assessing Assistance to Applicants Under Part II of the Unemployment Act, 1934 (C.M.C. pamphlet, July 1934). This is dealt with more fully in a subsequent chapter.
  2. E. Rathbone in speech to Liverpool School of Social Science, 24/1/35, Eleanor Rathbone Papers, XIV. 3. 19.
  3. Speech by Eleanor Rathbone in deputation from C.M.C. to Minister of Health, 23/3/34, P.R.O. MH 55/275.
  4. "A Children's Minimum", British Medical Journal, 4/1/36.



or nursing mothers, free milk for children in State-aided schools, and an end to the situation where, in the midst of widespread poverty, the food-producing industries had a surplus of such valuable foods as milk, bacon, eggs, fish, etc., and were destroying large quantities of them in order to keep up prices.<sup>1</sup>

The Family Endowment Society's involvement was natural, since apart from aiming to raise the family allowance component in unemployment benefits and assistance, the C.M.C. were also demanding 'family endowment in kind'. If unemployment child allowances could not be raised to realistic levels without overlapping onto wages, then family assistance should be granted in kind, not cash: Eleanor Rathbone "recognised that the relationship between unemployment assistance and wages had to be borne in mind, and in the circumstances some other form of assistance was necessary to meet the large scale under-nutrition",<sup>2</sup> and therefore pointed out that "the provision of supplementary nourishment, given whenever it is needed, would safeguard the health of the mothers and children without disturbing the relationship of wages and unemployment pay".<sup>3</sup>

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1. Invitation to conference, 15/2/34, op. cit. On the last point, the Council also maintained that increased food consumption would benefit agriculture.
  2. Speech in deputation to Minister of Labour, 25/2/37, P.R.O. MH 55/688.
  3. C.M.C. pamphlet: Memorandum on Proposed Provision for Additional Food, etc., for Mothers and Children in Distressed Areas (1937).

From the start, the attitude of Ministers and senior civil servants to the Council's activities was one of hostility. The Ministry of Health received an invitation to the 15th February 1934 conference, and sent along Lord Balniel as an observer; in a short and cynical note Balniel summed it up as "a number of disappointed spinsters representing 'many millions of mothers' advocated all the old demands for free milk, etc., for nursing mothers, etc., etc."<sup>1</sup> Indeed, the only point of concern to the Ministry was that one of the speakers at the conference was a London County Council Assistant Medical Officer, Dr. Barbara Tchaikowski, who should be quietly told not to get involved in such a campaign.<sup>2</sup>

Soon after this inaugural conference the C.M.C. requested an audience with the Prime Minister, Ramsay MacDonald,<sup>3</sup> and when permission was given, sent in a list of four demands: firstly, that a daily ration of clean, fresh milk should be made available to all children attending State-aided schools, and for younger children through the public health departments; secondly, that it should be made compulsory for local authorities to provide school meals for children who, by reason of the poverty of their parents, were inadequately fed; thirdly,

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1. Balniel to A.N. Rucker, 15/2/34, P.R.O. MH 55/275.
  2. Rucker to Sir Arthur Robinson, 16/2/34, *ibid.*
  3. C.M.C. to Prime Minister, 27/2/34, *ibid.*

that unemployment child allowances be substantially increased; and fourthly, that rent rebates should be granted where family income was insufficient to meet needs.<sup>1</sup>

The deputation met MacDonald on the 12th March. But two days earlier the Ministry of Health had already rejected their proposals. Compulsory school meals for needy children would cost over £4,000,000 per annum as compared with existing expenditure of about £560,000, and such an increase could only be contemplated if widespread child malnutrition could be shown to exist - which school medical inspection returns of only 1.07% malnourished in 1932 clearly did not; besides "much malnutrition is due to delicacy, not poverty", the Ministry maintained.<sup>2</sup> Criticism of the 2s.0d. unemployment child allowances on the grounds that it was insufficient for the maintenance of a child was "largely due to misapprehension. A dependant's allowance is not paid specifically for the maintenance of a child; it is only one of the constituents making up the payment to the unemployed man.... it would be going about the matter in quite the wrong way if the Bill<sup>3</sup> attempted to specify any particular figure as the right

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1. Summary of C.M.C. proposals, *ibid.*
  2. Ministry of Health Memorandum: Compulsory Provision of Meals for School Children, 10/3/34, P.R.O. PREM 1/165.
  3. The Bill that became the 1934 Unemployment Act.

amount for maintaining a child in all circumstances. A child is maintained, not by itself, but as part of a family. It is impossible to determine how much is needed for maintaining a child without taking account of the requirements of the rest of the family and indeed of the whole circumstances of the particular case".<sup>1</sup> In addition, claimed the Ministry, public assistance scales compared favourably with the B.M.A. minimum - and in any case, once again it was a mistake to try and isolate the needs of particular members of the family.<sup>2</sup> Finally, on the question of rent rebates the Ministry pointed out that since housing was essentially a local authority responsibility the Government could not at the present stage adopt any attitude other than one of "benevolent neutrality".<sup>3</sup>

In the face of this inflexible attitude, the C.M.C. deputation achieved nothing. Sir Edward Gigg and Eva Hubback introduced the deputation; Sir Francis Acland then made out the case for more milk consumption, beneficial both to children and to British agriculture; Mrs. Eleanor Barton maintained that mothers in Britain were convinced that widespread malnutrition existed; and Robert Boothby accused

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1. Ministry of Health Memorandum (n.d., probably 10/3/34), P.R.O. PREM 1/165.
  2. Ministry of Health Memorandum: Proposal 3 (n.d., probably 10/3/34), *ibid.*
  3. Ministry of Health Memorandum: Proposal 4 (n.d., probably 10/3/34), *ibid.*

the Government of being completely out of touch with the realities of life in poor areas of the country and of deliberately limiting food supplies while many children were not getting enough to eat.<sup>1</sup>

In the course of a rambling and evasive reply, Ramsay MacDonald said very little of substance.<sup>2</sup> He repeatedly assured his visitors that he shared their concern: "the matter is under consideration", he said, asking them "to co-operate with the Departments concerned" and not to make the malnutrition controversy "the subject of stunts". MacDonald then left, and after the Ministers of Labour and Health made their points (based on the pre-arranged replies), they promised that if the C.M.C. sent deputations to them on specific points they would be sympathetically considered.<sup>3</sup>

The first department to be lobbied was the Ministry of Health, on the 23rd March 1934. Eleanor Rathbone reiterated her plea that the Ministry should come out into the open and declare a minimum needs level in cash terms, and asked for consideration of her rent rebate

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1. Note of deputation, *ibid.*
  2. "When he received a deputation he avoided straight issues and was discursive or incoherent", Thomas Jones later wrote of MacDonald. Jones: A Diary with Letters (1954), p. xxvii.
  3. Note of deputation, *op. cit.*

scheme; Eva Hubback asked that some form of compulsion should be introduced to force all local authorities to provide milk for children under five years of age, and nursing or expectant mothers.<sup>1</sup> But from the evidence available, this aroused little reaction from the Ministry, and exactly the same fate befell a deputation to the Ministry of Labour three days later.<sup>2</sup>

The Council kept up its activities throughout the period mid-1934 to early 1937, collecting influential support, producing articles and letters in the press, and holding meetings throughout the country. Requests were repeatedly sent in to Government Departments, but elicited little response. For example, on the 21st July 1936 the Council wrote to the Prime Minister, once again pointing out the need to raise unemployment child allowances; the reply they received merely referred them to a recent Commons debate on the Unemployment Assistance Board regulations.<sup>3</sup>

In 1937, however, there was renewed activity. On the 25th February Eleanor Rathbone led a deputation to the Ministry of Labour which included Duncan Sandys, Eva Hubback, Lady Gertrude Williams and Dr. Margaret Balfour - each of

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1. Note of deputation, 23/3/34, P.R.O. MH 55/275.
  2. Eleanor Rathbone Papers, XIV. 3. 6.
  3. Correspondence in P.R.O. MH 55/688.



whom presented a different aspect of the Council's case, with particular reference to the need for extra milk and meals for mothers and children in the depressed areas.<sup>1</sup> In the deputation's oral evidence, Eleanor Rathbone pointed out that over a third of the maternity and child welfare authorities with unemployment rates of over 25% provided no free milk to children between the ages of three and five, and asked that the forthcoming Special Areas Bill remedy this. Lady Williams and Dr. Balfour spoke about how their own experiments (in the Rhondda and Tyneside areas respectively) showed the importance of nutrition for healthy child-bearing.<sup>2</sup> Once again, these demands elicited little response: civil servants pointed out that local authorities were doing all that was necessary and that "the strong Advisory Committee on nutrition were continuing their labours and would no doubt advise the Minister (of Health) from time to time as they found themselves able to reach conclusions".<sup>3</sup> In private, officials refused to admit the validity of the Council's empirical evidence: experiments such as the Tyneside one were, they maintained, based on samples too small, or methods too limited, for reliable conclusions to be drawn.<sup>4</sup>

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1. The Council's proposals were published in the pamphlet Memorandum on Proposed Provision for Additional Food, etc., for Mothers and Children in Distressed Areas (1937). This was sent to all M.P.s in February 1937.
  2. Note of deputation, 25/2/37, P.R.O. MH 55/688.
  3. Ibid.
  4. Memorandum on the C.M.C. evidence (n.d.), *ibid.*

Later in the year, on the 27th July, yet another deputation was sent to the Ministry of Health. All the evidence on the nutritive value of milk was quoted, and the Council asked that the Minister of Health consider the provision of cheap milk (at 1½d. per pint) for all infants and expectant or nursing mothers in families below a certain income limit.<sup>1</sup> In the course of a vague reply the Minister of Health, Kingsley Wood, merely promised to call to the attention of the local authorities the value of milk.<sup>2</sup> Finally, on the 27th March 1939 another deputation was sent to the Board of Education.<sup>3</sup>

One of the few actions taken by the Government in the 1930s positively to improve the nutrition of the nation's children was the 1934 'Milk in Schools' scheme whereby schoolchildren could purchase one third of a pint of milk at a cost of 0½d. each day.<sup>4</sup> Yet this and other efforts to improve milk consumption in the 1930s were not the result of pressure from groups like the Children's Minimum Council, but were primarily aimed at improving the milk industry. After its establishment in 1923, the Natural Milk Publicity Council realised that the expansion of the milk market was

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1. Note of deputation, 27/7/37, and C.M.C. Memorandum: Milk for Mothers and Children under Five (1937), *ibid.*
  2. Note of deputation, *ibid.*
  3. Eleanor Rathbone Papers, XIV. 2. 7. (12).
  4. Bulletin of the Committee Against Malnutrition, March 1936, p. 8.

largely dependent on greater consumption by children,<sup>1</sup> and used the growing volume of nutritional research to persuade local authorities to provide more milk for children.<sup>2</sup> The complex situation in the 1930s over the question of agreed prices, surplus produce, Government subsidies, etc., in the milk industry cannot be gone into here,<sup>3</sup> but essentially the Government, while realising that increased milk consumption would improve public health<sup>4</sup> (Britain having an extremely low level of milk consumption - only 0.385 pints per head per day),<sup>5</sup> saw their duty to British agriculture as more important, and the only solutions contemplated were ones that would adjust market forces slightly by means of the price mechanism.<sup>6</sup> Thus suggestions by the Children's Minimum Council that free milk should be provided for certain very low income-groups were never treated seriously.

The failure of the Children's Minimum campaign is an appropriate point at which to conclude this survey of the family poverty case for family allowances. This chapter has shown how the evidence of poverty and malnu-

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1. Board of Education Memorandum: Provision of Milk for Schoolchildren (April 1934). P.R.O. ED 24/1367.
  2. F. le Gros Clark: A Social History of the School Meals Service (1964), p. 43.
  3. For a full explanation, see the Bulletin of the Committee Against Malnutrition, January 1939, pp. 57-9, and *ibid.*, March 1936, pp. 1-8.
  4. Memorandum: Milk and Human Health, 10/5/34, P.R.O. ED 24/1367.
  5. Bulletin of the Committee Against Malnutrition, March 1936, p. 4.
  6. Evidence contained in P.R.O. ED 24/1367.

trition in large families slowly grew in the inter-war years, reaching a peak in the mid-1930s. This evidence was presented to the Government in many different ways by many different people, backed up by a wealth of medical and nutritional data. Yet at no time did the Government admit its validity, and it steadfastly denied that there was any real need to raise the economic status of mothers and children. On the surface, there were a number of reasons for this: the uncertainty over exactly what constituted malnutrition, the differing opinions on whether low income groups were inevitably malnourished, the persistence of the narrowly 'educational' view as regards the scope of the school medical service, the financial constraints imposed by prevailing economic orthodoxy, and so on. Yet these reasons concealed the basic explanation, which was that the Government was clearly terrified of admitting that minimum nutritional needs could be expressed in cash terms, for to do so would open the way to demands that a large section of the working class, whether unemployed or in full time work at low wages, should have their incomes brought up to such a level. This was something to be resisted at all costs, and resisted it indeed was up to the outbreak of the Second World War. Whether Ministers and senior civil servants knew of conditions in the

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depressed areas and chose to ignore them, or whether they were in fact ignorant of such conditions all along, is not really clear; in either case, it is evident that they made little effort to find out. Perhaps in conclusion it is appropriate to quote the revealing incident that occurred when Sir John Boyd Orr was summoned to meet Kingsley Wood, Minister of Health, prior to the publication of Food, Health and Income: Boyd Orr recalled that "he wanted to know why I was making such a fuss about poverty when, with old age pensions and unemployment insurance, there was no poverty in the country. This extraordinary illusion was genuinely believed by Mr. Wood, who held the out-of-date opinion that if people were not actually dying of starvation there could be no food deficiency. He knew nothing about the results of the research on vitamin and protein requirements, and had never visited the slums to see things for himself".<sup>1</sup>

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1. Lord Boyd Orr: As I Recall (1966), p. 115.

CHAPTER FOUR: FAMILY ALLOWANCES AND THE BIRTH RATE.



In addition to the family poverty argument, the case for family allowances in the inter-war years rested on another pillar of support - the demographic argument. The former was always the more easily-demonstrated, resting as it did on a wealth of empirical data from poverty and nutritional surveys; Beveridge, for example, insisted that his advocacy of family allowances in 1942 was "almost entirely" on economic grounds as opposed to demographic.<sup>1</sup>

Nevertheless, the idea that family allowances would encourage parents to produce more children was an important feature of the campaign, particularly in the late 1930s and early 1940s. Pro-natalist arguments have always been closely associated in the public mind with family allowances, and this is more than simply a legacy of the Speenhamland System applying to Britain alone, since it occurs in all advanced industrialised countries where concern over a falling birth rate coincided with the introduction of family allowance systems.

Many modern writers on family allowances have deeply regretted this pro-natalist emphasis. George and Walley have suggested that the indifference shown by successive British Governments towards family allowances since 1945 can be attributed to the disappearance of the (erroneous) demographic

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1. W.H. Beveridge: "Children's Allowances and the Race", in The Pillars of Security (1943), p. 14.

argument.<sup>1</sup> Similarly, Vadakin has complained of the pro-natalist argument as applied to Canada that "when combined with the widespread misconceptions concerning over-all population problems which are held by many people, [it] produces an attitude towards family allowances which is not only lacking in perspective but which quite often precludes a fair appraisal of such programmes as a child welfare measure".<sup>2</sup>

Yet so influential have these pro-natalist misconceptions been that modern authorities have also felt it important to discuss them, and eventually disprove them. Bernice Madison has shown that in spite of predictions to the contrary made before their introduction, family allowances in Canada have had no measurable influence on the birth rate,<sup>3</sup> and studies for that country by Vadakin and Willard have also made this point.<sup>4</sup> Similarly, Heer and Bryden have concluded that family allowances in the Soviet Union have had little effect on fertility.<sup>5</sup> The whole question of whether economic inducements in general can 'bribe' parents to produce more

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1. V. George: Social Security, Beveridge and After (1968), p. 193; Sir John Walley: Social Security: Another British Failure? (1972), pp. 183-7.
  2. James C. Vadakin: Family Allowances, an Analysis of their Development and Implications (Miami, 1958), p. 91.
  3. Bernice Madison: "Canadian Family Allowances and their Major Social Implications", Journal of Marriage and the Family, 26, May 1964, pp. 139-141. There were forecasts that a predominantly Catholic province like Quebec would experience a birth rate rise greater than a predominantly non-Catholic one like Ontario, but this did not happen.
  4. James C. Vadakin: Children, Poverty and Family Allowances (New York, 1968), pp. 95-101; Joseph Willard: "Some Aspects of Family Allowances and Income Redistribution in Canada", Public Policy (Cambridge, Mass.), 4, 1954, pp. 190-232.
  5. David Heer and Judith Bryden: "Family Allowances and Fertility in the Soviet Union", Soviet Studies, 18, October 1966, pp. 153-163.

children is an extremely complex one, but most authorities have agreed that such small payments as are made under existing family allowance schemes can have little effect.<sup>1</sup>

Still, despite the lack of any firm evidence either way, there remain legitimate hypothetical questions: if family allowances were higher, and represented the full cost of maintaining a child, would the birth rate then be affected? Even if they do not raise the birth rate, might not family allowances prevent its decline? Might they also contribute to population growth indirectly by lowering infant and maternal mortality? Since the whole subject of population growth is rife with uncertainty, it is inevitable that much confusion should be attached to the pro-natalist case for family allowances, and that this confusion should be a feature of many writings on family allowances. To give but one example, in the September 1948 issue of Population Studies an authority on French family allowances maintained that one of their functions in that country was to raise the birth rate in order to ensure the successful working of the overall social security system: according to his argument, "the benefits which the social security scheme assures to its members - particularly old-age pensioners,

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1. For general discussions of this, see: Vincent Whitney: "Fertility Trends and Children's Allowance Programmes", in Eveline Burns (ed.): Children's Allowances and the Economic Welfare of Children (New York, 1968), pp. 123-139; Judith Blake: "Are Babies Consumer Durables?", Population Studies, 12, March 1968, pp. 5-25; Margaret Wynn: Family Policy (1970), pp. 275-295; Introduction by Daniel P. Moynihan in Vadakin, op. cit. (1968), pp. xiv-xvi.

whose support is one of the most onerous burdens - are obtained by redistributing the contributions paid... If the ratio of aged to working population changes, the share going to the aged will also have to be altered, either by lowering the pension rate or by postponing the age at which a pension is due... It is therefore necessary that the population pyramid should stand on as broad a base as possible, and it thus becomes evident that incentives to a high birth rate are important to the social security scheme.... Social security provides pro-natalist policy with a basis which has some scientific claims, acceptable to all social classes, and the importance of this point of view can hardly be over-emphasised".<sup>1</sup> Yet the article concluded with a statement that while family allowances had "certainly contributed" to the recent rise in France's birth rate, by themselves they were not capable of solving France's population problem.<sup>2</sup> In common with many authorities on family allowances, this writer appeared to be pronouncing two completely contradictory verdicts on the pro-natalist argument.

Evidently, therefore, the real question to be answered in a historical study of the development of family allowances is not whether they have affected birth rates, but how one is

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1. J. Doublet: "Family Allowances in France", Population Studies, 2, September 1948, p. 229.
  2. Ibid., p. 239. Further confusion is added when one turns to the very next issue of the same journal and finds another expert flatly denying that family allowances in Belgium have had any pro-natalist effect. E. Susswein: "Family Allowances in Belgium", ibid., December 1948, p. 290.

to 'measure' the pervasive influence of the erroneous belief that they do. Bearing this in mind, this chapter will attempt to disentangle the confused jumble of claims and counter-claims - many of them resting on the flimsiest of evidence - that made up the demographic case for family allowances in the inter-war years in Britain.

Between the late 1870s and the early 1940s Great Britain, along with most other European countries, experienced a progressive fall in her annual birth rates. In the 1870s the annual average rate of population growth was 1.30%; in the early 1900s it was 0.98%; and by the 1930s it had fallen to 0.44%.<sup>1</sup> The crude fertility rate (the birth rate per 1,000 population) fell from 35.3 in 1876-80 to 28.3 in 1901-5 and 15.3 in 1931-5,<sup>2</sup> which meant that the average number of children per family fell from about 5.5 or 6 in the 1870s to 2.2 in the 1930s.<sup>3</sup> Of course, at no time did there take place an actual decline in numbers: the population of Great Britain increased from 23.1 million in 1861 to 46.6 million in 1941.<sup>4</sup> But by the late 1930s the declining birth rate was beginning to arouse considerable alarm among social scientists and demographers, since it appeared likely that very soon the population would not be replacing itself: the natural increase (the excess of births over deaths) had fallen steadily from 4.6 million in 1901-11 to 1.2 million in 1931-41.<sup>5</sup>

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1. Current Trend of Population in Great Britain, May 1942, Cmd. 6358, p. 3.
  2. Ibid., p. 8.
  3. Report of the Royal Commission on Population, June 1949, Cmd. 7695, p. 25.
  4. Ibid., p. 8.
  5. Ibid., p. 9.

These statistics, familiar to every social historian, caused great puzzlement in the 1930s because the fall in fertility had taken place alongside many improvements in living standards which, on the face of it, appeared conducive to larger families. Infant mortality in England and Wales fell from 153 per 1,000 live births in 1871-5 to 58 in 1937 and maternal mortality from 6.9 per 1,000 births in 1874 to 3.2 in 1937.<sup>1</sup> Rowntree's poverty surveys indicated that the proportion of the working class population of York living in primary poverty fell from 15.46% in 1899 to 6.8% in 1936.<sup>2</sup> Real wages probably rose by between 70% and 90% from 1866-1936.<sup>3</sup> In addition, there were great improvements in public health, housing, sanitation, diet, and so on. From a Malthusian point of view, this should have resulted in a rising birth rate.

Even today there is much disagreement among demographic historians over the exact causes of the post-1870 fertility decline. While there is no doubt that contraception was increasingly employed after the 1870s, there is still uncertainty over what prompted couples to limit their families. The most common explanation is that the last quarter of the 19th century saw a fundamental change of attitude on the part of married couples towards the production of children: the

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1. Sir George Newman: The Building of a Nation's Health (1939), pp. 282, 311, 314.
  2. B.S. Rowntree: Poverty and Progress (1941), p. 451.
  3. John Burnett: Plenty and Want (1966), p. 226.



'Great Depression' of 1873-96 first implanted in the minds of middle class parents the desire to reduce family size in order to make the economies necessary if their overall standard of living was to be maintained; thereafter, for middle class parents expenditure on educating their children rose as entry into the professions increasingly came to be by competitive examination, and for working class parents the restrictions on child labour and introduction of compulsory elementary education turned their children from producers of wealth into passive consumers; and thereafter, by a process of 'social capillary', contraceptive information gradually passed down the social scale.<sup>1</sup>

Any adequate explanation must bear in mind the 1949 Royal Commission's point that the picture is one of "a complex web, rather than a chain, of cause and effect... it would be exceedingly difficult to trace how they acted and re-acted on each other or to assess their relative importance",<sup>2</sup> and even if this cautious approach is followed many awkward questions remain: how much importance must be given to the 1877 Bradlaugh-Besant trial as a cause?<sup>3</sup> If the 'demographic

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1. For a detailed account of this explanation, see Neil Tranter: Population Since the Industrial Revolution (1973), pp. 108-129; Peter Fryer: The Birth Controllers (1965), pp. 177-181; J.A. Banks: Prosperity and Parenthood (1954); Report of the Royal Commission on Population, op. cit., pp. 33-43.
  2. Report of the Royal Commission on Population, op. cit., p. 38.
  3. The fact that the trial occurred exactly at a point when couples must have been wanting to limit their families has always intrigued historians. A similar trial in Sydney in 1888 was followed by the first fall in the Australian birth rate. G.F. McCleary: Race Suicide? (1945), p. 42.

transition' explanation relates the fall in fertility to a certain stage of industrialisation, then why did agricultural, semi-feudal France experience a decline probably as early as the 1770s?<sup>1</sup> Has the process of 'social capillary' been greatly over-estimated?<sup>2</sup> The existence of many such puzzling problems makes the whole question of the fall in fertility in Britain one that must be approached with great caution.<sup>3</sup>

If social scientists and demographers of the 1970s are still puzzled by aspects of the decline in the birth rate, then those of the 1920s and 1930s were many times more so. Immediately after the First World War there was a brief period when fear of overpopulation was in vogue: J.M. Keynes had popularised this in his book The Economic Consequences of the Peace (1920) and for a time the theory had a certain attraction as an explanation of mass unemployment.<sup>4</sup> However, in 1933 the

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1. R.R. Kuczynski: "World Population", in T.H. Marshall (ed.): The Population Problem (1938), p. 108. In addition, there is the question of whether political entities like 'France' can be meaningfully isolated for the purpose of demographic analysis: D.E.C. Eversley: "Population, Economy and Society", in D. Glass and Eversley (eds.): Population in History (1965), p. 27.
  2. Argued in Diana Gittins: "How the Coitus was Interrupted", New Society, 30/9/76.
  3. A famous example of the danger of not doing so can be found in A.J.P. Taylor: English History, 1914-45 (1965), pp. 165-6, where Taylor wrongly argued that family limitation was primarily achieved by sexual abstinence, and concluded: "The historian should bear in mind that between about 1880, when limitation started, and 1940 or so, when the use of the sheath at any rate became more general in all classes, he has on his hands a frustrated people. The restraint exercised in their private lives may well have contributed to their lack of enterprise elsewhere".
  4. See controversy between Keynes and Beveridge on this point in The Economic Journal, 23, December 1923, pp. 447-486, and in Economica, 4, February 1924, pp. 1-20.

birth rate reached its lowest-ever point, and thereafter there began to develop growing concern over the long downward trend.

Essentially, the 'population panic' of the 1930s centred on three main fears. Firstly, there was the prospect of an actual population decline setting in at some not-too-distant date. Dr. Enid Charles caused considerable alarm by her prediction in 1938 that if fertility and mortality rates continued to fall as they had done in the previous decade, the population of England and Wales would be reduced to one-tenth its present size over the next century; and even if fertility and mortality remained constant at 1933 levels, the population would be halved in this time.<sup>1</sup> David Glass made a less pessimistic forecast in 1937: soon a peak level would be reached, and after a transitional period of slow decline the population would fall off at the rate of 24% every generation, reaching 15% of its present size in just over two centuries.<sup>2</sup> To illustrate this danger, demographers evolved the concept of the 'net reproduction rate' - a net reproduction rate of 1 equalled the exact replacement rate - and showed that in the period 1935-8 the annual number of births was about one-fifth below what was necessary to replace the previous generation.<sup>3</sup>

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1. Enid Charles: "The Effect of Present Trends in Fertility and Mortality upon the Future Population of Great Britain and Upon its Age Composition", in Lancelot Hogben (ed.): Political Arithmetic (1938), p. 103.
  2. D.V. Glass: "The Population Problem and the Future", Eugenics Review, 29, April 1937, p. 41.
  3. Report of the Royal Commission on Population, op. cit., p. 60-1. After the War the net reproduction rate was rejected as unreliable. Ibid., p. 62.

The prospect of a declining population attracted much attention in the popular press in the late 1930s, with sensationalist articles on deserted villages, empty factories, over-crowded old people's homes, and so on. In addition, in a period of growing international tension and emerging colonial independence movements, it was hardly surprising that there should have been aroused considerable concern over the fact that this fertility decline was only happening in countries peopled by the white European races. Asiatic and African races were (as far as could be estimated) increasing their numbers rapidly, and in view of this Duncan Sandys, the Conservative M.P., warned in 1937 that "unless the population trend in Great Britain and Western Europe alters, the Dominions, in order to maintain their population, may be forced to seek emigrants from Asiatic and Eastern European countries where the decline in population is not so imminent. Apart from the cultural aspect and the weakening of Imperial ties it would involve them in all the difficulties consequent upon the importation of cheap labour accustomed to a substantially lower standard of life... A great Empire whose population is not only declining but is also on an average growing older is particularly vulnerable to attack".<sup>1</sup> These fears were not only the province of those on the political right: even a left-wing scientist like Lancelot Hogben could warn that "sooner or later any Government, Socialist or otherwise, will have to face the

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1. Hansard, Vol. 320, 10/2/37, Col. 494.

task of raising fertility or to accept a downhill retreat to racial extinction",<sup>1</sup> and Beveridge declared that soon the question would have to be faced of "how far the unequal adoption of birth control by different races will leave one race at the mercy of another's growing numbers, or drive it to armaments and perpetual aggression in self-defence".<sup>2</sup>

This gave rise to a second area of concern - that in a period of decline, the age-distribution of the population would change, with an increasing proportion of old people having to be supported by a declining proportion of 'producers' (those aged between fifteen and sixty-four). Dr. Enid Charles estimated that whereas in 1935 64% of the population of England and Wales was aged between fifteen and sixty, and 12.5% aged over sixty, by the year 2000 these proportions would have changed to 49.6% and 46.5% respectively.<sup>3</sup> Such an imbalance would bring about profound economic changes.

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1. L. Hogben: "Planning for Human Survival" in G.D.H. Cole, et al: What Is Ahead of Us? (1937), p. 172.
  2. W.H. Beveridge, op. cit. (1923), p. 474. Of course, had the birth rate remained at its pre-1870 level possibly even worse problems would have been created: by the 1960s the population would have doubled, and by the year 2100 it would have reached the astronomical figure of 460 million. As the 1949 Royal Commission pointed out, this growth "would have been slowed down by the Malthusian forces of famine and disease". Report of the Royal Commission on Population, op. cit., p. 9. See also D.C. Marsh: The Changing Social Structure of England and Wales, 1871-1961 (1965), p. 12. Some contemporary writers, like Dean Inge, even thought a smaller population might be advantageous. G.F. McCleary, op. cit., p. 108.
  3. D.V. Glass: The Struggle for Population (1936), pp. 12-13.



There would have to be increased public expenditure on social services to old people (more hospitals and old age pensions, for example); the decline in the ratio of producers to consumers would retard economic expansion; unemployment would rise; taxation would have to be increased and living standards would fall; there would be rises in the costs of those public services that depended for their own charges on serving a mass public (such as gas, electricity, telephones, etc.).<sup>1</sup>

The third major cause for concern was the phenomenon of differential fertility. The decline in the birth rate began in the upper middle class and slowly permeated down the social scale, with the result that fertility became inversely related to social class. Thus the 1911 Census for Scotland showed that the average number of children for certain occupations was: crofters, 7.04; coal, shale and ironstone miners, 7.01; general labourers, 6.29; domestic servants, 4.84; clerks, 4.38; teachers, 4.25; physicians and surgeons, 3.91.<sup>2</sup> From such statistics on fertility

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1. J.M. Keynes: "Some Economic Consequences of a Declining Population", Eugenics Review, 29, April 1937, pp. 13-17; G.F. McCleary: Population: Today's Question (1938), pp. 168-9; R.M. Titmuss: Poverty and Population (1938), pp. 19-32. W.B. Reddaway, however, made the point that to raise the birth rate would create a large number of non-productive (and hence 'expensive') dependants at the lower end of the age-scale. Reddaway: The Economics of a Declining Population (1939), pp. 234-5.
  2. J.C. Dunlop: "The Fertility of Marriage in Scotland: a Census Study", Journal of the Royal Statistical Society, 77, February 1914, pp. 275-7. Dunlop was Superintendent of the Statistical Department of the Office of the Registrar-General for Scotland. For a similar study relating to England, see T.H.C. Stevenson: "The Fertility of Various Social Classes in England and Wales from the Middle of the Nineteenth Century to 1911", *ibid.*, 83, May 1920, pp. 401-432.



distribution it appeared that the population was being increasingly recruited from the lowest social classes, and if, as many eugenicists argued, the lowest social classes were also the least intelligent, then obviously 'national intelligence' was declining. Raymond Cattell, for example, maintained that it was just such a process that had caused the decline of the Roman and Greek civilisations, and calculated that if existing trends continued, in 300 years half the population of Britain would be mentally defective.<sup>1</sup> This trend was already in evidence, eugenicists argued. They claimed that the incidence of mental deficiency was growing at an alarming rate;<sup>2</sup> thus, not only was society becoming increasingly burdened with an ever-expanding 'social problem group' at the bottom,<sup>3</sup> but also it was gradually losing its 'best stocks' at the top. Leonard Darwin warned that "the differential birth rate will in the long run prove to be one of the greatest of all impediments to social progress".<sup>4</sup>

It is hardly surprising that in this atmosphere of alarm and pessimism many mistaken theories were put forward to explain past population trends and predict future ones. The more extreme of these suggested that mysterious and

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1. R.B. Cattell: The Fight for Our National Intelligence (1937), pp. 1-3, 43.
  2. A common claim was one such as Sir Bernard Mallet's that between 1906 and 1929 the number of mental defectives increased by 35% while the population only increased by 14%. Mallet (President of the Eugenics Society) to Neville Chamberlain (Minister of Health), 18/2/29, P.R.O. MH 58/103.
  3. For an outline of this concept, see C.P. Blacker (ed.): A Social Problem Group? (1937).
  4. Leonard Darwin, in introduction to Cattell, op. cit., p. ix.

deep-seated biological changes had taken place in the physiology of individuals in industrialised societies, caused by such factors as the increased use of artificial fertilisers, food preservatives, soap, etc., and so pervasive had these theories become by the 1940s that the Royal Commission felt it necessary to set up a special Biological and Medical Sub-Committee to look into the question of declining reproductive capacity.<sup>1</sup> However, most commentators realised that the decline in fertility had been voluntary: as early as 1905-6 the Fabian Society had conducted an investigation of 316 middle class marriages, taken from all parts of Britain, and had found that 242 were limiting their families.<sup>2</sup> It was the cause of this voluntary limitation that was so baffling. Professor Raymond Pearl, the biologist, drew an analogy with the behaviour of fruit-flies and suggested that human beings also slowed down their breeding when a certain degree of overcrowding was reached.<sup>3</sup> The eminent economist G. Udny Yule attributed it to changes in price levels.<sup>4</sup> Beveridge singled out the increased availability and reliability of contraceptives after 1880.<sup>5</sup> Others invented their own causes, like Dr. John Brownlee's "race physiology"<sup>6</sup> or Raymond Cattell's "social melancholia",<sup>7</sup>

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1. Report of the Royal Commission on Population, op. cit., pp. 1, 31-2.
  2. Sidney Webb: The Decline in the Birth-Rate (1907), pp. 10-12.
  3. McCleary, op. cit. (1945), p. 45.
  4. G. Udny Yule: The Fall in the Birth Rate (1920), p. 39.
  5. W.H. Beveridge: "The Fall of Fertility Among European Races", Economica, 5, March 1925, p. 20. In fact, the vulcanisation of rubber (making mass manufacture of reliable contraceptives possible) had been discovered in the 1840s.
  6. John Brownlee: "The Present Tendencies of Population in Great Britain With Respect to Quantity and Quality", Eugenics Review, 17, July 1925, p. 75.
  7. Cattell, op. cit., pp. 146-158.

until by the end of the 1930s two population experts could list numerous bizarre 'explanations' that had been put forward at various times: "fear of another world war; the inadequate wages paid to the working man; the cost and difficulty of obtaining domestic servants; the craze for amusement and pleasures; the 'pace' of modern life; over-indulgence by the modern girl in athletics; the danger of dying in childbirth; the increase in homosexuality among men; the selfishness of the modern girl; the demoralising influence of towns".<sup>1</sup>

That politicians shared this bewilderment is well illustrated by the February 1937 House of Commons debate on Ronald Cartland's motion warning that the tendency of the population to decline could well constitute "a danger to the maintenance of the British Empire and to the economic well-being of the nation", and calling on the Government to institute an enquiry.<sup>2</sup> Speaker after speaker expressed ignorance of the causes of the declining birth rate, and various bizarre explanations were suggested: F.A. Broad blamed the high cost of housing, the Government spokesman (R.A. Hudson) vaguely referred to a "psychological factor" and R.A. Pilkington even attributed it to the increased number of women entering public life, like "lambs straying out into the jungle".<sup>3</sup>

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1. C.P. Blacker and D.V. Glass: Population and Fertility (1939), p. 6.
  2. Hansard, Vol. 320, 10/2/37, Col. 482.
  3. Ibid., Cols. 515-6, 530, 504.

Of course, many experts and non-experts in the inter-war years realised that the explanation lay in the general 'rising standard of living' argument later developed by J.A. Banks in Prosperity and Parenthood (1954),<sup>1</sup> and that reversing the trend was probably outwith man's control. Nevertheless, in the generally alarmist atmosphere it was inevitable that family allowances should be seized upon as a possible means of raising the birth rate. The remainder of this chapter will outline the pro-natalist arguments for or against family allowances as expressed by eugenicists, population experts and the Family Endowment Society leaders. Finally, the response of the Government to these arguments will be considered.

The eugenics movement in Britain grew directly, if slowly, out of Social Darwinism and owed much to the pioneering work of Francis Galton.<sup>2</sup> Born in 1882, Galton was a cousin of Charles Darwin, and after the publication of the latter's The Origin of the Species in 1869 he began to apply his mind to the possibility of substituting social controls for natural selection in shaping human evolution.<sup>3</sup> Galton investigated the pedigrees of famous families and

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1. See, for example, Francois Lafitte: "The Work of the Population Policies Committee", Eugenics Review, 31, April 1939, pp. 49-53, and speech by J. Morgan Jones in Hansard, Vol. 320, 10/2/37, Cols. 522-3.
  2. Eugenic ideas can be traced back as far as Plato's Republic.
  3. L.C. Dunn: "Cross Currents in the History of Human Genetics", in Adela S. Baer (ed.): Heredity and Society (New York, 1973), p. 21. There is as yet no adequate published history of the British eugenics movement.

concluded that those qualities that caused men to become leaders in society were primarily inherited; in addition, nations or races owed their position in the 'scale of civilisation' to innate biological qualities - negroes, for example, being a "sub-race".<sup>1</sup> Galton concluded from these and other experiments that by selective breeding the innate qualities of a nation could be improved or, for that matter, impaired.<sup>2</sup>

In the last quarter of the nineteenth century Galton's ideas began to attract a growing band of disciples, and the eugenics movement took shape. As they directed their research into more and more areas, these early eugenicists began to give to the movement the two features that were to characterise it over the next half century - a profound pessimism and a highly conservative outlook.

Darwin's writings had contained a hint of this pessimism. For example, at one point he stated that whereas man's early evolution had selected the 'fit' at the expense of the 'unfit', now civilised man by his introduction of social reforms had checked this healthy process of elimination: "we build asylums for the imbecile, the maimed, and the sick; we institute poor-laws; and our

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1. Nicholas Pastore: The Nature-Nurture Controversy (New York, 1949), p. 22.
  2. Mark Haller: Eugenics (New Brunswick, 1963), pp. 9-10.

medical men exert their utmost skill to save the life of every one to the last moment.... Thus the weak members of civilised societies propagate their kind. No one who has attended to the breeding of domestic animals will doubt that this must be highly injurious to the race of man".<sup>1</sup> Galton and Darwin had corresponded privately on this topic and had exchanged ideas on how it might be counteracted,<sup>2</sup> but until the 1880s this particular implication in evolutionary theory was ignored by the many who called themselves Social Darwinists<sup>3</sup> and the prevailing interpretation tended to be the optimistic Lamarckian one that characteristics acquired during the life of an individual could be passed on to future generations.<sup>4</sup>

Galton, however, specifically rejected Lamarck's theories and instead maintained that the natural tendency of civilised races was to decline in innate ability unless positive steps were taken to control the breeding of certain sections of the population.<sup>5</sup> The generation of eugenists

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1. Darwin: The Descent of Man (1871), quoted in *ibid.*, p. 4.
  2. Gertrude Himmelfarb: Victorian Minds (1968), p. 326.
  3. As Himmelfarb has shown, Social Darwinism could be used to justify many apparently contradictory doctrines - laissez-faire, socialism, racism, anti-racism, pacifism, imperialism, etc. *Ibid.*, pp. 314-332.
  4. For a brief account of how these ideas influenced the Liberal Party, see Peter Fraser: Joseph Chamberlain (1966), pp. 2-3.
  5. In Hereditary Genius (1869) Galton investigated the fertility of English judges who had lived between 1660 and 1865. Of the 31 who had gained peerages (thus being the most worthy, according to Galton), 12 had become extinct. The English race had therefore lost 12 families from which it could have gained many subsequent leaders, he argued. C.P. Blacker: Eugenics: Galton and After (1952), p. 59.



after Galton increasingly stressed this pessimistic interpretation: the British race was not only losing its stock of 'great men' but was becoming increasingly burdened with a 'social problem group' at the bottom who bred recklessly and made up the bulk of paupers, criminals, lunatics, deaf mutes, feeble-minded, etc.<sup>1</sup>

Thus according to A.F. Tredgold, between one-fifth and one-quarter of the total workhouse population were "mentally affected and quite unfitted to be at large"; at least 20% of the criminal population were mentally defective; and of all the feeble-minded in the country, no less than two-thirds were being supported by the general public.<sup>2</sup> These members of the 'social problem group' were said to be breeding at an alarming rate: according to Tredgold the average number of children in 'mentally degenerate' families was 7.3 as against 4.63 for the general population,<sup>3</sup> and Karl Pearson claimed

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1. A full explanation of why the eugenics movement became increasingly pessimistic would need to be lengthy and complex. However, it is worth noting two points. Firstly, this pessimism coincided with, and was no doubt influenced by, fundamental changes in British society after circa. 1870: the onset of the 'Great Depression'; increased economic rivalry with Germany and the U.S.A.; the decline in the birth rate; colonial and international rivalry; concern over national fitness; growing awareness of poverty and social problems; and, in particular, the rise of working class political power. Secondly, the concept of a 'social problem group', 'submerged tenth' or 'residuum' was also to be found in other contemporary observers like Charles Booth or the Salvation Army leader William Booth, and has appeared in one form or other in literature on social problems ever since.
  2. A.F. Tredgold: "The Feeble-Minded", Contemporary Review, 97, June 1910, p. 719.
  3. Ibid., p. 721.

that the figures for tuberculosis sufferers was 5.7 and for albinotics was 5.9.<sup>1</sup> Leonard Darwin calculated that the cost to the community of such people was fully £48,000,000 per annum,<sup>2</sup> and maintained that if they were not allowed to reproduce in future, the 'fit' members of society would gain enormously through reduced taxation, higher wages and increased industrial efficiency.<sup>3</sup> The connection between mental deficiency and pauperism appeared to be proved by such statistics as the fact that of 122,000 certified idiots and lunatics in England and Wales recorded on the 1st January 1906, 91% were paupers;<sup>4</sup> and eugenists were fond of quoting pedigrees of criminals, feeble-minded, consumptives, etc., to prove that the 'social problem group' was rapidly expanding.<sup>5</sup>

By the early twentieth century, eugenics was attracting the interest of a wide spectrum of political opinion,<sup>6</sup> and the question of how the 'desirable' sections of society could

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1. Mrs. R.J. Hawkes: What is Eugenics? (1910), p. 4.
  2. Leonard Darwin: An Address on Practical Eugenics (1914), p. 13. Darwin (1850-1943) was President of the Eugenics Society from 1911-28 and the son of Charles Darwin.
  3. Leonard Darwin: Eugenics and National Economy (1913), pp. 13-14.
  4. George Whitehead: Socialism and Eugenics (1911), p. 10. This is explained by the fact that lunacy was only officially registered on a very few occasions, application for Poor Relief and criminal arrest being two of them.
  5. For example, the Jukes sisters, born in America in the 1760s, were said to have produced by the early 20th century 830 known descendants, the majority of whom were criminals or paupers; the total cost to the community was calculated at £260,000. W.C.D. and C. Whetam: The Family and the Nation (1909), p. 69.
  6. In general, the eugenics movement was deeply conservative, and opposed State intervention into social problems. See, for example, Karl Pearson: The Groundwork of Eugenics (1909), p. 20. But at this time it also attracted some socialists. See George Whitehead, op. cit., and Sidney Webb: Eugenics and the Poor Law (1909) (L.S.E. Coll. Misc. 181).

be encouraged to raise their birth rates was being increasingly discussed. This was part of the movement's general demand for measures that would favour the 'best stocks' and in fact reverse the doctrine of 'the survival of the fittest' by replacing it with 'the survival of the best'. "We must face the paradox", wrote Professor R.A. Fisher, "that the biologically successful members of our society are to be found principally among its social failures, and equally that classes of persons who are prosperous and socially successful are, on the whole, the biological failures, the unfit in the struggle for existence".<sup>1</sup> Thus Sidney Webb saw that the task of eugenists was "deliberately to manipulate the environment so that the survivors may be of the type which we regard as the highest",<sup>2</sup> while others went further and suggested that such agents of social mobility as scholarships and competitive entry into the professions should be abolished.<sup>3</sup> On this analysis, the 'best' sections of the community were thus automatically equated with the highest social classes.<sup>4</sup>

Inevitably, the idea of family endowment was suggested. The Whethams wanted "a satisfactory system of selective public endowment of parenthood" for those in all classes who produced

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1. R.A. Fisher: The Genetical Theory of Natural Selection (1930), p. 222.
  2. Webb, op. cit., p. 5.
  3. W.C.D. and C. Whetham, op. cit., pp. 190-4.
  4. Lancelot Hogben, in a memorable phrase, summed up eugenics as "the pastime of decking out the jackdaws of class prejudice in the peacock feathers of biological jargon". L. Hogben: Dangerous Thoughts (1939), pp. 53-4.

healthy and strong offspring to be administered by trustees "who should look solely to the probably quality of the offspring" and greatly extended tax relief for families.<sup>1</sup> The psychologist William McDougall suggested that the State should introduce a family allowance system for the "best elements" in society, such as senior civil servants.<sup>2</sup> Thus by the time the Family Endowment Society began campaigning in the 1920s, much interest was being shown by the Eugenics Society.<sup>3</sup>

This interest was tempered by a good deal of caution, however. The 1920s saw the concept of the 'social problem group' gain probably its widest acceptance. The brief over-population scare and the existence of long-term mass unemployment seemed to give credence to the idea of a rapidly-expanding residuum of 'unemployable degenerates'. Eugenists argued that by the late 1920s the number of mental defectives in England and Wales alone had reached a total of 300,000; over half of these owed their condition to heredity, and if they could be prevented from having children then in three generations their

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1. W.C.D. and C. Whetham, op. cit., pp. 202, 215-6.
  2. William McDougall: "A Practicable Eugenic Suggestion", Sociological Papers, 1906, pp. 74-80. For another early semi-eugenic advocacy of family endowment, see G.A. Gaskell: Social Control of the Birth-Rate and Endowment of Mothers (1890).
  3. The Society had been founded in 1907 as the Eugenics Education Society, and two years later its Eugenics Review was launched. For brief but interesting histories of the Society and its organ, see Eugenics Review, 60, September 1968, pp. 142-175. For the purpose of this chapter the Review has been taken as representing a fair cross-section of eugenic opinion in Britain.

number would be cut by one half.<sup>1</sup> One of the most painstaking attempts to provide scientific justification for the 'social problem group' concept was E.J. Lidbetter's research project, spread over twenty-five years, into the family histories of Poor Law applicants: Lidbetter constructed intricately detailed tables of pedigrees and case-histories to prove his contention that a large proportion of those on Poor Law relief came from a self-perpetuating class at the bottom of the social scale, and that the cause of their poverty was hereditary weakness.<sup>2</sup> Few eugenisists went as far as Professor E.W. MacBride, who suggested that the unemployed should be sterilised,<sup>3</sup> but most agreed that the long-term unemployed were, as the Eugenics Review put it, a "standing army of biological misfits",<sup>4</sup> and voluntary sterilisation did attract wide support in the late 1920s and early 1930s as a drastic solution to the problem of how to decrease the number of mental defectives.

Not surprisingly, therefore, many eugenisists saw a universal family allowance scheme as precisely the reverse of what they were advocating. Such a scheme would not appreciably raise the living standards of the higher social classes,

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1. Pamphlet from the Committee for Legalising Eugenic Sterilisation (n.d., probably 1929), P.R.O. MH 58/103, and Parliamentary Committee on Sterilisation: The Sterilisation of Mental Defectives (1932), p. 12, P.R.O. MH 58/104A.
  2. E.J. Lidbetter: Heredity and the Social Problem Group, Vol. I (1933) and "The Social Problem Group as a Public Charge", in C.P. Blacker: A Social Problem Group? (1939), pp. 152-161. Lidbetter was a Poor Law Officer from 1898-1930 and conducted his research in his spare time.
  3. Pastore, op. cit., p. 167.
  4. Eugenics Review, 15, April 1933, p. 5.



Leonard Darwin argued, and since only the lowest classes would allow their birth rates to be influenced by monetary considerations, universal family endowment would be dysgenic.<sup>1</sup> The economist Professor A.C. Pigou expressed commonly-held fears when he argued in 1923 that since the First World War the 'best' sections of society had suffered financially in comparison with the rest: there had been a narrowing of income differentials between skilled and unskilled workers, and between the professions and the working class in general, and Pigou warned that universal family allowances would exacerbate this.<sup>2</sup> Thus whenever the subject was mentioned in the Eugenics Review in the early 1920s it tended to be viewed with suspicion.<sup>3</sup> The New South Wales scheme, for example, received sarcastic condemnation because it did most for poor working class families: "the 'cult of incompetence' could hardly go further!" was the Review's verdict.<sup>4</sup>

However, eugenists were keenly interested in family endowment for the higher social classes. Although their political conservatism generally made them suspicious of State intervention, they did believe that the Government should introduce measures to counteract differential fertility.<sup>5</sup>

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1. Darwin, op. cit. (1914), p. 10, and "Some Birth Rate Problems", Eugenics Review, 12, January 1921, pp. 283-4.
  2. A.C. Pigou: "Eugenics and Some Wage Problems", in Essays in Applied Economics (1923), pp. 80-91.
  3. See, for example, C.V. Drysdale: "A Guiding Principle for Practical Eugenic Reform", Eugenics Review, 14, July 1922, p. 113.
  4. *Ibid.*, p. 134.
  5. Leonard Darwin: "Population and Civilisation", Economic Journal, 31, June 1921, p. 195.



One way of achieving this was a system whereby family allowances were proportional to parental income,<sup>1</sup> and when the Eugenics Society published its statement of aims in 1926 this was included.<sup>2</sup> Another way was through generous extensions of income tax child rebates, and the Society campaigned for this throughout the inter-war years: when these rebates were raised in 1928 the Society claimed this as a victory,<sup>3</sup> but one of its members warned that much more needed to be done, since "in thirty years, with their present birth rate, the upper and middle classes will be halved".<sup>4</sup> A third way was through occupational family allowance schemes for the professions: Beveridge's L.S.E. system gained the Society's approval, and they wanted the Government to encourage the development of similar schemes.<sup>5</sup>

Thus when Eleanor Rathbone delivered a talk to the Society on the 12th November 1924, she was not unfavourably received. Aware of her audience's opinions, she suggested that a graded family allowance system, related to parental income, would be best;<sup>6</sup> in reply, Leonard Darwin was strongly

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1. Eugenics Review, 16, July 1924, p. 153.

2. Ibid., 18, July 1926, p. 98.

3. The Society said it had been "largely responsible for the first rebates and since their introduction had been almost alone in frequent petitions for their increase". Ibid., 20, July 1928, p. 75.

4. R.A. Fisher: "Income-tax Rebates", ibid., p. 79.

5. Ibid., p. 81.

6. Eleanor Rathbone: "Family Endowment in its Bearing on the Question of Population", ibid., 16, January 1925, pp. 274-5. The article (pp. 270-5) was published as a Family Endowment Society pamphlet.

in support of this, while warning that if, on the other hand, family endowment was seen as a means of helping the poorest (or "least efficient types"), it would have to be firmly resisted by eugenicists.<sup>1</sup> "Family allowances", he went on, "being immediately beneficial, are almost certain to be introduced into this country sooner or later; and the eugenicist must consider whether in place of merely opposing this reform, it would not be wiser to endeavour to insure that the tiller of maternity is turned in the right direction".<sup>2</sup> In the following discussion, opinion was fairly equally divided for and against: Sir Lawrence Jones, for example, maintained that work-incentives would be destroyed (since people would produce children to maximise their income) but Professor R.A. Fisher dispelled fears that over-population would result.<sup>3</sup>

Fisher was a member of the Family Endowment Society and a strong supporter of occupational family allowances for the professional classes; in the 1920s and 1930s he was probably the most interested of all eugenicists. Soon after its publication, he gave The Disinherited Family a favourable write-up in the Eugenics Review,<sup>4</sup> and in many subsequent speeches and

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1. Ibid., pp. 277-8.

2. Ibid., p. 278.

3. Ibid., pp. 280-3.

4. Ibid., July 1924, pp. 150-3. He deplored the strongly feminist language of the book, but concluded that (subject to the income-grading principle) family allowances "might constitute the most effective social achievement yet designed for benefiting the human race".

writings advocated family allowances as a possible means of counteracting differential fertility.<sup>1</sup>

Between 1925 and 1932 very few references to family allowances appeared in the pages of the Eugenics Review. In the latter year, however, the Eugenics Society set up a Family Allowances Sub-Committee with Fisher as Chairman and a membership of seven that included Eva Hubback, Professor Julian Huxley and Dr. C.P. Blacker (the Society's General Secretary). This Committee was formed with a view to publicising the need for eugenic family endowment, and there were plans for co-operating with the Family Endowment Society; but apparently it enjoyed only a brief existence, for little evidence survives of its activities.<sup>2</sup> The Committee did at least produce a memorandum on family allowances which it submitted to the Council of the Society (presumably for consideration as part of the Society's official policy), but the memorandum was apparently rejected.<sup>3</sup>

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1. See, for example, two pamphlets by Fisher contained in Eugenics Society Library file A 11/1: The Overproduction of Food (reprinted from The Realist, July 1929), pp. 56-60, and The Social Selection of Human Fertility (Herbert Spencer Lecture, Oxford, 1932), pp. 24-31. As with most other writers, Fisher was very ambiguous about the precise pro-natalist effect of allowances though he advocated them for pro-natalist reasons. In the former article (p. 60) he wrote that family endowment was "the only agency which seems at all capable of checking the present tendency of many European peoples to decline in numbers; although its power of doing so much still be regarded as doubtful and, if effective, its action will certainly be slow".
  2. The Eugenics Society Annual Report for 1932-3, p. 2, mentions the Committee's appointment and personnel, but no evidence of any subsequent activity can be found in the appropriate volumes of the Review.
  3. A later volume of the Review (29, April 1937, p. 12) mentions this very briefly, but gives no reason for the Council's decision.

The reason for this lack of interest in family allowances may partly have been that in the early 1930s the eugenics movement in Britain probably reached a peak of social conservatism. The Review for these years contains many extreme ideas, such as the establishment of a eugenic colony in South America where 'racially pure' Europeans could form a model community,<sup>1</sup> and increasing support for the voluntary sterilisation of mental defectives.<sup>2</sup> Britain was most certainly not immune from the kind of ideology that was being developed in Nazi Germany, and quite a number of eugenicists in these years cast approving eyes at European fascism.<sup>3</sup>

However, from about 1934 onwards attitudes became more liberal. As the full implications of Nazi eugenics began to be understood, the Society began to stress positive eugenics (encouragement of 'desirable' parenthood) as against negative (such as sterilisation of 'the unfit').<sup>4</sup> The growing number of social surveys in Britain produced irrefutable evidence that the causes of poverty were primarily economic

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1. C. Wicksteed Armstrong: "A Eugenic Colony", *ibid.*, 25, July 1933, pp. 91-7.
  2. The whole of the April 1934 (Vol. 26) issue of the Review was devoted to voluntary sterilisation.
  3. The Review, while condemning the persecution of the Jews, approved of Hitler's opposition to the Roman Catholic Church in Germany, which it considered "subversive" for opposing Nazi eugenic policies. *Ibid.*, 25, July 1933, pp. 77-8.
  4. The movement for voluntary sterilisation in Britain was of course enormously set back by the revelations that in Nazi Germany sterilisation was practised on those suffering from such 'hereditary' disorders as schizophrenia, manic depression, severe alcoholism, Huntington's chorea, epilepsy, blindness, etc. See Eliot Slater: "German Eugenics in Practice", *ibid.*, 27, January 1936, pp. 292-3.

rather than hereditary.<sup>1</sup> Again, in the 1930s the eugenics movement came under savage attack from left-wing scientists like Professor Lancelot Hogben and J.B.S. Haldane, who ridiculed its claims to scientific accuracy while liberally employing such decidedly unscientific terms as 'dregs', 'social misfits', 'unsound stock', etc.; such critics viewed eugenics as little more than an elitist pseudo-science designed to justify class differences: Hogben, in his brilliantly sardonic style, called the movement "an organisation of a small section of the professional class with a strongly conservative bias directed to restrict the further extension of educational opportunities. It has drawn its personnel and funds from the childless rentier - twentieth-century Bourbons who have earned nothing and begotten nothing".<sup>2</sup> Lastly, in the late 1930s the Eugenics Society gained an influx of young liberal-minded members like Richard Titmuss, David Glass and Francois Lafitte, who viewed the Society merely as a convenient organisation through which to publicise the population problem. These new members took an active part in the Society's affairs (Titmuss, for example, edited the Review in 1942) and

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1. A notable exception was D. Caradog Jones's The Social Survey of Merseyside (1934), Volume III of which ended with chapters on 'sub-normal types', the chronically unemployed, the problem of differential fertility, etc., and displayed a very eugenic analysis of social problems. *Ibid.*, pp. 343-547. Caradog Jones concluded (p. 546) that "all the evidence seems to support the theory... that in any large centre there exists a 'Social Problem Group', the source from which the majority of criminals and paupers, unemployables and defectives of all kinds are recruited". Eugenic ideas were also to be found in the publications of the ostensibly independent research body Political and Economic Planning. See P.E.P.: Report on the British Health Services (1937), pp. 21, 313-8.
  2. Hogben, *op. cit.* (1939), p. 57. See also, J.B.S. Haldane: Heredity and Politics (1939), especially pp. 104-127.



wrote articles for the Review in which a pro-State intervention, 'environmentalist' analysis of social problems would be somewhat ingenuously cloaked in mildly eugenic language.<sup>1</sup> As a result of these combined influences the Society's attitudes softened. In 1938, for example, it co-operated with the research organisation Political and Economic Planning to form a Population Policies Committee "for the purpose of surveying the social and economic conditions which discourage the replacement of eugenically sound stocks"<sup>2</sup> - the sort of 'environmental' approach that would have been unthinkable ten years earlier.

Naturally, in this changing atmosphere attitudes to family allowances changed too. In 1934 the Eugenics Society published another statement of aims: family allowances received a favourable mention, but only if of the equalisation fund method; any flat-rate, State-financed system was seen as "wholly dysgenic".<sup>3</sup> However, such reservations were diminishing. In 1933, for example, the psychologist Professor William McDougall

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1. For example, a 1942 article by Titmuss and Lafitte on "Eugenics and Poverty" was in fact an enthusiastic review of Rowntree's Poverty and Progress and mentioned heredity not at all. *Op. cit.*, 33, January 1942, pp. 106-112. Two more liberalising factors came in the persons of Dr. Maurice Newfield, who edited the Review from October 1933 to 1949, and Dr. C.P. Blacker, who was General Secretary from 1931 to 1952. Both steered the Society away from the policies of the older, more conservative members (many of whom had died by the 1930s anyway).
  2. *Ibid.*, 30, April 1938, p. 4.
  3. *Ibid.*, 26, July 1934, p. 135.



repeated the pro-natalist case for family allowances that he had first put to the Sociological Society in 1906.<sup>1</sup> As in 1906, McDougall still expressed great faith in the ability of a family allowance system to raise birth rates and wanted one in which payments would be proportional to parental income so that the highest social classes with the least children would benefit most.<sup>2</sup> But he no longer insisted that family allowances should be confined only to the professional classes (as he had in 1906), he quoted with approval several statements by Eleanor Rathbone, Eva Hubback and Marjorie Green, and he concluded with the glowing words: "Family allowances are so obviously just, so economically expedient, so politically advantageous, so powerful to promote the aims of the humanitarian and the feminist, that in a world racked with economic distresses and discontents, a world of rapidly falling birth-rates, a world deeply concerned to effect radical changes in its economic system, we may confidently expect to see them universally instituted in one form or another in the immediate future".<sup>3</sup>

The spread of the family endowment principle into many areas of social policy by the 1930s led eugenicists to demand that the principle be applied to wage- and salary-earners as

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1. In National Welfare and National Decay (1921), pp. 195-201, McDougall had also suggested eugenic family endowment for the professions only.
  2. William McDougall: "Family Allowances as a Eugenic Measure", Character and Personality (Durham, N. Carolina), 2, December 1933, p. 114.
  3. *Ibid.*, p. 115.

well; frequent complaints were made on the lines that the Government provided "family endowment for paupers and unemployables, and none for those working; while, at the same time, we penalise procreation among the more effective sections of the population by means of crushing taxation".<sup>1</sup> By the middle 1930s the general concern over the birth rate and the more liberal trend within their movement was causing eugenicists to view the prospect of universal family allowances with decreasing suspicion, and when R.B. Cattell still insisted in 1937 that a scheme should be restricted to the higher occupational groups,<sup>2</sup> his viewpoint was unrepresentative of the trend of opinion within the Eugenics Society.

Thus by the mid 1930s the eugenic case for and against family allowances had merged into the general demographic case which was being put forward by various social scientists, economists and population experts with increasing urgency. This latter group generally supported family allowances and, being either indifferent towards the eugenics movement or openly opposed to it, had no fears that a flat-rate universal scheme would 'encourage the poor to breed recklessly'.

In the 1920s, little interest was shown by population experts in family allowances. Much of the discussion on family allowances in that decade centred on the wages question, and the birth rate arguments were of minor importance. Concern

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1. Eugenics Review, 25, July 1933, p. 91.
  2. Cattell, *op. cit.*, pp. 116-9.

was expressed that a scheme might exacerbate the 'over-population problem' of the early 1920s: Paul Douglas, for example, mentioned this as a possible objection to a family allowance scheme, maintaining that "the great problem for Western civilisation, and Eastern too for that matter, is how to limit population, and not how to expand it".<sup>1</sup> But mostly there were doubts over whether family allowances would really influence the birth rate either way:<sup>2</sup> J.H. Richardson approved of the principle for the lowest paid, but pointed out that "its value in the case of other groups of workers depends to a large extent on its effects on population, regarding which there is at present little satisfactory evidence".<sup>3</sup>

However, by the mid 1930s the increasing general concern over the population problem attracted interest in family allowances among liberal-minded social scientists, demographers, politicians, etc. Probably the start of this new concern can be fixed at the year 1936 when there were published three important books publicising the problem - D.V. Glass's The Struggle for Population, R.R. Kuczynski's Colonial Population and A.M. Carr-Saunders's World Population.<sup>4</sup> In

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1. Paul Douglas: "Some Objections to the Family Wage System Considered", Journal of Political Economy (Chicago), 36, October 1924, p. 691.
  2. Professor R.A. Fisher pointed out that the French industrial systems had had no measureable effect, though they might have slowed down the rate of fertility decline. R.A. Fisher: "The Effect of Family Allowance on Population", in W.H. Beveridge (ed.): Six Aspects of Family Allowances (1927), p. 11.
  3. J.H. Richardson: A Study on the Minimum Wage (1927), p. 121.
  4. On the 28th and 29th September 1936 The Times carried two articles on the population problem that aroused much interest.

the following year the Sociological Review devoted an issue to population problems, and in its pages G.F. McCleary expressed the view increasingly held by social scientists that "the public is at last beginning to realise that the population question is of such importance, that compared with it most of the topics that fill the newspapers sink into insignificance".<sup>1</sup>

The most important practical expression of this concern was the formation of the Population Investigation Committee in 1936. This was a research body under the Chairmanship of Professor Carr-Saunders<sup>2</sup> which used the offices of the Eugenics Society for its headquarters and received a grant from the Society,<sup>3</sup> but was technically independent from it. Some informal co-operation was obtained from several Government Departments,<sup>4</sup> but apart from that no help was forthcoming from official sources. The Committee's aim was to co-ordinate research and investigate possible remedies for the population problem, and economic inducements to

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1. Sociological Review, 29, July 1937, p. 310.
  2. The other members were (in 1937) Lord Horder, Dr. C.P. Blacker, Eva Hubback and Professor Julian Huxley (representing the Eugenics Society), J. Eardley Holland (British College of Obstetricians and Gynaecologists), H.D. Henderson (Royal Economic Society), Dr. Stella Churchill (Society of Medical Officers of Health), Dr. L.S. Penrose (Medical Research Council), Sir Charles Close (British Population Committee), Professor Lancelot Hogben, Colin Clark and T.H. Marshall. D.V. Glass was the full-time Research Secretary.
  3. The Society donated £500 in 1937. Other prominent donors were Lawrence Cadbury (£200 over two years) and Seebohm Rowntree (£50). "Population Investigation Committee First Annual Report", Eugenics Review, 29, January 1938, p. 243.
  4. *Ibid.*, p. 240-1.

parenthood such as family allowances were included on its agenda. Although the evidence from European family allowance schemes indicated that they were having no effect on birth rates,<sup>1</sup> the pro-natalist case for family allowances was attracting more support than ever before, and in 1938 another independent research committee was formed. This was the Population Policies Committee (jointly supported by the Eugenics Society and P.E.P.)<sup>2</sup> and its terms of reference included the study of family allowances.

This latter Committee was clearly in favour of family allowances as an anti-poverty measure; but on their pro-natalist effect it maintained that only if family allowances were introduced as part of a much wider population policy could results be expected: "Family endowment in the sense solely of cash allowances cannot be regarded as a panacea for the population problem", wrote Lafitte: "A clearly thought-out population policy will probably include cash allowances in some shape or form among its measures, but it will include them as one element in an integrated system of measures rather

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1. The Population Investigation Committee had been briefly preceded by a Positive Eugenics Committee sponsored by the Eugenics Society alone. The latter body had commissioned D.V. Glass to study foreign family allowance schemes, and his report was published as The Struggle for Population (1936). Glass concluded (pp. 87-8) that they were not influencing fertility but pointed out that nowhere did they come near to covering the cost of maintaining a child.
  2. The Committee's Chairman was Professor N.F. Hall and its membership consisted of Blacker, Carr-Saunders, Glass, Caradog Jones, Eva Hubback and E.M.H. Lloyd (from the Eugenics Society) and H.C. Emmerson, Max Nicholson and S.K. Ruck (from P.E.P.). Francois Lafitte was Secretary. Eugenics Review, 30, July 1938, p. 129.

than as the main plank of its programme".<sup>1</sup> With equal firmness, Lafitte insisted that such a population policy should be accompanied by social reforms to ensure that "every child that is brought into the world is guaranteed an adequate basic minimum of food, clothing, shelter and medical care".<sup>2</sup>

By the end of the 1930s, therefore, the general pro-natalist case for family allowances had absorbed the eugenic case (for and against), and was frequently being expressed in the same breath as the anti-poverty case by social scientists who saw the population problem as part of a much wider social problem needing drastic economic remedies. Glass wrote that "if there is to be any significant increase in the birth-rate, the major part must come from the working-class. Consequently, no action is likely to have a permanent influence unless it provides conditions in which the working-class is able to bring up children without thereby suffering from economic and social hardship";<sup>3</sup> Carr-Saunders called for future social policies to be much more family-orientated;<sup>4</sup> and Hogben maintained that only a new socialist approach to the State and the family would achieve an upturn in fertility.<sup>5</sup> These writers denied that family allowances alone would be pro-natalist. Yet by this time the pro-natalist misconceptions were so strong that their words went unheeded.

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1. F. Lafitte: "The Work of the Population Policies Committee", *ibid.*, 31, April 1939, p. 49.
  2. *Ibid.*, p. 55.
  3. Glass, *op. cit.*, (1936), p. 91.
  4. A.M. Carr-Saunders: World Population (1936), pp. 256-7.
  5. Hogben, *op. cit.*, (1937), pp. 178-192.



So far this chapter has shown how in the inter-war years the demographic case for (and against) family allowances was presented in a bewildering multitude of ways, often overlapping onto very dubious eugenic topics such as sterilisation. Because of this confusion, it was then (as now) extremely difficult to trace any thread of consistency running through the many claims and counter-claims that were made. If this creates great problems for the modern researcher, it inevitably created even greater ones for the Family Endowment Society. As a small pressure group led principally by women, its leaders felt obliged to try and attract support for their cause from as many sections of public opinion as possible, and in doing so they tended to alter their viewpoint according to what sort of audience they were addressing. When applied to the pro-natalist and demographic arguments this technique only served to confuse issues even further.

The 'Equal Pay and the Family' group of 1917-18 considered the population question and decided that family endowment could only have a beneficial effect: it would redress differential fertility by raising the birth rate of the professional and artisan classes, and lowering it among "those classes of the community where there is at present no check but the physical capacity of the parents".<sup>1</sup> This tended to be the attitude of the Family Endowment Society through the 1920s. Family allowances would raise the economic

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1. K.D. Courtney, et al: Equal Pay and the Family (1918), pp. 31-4.

status and self-respect of the lowest classes, and thereby also raise them out of the sort of mentality that produced large, unplanned families; in any case, the lowest classes were having the maximum number of children that was physically possible, and therefore cash payments would not make them any more prolific; and, finally, the birth rates of the middle and upper classes might be raised.<sup>1</sup> Thus when addressing the Eugenics Society in 1924, Eleanor Rathbone mentioned the known connection between overcrowding and high fertility and suggested that family endowment, "by making it more possible for families to obtain accommodation proportionate to their size, might then be expected to reduce the birth-rate among the slum-dwellers".<sup>2</sup> As a final point, the Society tended to emphasise that since its aim was to get the principle of family endowment accepted, any criticism over possible effects on the quality and quantity of population growth should result in the adjustment of any proposed scheme (e.g. from a universal flat-rate one to one with graded payments) rather than the complete abandonment of the principle.<sup>3</sup> As in other aspects of their campaign, the Society were very careful not to alienate any one section of opinion on the birth rate issue.

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1. For an outline of this view, see Mary Stocks: The Case for Family Endowment (1927), pp. 73-83.
  2. E. Rathbone: Family Endowment in Its Bearing on the Question of Population (1924), p. 2.
  3. E. Rathbone: The Disinherited Family (1924), p. 232.

Eleanor Rathbone, however, was not unconscious of eugenic arguments, and in her discussion of these she undoubtedly added an element of confusion. In 1917 she deplored the fact that the lowest classes were producing the most children, warning that "hence we are as a nation recruiting the national stock in increasing proportion from those who have sunk into the lowest strata because they are physically, mentally or morally degenerate".<sup>1</sup> In The Disinherited Family she appeared to contradict herself, for while disagreeing with the eugenicists' conception of 'bad stock' she still could declare that "on the whole the elements in the working class who are restricting their families (in whatever way they do it) represent the cream, and those who are not practising restriction the dregs".<sup>2</sup> Again, in a letter to The British Weekly in 1924 she declared it impossible to say whether family allowances would raise the quantity of the population, but then said that its quality would be improved "by encouraging the thrifty, ambitious artisan and professional classes to have more children and by making possible to the unskilled workers those higher standards with regard to housing, orderly living and the status of women, which are the best antidote to excessive and dysgenic breeding".<sup>3</sup>

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1. E. Rathbone: "The Remuneration of Women's Services", Economic Journal, 27, March 1917, p. 66.
  2. Op. cit., p. 239.
  3. Press cutting of 17/5/24 in Beveridge Papers XII. 6.

This confusion was made worse when, in the early 1930s, the Family Endowment Society leaders decided to campaign for occupational family allowance schemes in certain professions, for now they began to stress the pro-natalist arguments more and more. Although this new strategy was forced on them primarily because of the post-1931 economic crisis which made the prospect of universal family allowances very remote, the Society's leaders, in trying to attract the maximum support for their cause, maintained that family allowances in the teaching profession, civil service and clergy were necessary in order "to preserve the qualities of eugenic value in the salaried and professional classes".<sup>1</sup> Typical of this increasingly pro-natalist eugenic line was that put forward by R.A. Fisher in the Society's Family Endowment Chronicle in 1931: Fisher agreed that family allowances in France had had no effect on the birth rate, but still maintained that they were "the most powerful available means of preserving among civilised peoples those innate qualities which make civilisation possible";<sup>2</sup> he declared that since differential fertility was caused by the social promotion of the less reproductive strains in society, family allowances given to any class in society "will tend progressively to raise the birth-rate of all classes above it, by preventing the preferential promotion into these classes of relatively

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1. Eva Hubback and Marjorie Green: "Family Endowment: a Proposal for Constructive Eugenics in England", Eugenics Review, 25, April 1933, p. 34.
  2. Fisher: "The Biological Effects of Family Allowances", Family Endowment Chronicle, 1, November 1931, p. 21.

infertile strains; and will tend in like manner to lower the birth-rate of all classes below it by preventing the preferential demotion of the more infertile".<sup>1</sup> Clearly, arguments were now becoming hopelessly confused.

The population panic of the middle and late 1930s encouraged the Family Endowment Society's leaders to move away from these eugenic claims and stress the value of family allowances as a means of effecting an overall quantitative increase. Indeed, in 1936 Eleanor Rathbone even went so far as to say that "the factor most likely to force the adoption of family allowances will be the approaching steady and steep decline in the population, which threatens to become a menace to white civilisation and especially to the Anglo-Saxon races".<sup>2</sup> Whereas in the 1920s they had had to dispel fears that family allowances would raise the birth rate of the lowest classes, now they were in the position of virtually saying the reverse.

The Society's leaders never actually came out with an unequivocal declaration that family allowances would be pro-natalist; it is important to remember this. But they did create that impression by their increasingly frequent

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1. Ibid., p. 24. See also, Fisher: "Family Allowances", Eugenics Review, 24, July 1932, pp. 87-95. Fisher's view that infertility caused social promotion was a latter-day version of Arsène Dumont's "social capillary" theory and was, in a simple sense, the correct explanation turned on its head. His theory was purely speculative, and unsupported by any convincing evidence.
  2. 1936 Circular Letter to Constituents, p. 3, contained in Eleanor Rathbone Papers XIV 3. 4.

mentioning of the population problem as one (out of several) reasons why family allowances should be introduced, and their claims that family allowances would remove at least part of the economic obstacles to parenthood.<sup>1</sup> Thus at no point in her Family Allowances (1938) did Marjorie Green openly state that family allowances would raise the birth rate; but at the same time she maintained that a declining population would be one of the consequences of a wage system that took no account of family needs.<sup>2</sup> Similarly, when writing in the Sociological Review of July 1937, Eva Hubback admitted that European family allowance schemes had not been pro-natalist, but pointed out that they had not covered the real cost of rearing children and insisted that if any scheme was to achieve demographic results in Britain it would have to provide adequate payments; for the professional classes, this could only be achieved by grading payments in relation to parental income.<sup>3</sup> Some prominent supporters of the Family Endowment Society inevitably interpreted this wrongly, and abandoned caution: speaking in the House of Lords, for example, Viscount Samuel confidently declared that a family allowance scheme was "the principle measure that can be adopted on the economic side to deal with this problem of

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1. For example, in Eleanor Rathbone's The Case for Direct Provision for Dependent Families through Family Allowances (F.E.S. pamphlet, 1936), under the heading "The Uses of Family Allowances" the same amount of space was given to this as was given to the anti-family poverty case.
  2. Op. cit., pp. 20-22.
  3. Hubback: "Family Allowances in Relation to Population Problems", op. cit., 29, July 1937, pp. 281-4.



the decline in parenthood".<sup>1</sup> Without fully intending to, the Family Endowment Society's leaders had contributed to the growing misconception that cash allowances would raise the birth rate.

Finally, there must be considered the extent to which the demographic case for family allowances made an impression on the Government in the period 1918-39.

Eugenic aspects of the case appear to have had no influence at all. Indeed, eugenic ideas in general were regarded with great caution by the Ministry of Health (the Department most relevant). The cause which eugenicists worked hardest at to win Government acceptance was that of voluntary sterilisation, and it therefore serves as an interesting example of the Government's attitude.

Throughout the 1920s the idea of voluntary sterilisation for mental defectives attracted growing support from eugenicists: they claimed that it would allow defectives to lead more normal lives instead of having to be segregated in asylums, and would in time reduce the financial, administrative and social burden they imposed upon society.<sup>2</sup> In 1928 the Eugenics Society and other interested organisations decided to lobby

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1. Hansard (Lords), Vol. 113, 21/6/39, Col. 612.

2. The Eugenics Review saw voluntary sterilisation as "an added liberty, a humane and honourable alternative for hereditarily afflicted men and women who to-day have no choice except between celibacy or the risk of transmitting their defect". Op. cit., 26, April 1934, p. 3. The Eugenics Society was always opposed to compulsory sterilisation.

the Government, requesting that some sort of official commission be set up to investigate the possibility of legislation for voluntary sterilisation:<sup>1</sup> the Society even published a draft Bill in the Review.<sup>2</sup> Campaigning continued, with the Society setting up, in 1929, a special Committee for Legalising Eugenic Sterilisation. This Committee published a pamphlet, 10,000 copies of which were sent out between the 1st July and 1st December 1930 alone to various organisations;<sup>3</sup> and in 1931 a private member's motion was unsuccessfully introduced into Parliament.<sup>4</sup>

In June 1932 this campaigning achieved something when the Government appointed a Departmental Committee on Sterilisation under the Chairmanship of L.G. Brock, Chairman of the Board of Control.<sup>5</sup> The Brock Committee's Report unanimously recommended the legalisation of voluntary sterilisation for mental defectives, those suffering from transmissible hereditary disorders and those believed likely to transmit hereditary disorders, subject to various safeguards.<sup>6</sup> Thereafter, pressure was exerted on the Ministry of Health to implement the Brock proposals, but nothing resulted.

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1. See letters from various organisations, including the Eugenics Society, to Neville Chamberlain, Minister of Health, contained in P.R.O. MH 58/103.
  2. Op. cit., 20, October 1928, pp. 166-8.
  3. C.P. Blacker: "The Sterilisation Proposals", *ibid.*, 22, January 1931, p. 240. A copy of the pamphlet is contained in P.R.O. MH 58/103.
  4. The motion was introduced by Major A.G. Church and sought leave to introduce a Bill providing for the voluntary sterilisation of mental defectives. The motion was defeated by 167 votes to 89. Hansard, Vol. 255, 21/7/31, Cols. 1250-6.
  5. Material relating to the appointment of the Committee is contained in P.R.O. MH 58/104A. The membership included Professor R.A. Fisher.
  6. Report of the Departmental Committee on Sterilisation, 1934, Cmd. 4485, p. 57.

The Ministry of Health appear to have been mildly interested in voluntary sterilisation, but realised that public opinion was against it and that therefore any legislation would be politically impossible. Sir Arthur Robinson, for example, wanted much more investigation into the sterilisation of mental defectives: he found it "repugnant to common sense that, if a mentally deficient parent or parents on the average produces or produce similar children, the State should allow them to continue to do so and thereby throw on the next generation problems of segregation or supervision which this generation has conspicuously failed to solve".<sup>1</sup> But the Ministry were well aware of the strength of opinion in some quarters. The Labour Party saw sterilisation as merely an obscuring of the real problem - bad environmental conditions - and maintained that the apparent increase in mental deficiency was in fact really due to better registration.<sup>2</sup> The Churches were suspicious, with the Roman Catholic Church steadfastly opposed.<sup>3</sup> Thus when several organisations joined together to send a deputation to the Ministry of Health in 1935 asking that the Brock proposals be implemented, they were told that too large a section of public opinion was against them and that therefore the Government would be unable to introduce an appropriate Bill.<sup>4</sup>

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1. Robinson to Chamberlain, 18/4/29, P.R.O. MH 58/103.
  2. Labour Party Research and Information Department. Public Health Advisory Committee. The Causes and Prevention of Mental Deficiency (July 1929), contained in ibid., and speech by Dr. H. Morgan (Labour) in Hansard, Vol. 255, 21/7/31, Cols. 1252-6.
  3. Eugenics Review, 22, January 1931, p. 246.
  4. Note of Deputation, 23/5/35, P.R.O. MH 58/100. The organisations were the County Councils Association, the Association of Municipal Corporations, the Mental Hospitals Association and the Joint Committee on Voluntary Sterilisation

Beyond this, there is no evidence of Government interest in eugenic causes - particularly in a matter like occupational family allowance schemes to encourage births in the professional classes. Indeed, on the general issue of the trend of population the Government's attitude was one of indifference. Certainly, they did respond to Ronald Cartland's 1937 House of Commons motion by introducing the 1938 Population (Statistics) Act which extended the scope of the particulars which could be asked for upon the registration of a birth, stillbirth, death or marriage.<sup>1</sup> But the Government evidently regarded the population panic of the late 1930s with scepticism, and thought that the alarmist projections of future birth rate trends were not to be taken seriously.<sup>2</sup> Little was known about the exact causes of the decline in fertility, they maintained, and in this situation no claims could be made for a remedy like family allowances.<sup>3</sup>

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1. Contained in Parliamentary Papers, 1937-8, iv, pp. 147-166. According to the Financial Memorandum preceding the bill, this new information was necessary in order "to provide the statistical evidence needed for the practical consideration of the problems in regard to the future population of Great Britain to which the decline in the birthrate has given rise". A brief but very interesting account (partly based on General Register Office papers and partly on personal recollection) of the campaign by demographers in the late 1930s to get the Government to introduce better birth registration, which resulted in the 1938 Act, is contained in D.V. Glass: Numbering the People (1973), pp. 170-180.
  2. See Note (undated, unsigned) prepared by Registrar General's Department in preparation for Cartland's motion in P.R.O. MH 58/311. In January 1935 the Minister of Health, Sir Hilton Young, did suggest to his Cabinet colleagues that an extra census in 1936 might be desirable "because of its utility as a basis for national planning in such matters as housing", but this was rejected on grounds of economy. Cabinet meeting of 16/1/35, Cabinet 4 (35), P.R.O. CAB 23/81.
  3. Memorandum: "Optimum Population" (n.d., probably 1937), P.R.O. MH 58/311. This was also in preparation for Cartland's motion. Curiously, the Ministry of Health seem to have imagined that if the forthcoming debate produced a demand for family allowances it would come from Labour M.P.s.

One area of public policy in which the Government did appear to display concern over the falling birth rate, and showed an interest in family endowment as a remedy, was that of income tax child rebates. For most of the 1920s these stood at £36 per annum for the first child and £27 each for subsequent children, amounting in 1927-8 to a total of £39,510,893.<sup>1</sup> In his 1928 Budget the Chancellor of the Exchequer, Winston Churchill, raised them to £60 and £50 respectively, justifying this on the grounds that "the burden of bringing up a family of young children weights very heavily upon the smaller class of Income Tax payer.... the notable decline in the birth rate since the War is a convincing witness of the burden upon parents who have young children depending upon them". Churchill went on to state that "the expenses of maternity are a serious problem for all small Income Tax payers", but apparently he did not consider those expenses so serious for the low wage earner, for in a panegyric on the family endowment principle (citing with approval the ancient Roman system) he made no mention of the desirability of family allowances for all.<sup>2</sup> As in 1909, this form of family endowment was welcomed unquestioningly by M.P.s; only Hugh Dalton expressed the hope that some day child allowances would be enjoyed by all income groups.<sup>3</sup>

In 1931 these allowances were cut to £50 for the first child and £40 each for subsequent children, but no mention

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1. Report of the Commissioners of Inland Revenue for 1929.  
Cmd. 3500, pp. 67, 70.
  2. Hansard, Vol. 216, 24/4/28, Cols. 871-2.
  3. Ibid., Vol. 219, 27/6/28, Cols. 642-4.



was made of the birth rate until 1935, when Neville Chamberlain fixed them at £50 for all children, and justified this by saying: "I must say I look on the continued diminution of the birth-rate in this country with considerable apprehension... I have a feeling that the time may not be far distant....when the countries of the British Empire will be crying out for more citizens of the right breed, and when we in this country shall not be able to supply that demand".<sup>1</sup> Allowances were yet again increased the following year to £60 for each child, and such comments as M.P.s made on the subject tended to reflect the growing concern over the birth rate.<sup>2</sup>

However, such confidently pro-natalist sentiments were not so forthcoming from Government spokesmen whenever both Houses of Parliament discussed the possibility of family allowances for all. Whenever Eleanor Rathbone's supporters asked for an official enquiry into universal family allowances they encountered a wall of indifference.<sup>3</sup> Admittedly, these demands related to the economic rather than the demographic case, but the Government's view, as outlined by Lord Templemore in the House of Lords in June 1939, was that family allowances would have as little effect on the British birth rate as they had had on European ones.<sup>4</sup> Some Ministers like Kingsley Wood

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1. Ibid., Vol. 300, 15/4/35, Col. 1634.

2. For example, speech by Sir F. Sanderson, *ibid.*, Vol. 320, 9/2/37, Col. 214. By 1939 the total paid out in child tax rebates was £87,409,449 per annum. Report of the Commissioners of Inland Revenue for 1939, Cmd. 6099, p. 53.

3. See, for example, Hansard, Vol. 337, 29/6/38, Cols. 1899-1900.

4. Hansard (Lords), Vol. 113, 21/6/39, Cols. 643-4.



did at times voice concern,<sup>1</sup> but repeatedly the Government reaffirmed its view that only when more was known about the exact causes of the decline in the birth rate could any claims be made for such economic inducements as family allowances.<sup>2</sup>

This chapter has tried to show that the demographic case for family allowances in the inter-war years had its origins in a much wider concern over the falling birth rate that was spearheaded by the eugenics movement. Concern over the quality and quantity of population growth was expressed in many different ways, with many different remedies (most of them highly speculative) being suggested. Family allowances were one of these, and they received support (and opposition) for a bewildering variety of reasons. It is, in short, very difficult to trace any consistency in the pro-natalist arguments, for three outstanding reasons.

Firstly, the most serious obstacle to rational discussion was the lack of reliable census data. Until the 1938 Population (Statistics) Act, birth registration did not include the age of the mother, the duration of the marriage and the birth order of each child; this made the calculation of accurate specific fertility rates impossible. Many of the pro-natalist claims and counter-claims were thus based on the flimsiest of hypotheses. Despite their pretensions at founding a new science,

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1. Hansard, Vol. 324, 8/6/37, Cols. 1607-1611 and *ibid.*, Vol. 329, 29/11/37, Cols. 1717-8.
  2. For example, statement by R. Bernays (Parliamentary Secretary to the Ministry of Health) in *ibid.*, Vol. 344, 28/2/39, Cols. 1088-9.

eugenists were particularly prone to vague, unscientific language that at times bordered on the absurd.<sup>1</sup>

Secondly, it is important to remember that the debate on family allowances and the birth rate took place mainly in a few esoteric journals or books, and was conducted by a small social and intellectual elite.<sup>2</sup> In spite of the fact that many population experts strongly doubted that family allowances would act in a pro-natalist way, it was inevitable that such impressions as the public may have gained from this debate must have created a popular misconception to the contrary. Professor R.A. Fisher certainly attested that from his own experience the ordinary man in the street thought of family allowances primarily as a demographic measure.<sup>3</sup>

Thirdly, many of the participants in the debate were highly inconsistent in their attitudes. Beveridge, for example, firmly stated in his 1942 Report that the pro-natalist arguments were relatively unimportant,<sup>4</sup> yet in

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1. A good example of this is R.B. Cattell's The Fight for Our National Intelligence (1937), which concluded with a plea for eugenic pro-natalist measures (pp. 108-129). This work, which was awarded the D.Sc. by London University, contains such statements as: "Porteus's findings of the low average mental capacity in South American half-breeds has some connection with that sensitiveness to ordered Government which makes every form of government so soon irksome to the population of those parts". Ibid., p. 51.
  2. Membership of the Eugenics Society, for example, was about 650 in 1938. Eugenics Review, 30, April 1938, p. 11.
  3. R.A. Fisher: "The Biological Effects of Family Allowances", Family Endowment Chronicle, 1, November 1931, p. 21.
  4. See chapter 7, pp. 442-3, 480-1.

the inter-war years he too indulged in a certain amount of speculation. When he first 'discovered' family allowances in 1924 he viewed them as a demographic measure,<sup>1</sup> and later on he maintained that his aim in introducing the London School of Economics family allowance scheme had been "to remove some of the obstacles to academic infertility":<sup>2</sup> indeed, he even boasted to Professor William McDougall in 1933 that it had helped produce forty "little economists".<sup>3</sup> Admittedly, this last remark was probably made in jest, but it does serve to illustrate how difficult it is trying to discern what family allowance supporters like Beveridge really believed.

Whatever the confusion surrounding the demographic and eugenic case for family allowances in the inter-war years, however, one fact of vital importance stands out quite clearly; and that is that at no point did the Government show even the slightest amount of interest in it.

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1. In 1924, when giving evidence to the Birth Control Committee of the National Council for Public Morals, Beveridge "said that if we wanted to check the present dysgenic tendency in Britain it seemed likely that we should, in the near future, have, on the one hand, to reconsider the official attitude towards birth control, and, on the other hand, to supplement the wage system by a scheme of family allowances". Press cutting from Manchester Guardian, 16/12/24, in Beveridge Papers XII 7.
  2. Beveridge to Sir John Clapham, 23/3/37, *ibid.*, IXb 24.
  3. McDougall, *op. cit.* (1933), p. 101.

CHAPTER FIVE: FAMILY ALLOWANCES AND GOVERNMENT UNEMPLOYMENT  
POLICY.

Although the family poverty and pro-natalist arguments for family allowances made little impression on the Government in the inter-war years, there was one area of social policy where the family endowment principle did become increasingly important. This was in the various income-maintenance policies towards the unemployed, and this chapter will show how the recognition of family needs in Government unemployment policy gradually developed in the inter-war years until it finally pointed to the need for family allowances in wages.

The original scheme of State unemployment insurance took no account of family needs. Under the 1911 Act, only about  $2\frac{1}{4}$  million men out of a total male workforce of about 10 million were covered, and these belonged to trades which were particularly subject to periodic (and hence predictable) fluctuations of prosperity - building, construction work, shipbuilding, mechanical engineering, ironfounding, vehicle construction and sawmilling.<sup>1</sup> Because the unemployment experienced in these industries was almost always short-term, benefits were intended to be no more than a small sum to supplement the personal savings or private insurance which thrifty and prudent workers were expected to have accumulated. At a rate of 7s.0d. per week for adult men over the age of eighteen, and 3s.6d. for youths of seventeen to eighteen

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1. Report of the Unemployment Insurance Committee, 1927, (Blanesburgh Report), p. 9. Prior to 1911, trade union unemployment schemes had covered about  $1\frac{1}{2}$  million workers. Eveline Burns: British Unemployment Programmes, 1920-38 (Washington, 1941), p. 3.

(women being excluded), benefits in no way represented subsistence, being about one-third of the average wage of the lowest regularly-paid city worker.<sup>1</sup> With a six day 'waiting period', a rule of only one week's benefit per five contributions, a minimum qualification of at least ten contributions, and the period of benefit limited to only 15 weeks in any benefit year, the scheme was obviously based on actuarial principles rather than any concept of need.<sup>2</sup>

During the First World War, unemployment in Britain dropped to an insignificant level. Thus although the extension of insurance to munition workers under the 1916 National Insurance (Part II, Munition Workers) Act raised the number of insured persons to nearly 4 million by July 1918,<sup>3</sup> there was a rapid fall in the amount paid out in benefit - with the result that the insurance fund showed a healthy balance of £15,000,000 at the end of the War.<sup>4</sup> With the ending of the War, however, came the first rude shocks to the system, and thereafter Government policies to maintain the unemployed were plagued with problems.

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1. Bentley Gilbert: British Social Policy, 1914-1939 (1970), pp. 52-3.
  2. Looking back in 1927, the Blanesburgh Report noted that a 1913 investigation showed that of the claimants who did not succeed in obtaining benefit the great proportion failed only because they had not been unemployed for six days; only 1% had exceeded the term of benefit, and there was no supplementation of income by the Poor Law or any other source. "These facts", it concluded, "are a notable tribute to the prudence, self-reliance and self-respect of the insured workers as a whole". Op. cit., p. 10.
  3. Gilbert, op. cit., p. 55.
  4. Percy Cohen: The British System of Social Insurance (1931), p. 115.



The full story of the breakdown of unemployment insurance in the years after the First World War is an extremely complex one, and has been well told by a number of writers.<sup>1</sup> What particularly concerns this study, however, is the way that out of the jumble of temporary expedients, ad hoc solutions and last-minute compromises that constituted unemployment policy in these years there quietly emerged two vitally important principles that, once introduced, proved impossible to remove thereafter and eventually by the late 1930s created a need for family allowances. The first was the recognition of family needs via the payment of dependants' allowances for the unemployed; the second was the State's commitment to supporting the able-bodied unemployed at some sort of subsistence level separate from the Poor Law.<sup>2</sup>

Both had their origins in the system of out-of-work donation introduced on the 25th November 1918.<sup>3</sup> This had begun as a scheme of relief for ex-servicemen unable to find jobs on demobilisation, but with the sudden ending of the War, and in the absence of any proper plans for an enlarged unemployment insurance scheme to ease the transition from war to peace, it was hurriedly extended to

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1. Percy Cohen: Unemployment Insurance and Assistance in Great Britain (1938), pp. 19-37, and The British System of Social Insurance (1931), pp. 115-148. Mary Barnett Gilson: Unemployment Insurance in Great Britain (1931), pp. 3-63. Eveline M. Burns, op. cit., pp. 35-110. Gilbert, op. cit., pp. 51-97.
  2. Derek Fraser: The Evolution of the British Welfare State (1973), p. 170.
  3. Final Report of the Committee of Inquiry into the Scheme of Out-of-Work Donation, 1919, Cmd. 305, p. 3.

civilians as well. Since the original military out-of-work donation scheme had been based on separation allowances, both it and the civilian scheme included child allowances: in addition to benefits of 29s.0d. per week for men and 25s.0d. per week for women there were payments of 6s.0d. per week for the first child under fifteen and 3s.0d. for each subsequent child.<sup>1</sup> Thus with no realisation of the implications the Government hurriedly included in the out-of-work donation scheme these two glaring violations of the 1911 concept of unemployment insurance, and by doing so created further difficulties. Instead of introducing a completely re-organised system to meet the needs of the able-bodied unemployed, Lloyd George's Coalition Government stumbled through a series of short-term solutions to meet each sudden crisis as it arose.

There were two reasons for this policy of expediency. Firstly, there was an understandable lack of appreciation on the part of politicians of the extent to which unemployment was a product of long-term economic changes speeded up by the War, and hence an unwillingness to see mass unemployment as anything other than a temporary phenomenon. In the immediate post-war years, after all, the ordinary insurance scheme seemed to be working quite successfully: by the end of 1920 the insurance fund had accumulated a balance of over £21,000,000, despite the fact that benefits had been raised

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1. These were the rates from 12/12/18. Ibid., p. 4.

in 1919 without any corresponding increase in contributions.<sup>1</sup> This healthy financial situation undoubtedly reinforced the view prevailing in the Government that the basic 1911 system could still work by grafting onto it various temporary extensions of benefit. Thus every extension of out-of-work donation tended to be viewed by the Cabinet as "an emergency and temporary arrangement to meet the altogether exceptional conditions produced by the War", necessary to bridge the period before a re-organised insurance plan could be introduced.<sup>2</sup> Viewed alongside the financial stability of the main insurance system, the cost of £21,653,057 for the civilian out-of-work donation scheme, and £40,000,000 for the military one,<sup>3</sup> seemed a reasonable price to pay to meet this apparently temporary situation. Even after the attempt at reorganisation through the 1920 Unemployment Insurance Act, continuing high unemployment was seen by the Cabinet as "abnormal, due to exceptional circumstances, and greatly aggravated by the Coal Strike".<sup>4</sup> Even as late as 1930 the Cabinet were still convinced by a memorandum from the Minister of Labour that "the exhaustion of the Unemployment Fund is due to an abnormal and unforeseeable increase in unemployment, which is world-wide in character".<sup>5</sup> Indeed, it was really only after the 1931 economic crisis that Governments accepted that mass unemployment was long-term.

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1. Blanesburgh Report, p. 11.
  2. Cabinet meeting of 6/11/19, Cabinet 3(19), P.R.O. CAB 23/18.
  3. For the period November 1918 to November 1919.  
Blanesburgh Report, pp. 10-11.
  4. Cabinet meeting of 1/6/21, Cabinet 46(21), P.R.O. CAB 23/26.
  5. Cabinet meeting of 26/3/30, Cabinet 17(30), P.R.O. CAB 23/26.

The second reason for the many extensions of insurance was the political impossibility of throwing destitute unemployed ex-servicemen onto private charity or the hated Poor Law: not to provide a special scheme of insurance for these men might cause them to express their resentment in violent political demonstrations. Between the 25th November 1918 and the 31st March 1921 military out-of-work donation was 'temporarily' renewed four times for this reason. It had been due to expire on the 24th November 1919, but the Cabinet decided that unemployed ex-servicemen could not be left without any means of subsistence over the winter months, and agreed to a further period at slightly lower rates which were closer to what was being contemplated for the eventual re-organised insurance scheme.<sup>1</sup> Four months later there had to be another extension, until July 1920.<sup>2</sup> By then the situation had actually worsened, and the Minister of Labour, Thomas Macnamara, was being warned by numerous ex-servicemen's organisations not to attempt any cuts in out-of-work donation.<sup>3</sup> Even without these warnings, Macnamara was well aware of the dangers: without another renewal, about 60,000 ex-servicemen would have no income, and of these about half were located in eleven principal cities. If they joined forces with other sections of the unemployed there would be created in the big cities the

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1. Cabinet meetings of 5, 6 and 7/11/19, Cabinet 2, 3 and 4(19), P.R.O. CAB 23/18.
  2. Cabinet meeting of 22/3/20, Cabinet 15(20), P.R.O. CAB 23/20.
  3. Letters from these organisations contained in T 161/41 (S.2585).

sort of politically volatile situation that would be "eagerly exploited by the Socialist organisations which pass from Passivism and Conscientious Objection to ardent advocacy of the claim of the ex-Fighter with the greatest ease".<sup>1</sup> In addition, public opinion would not tolerate these men having to apply to the Poor Law.<sup>2</sup> By September the growing industrial troubles threatened further danger. A large body of destitute ex-servicemen, Macnamara warned his Cabinet colleagues, could form "a discontented nucleus which might be utilised by the extremists in any serious industrial troubles".<sup>3</sup> Thus in February 1921 the 330,000 ex-servicemen on the dole were incorporated into the main insurance scheme, but only at the expense of raising all adult men's benefit to 20s.0d. per week (the level of military out-of-work donation), thus putting a severe strain on the finances of the unemployment fund.<sup>4</sup>

Meanwhile in the previous August the Government had introduced the 1920 Unemployment Insurance Act, which extended coverage to over 11,000,000 workers in all trades except agriculture, private domestic service, railway workers and certain categories of public employment. It introduced new regulations, such as a minimum of twelve contributions,

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1. Cabinet Memorandum by Minister of Labour: Out of Work Donation (17/7/20), *ibid.*
  2. Cabinet Memorandum by Minister of Labour: Out of Work Donation (24/7/20), *ibid.*
  3. Cabinet meeting of 30/9/20, Cabinet 53(20), P.R.O. CAB 23/22. One must remember, of course, that the Russian Revolution had taken place three years earlier.
  4. Gilbert, *op. cit.*, pp. 78-9.

fifteen (later increased to twenty-six) weeks' benefit in any insurance year, and the rule of one week's benefit to every six contributions. The 1920 Act formed the basis for subsequent unemployment insurance legislation, and was a somewhat unrealistic re-assertion of the 1911 principles: benefit was still seen as a small 'tiding-over' sum (and trade unionists who could afford it were encouraged to join voluntary insurance schemes), contributions were kept low, and it envisaged unemployment essentially as a short-term phenomenon.<sup>1</sup> Perhaps the most striking illustration of the Act's optimism is that it made allowance for an unemployment rate of only 5.32%; in the years immediately following, the annual average rate of unemployment in the insured trades was 12.7% (1922), 11.0% (1923), 10.0% (1924) and 11.0% (1925).<sup>2</sup> Not surprisingly, within eight months of the passage of the 1920 Act the solvency of the insurance fund had been destroyed.

It was against this confused background of one crisis rapidly leading to another, with the Government always one step behind, that there occurred an event of crucial importance to the movement for family allowances - the introduction of dependants' allowances into the main unemployment insurance scheme. Several historians have seen this as an important family endowment principle<sup>3</sup> which, by violating

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1. R.C. Davison: The Unemployed: Old Policies and New (1929), pp. 97-9.
  2. Blanesburgh Report, p. 12.
  3. For example, C.L. Mowat: Britain Between the Wars (1966 edition), p. 128.



the actuarial basis of unemployment insurance and introducing the concept of need, led to the situation in the 1930s where benefits for men with large families frequently equalled or exceeded what they would have received in wages, thus providing a powerful argument for the introduction of family allowances in wages.

To an extent, the introduction of dependants' allowances certainly was an important milestone. But it should be remembered that by 1921 there had been three recent instances of family endowment in Government policy in child tax allowances, separation allowances and out-of-work donation; and in addition, dependants' allowances were hardly the sole violation of the insurance principle in these years, since the whole structure of unemployment insurance in the 1920s and early 1930s was based on endless 'temporary' extensions of benefit rights for which there was no actuarial justification.

Given the policy-making chaos of the years 1918-21, it is not surprising that no clear picture emerges of exactly when it was decided to introduce these allowances. Lord Aberconway's Committee of Inquiry looked at the family allowance component in out-of-work donation (termed "supplementary donation") and concluded that "inasmuch as the payment of donation is dependent on the loss of wages and the rates of wages do not vary according to the size of the worker's family, it appears to us that it is out of place

and leads to undesirable results to include an allowance for children in the rate of donation".<sup>1</sup> In the course of the Committee's evidence-taking there was some discussion of whether compensation for unemployment should take account of family needs, if wages did not;<sup>2</sup> but the main objection came from a representative of the Ministry of Labour, who said that supplementary donation involved too much extra administration.<sup>3</sup>

However, it is likely that Government Departments did not worry too much about the extra administration involved, nor paused to think about the implications, since at the time it seemed likely that out-of-work donation would quickly end and the main insurance scheme revert to the principles of 1911. The Ministry of Labour simply followed the administrative precedents of service pay separation allowances, and since their policy was to administer the original out-of-work donation scheme "in a generous spirit",<sup>4</sup> without being too dependent upon rigid regulations, they tended to overlook such anomalies as two child allowances being paid at the same time (for example, from the donation scheme and a service widow's pension).<sup>5</sup>

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1. Final Report of the Committee of Inquiry into the Scheme of Out-of-Work Donation, 1919, Cmd. 305, p. 9.
  2. Minutes of Evidence Taken Before the Committee of Inquiry into the Scheme of Out-of-Work Donation, 1919, Cmd. 407, paras. 1548-52, p. 83.
  3. Ibid., paras. 511-3, p. 25.
  4. T.W. Phillips to A. Bowers, 17/1/19, P.R.O. PIN 7/14.
  5. Memorandum by T.W. Phillips, 4/4/19, ibid.

The immediate impetus behind the introduction of dependants' allowances appears to have come from the Prime Minister, Lloyd George. Throughout 1920-1 the Cabinet had become increasingly concerned about the political and economic consequences of mass unemployment. Schemes for reviving trade and providing relief works for the unemployed were under discussion, and there was a realisation that at its existing low benefit levels, unemployment insurance was not going to be acceptable to ex-servicemen. A Cabinet Committee on unemployment had been established on the 7th September 1920,<sup>1</sup> and on the 13th September 1921 a deputation of London Labour mayors was received by Sir Alfred Mond, Chairman of the Committee. The mayors wanted the Government to introduce a comprehensive and generous scheme of non-Poor Law relief. Unemployment was a national problem, they argued: the State had asked men to fight in the War and now it should guarantee them adequate maintenance while out of work; in addition, ratepayers in high-unemployment areas were bearing the brunt of supporting the unemployed and also enduring financial hardship as a result.<sup>2</sup>

The mayors received little satisfaction from Mond, and therefore decided to visit Lloyd George, who was on

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1. Minutes of this Committee contained in P.R.O. CAB 27/114.
  2. Cabinet Committee on Unemployment. Notes Taken of a Deputation of London Mayors, etc., on 16th September 1921, Lloyd George Papers, F/196/7/7.

holiday at Gairloch in Scotland. Owing to a serious tooth infection, Lloyd George refused to see them; but they insisted on waiting, and after four days were granted an audience.<sup>1</sup> The period of waiting can hardly have softened the mayors' conviction that the Government was doing virtually nothing to help the unemployed, and the deputation was fairly acrimonious. The mayors repeated what they had told Mond, and added vivid descriptions of the intensity of political feeling amongst the unemployed: the Mayor of Hackney (Herbert Morrison) warned that "there is a bitter feeling and a sheer lack of faith in the whole of the institutions of the State which is growing among these bands of hungry and desperate men. As time goes on the leadership of unemployed organisations will tend to be rather distinct from the organised Labour Movement, and the leadership may get into hands which cannot be looked upon with ease, having regard to the possibilities of the situation..... The important thing to note is that it is not only the extreme men who tend that way, but our best people".<sup>2</sup> In reply Lloyd George maintained that his Government had done more for the unemployed than any other, and said that financing a national relief plan such as contemplated by the mayors would put an impossible burden on national finances; but he agreed that the existing rates of unemployment benefit were inadequate, and promised to give the matter consideration.<sup>3</sup>

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1. Peter Rowland: Lloyd George (1975), p. 543.  
Bernard Donoughue and G.W. Jones: Herbert Morrison, Portrait of a Politician (1973), p. 49.
  2. Report of a Meeting Between the Prime Minister and London Labour Mayors at Gairloch, September 22nd, 1921, Lloyd George Papers F/196/7/6.
  3. Ibid. A brief account of the deputation is given in Lord Morrison: Herbert Morrison, an Autobiography (1960), pp. 84-5.

Unemployment was discussed at Gairloch over the next ten days (several members of the Cabinet being present), and among several proposals eventually agreed upon (extra grants for public works schemes, for guaranteeing the repayment of loans by companies who needed capital, for improving the exports credit scheme, etc.)<sup>1</sup> was the one to set up a special temporary distress fund to finance the payment of dependants' allowances in the main unemployment insurance scheme: this suggestion was put to the Cabinet Committee on Unemployment by Lloyd George on the 6th October, and they decided to set up a small Relief of Distress Committee to investigate its feasibility.<sup>2</sup>

The Relief of Distress Committee met in an atmosphere of growing alarm over the political threat posed by the unemployed. Throughout September, while Lloyd George was in Scotland, the Minister of Labour, Thomas Macnamara, was reminding his Cabinet colleagues of the serious situation that lay ahead. On the 17th September he warned that the coming winter would see between 1 and 1½ million unemployed having to live solely off unemployment benefit - a situation which would give the Communists "an opportunity the like of which they have not yet had".<sup>3</sup> The Home Office were closely monitoring the activities of the organisers of demonstrations

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1. Rowland, op. cit., p. 543-4.
  2. Minutes of Cabinet Committee on Unemployment, 6/10/21, Lloyd George Papers F/196/7/14. The Chairman was Sir Robert Munro (Secretary of State for Scotland) and membership consisted of three junior Ministers and six civil servants.
  3. The Unemployment Problem: Memorandum by the Minister of Labour, 17/9/21, P.P. 3317, P.R.O. CAB 24/128.

by the unemployed (even to the extent of opening their mail and infiltrating their organisations), and were warning the Cabinet of the threat that was posed.<sup>1</sup> The Cabinet Committee on Unemployment were by early October fully aware of the dangers: something would have to be done for the unemployed, many of whom had served in the War and would rebel against any attempt to force them onto the Poor Law;<sup>2</sup> without some positive action, "the Government might find themselves in the position of having alienated the whole of the working classes, who might sweep away all parties, put in their own people, and in the first flush of their success undertake experiments which would endanger the life of the community".<sup>3</sup>

Faced with this urgency, the Relief of Distress Committee took little time in coming to a decision. The only alternative discussed was whether the emergency distress provision should be made in kind - for example, by coupons exchangeable for food,<sup>4</sup> or by soup kitchens run by Boards of Guardians (who would receive a Government grant).<sup>5</sup> But this would be administratively complex, and would have

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1. Directorate of Intelligence (Home Office): Proposed Date of Monster Unemployed Demonstration, 26/9/21, C.P. 3337, and Report on Revolutionary Organisations in the United Kingdom, 6/10/21, C.P. 3380, P.R.O. CAB 24/128.
  2. Minutes of Cabinet Committee on Unemployment, 6/10/21, Lloyd George Papers, F/196/7/14.
  3. Cabinet Unemployment Committee. Conclusions of Meeting on 6/10/21, P.R.O. CAB 27/114.
  4. Cabinet Unemployment Committee - Memorandum by the Parliamentary Secretary to the Ministry of Labour, 13/10/21, C.O. 283, P.R.O. CAB 27/120.
  5. Relief of Distress Committee. Suggested Distress Fund (Note by the Ministry of Labour), 10/10/21, P.R.O. CAB 27/149.



insufficient guarantees against fraud. Dependants' allowances could simply copy the out-of-work donation system.<sup>1</sup> On the 11th September the Committee therefore decided to recommend the setting up of a temporary distress fund for six months only, the finance of which would be kept quite separate from the main insurance fund, with different cards and stamps: contributions of 2d. each from employer and employee, and 3d. from the State (with reduced rates for women, boys and girls) would provide 5s.0d. per week for a wife and 1s.0d. per week for each dependent child.<sup>2</sup> On the 19th October, Lloyd George (in the course of a long statement on new unemployment measures) announced the introduction of the allowances.<sup>3</sup>

In the first meeting of the Relief of Distress Committee, it was said that the scheme of dependants' allowances had been suggested by Lloyd George himself "who thought that the Unemployment Benefit was clearly inadequate in the case of a married man with a family".<sup>4</sup> Yet the idea of family endowment in unemployment benefit had already become very familiar to all through out-of-work donation,

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1. Ibid.
  2. Cabinet: Report of Relief of Distress Committee, 11/10/21, C.P. 3391, P.R.O. CAB 24/128.
  3. Hansard, Vol. 147, 19/10/21, Col. 93. The wife's allowance could also be paid in respect of an invalid husband, or the housekeeper of an unmarried man or widower with young children dependent upon him; the child allowance was for each dependent child under fourteen years of age (or sixteen if in fulltime education). Ministry of Labour: Report on National Unemployment Insurance to July 1923 (1923), p. 63.
  4. Cabinet. Relief of Distress Committee. Conclusions of a Meeting on 11/10/21, P.R.O. CAB 27/149.

and there is no doubt that civil servants had already considered it. In the House of Commons earlier in 1921, for example, Macnamara had hinted that the Government had weighed up the idea quite some time before.<sup>1</sup>

Outside the Government, pressure had been coming for some time from the labour movement for higher benefits and dependants' allowances. A special T.U.C.-Labour Party Conference in January 1921 had discussed a motion calling for benefits of 50% of average earnings, with an additional 10% for a dependent wife and 5% for each dependent child under the age of sixteen (subject to an income limit),<sup>2</sup> and eventually had recommended benefits of 40s.0d. per week for each householder, 25s.0d. per week for single men or women, and additional allowances for children.<sup>3</sup> In addition, militant political bodies like the National Administrative Council of Unemployed were also demanding dependants' benefits throughout 1921.<sup>4</sup>

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1. Hansard, Vol. 138, 23/2/21, Col. 1001. In P.R.O. PIN 1/3 there are some papers which show that as early as 1914 the Treasury had considered extending the scope of income tax downwards, using the machinery of the 1911 Act, with rebates for wives and children. This may have been what Sir Horace Wilson was referring to in 1939 when he said that "proposals for family allowances had been made at the beginning of the war of 1914-18, but had had to be abandoned because of Trade Union opposition". Extract from Minutes of 11th Meeting of the Ministerial Committee on Economic Policy, 7/12/39, P.R.O. CAB 89/22.
  2. T.U.C. and Labour Party: Unemployment Insurance, (n.d., probably 1921).
  3. T.U.C. and Labour Party: Resolutions to be Discussed at the Special Conference of the Trades Union Congress and the Labour Party, 27th January, (n.d., probably 1921).
  4. C.P. 3337, 26/9/21, op. cit.

In the House of Commons, the question of differentiation between married and single unemployed men had been discussed for some time. On the 17th February 1921 Labour M.P.s had pressed for a recognition of family needs in unemployment benefit, and had found the Government not unsympathetic. Their opposition was based more on the practical problems involved than on any objection in principle: levying a flat rate contribution on single and married people alike meant that the State was contracted to pay only flat-rate benefits; if employers had to pay higher contributions for married men they might try to discriminate against them.<sup>1</sup> The question of family benefits thus enjoyed much discussion during the debate on the Unemployment Insurance Act (1920) Amendment Bill (which brought the 330,000 ex-servicemen into the general scheme), and although insisting that the administrative problems were overwhelming Macnamara did acknowledge that it was "commonsense" for married men to receive more.<sup>2</sup> Later, J.R. Clynes, the Labour leader, moved an amendment demanding benefits of 40s.0d. per week for the head of a family, 25s.0d. for adults other than a head, and 5s.0d. for dependants, maintaining that this was the absolute minimum that families could live on.<sup>3</sup> Several speakers insisted that the proposed new benefits of 18s.0d. per week for men and 15s.0d. per week for women were desperately inadequate, and there were strong

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1. Hansard, Vol. 138, 17/2/21, Col. 336.

2. Ibid., 23/2/21, Cols. 1001-2.

3. Ibid., 24/2/21, Cols. 1198-1203.

demands for child allowances<sup>1</sup> - all of which Macnamara met by insisting that this would destroy the fund's solvency, though he did agree to raise men's benefits to 20s.0d.<sup>2</sup>

Discussion of dependants' benefits thus did not revolve round the principle of family endowment - which was generally accepted by all sides - but over how high such benefits should be. While Macnamara absolutely refused to deviate from the insurance principle, Labour speakers (following their maxim 'work or maintenance') demanded family-related benefits based on need, insisting that in a period of mass unemployment it was cruel to fix benefits according to actuarial calculations: if the Government could pay £60,000,000 to the railway companies as compensation for State control during the War, then they ought to be able to find the money with which to shore up the insurance fund and pay decent benefits;<sup>3</sup> the Government were proposing to pay only 15s.0d. per week to an unemployed man, yet were prepared to pay £1.19s.1d. to maintain a lunatic in an asylum or £1.10s.0d. to maintain a prisoner.<sup>4</sup> Thus when the introduction of dependants' allowances was debated on the 1st November 1921 the family endowment principle was once again little commented on, and the only criticism was over

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1. For example, *ibid.*, Cols. 1223-7.
  2. *Ibid.*, Cols. 1239-40. Since this brought adult men's benefits up to what ex-servicemen had been getting, it is likely that Macnamara had decided beforehand to give way on this point if pressed.
  3. *Ibid.*, Vol. 143, 15/6/21, Col. 483.
  4. *Ibid.*, Col. 464. This was during the debate on a Bill to reduce benefits from 20s.0d. to 15s.0d. per week for men.

the level of the allowances: several Labour M.P.s tried to introduce amendments to raise them, the last of which (demanding child allowances of 2s.0d.) was opposed by only two speakers and was defeated by the relatively narrow margin of 145 votes to 112.<sup>1</sup>

There is no doubt that dependants' allowances were attractive to the Government for reasons of economy. Given that they were under great political pressure in the autumn of 1921 to raise benefits all round, yet at the same time saw that the fund was paying out over £1,400,000 per week in benefits and getting badly into debt,<sup>2</sup> the Government viewed dependants' allowances as a much cheaper alternative to all-round increases in benefits or special grants to Boards of Guardians.<sup>3</sup>

Politically, dependants' allowances were also attractive in as much as they prevented hundreds of thousands of families from having to fall back onto the Poor Law. This would be popular both with the unemployed themselves and with ratepayers in economically depressed areas (who could express their feelings in a General Election). Macnamara admitted that these were "the main considerations" that led the Government to continue dependants' allowances beyond

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1. Ibid., Vol. 147, 1/11/21, Cols. 1626-70.
  2. Ministry of Labour: Report on National Unemployment Insurance to July 1923 (1923), p. 63.
  3. Cabinet. Relief of Distress Committee. Conclusions of a Meeting on 11/10/21, P.R.O. CAB 27/149.

their original six-month period and until June 1923.<sup>1</sup> But, in addition, continuation of the allowances was also seen by the Cabinet as a way of facilitating a possible cut in the main benefit levels. On the 8th March 1922 Macnamara reminded his Cabinet colleagues that a large proportion of unemployment benefit would expire in a month's time, and a Cabinet Committee was formed to recommend changes.<sup>2</sup> On the 22nd March the Committee presented its Report, recommending a continuation of dependants' allowances at the same level along with a drastic cut in main benefits down to 12s.0d. for a single man and 10s.0d. for a single woman.<sup>3</sup> But in discussion "warnings were given of the risk of grave disturbance if this course was adopted", and benefits remained unaltered.<sup>4</sup>

The intention had been to keep the dependants' allowances system financially separate from the main fund, so that when 'normal' conditions returned they could be wound up. The Unemployed Workers' Dependants' (Temporary Provision) Act, 1921, (to give it its full title), had stipulated that allowances were to operate only for six months from the 10th November 1921. As already indicated, the decision to continue them was made in March 1922, and

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1. Hansard, Vol. 152, 29/3/22, Col. 1376.
  2. Cabinet meeting of 8/3/22, Cabinet 16(22), P.R.O. CAB 23/29.
  3. Cabinet meeting of 22/3/22, Cabinet 20(22), *ibid.* In terms of purchasing power, this would have been lower than the 1911 level of benefit.
  4. *Ibid.*



the following month they were formally amalgamated with the main scheme.<sup>1</sup> However, for a year the policy of the Government was still to regard them as temporary, to be continued only as long as the fund remained in debt.<sup>2</sup> In early 1923, however, the decision was taken to make them permanent,<sup>3</sup> and by the 1923 Unemployment Insurance Act this was enacted.<sup>4</sup> In 1924 the child allowance was raised to 2s.0d. per week, and the scope of the scheme was enlarged; the wife's allowance was raised in 1928 to 7s.0d. per week, raised again in 1930 to 9s.0d., and lowered in 1931 to 8s.0d., with the child allowance remaining unchanged.<sup>5</sup>

Thus dependants' allowances were introduced into the main unemployment insurance system with little controversy. Such evidence as has survived indicates that at the time civil servants did not think deeply about their implications. The only existing Treasury file, for example, simply deals with machinery for administering the separate distress fund.<sup>6</sup> As in their administration of out-of-work donation, the Ministry of Labour simply followed the

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1. P. Cohen, *op. cit.*, p. 119.
  2. Memorandum by the Minister of Labour, 30/1/23, P.R.O. PIN 3/12.
  3. Cabinet meeting of 14/2/23, Cabinet 9(23), P.R.O. CAB 23/45.
  4. Blanesburgh Report, p. 67.
  5. Ibid., and Royal Commission on Unemployment Insurance, Final Report, 1932, Cmd. 4185, p. 20.
  6. P.R.O. T 161/191 (S.17960), Unemployed Workers' Dependants Fund, 1921. Similarly, the Government Actuary's Report briefly summarises the financial details. Unemployed Workers' Dependants (Temporary Provisions) Bill. Report by the Government Actuary on the Financial Provisions of the Bill, 1921, Cmd. 1529.

precedents established by separation allowances; for example, allowances were paid to common-law wives on the basis that this had been War Office policy in the First World War.<sup>1</sup> Most published accounts of this period either say nothing about why dependants' benefits were continued,<sup>2</sup> or else briefly make a statement on the lines of Bakke's that "at the end of the six months this type of benefit had proved itself so valuable that it was continued".<sup>3</sup>

Evidently the Government's desire to keep as many able-bodied off the Poor Law as possible, plus the tendency to see every new policy as a temporary expedient, meant that the implications of dependants' allowances were little discussed in the years 1918-22. In addition, an even more important point was that with main benefits at 15s.0d. per week for men and 12s.0d. per week for women (except for a short period in 1921),<sup>4</sup> there was no danger that an unemployed man with a large family might receive more in benefit than in wages. In 1923, for example, the Minister of Labour, Sir Montague Barlow, was questioned on this point in Parliament and replied that the Ministry of Labour knew of no cases where earnings for a full week in the insured occupations were lower than rates of benefit.<sup>5</sup>

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1. Blanesburgh Report, pp. 68-9.

2. See, for example, 1932 Royal Commission, op. cit., pp. 21-2.

3. E. Wight Bakke: Insurance or Dole? (New Haven, 1935), p. 242.

4. 1932 Royal Commission, op. cit., p. 20, gives a table for the changes in the rates of benefit.

5. Hansard, Vol. 163, 4/5/23, Cols. 1794-5.

But in late 1923 and 1924 the possibility in theory that an unemployed man with a large family might be financially better off when out of work began to be considered by civil servants. The impetus behind this came from the drastic re-thinking of the nature and purpose of social insurance that took place during the 'all-in insurance' discussions of those years.

There were two long-term reasons behind the all-in insurance activity. Firstly, due to the piecemeal way in which they had developed, there were many anomalies in the administration of the social services. Workmen's compensation was run by insurance companies, employers' mutual insurance companies and establishment funds; old age pensions by the Customs and Excise Department, and paid through the Post Office; unemployment insurance by employment exchanges, trade unions and other industrial associations; health and maternity insurance by approved societies; burial insurance by insurance companies, collecting societies, friendly societies and the Post Office.<sup>1</sup> It was universally recognised by social administrators that these anomalies needed to be removed, and hence the all-in insurance activity of 1923-4 has often been seen as a precursor of the Beveridge Report.<sup>2</sup>

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1. J.L. Cohen: Social Insurance Unified (1924), p. 46.
  2. Sir John Walley: Social Security: Another British Failure? (1972), p. 40-1.

Secondly, the Ministry of Labour had realised that the relief of the able-bodied unemployed was too large a problem to be dealt with by locally-elected Boards of Guardians: they wanted some kind of new assistance scheme introduced alongside a strictly-administered unemployment insurance system, and seem to have had in mind the kind of central agency that appeared ten years later as the Unemployment Assistance Board.<sup>1</sup> Something had to be found that was not, on the one hand, a caricature of unemployment insurance, based on endless extensions of benefit regardless of the individual's contribution record that would destroy the solvency of the insurance fund and eventually make the system indistinguishable from public assistance, and on the other hand a harshly deterrent Poor Law that would be resented by men who were unemployed through no fault of their own.

The Ministry of Labour appear to have contemplated such a reorganisation for some time. One of the topics discussed in 1923-4, that of insurance by industry, had been considered by them at least as far back as 1918, and eventually rejected on the grounds that it would go against the cardinal insurance principle that risks should be pooled.<sup>2</sup> The Ministry kept the matter under consideration, clearly

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1. Ibid., pp. 47-50.

2. Memorandum by Ministry of Labour, May 1918, P.R.O. PIN 3/8. A memorandum by Sir Alfred Watson of 19/11/23 also mentions that the Ministry had been considering insurance by industry for some time. See P.R.O. PIN 1/1.

seeing it as a possible future policy once unemployment fell:<sup>1</sup> both Thomas Macnamara and (after 31st October 1922) Sir Montague Barlow, when Ministers of Labour, sounded out the opinions of employers and trade unionists on the subject, and an official Report was published in February 1923.<sup>2</sup>

The all-in insurance activity of 1923-4 had quite a number of aspects. At the same time as the Ministry of Labour was considering insurance by industry there was appointed (on the 17th March 1922) a committee of civil servants under Sir Alfred Watson to investigate the possibility of amalgamating health and unemployment insurance, and of reducing the cost of the latter.<sup>3</sup> Almost a year later another interdepartmental committee was set up to survey public assistance administration, and investigate Sidney Webb's charge that it had many serious gaps and anomalies.<sup>4</sup>

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1. For example, the Ministry rejected an inter-departmental proposal for unification of health and unemployment insurance specifically on the grounds that it would hinder the development of insurance by industry. Memorandum (n.d.) from Sir Alfred Watson to Neville Chamberlain and Sir Montague Barlow, P.R.O. PIN 1/1.
  2. Report on the Possibility of Developing Unemployment Insurance by Industries, 1923, Cmd. 1613.
  3. Interdepartmental Committee on Health and Unemployment Insurance: First and Second Interim Reports, 1922, Cmd. 1644, and Third Interim Report, 1923, Cmd. 1821. The Second Interim Report (pp. 9-10) rejected combined cards for health and unemployment insurance. A few papers of the Watson Committee can be found in P.R.O. PIN 1/1.
  4. Interdepartmental Committee on Public Assistance Administration. Report of the Committee on the Co-ordination of Administrative and Executive Arrangements for the Grant of Assistance from Public Funds on Account of Sickness, Destitution and Unemployment, 1923, Cmd. 2011. The Report (pp. 74-167) gives a useful survey of existing social services.

Reorganisation of social insurance also became a popular political topic. With the ending of Lloyd George's Coalition in October 1922, British politics more or less returned to normal, and all three parties began to look round for social policy reforms that would be electorally popular.<sup>1</sup> The Conservative Party appear to have taken the lead in this respect, with both Chamberlain and Baldwin showing an interest. The former wanted some kind of plan to end the existing administrative chaos in insurance,<sup>2</sup> hoping that such an espousal of social reform would "attract wide attention and peg out our claim to the ground before the others have had time to get in".<sup>3</sup> Similarly, it has been asserted that the appointment of the Anderson Committee of top-rank civil servants to investigate all-in insurance was largely Baldwin's creation: social reform was much on his mind in 1923-4, and the Committee's appointment was one of his "first actions" on becoming Prime Minister in May 1923, according to his biographers.<sup>4</sup>

However, the real impetus behind the establishment of the Anderson Committee appears to have come from within

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1. J.L. Cohen, *op. cit.*, pp. 11-13. Cohen makes the interesting point that public discussion of all-in insurance was also going on in other countries, and that the I.L.O. investigated it. *Ibid.*, p. 14. At this time Beveridge was associating himself with the Liberal Party and working on the ideas he published in Insurance For All and Everything (1924).
  2. Keith Feiling: Neville Chamberlain (1947), p. 132.
  3. Letter from Chamberlain to Hilda Chamberlain, 23/3/24, quoted in Iain Macleod: Neville Chamberlain (1961), p. 106.
  4. Keith Middlemas and John Barnes: Baldwin (1969), p. 284.



the Ministry of Labour, and in particular from its Permanent Secretary, Horace Wilson.<sup>1</sup> Baldwin's interest seems to have been very half-hearted: the idea was brought to his attention in April 1923 by a pamphlet sent to him by an ex-Liberal M.P., T.T. Broad, which he turned over to the Ministry of Labour for consideration.<sup>2</sup> However, Baldwin only got round to appointing the Anderson Committee on the 13th December 1923 - nearly seven months after he had become Prime Minister, and hardly an indication of great energy. To add to the confusion, he had by then lost an election - on the 6th December - but stayed in office long enough to receive an interim report from the Committee.<sup>3</sup> Thereafter, the Conservatives continued the work in private, through a Committee led by Chamberlain,<sup>4</sup> and eventually channelled their ideas into a plan for pensions reform that made up the basis of the 1925 Widows', Orphans' and Old Age Contributory Pensions Act.<sup>5</sup>

Whatever confusion there may have been over its appointment, the Anderson Committee's records show that civil servants were beginning to turn their minds towards the problems that were to plague unemployment policy in

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1. Walley, *op. cit.*, p. 47. Walley gives an interesting account of the Anderson Committee's appointment. *Ibid.*, pp. 40-1, 47-8, 52-3, 57-62.
  2. T.T. Broad to the Prime Minister, 17/4/23, P.R.O. PIN 1/1.
  3. Anderson to Baldwin, 8/1/24, P.R.O. PIN 1/2.
  4. Some of this Committee's papers are contained in P.R.O. PIN 1/4.
  5. Chamberlain and Churchill combined the findings of the two Committees in drawing up their pensions plan. Cabinet meeting of 26/11/24, Cabinet 64(24), P.R.O. CAB 23/49.

the 1920s and 1930s - in particular, the need to keep the status of the unemployed man with a large family 'less eligible' than an equivalent man in fulltime work.

The members of the Anderson Committee realised that "as soon as political and industrial conditions permit", some drastic reorganisation of social services to the unemployed would have to be undertaken.<sup>1</sup> It was impossible to allow a large section of the population to remain semi-permanently on the Poor Law, for three reasons: firstly, the unemployed themselves would not tolerate it;<sup>2</sup> secondly, there was the problem that in some areas Boards of Guardians were deliberately paying over-generous relief and making it more profitable for men with large families to remain unemployed; and thirdly, many Boards of Guardians were demanding that the relief of all the able-bodied unemployed should be made a charge on national finances.<sup>3</sup> Yet to solve the problem by endless extensions of insurance benefit would mean that "the stigma now attaching to the Poor Law Relief might, in course of time, also attach to discretionary unemployment benefit if such benefit were derived from a fund not resting on an independent contributory basis".<sup>4</sup>

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1. Memorandum by Sir Arthur Robinson and Horace Wilson, 14/1/24, P.R.O. PIN 1/1.
  2. Note of a Discussion at the Ministry of Health on 29/11/23, 8/12/23, ibid.
  3. Memorandum by Lord Eustace Percy, (n.d., probably late 1923), P.R.O. HLG 30/32.
  4. Memorandum by Robinson and Wilson, 14/1/24, op. cit.

Therefore, what the Anderson Committee civil servants were groping towards in 1923-4 was some scheme of relief for the able-bodied unemployed and their dependants that would carry the stigma-free advantage of insurance benefit without having to be actuarially sound. In order to achieve this, it would be necessary to classify the unemployed into three distinct groups. At the top would be those whose contribution record entitled them to unemployment benefit under the new and strictly-administered insurance scheme. Below them, the long-term unemployed would be paid uncovenanted benefits out of a separate 'distress fund', the solvency of which would be guaranteed by the Treasury;<sup>1</sup> applicants to this section would have to prove that they were "genuinely seeking work and unable to find it", and in dealing with them the Minister of Labour would have new enlarged powers to discretion "to refuse benefit in order to eliminate 'unemployables' and persons to whom benefit is a temptation to remain in idleness".<sup>2</sup> At the bottom of this three-tier system would be the Poor Law; the future of this was very much under discussion, and there were plans to abolish it, but until then (having had the able-bodied unemployed removed from its scope) it would be left to deal with categories like the old, the sick, the widows, etc., - in other words, "that residuum of misfortune, improvidence and unfitness which defies classification".<sup>3</sup>

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1. Minutes of Meeting of the Anderson Committee, 5/1/24, P.R.O. PIN 1/2.
  2. Memorandum by Robinson and Wilson, 14/1/24, op. cit.
  3. Memorandum by Lord Eustace Percy, op. cit.

This, however, would create a problem. In any such reorganisation the whole relationship between wages, benefit rates and public assistance would need to be clearly defined. In solution to this problem, the Anderson Committee evidently had in mind a three-tier classification of the unemployed that would go beyond mere administrative demarcation and would also have an economic and moral component too. A three-tier structure of less eligibility would be established, each level having a different degree of social stigma attached to it. Before the Committee even met, T.W. Phillips (the Principal Assistant Secretary to the Ministry of Labour) outlined his Department's view that "a person in receipt of insurance benefit should be less well off than a person in receipt of wages and that a person disentitled to benefit should be less well off than a person receiving benefit. Whereas the old poor law held that the condition of the man relieved must of necessity be less eligible than that of the man maintaining himself, a second intermediate grade, that of the insured man, should ultimately be introduced".<sup>1</sup>

Thus if the principle of insurance as a stigma-free payment was to be preserved, the unemployed man on relief must be made to feel worse off than his insured counterpart.<sup>2</sup> One way of achieving this might be to introduce a labour test which could be disguised as re-training, "but for a large proportion of the applicants it is essential that it

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1. Note of a Discussion at the Ministry of Health on 29/11/23, 8/12/23, op. cit.

2. Ministry of Labour Memorandum (n.d., probably December 1923), P.R.O. PIN 1/2.

should be unattractive and if possible that it should be generally regarded as carrying a social stigma".<sup>1</sup> There was concern that under the existing system in many economically depressed areas, the unemployed were receiving unemployment benefit and Poor Law assistance simultaneously, resulting in the destruction of the insurance principle and payments which frequently came near to, or exceeded, prevailing low wage rates.<sup>2</sup>

The principle of dependants' allowances appears to have been unquestioningly accepted by the Anderson Committee. Indeed, they even decided that in the new scheme for the able-bodied unemployed child allowances might be raised to 1s.6d. per week and extended in scope to cover all children under the age of sixteen maintained by the applicant, whether they were his 'natural' children or not.<sup>3</sup> However, in the surviving papers of the Committee there is evidence that the implications of such a policy were just beginning to be seen. For example, Sir Arthur Robinson (the Permanent Secretary at the Ministry of Health) and Horace Wilson warned that if child allowances were raised above 1s.6d. "the possible interaction of benefit and wages in low-paid employment would have to be taken into consideration. It would probably not be possible so to increase dependants' benefit without

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1. Memorandum by Mr. Francis (n.d., probably October 1923), P.R.O. HLG 30/32. Francis was Assistant Secretary at the Ministry of Health.
  2. Ministry of Labour Memorandum (n.d.), op. cit.
  3. Minutes of Meeting of the Anderson Committee, 5/1/24, op. cit.

at the same time revising the scale of benefits to a man and wife".<sup>1</sup>

The evidence left by the all-in insurance activity of 1923-4 is interesting for a number of reasons,<sup>2</sup> but what concerns this study is the way that it marks the first expression of concern over the problem that was to grow in the 1920s and 1930s and eventually point the way to family allowances in wages - the impossibility, in a low-wage economy, of preserving less eligibility while public opinion demanded that benefit and assistance levels take some account of varying family needs.

For the whole of the 1920s, however, this remained by and large a theoretical problem, and not a practical one. When Lloyd George had originally announced the introduction of dependants' allowances he had said that they would be subject to a maximum limit of 9s.0d. per week,<sup>3</sup> but evidently this was an economy measure rather than one for preserving less eligibility, for in the face of Parliamentary opposition Macnamara later agreed to remove this upper limit.<sup>4</sup> Three years later, when looking back on this, Macnamara maintained that the figure of 1s.0d. per week per child was "all we could do at the time", given

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1. Memorandum by Robinson and Wilson, 14/1/24, op. cit.
  2. For example, the way civil servants appear to have realised far sooner than politicians that mass unemployment was not going to be a temporary phenomenon. The Anderson Committee's widows' pensions proposals, for instance, were partly designed with the aim of withdrawing widows from the labour market. See Memorandum on Widows' Pensions in P.R.O. PIN 1/3.
  3. Hansard, Vol. 147, 19/10/21, Col. 93.
  4. Ibid., 26/10/21, Cols. 934-942, and 1/11/21, Col. 1671.



the state of the fund, and implied that he would have liked the figure to be higher.<sup>1</sup> In 1927 the Blanesburgh Commission looked at the question of benefit rates and re-affirmed that a cardinal principle of an insurance scheme was that "it should provide benefits definitely less in amount than the general labourer's rate of wages, so that there may be no temptation to prefer benefit to work",<sup>2</sup> but went on to discuss the problem of how far benefits should be needs-related.<sup>3</sup> Indeed, the only instances of less eligibility becoming a practical problem in the 1920s are to be found in certain parts of the country where Boards of Guardians made public assistance payments in excess of prevailing low wage rates, particularly in the case of large families.<sup>4</sup>

However, by the early 1930s the problem of preserving less eligibility was beginning to be realised in Government circles. The reason for this was, quite simply, the rise in the real value of benefits. Between 1920 and 1930 the rate of unemployment benefit received by an adult man with a wife and two children doubled, from 15s.0d. to 30s.0d.; yet at the same time the cost of living fell by about 43%, and, more importantly, the money value of wages fell by about

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1. *Ibid.*, Vol. 173, 20/5/24, Col. 2065.

2. Blanesburgh Report, p. 31.

3. *Ibid.*, p. 38.

4. In particular, in Poplar, Chester-le-Street, Bedwellty and West Ham. Because this practice was not widespread, and because an account of it would need to be complex, it has been thought best to omit it from this study. For an account, see B. Keith-Lucas: "Poplarism", Public Law, Spring 1962, pp. 52-80.

33%.<sup>1</sup> By the early 1930s, therefore, an unemployed man with a large family was receiving in benefit an amount that came close to low wage levels. The danger foreseen by the Ministry of Labour in 1923-4 was becoming a reality. After the creation of the Unemployment Assistance Board (U.A.B.) and the Unemployment Insurance Statutory Committee (U.I.S.C.) by the 1934 Unemployment Act, it grew until it became a problem that dominated unemployment policy.

The events leading up to the 1934 Unemployment Act need only a brief summary.<sup>2</sup> The insurance scheme had been kept going by various extensions of benefit through 'uncovenanted', 'extended' and 'transitional' benefits,<sup>3</sup> with the result that by 1934 the fund had a debt of £105,780,000, and the U.I.S.C. was set up as a financial watchdog to administer a new, strictly actuarial insurance scheme under which this debt would eventually be paid off.<sup>4</sup> The Public Assistance Committees since 1930 had been administering both Poor Law relief and 'transitional payments' (to over 1,000,000 unemployed who had exhausted their insurance rights); the latter was Treasury-financed, and in several areas the P.A.C.s had been granting such

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1. 1932 Royal Commission, op. cit., p. 20.
  2. The events were complex, and for a full account see Eric Briggs and Alan Deacon: "The Creation of the Unemployment Assistance Board", Policy and Politics, Vol. 2, No. 1, 1973, pp. 43-62; John D. Millett: The Unemployment Assistance Board (1940), pp. 17-44; Burns, op. cit., pp. 111-147; Gilbert, op. cit., pp. 162-179.
  3. See Burns, op. cit., p. 47, for details of how each operated.
  4. W.H. Beveridge: The Unemployment Insurance Statutory Committee (1937), pp. 24-5.

payments on a very generous scale.<sup>1</sup> The U.A.B. was founded in order to bring such quasi-relief payments under central fiscal control, and, ostensibly, to remove the sensitive question of needs-related, means-tested payments from political controversy. Most historians have attributed the origins of both the U.A.B. and the U.I.S.C. to the events of 1930-4,<sup>2</sup> but clearly what was established in 1934 was a three-tier system of relief, stigma and less eligibility almost exactly as suggested by the Ministry of Labour ten years earlier.

The establishment of the Unemployment Assistance Board in 1934 was one of the most controversial episodes in the history of British social policy. The rationale behind it was that the administration of relief to the long-term able-bodied unemployed could best be carried out by a centralised agency, independent of the Government yet responsible to it, according to clearly-defined regulations. These regulations could be amended in Parliament, but thereafter the Board would be immune from Parliamentary criticism, and would administer means-tested, needs-related relief without the interference of party politicking at national or local level.<sup>3</sup> Thus the Minister of Labour

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1. Briggs and Deacon, *op. cit.*

2. Gilbert, for example, (*op. cit.*, p. 178) gives Chamberlain and Sir Horace Wilson the credit, saying that they were working on plans for the U.A.B. in 1932.

3. Millett, *op. cit.*, pp. 35-7, 48.

would be rid of the burden of being, in effect, chief relieving officer for the nation, with Parliament as a glorified Board of Guardians.<sup>1</sup> The Board was thus a direct forerunner of today's Supplementary Benefits Commission.<sup>2</sup>

But critics maintained that this "taking relief out of politics" was really a way of removing the question of relief from democratic control. The Board, they argued, was designed to impose a bureaucratic tyranny over the unemployed, and its avowed independence was a sham. It was only independent in as much as it shielded the Minister of Labour from awkward criticism; in reality, it was as much under Treasury control as any other Government Department. When M.P.s tried to find out exactly what the Board's position was vis-a-vis Parliamentary criticism, the result was embarrassing uncertainty on the part of the Government.<sup>3</sup> The Board, complained one M.P., "is responsible to no one and appointed by the Government for several years..... is out of the control of this House and sits in Olympian calm away from the realities of life".<sup>4</sup> Perhaps the most hated aspect of the Board was its household means test, which forced unemployed members of a household to leave home in order that an unemployed member could then attest that the household had no resources and thus qualify for relief.

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1. A.M. Carr-Saunders: "The Unemployment Assistance Board", Political Quarterly, 7, 1936, p. 542.
  2. There were many similarities, such as the appeals tribunal. See Tony Lynes: Unemployment Assistance Tribunals in the 1930s (unpublished paper to University of Edinburgh Conference on Supplementary Benefit Appeal Tribunals, December 1974).
  3. Hansard, Vol. 297, 12/2/35, Cols. 1803-7.
  4. Ibid., Col. 1796.

These contradictions were acutely felt by the Board's members. The Chairman was Sir Henry Betterton (the previous Minister of Labour) who was given the title Lord Rushcliffe, and the other members were Sir Ernest Strohenger (Deputy Chairman), Violet Markham, Professor H.M. Hallsworth, Thomas Jones, M.A. Reynard, and five Departmental representatives.<sup>1</sup> Looking back in later life, Violet Markham admitted that "the idea that the Board could be taken out of politics and do its work in cloistered calm was of course ridiculous. Unemployment was the burning question of the day and it was calculated to burn the fingers of anyone who touched it",<sup>2</sup> and it is clear that privately the Board's members felt very uneasy over their exact constitutional status. For example, at one of their regular meetings in early 1935 Thomas Jones "expressed the general feeling of the Board by saying that in no circumstances should the Board be swayed by political considerations.... The Board was specifically created as a non-political body in order to remove the administration of the Means Test from the area of politics.... [and] should not allow itself to be stampeded or yield to political pressure".<sup>3</sup> Yet less than a month later, the members were agreeing that "the Board was an instrument of Government and could not act in the last resort contrary to the policy of the Government.... in the

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1. For their background, see Millett, *op. cit.*, pp. 46-8.
  2. Violet Markham: Return Passage (1953), p. 194.
  3. Minutes of the 22nd meeting of the U.A.B., 30/1/35 to 1/2/35, Violet Markham Papers, Box 27.

end the Government must have its way".<sup>1</sup> These internal tensions came to a head in the notorious 'standstill' incident of January and February 1935, from which the reputation of the Board never recovered.<sup>2</sup>

Probably the greatest area of conflict between the Board and its critics was over its scales of relief. As indicated in previous chapters, it was on this point that Eleanor Rathbone and her supporters drew on the rapidly-expanding volume of nutritional research into minimum human needs and campaigned vigorously for these relief scales to be drawn up in accordance with some publicly-announced nutritional minimum. The Board's scales were, after all, supposed to be needs-related, and implicit in this was the commitment not only to base them upon a scientific estimate of healthy physical subsistence, but also to ensure that applicants would be kept healthy and fit enough to return to work whenever the country's economic position improved. Thus when introducing the 1934 Unemployment Bill in the House of Commons Sir Henry Betterton, the Minister of Labour, assured M.P.s that "we have to provide that there shall be an opportunity for men to keep fit for employment".<sup>3</sup> Clause 34 of the Bill charged the U.A.B. with the promotion of the welfare of the unemployed, and,

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1. Minutes of the 26th meeting, 26/2/35 to 28/2/35, *ibid.*
  2. For an account, see Gilbert, *op. cit.*, pp. 182-8, and Millett, *op. cit.*, pp. 46-76.
  3. Hansard, Vol. 283, 30/11/33, Col. 1089.



said Betterton, "you cannot promote the welfare of a man unless you take into account his physical requirements".<sup>1</sup>

During the passage of the Bill, however, the Government remained studiously vague over exactly how these needs would be calculated. To a deputation from the Children's Minimum Council Betterton insisted that he would calculate need in accordance with recent nutritional research,<sup>2</sup> but in Parliament he was less definite. At one point Eleanor Rathbone tried to introduce an amendment to the Bill that would commit the Board to a concept of need that would cover a "reasonable amount" for rent, plus "the minimum requirement of healthy physical subsistence" for the applicant and his dependants.<sup>3</sup> "If every item of the applicant's means and resources is to be taken into account, let every item of his needs be also taken into account", she suggested, and asked that the Board's scales be calculated on "a basis which is fully worked out and clearly laid down by Parliament"; above all, the meaning of 'need' should be precisely defined.<sup>4</sup>

In reply, Betterton assured her that her amendment was unnecessary: the Board was committed to maintaining the unemployed at a healthy physical subsistence level, and

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1. Ibid., Vol. 286, 26/2/34, Col. 786. A similar assurance was given in the Board's first Annual Report. Report of the Unemployment Assistance Board for 1935, Cmd. 5177, p. 6.
  2. C.M.C. pamphlet: Observations on the Draft Unemployment Assistance Regulations, 21/7/36, and Eleanor Rathbone in Hansard, Vol. 289, 9/5/34, Cols. 1218-9.
  3. Hansard, Vol. 286, 26/2/36, Col. 767.
  4. Ibid., Col. 771.

the spirit of her amendment was implicit in the Board's regulations.<sup>1</sup> This reply seems to have satisfied most M.P.s, for throughout the many debates on the 1934 Bill there was little mention of this point again. Some speakers realised that the assistance scales would have to be lower than insurance benefit (which the Government admitted to be below subsistence, since it was still based on the 1911 concept),<sup>2</sup> but most critics concentrated their attacks on the household means test and the Board's immunity from Parliamentary control. Eleanor Rathbone, however, was far from satisfied. As already indicated, she began an intensive campaign through the Children's Minimum Council to influence the Board while they were still discussing proposed scale rates: in addition to deputations to Government Departments, the C.M.C. sent many requests to the Board asking that they announce publicly the scientific basis for their scales,<sup>3</sup> and made sure that this campaigning received maximum publicity.<sup>4</sup>

But all this activity elicited virtually no response whatsoever from the Board's members, save for a feeling of

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1. Ibid., Col. 785-8.
  2. For example, speech by Arthur Greenwood in Hansard, Vol. 283, 30/11/33, Col. 1108-1110.
  3. U.A.B. Memorandum No. 14, 30/8/34, Violet Markham Papers, Box 29. Marjorie Green to Thomas Jones, 17/9/34 and 11/10/34, P.R.O. AST 7/32. Other letters from the C.M.C. are contained in Violet Markham Papers, Box 47.
  4. For example, letter by Eleanor Rathbone to The Times, 31/10/34.

mild irritation.<sup>1</sup> In their private discussions they began to grope towards the only definition of 'scientific minimum subsistence' that was open to them. Like the Ministry of Health, they well realised the consequences that would follow if they assessed minimum needs too highly, and thus it was decided that science would have to take second place to three all-important criteria - Treasury limitations, unemployment benefit levels and, most important of all, low wage rates.<sup>2</sup> At the fourth meeting of the Board, on the 22nd, 24th and 25th July 1934, Wilfred Eady (the Board's Secretary and a Ministry of Labour official) quickly warned of the wages problem: although they could supplement insurance benefit in exceptional cases, they must not touch on wages, since "it would obviously have been a very dangerous principle if the Board had accepted any responsibility for the subsidy of low wages to wholly employed persons". Sir Ernest Strohmenger followed by maintaining that even if under-nourishment existed in Britain, particularly among children, there was little evidence that it was confined to the households of the unemployed: "in other words, under-nourishment might well prove to be a matter not so much of inadequate allowances

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1. "I understand the Children's Minimum and Mrs. Hubback are advancing yet again on the Unemployment Assistance Board with yet another memo", wrote Violet Markham to Sir George Newman. "They keep saying you are such a nice man but somehow they don't seem to like your figures and are pained at your conclusions. How rare is the mentality that can face facts honestly when they don't square with the person's preconceived ideas." Markham to Newman, 18/10/34, Violet Markham Papers, Box 43.
  2. This was realised at the time by a few M.P.s. See Millett, op. cit., p. 51.

as of bad use of income. It was very important that the Board should have this clearly in mind because they could not accept responsibility for general malnutrition".<sup>1</sup>

Thereafter, discussion centred on the question of exactly how far below wage rates the Board's scales should be. One suggestion, for example, was that they should be anchored just below the levels of unskilled wages recognised by local Trades Councils. All members "recognised that where there was a large family the scale came very near to, if it did not exceed, the earnings of low paid workers", and that therefore the problem was essentially one of keeping these 'overlap' cases to a minimum by arriving at the most appropriate scale levels. As Sir Ernest Strohmenger warned, to provide large children's allowances "on the lines suggested by Miss Rathbone leads to the dilemma of either cutting across wage levels or of establishing a very low scale for childless couples".<sup>2</sup> Eventually, the Board decided on the latter, and cut the married couple's allowance from 24s.0d. to 22s.0d.<sup>3</sup>

This, therefore, was how the U.A.B. calculated scientific minimum subsistence: "the provision of allowances to meet need must be conditioned by wages".<sup>4</sup>

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1. Minutes of the 4th meeting of the U.A.B., 23, 24 and 25/7/34, ibid., Box 27. The Ministry of Health maintained that general malnutrition was the Board's responsibility.
  2. Minutes of the 5th meeting, 31/7/34, ibid.
  3. U.A.B. Memorandum No. 13: Suggested Amendments of Basic Scale, 30/8/34, ibid., Box 29.
  4. Statement by Professor Hallsworth, Minutes of 6th Meeting, 13/9/34, ibid., Box 27.

Professor Hallsworth warned his fellow members of the dangers of touching on wage levels; the Board's scales "would be taken as representing the official standard of minimum subsistence over the whole country. The Board would be operating largely in areas whose wages are subject to world conditions. It would be a grave matter if the scale prevented any adaptation of the wage level which economic circumstances might require". In other words, fixing the scales too high might make it impossible for industry to impose wage cuts in the future if these became necessary. Eady firmly told the other members that there was "no scientific standard for the calculation of all the needs to be covered by the Board; the matter was one of social convention and expediency. The Office had therefore proceeded on the principle of less eligibility".<sup>1</sup> Previously, he had circulated two memoranda on this point, warning of the "mischievous social consequences" if wage levels were exceeded, and reassuring his colleagues that the Government had foreseen this problem: the Act's stipulation was that scales should be calculated "by reference to" and not "in accordance with" the applicant's needs - a legalistic difference that was designed to overcome this very difficulty and shield the Board from adverse criticism.<sup>2</sup> Low wages had to be accepted as an unavoidable

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1. Minutes of 6th meeting, ibid.

2. U.A.B. Memorandum No. 9: Memorandum on Draft Regulations by W. Eady, 19/7/34, ibid., Box 29.

feature of industrial life; to make the unemployed better off than the employed "would be resented not only by employers but, more strongly, by other workpeople".<sup>1</sup> In any case, the Ministry of Labour claimed, by the standards of most nutritional research the Board's scales were adequate for households with fewer than three children.<sup>2</sup>

Given this method of assessing need, it was hardly surprising that the Board refused to take up the challenges of the Children's Minimum Council. When answering its critics it claimed on the one hand that its scales were based on the findings of the B.M.A., the Ministry of Health Advisory Committee on Nutrition, the Merseyside Survey and the New Survey of London; yet on the other hand it was careful to qualify this by asserting that there was as yet "no absolute criterion or scientific basis of need".<sup>3</sup>

When the Board eventually published its scales and put them into operation they were criticised fiercely by groups such as the C.M.C. as being manifestly inadequate, and a betrayal of Betterton's original promises in Parliament.<sup>4</sup>

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1. U.A.B. Memorandum No. 13: Suggested Amendments of the Basic Scale, 30/8/34, ibid.
  2. U.A.B. Memorandum No. 14: A 'Scientific Basis' for the Assessment of Needs, 30/8/34, ibid.
  3. Annual Report of the U.A.B. for 1935, Cmd. 5177, p. 33.
  4. Eleanor Rathbone seems to have realised all along that this would happen. She predicted that Betterton would be unable to keep his promises, and that less eligibility would be the deciding factor. Hansard, Vol. 289, 9/5/34, Col. 1220.



In 1936, for example, the C.M.C. pointed out that using the B.M.A. nutrition standard, the Merseyside Survey's estimate of expenditure on clothing, light and fuel, and the Board's own basic rent scale, the following comparison could be made:<sup>1</sup>

	<u>Minimum needs</u>	<u>Standard unemployment benefit</u>	<u>U.A.B. scale</u>
Man, wife and 1 child	29s.0½d.	29s.0d.	28s.0d.
Man, wife and 3 children	40s.0d.	35s.0d.	34s.6d.
Man, wife and 5 children	52s.3d.	41s.0d.	40s.6d.

To empirical criticism such as this the Board either refused to reply, or else invented the most convenient excuse. For example, in discussion with the C.M.C. they defended their policy of reducing allowances for children in households of more than five members (by the sum of 1s.0d. each) by maintaining that with such an increase in numbers there was not an equivalent increase in costs: clothes could be passed on to younger children, for instance.<sup>2</sup> But in private they admitted that "the scaling down of children's allowances where there are three or more children is desirable because the graduated scale for children originally proposed, if allowed to operate fully,

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1. "A Children's Minimum", British Medical Journal, 4/1/36.  
2. Ibid.

would quickly produce for the family of normal size allowances in excess of the wage rate, and thus necessitate the application of the 'stop' clause.... too frequent application of this clause is likely to create dissatisfaction".<sup>1</sup>

The Board's position was hopeless. Having decided to follow the principle of less eligibility, all that could be done in the face of hostile criticism was retreat along prepared lines, and its members were instructed on what these should be. Critics should first be told that no scientific calculation of minimum needs was possible. Then, if they persisted, they should be told that if malnutrition did exist it was not confined to the households of the unemployed. The final defence against criticism such as Rowntree's contention that a family of five needed 53s.0d. a week for the maintenance of health and efficiency was for the Board to wash its hands of all responsibility: "the best line of reply", members were told on this point, "is probably that if this were true, the Unemployment Assistance Board is a relatively small member of a food company and that in order to bring this doctrine about the general wage structure of the country would have to be revolutionised".<sup>2</sup>

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1. U.A.B. Memorandum No. 13, op. cit. In 1936, however, this 'scaling down' policy was abandoned.
  2. U.A.B. Memorandum: Note on the Basis of the Board's Scale, May 1937, P.R.O. AST 7/337.

It was precisely such a wage revolution that Eleanor Rathbone and her supporters believed they were campaigning for, and having had no success in getting the Board to raise its scales during 1934 and 1935 they changed their line of attack: from 1935 onwards the Family Endowment Society and the Children's Minimum Council, realising the Board's quandary, began to campaign for the whole problem to be tackled at the wages end, by family allowances.

This new approach elicited a more favourable reaction from the Board's members, for now the problem of overlap with wages was beginning to exacerbate a situation about which they felt growing unease. As the economy began to pick up after 1934 the problem of the long-term unemployed assumed increasing importance. Would these men be able and willing to return to work once the economy had completely recovered? Would they refuse to enter jobs with wages only slightly higher than what they had been receiving from the Board? Unemployment began to fall steadily from 1936, and in the following year the Board estimated that nearly 20% of its male applicants had settled down to life on the dole.<sup>1</sup> "What cumulative consequences are likely to pile up for the nation in a few years time", warned Violet Markham, "if the dole habit spreads and grows and the theory of money for nothing becomes an established practice amongst the younger generation?".<sup>2</sup>

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1. U.A.B. Memorandum: Some Observations by Miss Markham on the Long-Term Policy and Problems of the Board Arising out of the Annual Report, 1937, Violet Markham Papers, Box 51.
  2. Ibid.

What the Board feared was not so much the numerical incidence of these overlap cases as their disproportionate effect on the work ethic of future generations. After all, in 1937 only about 6% of the Board's applicants received allowances within 4s.0d. of their normal wages; and only 1.3% of male and 3.5% of female applicants received allowances equal to or above their normal wages.<sup>1</sup> But since these cases occurred chiefly in households with a large number of children, evidently the Board members feared that an increasing number of young married unemployed would regard large families as a way of maximising their income and also pass on the 'dole habit' to their children.

Furthermore, there was another serious long-term problem. By industrial standards, many of the Board's applicants were relatively old: 45% of those between the ages of eighteen and sixty-four were over forty-five years old, as compared with only 27% of claimants to insurance benefit, and thus it would be extremely difficult for these men to be re-absorbed into industrial life once prosperity returned.<sup>2</sup> This had been exacerbated by the changing age-distribution of the British population: in 1901, out of every 1,000 people 149 had been aged between

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1. Annual Report of the U.A.B. for 1937, Cmd. 5752, pp. 6, 81-2.
  2. Annual Report of the U.A.B. for 1936, Cmd. 5526, p. 5.

forty-five and sixty-five, but by 1935 this proportion had risen to 223. The Board's Annual Report for 1936 contained a passage on this very theme, reflecting the 'population panic' of the 1930s and warning that these older men would need a long period of re-training and industrial acclimatisation before they became efficient workers. In a situation like this, any reluctance on the part of the younger, fitter men to return to work would be disastrous.<sup>1</sup>

Of course, those with a first-hand knowledge of the plight of the unemployed found exactly the opposite to be the case. Bakke, for example, discovered no evidence that the will to work was being destroyed, and gave as an example the instance of a job advertised in Birmingham for two men with their own bicycles, with wages of only £2 per week: nearly one thousand men tried to apply for it.<sup>2</sup> Admittedly, the hopeless task of searching out work when none was available often caused the long-term unemployed man's state of mind to progress "from optimism to pessimism, from

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1. Ibid. Violet Markham later recalled of the Board's applicants that "the majority were elderly men who lacked either aptitude or adequate industrial experience to make them worth while to an employer". Return Passage (1953), p. 201. Critics of the Board strongly objected to this pessimistic view, and to the notion that men were 'too old' at the age of forty-five. Joan S. Clarke: The Assistance Board (1941), p. 8.
  2. E.W. Bakke: The Unemployed Man (1933), pp. 137, 253-6, 263-270.

pessimism to fatalism", as Beales and Lambert put it.<sup>1</sup>  
 But this usually happened only after months or years of fruitless searching: Max Cohen, for example, tramped the streets daily from nine to five o'clock in his "compelling desire to find work".<sup>2</sup>

However, by the late 1930s those in the upper strata of British society were evidently thinking differently, and were sharing the Board's fears. In the House of Lords the Bishop of Winchester was warning about the erosion of work-incentives<sup>3</sup> and during a debate on population problems the Archbishop of York talked of "the obvious evil in the recruiting of the population largely from the unemployed ranks, and from those who are content to remain unemployed".<sup>4</sup> Again, in 1938 The Times asserted that "there are hundreds and thousands of young men who do not show any disposition to bestir themselves to get out of unemployment into employment ..... there is a slackness of moral fibre and of will as a muscle ..... salutary action is beyond dispute ..... the breakdown of morale can only be made good by applying compulsion".<sup>5</sup>

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1. H.L.Beales and R.S.Lambert: Memoirs of the Unemployed (1934), p. 26. The book (pp. 55-262) is a series of autobiographical case-studies illustrating this progression.
  2. Max Cohen: I Was One of the Unemployed (1945), p. 86.
  3. Hansard (Lords), Vol. 110, 7/7/38, Cols. 629-631.
  4. Ibid., Vol. 113, 21/6/39, Col. 639.
  5. The Times, 22/3/38, quoted in Theo Barker (ed.): The Long March of Everyman (1975), p. 215.



What form of compulsion should be used? Having done little in the way of job-creation or re-training schemes over the previous fifteen years, it was obviously going to be difficult, if not embarrassing, for the Government to introduce such measures now. The Board decided that as a first step they should analyse in detail exactly what sort of person constituted the hard-core unemployed, together with their reasons for being unemployed, in order to see if there were any "obstacles of an individual or personal character" that might prevent them from being re-absorbed into industry.<sup>1</sup> Applicants who were thought to have become resigned to their lot were to be encouraged to enlist in re-training programmes, and in certain cases encouragement was to be accompanied by a stopping of an allowance if the applicant refused to comply.<sup>2</sup>

One way of producing an incentive to work was by family allowances in wages. After 1935 the Board's Annual Reports began to show an increasing awareness of this. After only a year of operation, they claimed that men with large families showed "little disposition to take work or hold it when it is given to them".<sup>3</sup> The whole problem of the relationship between wages and assistance raised "wider issues" which the Board felt "should be

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1. Annual Report of the U.A.B. for 1938, Cmd. 6021, p. 3.
  2. Ibid., pp. 48-50.
  3. Annual Report of the U.A.B. for 1935, Cmd. 5177, p. 12.

examined on the widest basis in the near future".<sup>1</sup> In 1938 there came an even stronger statement about the difficulties raised by this, difficulties which had "far reaching implications and obviously raise questions of very serious social consequences which go beyond the problems which the Board alone are in a position to solve".<sup>2</sup>

In private, members of the Board were taking a growing interest in family allowances. In May 1938 the Children's Minimum Council sent them a memorandum making out the case for family allowances as the only way of solving the overlap problem without having to resort to "the negative and inhuman device of keeping down unemployment pay".<sup>3</sup> This time, their arguments fell on more receptive ears. In reply, Violet Markham admitted that the memorandum stated "very clearly a problem with which we are all familiar",<sup>4</sup> and such evidence as can be gleaned from her private papers suggests that her mind was working along these lines. For her, the problem of the unemployed was part of the general problem of the low-wage group, and she felt particular concern over "the employed man with a large family and a low wage who is obliged to struggle on

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1. Ibid., p. 13.

2. Annual Report of the U.A.B. for 1937, Cmd. 5752, pp. 5-6.

3. Memorandum by the Family Endowment Society to the Unemployment Insurance Statutory Committee, sent by Marjorie Green (C.M.C.) to Violet Markham, 6/5/38, Violet Markham Papers, Box 43.

4. Markham to Green, 12/5/38, *ibid.*

without any assistance from the State".<sup>1</sup> In the face of this, she told Paul Cadbury, "many of us who are concerned with unemployment are feeling more and more that whatever differences of opinion there may be in the method of application, the principle of family allowances is the only way out of the morass in which we find ourselves".<sup>2</sup>

Officially, the Board had no power to recommend anything as drastic as family allowances, being a supposedly independent body with limited terms of reference.<sup>3</sup> In fact, the Board was pretty closely controlled by the Ministry of Labour and the Treasury, and thus it is likely that when they opened a file on family allowances in June 1938<sup>4</sup> and began gathering information, the ground was being prepared for possible future schemes based on the European equalisation fund method. In September 1938 the Board began writing to firms in Britain that already operated their own family allowance schemes, asking for information.<sup>5</sup> Exactly what was being planned remains a mystery.

This gradual acceptance of the need for family allowances by the U.A.B. was at the same time being mirrored in the experiences of the Unemployment Insurance Statutory

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1. Markham to Elsie Jones, 12/10/38, *ibid.*
  2. Markham to Cadbury, 11/7/39, P.R.O. AST 7/390.
  3. "The Board are obviously very interested in the question because of its reactions on their own work; but they have no legal power to take any practical action in regard to it." Lord Rushcliffe to W. Elphinston (Church Assembly), 31/10/38, *ibid.*
  4. P.R.O. AST 7/390: Family Allowances, June 1938 - December 1943.
  5. *Ibid.*

Committee. The Committee's prime task was to pay off the unemployment insurance fund's debt at a rate of £5,000,000 per annum, and they were required to report on the condition of the fund not later than February each year (or at any other time, if necessary) and having reviewed the financial situation they could recommend any changes in benefit and contribution levels, and ways of paying off the fund's debt.<sup>1</sup> In arriving at a decision, the Committee sought advice on the likely level of future unemployment from the Economic Information Committee of the Economic Advisory Council (represented by H.D. Henderson), and then received deputations from interested organisations like the National Confederation of Employers' Organisations, the T.U.C. and - inevitably - the Children's Minimum Council.

Ostensibly, the Committee was an impartial body independent of direct Government control, with its actions being dictated solely by the state of the fund. In practice, however, its independence was as much of a myth as the U.A.B.'s and, as with the Board, there was the usual "uncanny coincidence" between what the Government wanted and what the Committee finally recommended.<sup>2</sup> Like the U.A.B., it was designed to shield the Minister of Labour

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1. Report of the Unemployment Insurance Statutory Committee for 1934, p. 2. The Chairman was Sir William Beveridge, and the members were A.L. Ayre, A. Digby Besant, Captain C.C. Craig, Arthur Shaw, Miss K.J. Stephenson and Mary Stocks, with three civil servants. The debt was to be paid off by 1971.
  2. J.C. Kincaid: Poverty and Equality in Britain (1973), p. 47.

from the embarrassing task of resisting Parliamentary and public pressure for higher benefit rates, and in addition was as much at the mercy of the Treasury as were conventional Government Departments. The reduction of contributions by 1d. in July 1936, for example, had been preceded by an increase of 1d. in the contributions from employers and employees for old age pensions - a move which saved the Treasury some £2,000,000.<sup>1</sup> Again, the reduction in 'waiting time' from six days to three (introduced in 1937) was designed to cut the number of applicants who might apply for unemployment assistance during this period of no income (which could be up to a fortnight in practice, since benefit was paid at the end of the week), and thus widen the scope of insurance (33% Treasury-financed) over assistance (100% Treasury-financed).<sup>2</sup>

However, having Beveridge as Chairman undoubtedly prevented the U.I.S.C. from falling completely under Treasury and Ministry of Labour influence, since he was well versed in the tactical nuances of intra-Governmental politicking.<sup>3</sup> For example, the Treasury had originally pressed for a reduction of contributions in June 1935, just before the publication of the Committee's Second Report

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1. Gilbert, op. cit., p. 180.
  2. Ronald C. Davison: British Unemployment Policy, the Modern Phase Since 1930 (1938), pp. 53-4. Gilbert (op. cit., p. 180) makes the interesting point that this was in contrast to the Treasury's attitude in the 1920s when assistance was financed from the rates; then they always campaigned for longer waiting periods.
  3. Beveridge always strenuously denied that the Committee was a mere rubber stamp for the Ministry of Labour. Beveridge, op. cit., p. 34-5, and Power and Influence (1953), p. 225.

which recommended instead that the surplus be used for the raising of children's allowances.<sup>1</sup> Somewhat unconvincingly, the Treasury officials claimed that their case rested "on social grounds", maintaining that contributions were already at "an emergency level" such as would cause hardship if pension contributions were raised in seven months' time.<sup>2</sup> Beveridge cleverly retorted by using arguments that the Treasury could hardly have opposed: a reduction in contributions, if followed by a sudden economic depression, would endanger the solvency of the Fund; and without an increase in child allowances the U.A.B. might have to supplement the benefit of large families, "and such a development would not be good for the Treasury".<sup>3</sup>

However, direct pressure from Government Departments was less of a problem for the Committee than the indirect effect their actions had on other areas of social policy. It was here that problems arose. When it was first established, the Committee's main worry seemed likely to be the repayment of the fund's debt; but owing to the decrease in unemployment each year the reverse happened, and the problem was how to dispose of a growing surplus.

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1. Report of the U.I.S.C. for July 1935, p. 17.
  2. Minutes of the U.I.S.C. for 20 and 21/6/35, Beveridge Papers, VIII. 4. The T.U.C., as Beveridge knew, took quite the opposite view, insisting that the working man was quite willing and able to pay higher contributions in order to receive higher benefits. See Minutes of the U.I.S.C. for 9/1/36, *ibid.* (All the U.I.S.C. minutes are contained in Beveridge Papers VIII. 4.)
  3. Minutes of the U.I.S.C. for 20 and 21/6/35.



Essentially, the Committee's task was to steer a path through a very tricky middle ground. On the one hand, they had to keep benefit levels above assistance scales; apart from being in line with Treasury policy of avoiding supplementation by the U.A.B., there was the political necessity of ensuring that applicants to a contributory scheme should always be better off than those receiving means-tested, tax-financed, discretionary payments. As a true 'insurance man', Beveridge characteristically saw this as a cardinal principle, "not because he thought the applicant for assistance was a less deserving case but because the recipient of benefit had contributed for it", and the rest of the Committee agreed.<sup>1</sup> However, this posed great problems. The Government still adhered to the 1911 principle that insurance benefit was a supplement to savings, and should not represent full maintenance. Any criticism of benefit levels met with this response: they were dictated by the solvency of the fund, not the needs of the individual.<sup>2</sup> Yet at the same time benefits had to be kept above the U.A.B.'s

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1. Minutes of the U.I.S.C. for 7/2/35.
  2. For example, the Ministry of Labour maintained that criticism of the 2s.0d. dependant's benefit in unemployment insurance on the grounds that it was not possible to maintain a child on that amount was "largely due to misapprehension..... the real position is that 2s.0d. has been thought to be the largest sum in respect of each dependent child which the finances of the insurance scheme enabled it to pay as a supplement to the basic rate of benefit". H.C. Emmerson (Ministry of Labour) to Sir Clive Wigram (the King's Private Secretary), 6/6/34, P.R.O. AST 7/85. This, of course, protected the U.I.S.C. from the full force of 'nutritional' criticism.

scales - which the Government insisted were needs-related. This contradiction was further heightened every time the U.A.B. raised its scales, for on these occasions the Committee had to do likewise, all the time maintaining the fiction that such increases were solely due to the fund's improved financial condition.

On the other hand, benefits had to be kept below wages. Again Beveridge justified this in 'insurance' terms: "unemployment benefit was intended to be an insurance against loss of wages, and in other forms of insurance it was never the practice to over-insure", he frequently reminded his colleagues on the Committee.<sup>1</sup> However, this vital principle that 'the indemnity should never be allowed to exceed the loss',<sup>2</sup> proved increasingly difficult to uphold. As the fund annually displayed a continuing surplus it became increasingly impossible for the Committee to resist pressure for higher benefits - which in turn made it harder and harder to keep benefits below wage levels. The fact that this occurred exclusively in families with a large number of children pointed to the obvious solution - the adjustment of wages to family size.

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1. Minutes of the U.I.S.C. for 20/11/36 and for 13 and 14/1/38.
  2. Report of the U.I.S.C. for July 1935, p. 18.

The first Report of the Committee, for the year 1934, was very cautious. With benefits at 17s.0d. per week for a man, 15s.0d. per week for a woman, and dependants' allowances of 9d.0d. for a wife and 2s.0d. for each child, a surplus of £12,417,185 had been achieved, but the Committee felt it was too early to make any changes.<sup>1</sup> They merely outlined five possible ways this surplus could be disposed of: a reduction in contributions (favoured by the National Confederation of Employers' Organisations), an increase in child allowances (favoured by the T.U.C. and the Children's Minimum Council), an increase in the adult man's benefit rate, an extension of the period of entitlement to benefit, and a reduction in the fund's outstanding debt.<sup>2</sup> These were generally the options throughout the 1930s, and deciding between them was by no means easy.

Beveridge was, of course, a staunch supporter of Eleanor Rathbone, and with Mary Stocks on the Committee the question of family endowment was obviously going to get sympathetic consideration. However, Beveridge was aware of the problems of introducing too great an element of needs-assessment into insurance; unemployment benefit he regarded as "an extension of wages", and since "the composition of the family is not taken into account in determining rates of wages.... it was, therefore, a question whether it should be

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1. Report of the U.I.S.C. for 1934, p. 3.  
 2. Ibid., pp. 15-16.

taken into account in determining rates of benefit".<sup>1</sup> Higher child allowances were being strongly demanded by both the T.U.C. and C.M.C., and thus in its special mid-year Report of July 1935 the Committee attempted a compromise: a rise of 1s.0d. per week in the child allowance was to be subject to an upper benefit limit of 41s.0d. per week (equivalent to the rate for a man, wife and five children).<sup>2</sup> This, the Committee maintained, was vital. Without it, cases of overlap would become much more common: an unskilled labourer with a wife and six children, normally earning 40s.0d. per week, would be 4s.0d. better off when unemployed. A wage-stop might be a better idea, but since contributions took no account of wages then neither should benefit. Families with more than five children could receive supplementation from the U.A.B. - but only if they underwent the Board's means test and proved they had no resources.<sup>3</sup>

This upper limit was rejected by Ernest Brown, Minister of Labour, on the grounds that such a recommendation was outside the Committee's terms of reference,<sup>4</sup> and thereafter the problem of overlap began to loom larger and larger. In their end-of-1935 Report the Committee called

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1. Minutes of the U.I.S.C. for 7/2/35.

2. Report of the U.I.S.C. for July 1935, pp. 17-18.

3. Ibid., p. 18.

4. Hansard, Vol. 305, 24/10/35, Col. 471. The real reason may have been Treasury opposition to any change that might raise the cost of assistance.

for a thorough investigation of the relations between wages, benefits and assistance, and in their first hint at family allowances they warned that "the growing direct provision for families, under unemployment insurance and assistance, is beginning to raise acutely the general problem of dependency under a wage system which makes no similar provision".<sup>1</sup>

In their private discussions, the Committee members were beginning to grasp the magnitude of their problems. By the end of 1935 the fund was making an embarrassingly healthy profit of £290,000 per week, and every indication was that this would continue. How should it be spent?

The easiest way out would be to leave benefits alone and concentrate on extending the scope of insurance as against assistance. Naturally, both the Treasury and the Ministry of Labour saw this as the best course, but both Departments realised that it would not be possible to spend rather more than £17,000,000 in this way over the next seven and a half years. Similarly, it would be politically very unpopular to devote the growing surplus solely to a reduction in the debt repayment period: such an action would benefit not the workers of the 1930s but their sons.<sup>2</sup>

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1. Report of the U.I.S.C. for 1935, pp. 28-9.
  2. Note of a Discussion on the Unemployment Insurance Fund by the Ministry of Labour, 25/11/36, P.R.O. PIN 7/216.

The T.U.C. pressed strongly for higher benefits in their deputations to the Committee. They firmly rejected the idea that insurance benefit should always be higher than assistance scales, since such a differentiation implied a differentiation of status, and they believed there should be "no distinction between the two classes as citizens.... the persons coming within the scope of Part II of the Act were decent citizens and should be treated as such". They wanted child allowances of at least 5s.0d. per week, and indeed were even more insistent in this demand than were the Children's Minimum Council.<sup>1</sup> They were quite prepared to see contributions raised to finance this, and opposed the Committee's recommendation in the 1935 Report that contributions should be lowered:<sup>2</sup> the proposed reduction of 2d. would cost the equivalent of raising the adult man's benefit by 4s.0d., they argued, and this would be much more popular.<sup>3</sup> The National Confederation of Employers' Association wanted contributions lowered until they reached a level of 6d. per week for each party, as opposed to 9d. in 1936.<sup>4</sup> But this, the Committee knew, could not seriously be presented

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1. Statement by J.L. Smyth (T.U.C.), Minutes of the U.I.S.C. for 7/2/35. See also Minutes for 9/1/36. The T.U.C. had recommended to the Royal Commission on Unemployment Insurance benefit rates of 20s.0d. for a man, 10s.0d. for a dependent wife and 5s.0d. for each dependent child.
  2. Report of the U.I.S.C. for 1935, pp. 28-9.
  3. Minutes of the U.I.S.C. for 9/1/36.
  4. Report of the U.I.S.C. for 1936, p. 17.



as providing a great saving to industry: Arthur Shaw pointed out that a 1d. reduction in contributions would, for example, only save a shipbuilding firm a paltry £43 out of the cost of building a £90,000 vessel.<sup>1</sup>

Ultimately, all decisions were dominated by the need to preserve less eligibility. The T.U.C. saw that the real problem was that "in so far as wages are so low that the rate of benefit is above them the question is not whether benefit is too high but whether wages are not too low". But beyond that, they were as perplexed as the Committee. They agreed that it would probably be wrong if benefit exceeded a man's normal wage; but to enforce this by a wage-stop would cut across the insurance principle of equal benefits for equal contributions. Even if a wage-stop was fixed fairly high it would still leave unsolved the problem of what to do with large families.<sup>2</sup>

Perhaps the most interesting discussion of the problem took place on the 20th November 1936, when the Committee met three members of the U.A.B. - Lord Rushcliffe, Wilfred Eady and J. Graham (the Board's Deputy Finance Officer). Beveridge had invited them to discuss three crucial points: the relationship between benefit and

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1. Report of the U.I.S.C. for 1935, p. 30. This was a special appendix written by Shaw in dissent to the Committee's majority recommendation.
  2. Statement by J.L. Smyth, Minutes of the U.I.S.C. for 9/1/36.

assistance, the consequences of an extension of benefit, and whether a wage-stop could be operated by the U.I.S.C. The Board were concerned that the fund's continuing solvency would result in public demands for higher insurance benefit, which in turn would force them to raise their scales and exacerbate their own overlap problems. Characteristically, the Board were most sensitive about any criticism that might be made about their scales: if the Committee justified future increases by reference to the fund's surplus there would be no danger; "but if it were done because 26s.0d. was considered to be insufficient for a man and wife it would raise the issue whether the rates of unemployment assistance were adequate", Eady warned, and pointed out that "a good deal depended upon what was said". Beveridge, however, assured them that he "would not give as the reason any consideration of need and certainly not one that would embarrass the Unemployment Assistance Board".<sup>1</sup>

Beveridge wanted to know if the Board had any ideas on how a wage-stop might be introduced into insurance, but no ideas were forthcoming. After outlining the difficulties of a wage-stop - notably that of assessing the 'normal' wages of a long-term unemployed man - Eady made the surprising admission (surprising in view of the Board's public concern over the disincentive effect of overlap) that in his opinion the wage-stop had little practical

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1. Minutes of the U.I.S.C. for 20/11/36.

effect as an inducement to seek work: "there was little evidence that a difference of 2s.0d. or 3s.0d. between allowances and wages deterred large numbers from taking work - the satisfaction of employment was measured by other considerations in addition to the amount of wages".<sup>1</sup>

This meeting had solved none of the Committee's problems. Accordingly, the question of higher benefits was shelved for another year, and the 1936 Report came out in favour of widening the scope of insurance: the waiting period was reduced from six to three days and the period of benefit for certain contributors was extended.<sup>2</sup>

Within the Ministry of Labour there was growing concern that long-term unemployment might be destroying the will to work. A general enquiry was made in 1935, and it concluded that reluctance to seek work because of high benefit was not extensive; mostly refusal of jobs offered arose out of the nature of the work or its inconvenient location.<sup>3</sup> In any case, instances of families with more than five children (which is where the danger of overlap was thought to begin) made up only about one-ninetieth

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1. Ibid.

2. Report of the U.I.S.C. for 1936, p. 18.

3. Ministry of Labour Memorandum: Enquiry as to Whether Difficulty Has Arisen in Low Wage Areas in Getting Men with High Weekly Rates of Benefit to Take Employment, (1935), P.R.O. PIN 7/214.

of total claims.<sup>1</sup>

A second enquiry was made in 1936, in response to allegations made by a Glasgow naval recruiting officer that the unemployed young men there preferred idleness to work.<sup>2</sup> The allegations were not based on any firm evidence, but clearly it was something the Ministry of Labour felt very concerned about, for they set about a nationwide enquiry into the problem. The replies indicated that the most common reason for turning down a job was its distance from home, and there was no mention of large families as a cause. Where people had settled down to life on the dole, it was "the result of long unemployment and hopelessness, and ..... not so much deliberate idling as a dangerous lassitude which is the result of social environment and irregular employment over many years", and this was especially true in Glasgow.<sup>3</sup>

By 1937 the Committee were very concerned that, as Mary Stocks put it, "a man might find that he could do his duty to his family better by losing his job".<sup>4</sup> Thus during

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1. Ministry of Labour Memorandum: Claimants With Families in Which There Are More than Five Dependent Children, (1935), ibid. Report of the U.I.S.C. for 1935, p. 38. Out of an average of 920,201 claims at any one time in 1935, 10,000 had more than five dependent children.
  2. Report on the Shortage of Artificer Applicants for Entry into the Royal Navy in the Glasgow Area by Commander H.T. Strawbridge, 21/8/36, P.R.O. PIN 7/167.
  3. Memorandum by the Minister of Labour, (n.d., probably 1936), ibid.
  4. Minutes for 14 and 15/1/37.

that year yet another investigation was made, with applicants being asked to state their weekly wage when last in employment. The results, which were published in the 1937 Report, showed that average benefit rates for men, including dependants' allowances, were only two-fifths of median wage-rates - 24s.6d. as against 55s.6d. However, there was great inequality of wage-rates, ranging from less than 14s.0d. to over 100s.0d. per week in the case of men, and less than 12s.0d. to over 60s.0d. per week in the case of women. As with the Board, the problem of overlap was numerically small: only 2.3% of men and 5.2% of women were as well or better off when on benefit than in employment. But, again like the Board, it was a problem the Committee felt would have dangerous long-term repercussions. Of the men on 41s.0d. benefit, 10% were as well or better off than when in employment, but of those on 50s.0d. benefit the proportion was over one-third.<sup>1</sup> The Committee were being pressed on all sides to raise child allowances by 1s.0d. per week, but to do this would increase the incidence of overlap by a third; and in the case of large families, even more: at the 41s.0d. rate of benefit it would rise from 10% to 25%.<sup>2</sup>

To Beveridge this was complete anathema. Again and again he repeated his dislike of 'over-insurance', and in the 1937 Report finally suggested that there were only two

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1. Report of the U.I.S.C. for 1937, pp. 20-1.

2. Ibid., p. 25.

possible remedies - a wage-stop or else family allowances in wages.<sup>1</sup> The former had been rejected by the Minister of Labour in 1935. A recommendation of the latter was way outside the Committee's terms of reference; but nevertheless recommend them they did, on the grounds that "if the wage system made allowance for dependency, the main objection to further increases in rates of benefit would be removed".<sup>2</sup> The issue could no longer be dodged: with a growing surplus in the fund, benefits would have to be raised soon or later, and the whole question of family dependency considered in toto.

In the event, the Committee did manage to avoid the problem for another year. Despite pressure from the T.U.C. for further increases, the 1938 Report simply recommended that the annual surplus be used to reduce the outstanding debt by £6,000,000 per annum instead of £5,000,000.<sup>3</sup> The following year the Committee relented and raised child allowances to 4s.0d. per week for the first two children and 3s.0d. for every other.<sup>4</sup> By then, however, the outbreak of war had changed everything.

By the late 1930s, therefore, both Government bodies dealing with the able-bodied unemployed had come round to a virtual recommendation of family allowances. The family

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1. Ibid.

2. Ibid.

3. Report of the U.I.S.C. for 1938, pp. 3, 8.

4. Report of the U.I.S.C. for 1939, p. 12.



endowment principle had merged into unemployment insurance for a number of reasons: hurried administrative expediency in the case of out-of-work donation; the political threat posed by the unemployed in the case of the 'temporary' introduction of dependants' allowances in 1921; and thereafter, family-adjusted benefits were seen as a relatively inexpensive way of mitigating the worst hardship, since such a system was cheaper than across-the-board benefit rises. By the 1930s, however, the rise in the real value of benefits turned into a reality what some civil servants in the early 1920s had discussed in theory - the problem of preserving less eligibility in the case of unemployed men with large families, in a low-wage economy. By the late 1930s both the U.A.B. and the U.I.S.C. were urgently insisting that the problem could only be solved at the wages end.

This, however, raised acutely controversial issues and brought to head the two conflicting and irreconcilable attitudes that have always dogged the history of family allowances. To those on the political left, this call for family allowances by the U.A.B. and U.I.S.C. merely obscured the real issue, which was that many industries were paying grossly sub-standard wages. Both bodies, they maintained, had followed a policy of less eligibility for fear of provoking a confrontation with industry. If rates of benefit and assistance were raised to nutritionally-defensible levels then the resultant enormous number of

cases where it was more profitable to be unemployed than in work would simply demonstrate how many wage-rates were below minimum human needs. This was the line taken by most Labour M.P.s present in the Commons on the 25th March 1938 when unemployment insurance was discussed.<sup>1</sup> Aneurin Bevan accused the U.I.S.C. of being a body "which regards it as its first duty to protect the wage system", and said it was very serious that many workers were receiving wages lower than insurance benefit, which everybody admitted was inadequate; rates of benefit had been fixed low for agricultural workers, for instance, because if they were higher then agricultural wages would have to be raised.<sup>2</sup> Another Labour M.P., George Tomlinson, said that if the Lancashire cotton industry continued to decline, then the majority of weavers there (numbering between 90,000 and 100,000 adults) would soon be on a wage less than unemployment benefit.<sup>3</sup>

One economist who investigated this point was Juergen Kuczynski. Using official Ministry of Labour figures for 1935, Kuczynski compared wage levels with Rowntree's 1937 'Human Needs' standard of 53s.0d. per week for a man, wife and three children, emphasising that in arriving at this figure Rowntree had pared down minimum needs to a most spartan level and had allowed for no luxuries. The result showed that, for example, about

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1. Although this debate concerned the fate of 14 million insured workers and their dependants, at one point a count had to be taken to see if the necessary quorum of 40 Members was present. Hansard, Vol. 333, 25/3/38, Col. 1553.
  2. Ibid., Cols. 1532-3, 1537.
  3. Ibid., Col. 1568.

two-thirds of the weavers in the cotton industry needed a rise in weekly fulltime earnings of 33% or more in order to come up to Rowntree's minimum. The proportion of workers in various industries who earned wages below this level was: coal mining, 80%; railways, 25%; building, 50%; textiles, 40% of men and 50% of women; clothing, 12% of men and 35% of women.<sup>1</sup> In all, 4,000,000 adult male workers and 2,000,000 adult female workers earned less than the Rowntree minimum, which, including their dependants, made a total of 10,000,000 people.<sup>2</sup> Yet, maintained Kuczynski, although in the period 1931-8 unemployment benefit in real terms had fallen, and real wages had risen by only 5%, industrial production per employed worker had risen by fully 20%.<sup>3</sup> Viewed in this light, family allowances were a way of perpetuating this system. They would raise the wages of married men just enough to shore up the principle of less eligibility, and the real issue of wages vis-a-vis profits would be neatly avoided.<sup>4</sup>

On the other hand, supporters of family allowances argued that overall wage-rates were a separate issue. The situation in the late 1930s gave extra weight to their viewpoint, argued throughout the inter-war years, that the three-child minimum wage would be both wasteful (in the

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1. Juergen Kuczynski: Hunger and Work (1938), pp. 26, 107.
  2. *Ibid.*, pp. 108-9.
  3. *Ibid.*, p. 129.
  4. For an expression of this view, see Socialist Party of Great Britain: Family Allowances: a Socialist Analysis (1943), pp. 9-12.

case of families with fewer than three children) and inadequate (for families with more than three). The real problems of the U.A.B. and U.I.S.C. occurred in very large families, and to try and solve the difficulty by basing a minimum wage on a family of great size was ridiculous, Duncan Sandys argued; the obvious solution was family allowances in wages.<sup>1</sup> Mary Stocks deplored the situation where "a man's economic environment should be so adjusted that the obviously remunerative course is a course which must in the end demoralise him as a worker and destroy his normal family status as a breadwinner - a course which involves him in the dirty business of wangling out of his job and in the nerve-breaking tedium of enforced idleness", and likewise saw family allowances as the only way of raising the 'floor' of wages above the 'ceiling' of relief.<sup>2</sup>

By the end of the 1930s this latter view was being supported by many politically middle-of-the-road social investigators. There was a growing consensus that a complete reorganisation of the social services was long overdue, and (especially interesting in the light of the Beveridge Report only a few years later) several writers suggested that some sort of statutory commission should be set up to do this, since these services had "grown up in a very piecemeal way, without much regard either for

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1. Hansard, Vol. 333, 25/3/38, Col. 1544.
  2. Mary Stocks: The Floor of Wages and the Ceiling of Relief (Family Endowment Society pamphlet, n.d., probably 1937). Interestingly, in this pamphlet Mary Stocks also argued against the Children's Minimum Council case that there should be a declared national minimum needs level.

consistency of principle or for the effect of one service on another".<sup>1</sup> But, argued P.E.P., "the failure of the wage-system to take any account of the disparities in family responsibilities is one of the greatest obstacles to further extensions of social provision".<sup>2</sup> Raising low wages might be one answer, "but such a step would be quite impracticable, because it would dislocate the whole structure of differential rewards for skill, lay an impossible tax on many industries exposed to international competition, and would, moreover, increase rather than diminish the contrasts in standards of living between workers in the same occupations with and without wives and children to maintain"; an attractive alternative would be a limited family allowance scheme of 5s.0d. per week for each child after the third, which would cost £7 million per annum.<sup>3</sup> The Pilgrim Trust discussed the connection between large families and poverty, found that about two in five persons dependent solely upon unemployment assistance were being forced to live "at a level that cannot be defended except on grounds of maintaining the wage incentive", and concluded that family-adjusted wages were the most appropriate answer.<sup>4</sup> If benefit and assistance rates were raised any higher, it was argued, then unemployment would increase;<sup>5</sup>

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1. Political and Economic Planning: Report on the British Social Services (1937), p. 12. For a similar view, see Seebohm Rowntree: "Family Allowances", Contemporary Review, 143, September 1938, p. 292, and P. Ford: Incomes, Means Tests and Personal Responsibility (1939), pp. 74-5.
  2. P.E.P., op. cit., p. 31.
  3. Ibid., pp. 166-7.
  4. Pilgrim Trust: Men Without Work (1938), pp. 113, 209.
  5. Ibid., p. 113.

an unemployed man could only be given full compensation for loss of employment if at the same time the State assumed new draconian powers of compulsion to ensure labour mobility and work-incentives.<sup>1</sup> The choice, maintained Gertrude Williams, was "between the retention of a certain degree of personal freedom and a relatively inadequate subsistence for the unemployed on the one hand, and adequate maintenance and virtual slavery on the other".<sup>2</sup>

To this section of opinion, therefore, family allowances in wages were the only way of ensuring adequate maintenance for the unemployed without destroying the work incentives and labour mobility essential to the successful running of a free-market economy; in any reorganisation of the social services family allowances would have to be introduced. To those on the political left, however, the real issue was capitalism's unwillingness or inability to pay decent wages; and family allowances were to be resisted at all costs, since they were simply a means of letting employers 'off the hook'. In its own way, this dilemma of the late 1930s was very similar to the dilemma faced by the 'Speenhamland' magistrates in 1795. They had managed to introduce a crude family allowance system as a means of avoiding having to introduce a statutory minimum wage. In the late 1930s it remained to be seen whether, given the opposition of the trade unions, the Government could do the same.

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1. Ford, *op. cit.*, pp. 69-70.

2. Gertrude Williams: The State and the Standard of Living (1936), p. 302.



CHAPTER SIX: THE ATTITUDE OF POLITICAL PARTIES; DEVELOPMENTS  
ABROAD; PRIVATE AND OTHER SCHEMES.

## The Attitude of Political Parties

In the inter-war years the movement for family allowances in Britain contained many different shades of political opinion. In campaigning essentially for the principle of family endowment to be accepted in as many areas of Government policy as possible (although family allowances in wages was the ultimate objective), Eleanor Rathbone and the Family Endowment Society tried to present their cause in a number of different ways so as to attract maximum support. Thus at the one extreme family allowances could be seen by some sections of the labour movement in the late 1920s as part of an exclusively socialist approach to the family that followed the maxim 'from each according to his ability to each according to his or her (family) needs' and redistributed wealth from rich to poor; yet at the other extreme some Conservative politicians in the late 1930s could see family allowances in imperialist, almost racialist terms when they advocated them as a pro-natalist measure designed to ensure the continuation of the 'white races'. In short, the attitude of political parties towards family allowances in the inter-war years provides a fascinating example of how one particular social policy can be perceived in entirely different ways by different social groups.

Since the general discussion of family allowances in Britain in the 1920s (as in other countries) was part of a much wider discussion on the whole question of the minimum

wage it is not surprising that the keenest interest in that decade should have been shown by the labour movement.<sup>1</sup> Within the Labour Party there was a long-standing interest in the welfare of mothers and children, which in the early 1920s was tending to show itself in demands for mothers' (or, more accurately, widows') pensions;<sup>2</sup> and a logical outgrowth from this was the cause of family endowment.

The main impetus behind this activity came from the Independent Labour Party, which had long been interested in the question of the minimum wage. After the fall of the first Labour Government in 1924 the I.L.P. took upon itself the task of acting as an ideological ginger-group within the Labour Party, in an attempt to push it towards a militantly socialist but constitutional programme of aims, and for the remainder of the 1920s it was very influential on Party thinking.<sup>3</sup> The I.L.P.'s fear was that the Labour Party would all-too-easily shed its radical inclinations once it regained office, and wanted the Party to commit itself to a truly socialist programme which it would have

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1. "There seems to be a growing interest in Family Allowances in the House of Commons - mainly, I must admit, in the Labour ranks", Eleanor Rathbone wrote with cautious optimism in 1930. Rathbone to Beveridge, 6/3/30, L.S.E. Coll. Misc. 9.
  2. For example, in February 1924 the Labour M.P. Charles Dukes introduced in the Commons a motion favouring the principle of pensions "to all widows with children, or mothers whose family breadwinner has become incapacitated, such pensions to be provided by the State and administered by a Committee of the municipal or county council wholly unconnected with the Poor Law". The House passed the motion. Hansard, Vol. 169, 20/2/24, Cols. 1884-1925.
  3. Arthur Marwick: "The Labour Party and the Welfare State in Britain, 1900-1948", American Historical Review (Richmond, Virginia), 73, December 1967, p. 393.

to implement when in power. Thus from 1924 onwards the I.L.P. gradually evolved the policy programme which became known as 'Socialism in Our Time', officially endorsing it at its 1926 Annual Conference.<sup>1</sup> Socialism in Our Time was a wide-ranging strategy covering such subjects as the public ownership of banks and credit institutions, the nationalisation of coal, electricity supply, transport and land, parliamentary reform, unemployment policy, the reorganisation of agriculture - but most important of all, a proposal for a 'Living Wage' augmented by family allowances.<sup>2</sup>

The Living Wage policy was developed over the period 1924-6 by a committee chaired by the economist J.A. Hobson, and including H.N. Brailsford, Arthur Creech Jones and Clifford Allen.<sup>3</sup> Brailsford was probably the most instrumental in getting the committee to adopt family allowances. He had been a member of Eleanor Rathbone's 1917-18 'Equal Pay and the Family' group, and in 1918 published his own plea that the socialist principle of 'to each according to his needs' be applied to wages and the family.<sup>4</sup> Throughout the 1920s he was a member of the Family Endowment Society's Council, and was responsible for forging links between the

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1. I.L.P. Annual Conference Report for 1926, pp. 76-87.
  2. Ibid., pp. 76-8; G.D.H. Cole: A History of the Labour Party from 1914 (1948), pp. 197-8; Ralph Miliband: Parliamentary Socialism (1973), p. 152.
  3. Robert E. Dowse: Left in the Centre (1966), p. 130.
  4. H.N. Brailsford: "Equal Pay and the Family Wage", in A Share in Your Motherland (1918), pp. 9-17, esp. p. 13.

I.L.P. and the F.E.S. On the 18th August 1924, for example, Eleanor Rathbone spoke to the I.L.P. Summer School at Scarborough, during a day devoted to the question of the minimum wage,<sup>1</sup> and was quite well received.<sup>2</sup> Brailsford edited the I.L.P. journal, the New Leader, from 1922 to 1926 (in which year he was forced to resign from the Party)<sup>3</sup> and during his editorship it carried a number of articles warmly supporting family allowances, by himself and others.<sup>4</sup> Family allowances came to be a crucial part of the I.L.P.'s Living Wage programme.

The Living Wage policy was based on two justifications: first, the ethical case against the amount of inequality and suffering caused by the existing maldistribution of income; and second, the economic case (owing much to J.A. Hobson's earlier analyses of underconsumption) that higher wages would raise purchasing power, which would in turn stimulate industry and result in a fall in unemployment.<sup>5</sup> A minimum wage should be established after detailed enquiries had been made to medical authorities, housing experts, housewives, etc., regarding the exact level of expenditure necessary "to

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1. Summer School programme in New Leader, 1/8/24.
  2. "The women members of the school seemed to be overwhelmingly in her favour, but [P.J.] Dollan complained that the scheme had been presented in a Liberal-bourgeois framework which laid it open to the deepest suspicion". Ibid., 22/8/24.
  3. Dowse, op. cit., pp. 125-6.
  4. See, for example, articles in New Leader by Brailsford (9/10/25), Hugh Dalton (15/1/25), Ernest E Hunter (30/1/24) and Mary Stocks (17/4/25).
  5. H.N. Brailsford, et al.: The Living Wage (1926), pp. 8-12.

satisfy the requirements, first of health and efficiency, and then of the cultural life" for a man and wife, and to this figure should be added child allowances.<sup>1</sup>

The precise monetary level of the Living Wage was never properly defined, and it remained a statement of principle rather than an exact figure. In addition, there was some ambivalence over the question of whether industry really would be able to pay out the total necessary to establish the Living Wage - a point frequently made by opponents of the minimum wage principle at a time when prevailing economic orthodoxy saw the solution to Britain's economic difficulties in wage reductions that would reduce costs and hence make exports more competitive on world markets. Thus, on the one hand, Brailsford could insist that "in fixing it [the Living Wage] we demand that the customary reference to 'what the industry can pay' shall be ruthlessly disregarded",<sup>2</sup> yet on the other hand some I.L.P. members maintained that the Living Wage's exact amount would have to be dictated by how much could be creamed off industrial profits without inflicting long-term damage (such as preventing investment in new plant).<sup>3</sup> Such contradictions were gleefully seized upon by those on the right wing of the

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1. Ibid., p. 31.

2. H.N. Brailsford: Socialism for Today (1926), p. 77.

3. I.L.P. pamphlet: The Living Income (n.d., probably 1929), p. 4. To further confuse matters, Brailsford on one occasion maintained that in demanding the Living Wage he was "asking for the impossible". Quoted in Dowse, op. cit., p. 130.



Labour Party who resented the I.L.P.'s influence, but essentially the concept of the Living Wage was more of a rallying-cry aimed at challenging the basic assumptions of capitalism than a precise cash level.

However, there was more substance to the I.L.P. proposal for family allowances. The scheme was to be financed "out of direct taxation of high incomes",<sup>1</sup> and allowances (paid through the Post Office) were initially to cover working class parents or guardians.<sup>2</sup> The cash figure quoted most often was 5s.0d. per week for every working class child under or of school age,<sup>3</sup> but other amounts were sometimes suggested: 5s.0d. was "the lowest figure which would be worth considering", and the I.L.P. maintained that "if we can cut down armaments and the National Debt, one might talk of 6s. or 7s. weekly for each child".<sup>4</sup> The high cost of such schemes should be no deterrent, the I.L.P. maintained, and when on one occasion there was a suggestion that allowances should cease after the fourth or fifth child this was not for reasons of economy but in order to prevent "undesirable multiplication of families".<sup>5</sup>

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1. Statement by P.J. Dollan, Labour Party Annual Conference Report for 1926, p. 274.
  2. Ibid.; Ernest E. Hunter: Wages and Families (1928), p. 5; H.N. Brailsford: Families and Incomes: the Case for Children's Allowances (1926), pp. 11-12.
  3. Ibid. This would cost £125,000,000 per annum.
  4. I.L.P. pamphlet: Labour's Road to Power (n.d., probably 1926), p. 7. On one occasion Brailsford (Socialism for Today (1926), p. 79) suggested a figure of 7s.6d. per week at a cost of £210,000,000 p.a.
  5. H.N. Brailsford, et al.: The Living Wage (1926), pp. 22-3.

In order to allay trade union fears family allowances would have to be clearly defined as "an addition to wages and not a method of redistributing existing wages".<sup>1</sup> Thus there could be no countenancing of a scheme financed by an equalisation fund (or industrial pool, as it was commonly called) or by contributory insurance, since both of these methods would merely redistribute income within the working class rather than channelling it from rich to poor. An insurance-based scheme such as the one proposed by J.L. Cohen<sup>2</sup> would, Brailsford maintained, impose a crushing burden of weekly contributions on groups like agricultural workers who only earned in the region of 30s.0d. per week.<sup>3</sup> European private industrial schemes were viewed with the greatest suspicion on the grounds that they had weakened trade union solidarity and been used by employers as a weapon of industrial warfare.<sup>4</sup> The Australian system of minimum wage-fixing (with tentative attempts to introduce family allowances) was seen as a possible model,<sup>5</sup> but even this was considered suspect since it merely passed the cost on to the (working class) consumer in the form of higher prices - thus probably neutralising any beneficial effect the family allowances might have had.<sup>6</sup>

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1. Hunter, op. cit., p. 7.

2. In Family Income Insurance (1926) and in W.H. Beveridge (ed.): Six Aspects of Family Allowances (1927), pp. 20-1. In the former (pp. 44-5), Cohen suggested twelve possible insurance schemes, each with different levels of contribution and allowance. For example, providing 6s.0d. per week for each child under sixteen years of age would cost £160,000,000, which could be financed by 1s.8d. per week from the worker (plus contributions from State and employers).

3. Brailsford in *ibid.* (1927), p. 19.

4. A. Creech Jones: "Family Income - a Trade Union View", Socialist Review, August 1926, p. 29.

5. See, for example, E. Hunter in New Leader of 30/1/24 and 5/6/24.

6. Brailsford: Socialism for Today (1926), pp. 78-9.

The case for family allowances was inextricably linked to the case for the Living Wage. Apart from recognising the rights of women and children, giving some much-needed financial assistance to the working class mother<sup>1</sup> ("the most sweated worker of today", as Dorothy Jewson put it),<sup>2</sup> and paving the way to equal pay for equal work between the sexes,<sup>3</sup> family allowances were seen as the first stage in a drastic redistribution of income under socialism, which ultimately would involve a complete reorganisation of industry.<sup>4</sup> An important element in the case was an 'underconsumption' argument that bore J.A. Hobson's trademark and anticipated Keynesian economics: family allowances with the Living Wage would raise the purchasing power of the poor and create a demand in the home market that would revitalise industry by forcing it to turn away from the disrupted foreign markets and declining domestic sectors of coal, cotton, shipbuilding, iron and steel. The domestic market would thus become the pacemaker for economic recovery, and in addition the cost of food imports would be cut by the introduction of a new agricultural policy that would result in better feeding of the population.<sup>5</sup> The Living Wage-family allowances policy was thus "the only fundamental

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1. Minnie Pallister: "The Justice of Family Allowances", Socialist Review, June 1926, pp. 40-2; I.L.P. Annual Conference Report for 1926, p. 80.
  2. Dorothy Jewson: Socialists and the Family (1926), p. 4.
  3. Labour's Road to Power, op. cit., p. 8.
  4. Families and Incomes, op. cit., pp. 5-6. Although the I.L.P. were often rather vague on the question of exactly how this process would take place, in The Living Income, op. cit., pp. 4-11, there is a clear outline of the stages envisaged.
  5. Socialism for Today, op. cit., pp. 113-6; The Living Wage, op. cit., pp. 8-12, 42-3.

method of tackling unemployment",<sup>1</sup> since it would "create a vast new internal market. It would make a demand that would get every factory busily working to supply the needs of the home population".<sup>2</sup> Finally, this new prosperity in industry would automatically produce higher wages.<sup>3</sup>

Viewed in retrospect, the Living Wage programme stands out (along with Lloyd George's plan of 1928 and the 1930 Mosley Memorandum) as one of the few examples of constructive and bold economic thinking in the inter-war years. At the time it was taken up with great enthusiasm by the I.L.P., and according to one reliable authority was vigorously pushed "at thousands of public meetings" in the 1920s.<sup>4</sup> If this is true, then the cause of family allowances must have reached a wide audience. The Family Endowment Society tried as best it could to capitalise upon this wave of interest, severely handicapped though it was by a lack of finance and membership. In the year 1929-30 speakers from the Society toured the Northern and Midland areas of England: 64 towns were visited, over 1,200 interviews were held with trade union officials, representatives of political parties, prominent individuals, etc., and in all 105 meetings were held;<sup>5</sup> and the Society published a pamphlet specially designed to allay fears within the labour movement by

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1. Hunter, op. cit., p. 5.
  2. New Leader, 22/5/25.
  3. Hunter, op. cit., p. 5.
  4. Dowse, op. cit., p. 225.
  5. F.E.S. Annual Report for 1930, p. 2.

quoting several statements made by foreign trade union leaders to the effect that in those countries family allowances had not lowered wages nor weakened union solidarity.<sup>1</sup>

From the I.L.P.'s point of view, the all-important ultimate aim was to persuade the Labour Party and the T.U.C. to accept Socialism in Our Time and make it the future programme of a united labour movement.. This was no easy task, for the more conservative labour leaders displayed an open hostility towards I.L.P. influence. Ramsay MacDonald, for example, viewed their proposals as far too radical and utopian, and feared that, if adopted, Socialism in Our Time would become an electoral millstone round the Labour Party's neck, alienating the large number of moderate Party supporters; and Ernest Bevin strongly resented what he considered unwarranted interference in wage questions.<sup>2</sup> Many trade unionists shared Bevin's feelings, family allowances arousing in them the sort of gut-reaction expressed by Rhys Davies when he said that they were "based on the assumption that the average working class father and husband was devoid of feelings of responsibility for his wife and children, and [were] a confession that the married man could not, either by personal qualities or Trade Union organisation, secure an adequate income to maintain himself and his family".<sup>3</sup> At a time when the trade

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1. F.E.S. pamphlet: Trade Union and Labour Opinion Favourable to Family Allowances (1928)
  2. Dowse, op. cit., pp. 134-5; Cole, op. cit., pp. 198-9; Alan Bullock: The Life and Times of Ernest Bevin, Vol. I (1960), pp. 389-390.
  3. Labour Party Annual Conference Report for 1930, p. 176.



union movement was extremely vulnerable (in the aftermath of the General Strike) fears of possible wage reductions were deep-seated, and many trade unionists were convinced that if introduced, family allowances would immediately be followed by employers' demands that wages be cut accordingly.<sup>1</sup> Finally, it must be remembered that there was a strong lobby of opinion within the labour movement that regarded extensions of services in kind to mothers and children as having far greater priority over cash allowances.

Nevertheless, despite this formidable phalanx of opposition the I.L.P. worked hard in the period 1925-30 to get their plan accepted. A Labour Family Allowances Committee was formed, and on the 23rd March 1929 it organised a conference for representatives of trade unions, co-operative societies, trade councils, etc.<sup>2</sup> Strong support also came from women's organisations in the labour movement. The Women's Co-operative Guild had been interested in the concept of "a minimum for the family" ever since 1919<sup>3</sup> and by the mid 1920s this had evolved into an enthusiastic support for

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1. See, for example, Manchester and Salford Trades Council pamphlet: The Demand for "Family Allowances" (1930).
  2. Invitation to Labour Family Allowances Committee Conference, 23/3/29. The Committee consisted of Mrs. J.L. Adamson, John Beard, J.L. Cohen, G.D.H. Cole, Hugh Dalton, Mrs. Agnes Dollan, Ernest Hunter, Arthur Creech Jones, Joseph Jones, George Lansbury, J.M. Marcus, R.H. Pott, J.J. Tinker, Ben Turner and Ellen Wilkinson.
  3. In 1919 this concept tended to consist of three elements - widows' pensions, motherhood endowment and a State Bonus scheme. A motion in favour of all three was passed at the Guild's Annual Congress in June 1919. Women's Co-operative Guild Annual Report for 1919-20, pp. 2, 5, 12, 28.



family allowances.<sup>1</sup> A rather cautious interest was shown by the Women's Trade Union Conference,<sup>2</sup> but the National Conference of Labour Women passed several favourable motions. In 1927 they approved the principle of a State-run scheme;<sup>3</sup> in 1929 "by an overwhelming majority" they passed a resolution urging the Labour Party "to proceed as quickly as possible" in formulating a scheme;<sup>4</sup> and in 1930 family allowances were again recommended as one out of several ways of achieving equal pay between the sexes.<sup>5</sup> As in the Labour Party, discussions reflected the power-struggle that was taking place between the I.L.P. and the right wing of the Party: in 1931, for example, the I.L.P. women delegates tried to introduce a motion committing the Conference to the Living Wage, which was defeated.<sup>6</sup> But, as far as can be gathered, grass-roots opinion within the Labour Women's movement was very much in favour of cash family allowances.<sup>7</sup>

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1. Widows' pensions, motherhood endowment and the State Bonus continued to be supported at Guild Annual Congresses in the early 1920s. See: ibid. for 1920-1, pp. 20-1; for 1921-2, p. 26; for 1924-5, p. 17. At the 1925 and 1926 Annual Congresses motions were passed in favour of a State-run family allowance scheme. Ibid. for 1925-6, p. 18, and for 1926-7, p. 17. The Guild also set up a small committee which investigated family allowances and summarised the main arguments for and against. Women's Co-operative Guild: Notes for the Study of Family Allowances (n.d., probably 1925).
  2. Notice of First Annual Women's Trade Union Conference for 1926, pp. 4-10.
  3. National Conference of Labour Women Report for 1927, pp. 42-3.
  4. Ibid. for 1929, pp. 64-5.
  5. Ibid. for 1930, pp. 42-54.
  6. Ibid. for 1931, pp. 88-9.
  7. See letters from readers in The Labour Woman, 1/9/30, pp. 137-8.

However, the labour movement was run by men, and success for the I.L.P.'s plan could only come if the main Labour Party and T.U.C. Annual Conferences voted in its favour. At the 1926 Labour Party Conference the I.L.P. member P.J. Dollan proposed a motion in favour of family allowances, and the Conference agreed to set up a committee of investigation.<sup>1</sup> This enquiry, in fact, became part of a general investigation by a T.U.C. General Council and Labour Party Executive Joint Committee, set up in July 1927, to examine all the I.L.P. Living Wage proposals.<sup>2</sup>

In 1928 this Joint Committee published an Interim Report in which it summarised, from the point of view of the labour movement, the main arguments for and against family allowances vis-a-vis further services in kind. The Interim Report began by confirming that there was general agreement within the labour movement that some sort of special provision was needed for the nation's children and that both family allowances and better social services were highly desirable, but the question was one of priorities. After summarising the evidence of witnesses (including Eleanor Rathbone, Mary Stocks, Professors D.H. Macgregor and Alexander Gray, J.A. Hobson and J.L. Cohen), it considered the familiar arguments for and against, and outlined possible schemes. The I.L.P. scheme would, if applied to the insured population, cost about £125 million per annum, and the

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1. Labour Party Annual Conference Report for 1926, pp. 274-5. The voting was 2,242,000 in favour and 1,143,000 against.
  2. Ibid., for 1927, pp. 51-2.

question was whether this sum (which amounted to more than one-third of existing expenditure on all social services) might not be better spent expanding existing welfare provision. For example, even if only £60 million was available (equivalent to a 2s.6d. per week cash allowance for every child up to the age of fifteen), might this not be better spent doubling the existing expenditure on education, housing and public health? The Report concluded by pointing out that in contrast to the enormous expenditure needed for family allowances, only about £70 million to £80 million would be needed to make the public health and educational services "almost complete" in terms of the Labour Party's existing plans.<sup>1</sup>

Once the Interim Report was published, the T.U.C. General Council circulated it to member unions, together with a questionnaire, and the results were published in the 1929 Annual Report. To the question "are you in favour of further financial provision being made for children", fifty-three unions (with an aggregate membership of 2,127,965) answered in the affirmative, and two unions (membership 366,514) in the negative; of these fifty-three unions, nineteen (membership of 1,146,774) favoured this being achieved by cash allowances, and thirty-three (membership of 980,786) preferred extensions of social

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1. T.U.C. General Council and Labour Party Executive: Joint Committee on the Living Wage: Interim Report on Family Allowances and Child Welfare (parts I-III) (1928), esp. pp. 11, 16, 17-27, 31, 37.

services.<sup>1</sup> In view of this somewhat inconclusive result, the Joint Committee were asked to investigate the matter further and make a firm recommendation.

Meanwhile, I.L.P. members were continuing to raise the subject of family allowances at Labour Party Conferences. At the 1927 Conference the Living Wage was debated, and out of seven speakers who participated five were strongly in favour of family allowances.<sup>2</sup> At the Conference of the following year Dorothy Jewson of the I.L.P. moved that the Joint Committee's Interim Report be referred back to the Executive so that the latter might make a decision on whether family allowances should be included in the Party's election programme, but when Arthur Henderson, the Chairman, explained to her that the Joint Committee would be reporting soon she withdrew her motion.<sup>3</sup> In 1929, however, Dorothy Jewson forced the Conference to debate the issue by introducing a motion: "by far the most important work in the country is the bearing of children", she maintained, and put forward the I.L.P. case that apart from greatly relieving family poverty, especially in the depressed areas, child allowances would raise purchasing power (thus boosting the economy) and

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1. T.U.C. Annual Report for 1929, p. 258. A breakdown of these figures is not available, but presumably the large membership unions who voted for cash allowances (the nineteen unions with a total membership of 1,146,774) would be composed of the more unskilled workers who would have had the largest families.
  2. Labour Party Annual Conference Report for 1927, pp. 216-221.
  3. Ibid. for 1928, pp. 167-8.

would actually strengthen trade union solidarity during industrial disputes "because children would be paid whether the man was in work or not".<sup>1</sup> The ensuing debate vividly illustrated the conflict of view within the labour movement. Ernest Bevin wanted no discussion until the Joint Committee had finally reported, and was clearly hostile to the whole Living Wage programme.<sup>2</sup> Other speakers wanted child welfare services developed first, and felt that the enormous cost of family allowances made them a political impossibility. (A Labour Government was by then in power, it must be remembered). Yet an equal number of speakers (notably Herbert Smith of the Miners' Federation, and I.L.P. representatives) supported the motion enthusiastically.<sup>3</sup>

Clearly, Labour Party leaders were well aware of the anti-family allowance feeling in the trade union movement (or, perhaps more accurately, certain influential sections of its leadership): in winding up the debate Arthur Henderson (who had been in favour of family allowances at the 1927 Conference) made a very lukewarm speech suggesting that the matter be looked into further, with no decisions being made in the meantime, and somewhat unconvincingly maintaining that the Party had made "splendid progress" and had "done magnificent educational work" on the subject over the previous two years.<sup>4</sup>

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1. Ibid. for 1929, pp. 159-160.
  2. Ibid., p. 161.
  3. Ibid., pp. 161-8.
  4. Ibid., pp. 168-9.

In addition, it is highly likely that trade union leaders such as Ernest Bevin who remained deeply suspicious of the Living Wage/family allowances programme were working hard behind the scenes during 1929-30 to get the whole subject dropped from public discussion, or at least postponed indefinitely. Eleanor Rathbone certainly believed this was going on: in May 1930 she collected the signatures of her more influential supporters on a letter which was sent to the T.U.C. General Council and Labour Party Executive, asking that the Joint Committee's Final Report (in which, it was known, family allowances had been recommended by a majority) be published without further delay.<sup>1</sup> This covert opposition by Bevin and others ensured that when the Final Report was eventually published in 1930 the opponents of family allowances had their way.

The Majority on the Committee (nine members)<sup>2</sup> favoured cash allowances as "the most valuable step that can now be taken to further the welfare of the nation's children". Allowances of 5s.0d. per week for the first child and 3s.0d. per week for each subsequent child were recommended, payable only to those not receiving income tax child rebates, and the scheme would have to be Exchequer-financed rather than by equalisation funds or contributory insurance.<sup>3</sup> The

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1. Rathbone to Beveridge, 22/5/30, L.S.E. Coll. Misc. 9.
  2. J. Beard, J.L. Adamson, Ethel Bentham, B. Ayrton Gould, J. Mill, Joseph Jones, F.W. Jowett, R.T. Jones, A. Loughlin.
  3. T.U.C. Annual Report for 1930, pp. 220-1. The Final Report was originally published separately, but was also reprinted and included in *ibid.*



Minority (three members)<sup>1</sup> agreed that the principle of cash allowances was sound, but maintained that the cost of the Majority's scheme (£70,000,000) would greatly hinder the expansion of services in kind. "It is merely blinking at the facts", they stated, "to imagine that any Government in the near future is going to be able to raise this sum in addition to all other commitments, including extensions of the social services". Before any decision on family allowances could be taken there would have to be introduced: a complete medical service for all children from birth to school leaving age; a pre- and post-natal maternity service with cash payments for each child for the first year or two after birth; the raising of the school leaving age, with adequate maintenance allowances during the additional year; the provision of nursery schools for children up to school age; the provision of "adequate, healthy homes"; the elimination of tuberculosis; and the supply of pure milk.<sup>2</sup>

The Final Report was considered by the T.U.C. General Council in March 1930, with no firm decision being reached. On the 15th April it was again discussed by the Council, this time in the company of the Labour Party Executive Committee, but both bodies were divided on the lines of the Majority and Minority Report. Finally, on the 28th May the General Council decided by a 16 to 8 majority to adopt the Minority Report, but suggested that the matter be debated at the 1930 Conference.<sup>3</sup>

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1. H.H. Elvin, W.H. Hutchinson, F. Wolstencraft.
  2. Ibid., pp. 218-9.
  3. Ibid., pp. 217-8.

The year 1930 was thus crucial to the movement for family allowances in Britain, for it marked the end of the interest within the labour movement that had seemed so promising five years earlier. At the T.U.C. Annual Conference C.T. Cramp opened the debate by explaining the General Council's decision. They had decided to reject family allowances, he said, primarily on grounds of practicability, since "anything we do as a Trade Union Movement ought to be capable of achievement within a reasonable time and not merely held up as an ideal to be achieved some time or other"; the enormous cost of family allowances made them an impossibility in the existing economic situation - for example, the Treasury had just had to pay out £60,000,000 in order to shore up the unemployment insurance scheme; in addition, the Council considered services in kind more important and feared the possible effect family allowances might have on union solidarity.<sup>1</sup> A long debate ensued, in which all the familiar arguments were repeated and no agreement reached: for example, on the question of union solidarity the anti-family allowance lobby insisted that European schemes had been very successfully used by employers as a means of enforcing industrial discipline,<sup>2</sup> while the pro-family allowance lobby could point to the example of the General Strike which had remained solid in Durham because the

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1. Ibid., pp. 381-3.

2. Ibid., pp. 388-390.

strikers' children were maintained by the Boards of Guardians, whereas in Nottingham there was no such maintenance and the Strike collapsed.<sup>1</sup> The two women who spoke in the debate were both strongly in favour of family allowances and criticised the majority of speakers who had judged the issue solely in terms of whether the trade union movement would benefit rather than in terms of the nation's children,<sup>2</sup> and the Miners' Federation representatives were also supporters.<sup>3</sup> Eventually, however, the assembled delegates voted against a reference back (i.e. in favour of the Minority Report) by 2,154,000 votes to 1,347,000.<sup>4</sup>

Much the same thing happened at the Labour Party Conference later in the year, in October. A brief debate was yet again initiated by Dorothy Jewson, but in view of the T.U.C.'s decision the Conference voted against a reference back by 1,740,000 votes to 495,000, and all the I.L.P. were left with was a vague promise by Arthur Henderson that the Party Executive would "keep the matter open" and continue discussions with the T.U.C.<sup>5</sup> It was 'kept open' for another decade.

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1. Ibid., p. 391.
  2. Ibid., pp. 395-7 (speech by Miss D. Evans of the Women Clerks' and Secretaries' Union) and pp. 399-401 (speech by Miss A. Loughlin of the Tailors' and Garment Workers' Union).
  3. For example, speech by P. Lee, *ibid.*, pp. 383-5.
  4. Ibid., p. 409.
  5. Labour Party Annual Conference Report for 1930, pp. 174-9, 212-3.

Thus by the autumn of 1930 the campaign for family allowances within the labour movement, which for a time had seemed quite promising, came to an abrupt end. Family allowances, it had been officially decided, were to take second place in any future Labour Party programme to extensions of services in kind. The latter always held a greater appeal, since they accorded with long-standing socialist demands for a collectivist approach to child care through State welfare services.

Beyond that, however, there were a number of other reasons for trade union and Labour Party opposition. The fact that family allowances were advocated most insistently by the I.L.P. meant that any discussion on them invariably reflected the power-struggle that was going on in the Labour Party between the I.L.P. and the more conservative leaders like Ramsay MacDonald. Deeply imbued with the tenets of fiscal orthodoxy, this latter group viewed the Living Wage proposals as "flashy futilities",<sup>1</sup> and naturally feared that to give in to the I.L.P. would also mean handing over to them the reins of power. Thus it was for both ideological and tactical reasons that the Labour Party Executive in 1927 quickly brought out Labour and the Nation - a policy document designed to steer the Party away from the Socialism in Our Time programme, and one which made no mention of minimum wages or

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1. Ramsay MacDonald, quoted in Cole, op. cit., p. 198.

family allowances.<sup>1</sup> Finally, it must be remembered that from 1929 a Labour Government was in power, and in such a situation Party leaders were much less willing to be committed by the Annual Conference to potentially expensive and controversial social policies.<sup>2</sup>

For their part, trade union leaders felt extremely vulnerable in the aftermath of the General Strike.<sup>3</sup> The working class had 'lost' £700,000,000 in wage cuts over the last ten years, they maintained, and the first priority was to win this back in wage rises.<sup>4</sup> The only practical instances of family allowance systems had been Speenhamland and the foreign industrial schemes - both of which seemed to provide irrefutable proof that wage reductions followed. Indeed, trade unionists even believed at this time that there was a growing movement among employers to have the value of social services taken into account in fixing wages.<sup>5</sup> Family allow-

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1. There was merely a promise "to abolish the grosser scandals of underpayment". Op. cit., p. 22.
  2. The I.L.P. became more and more disenchanted with the Labour Party, and finally split away from it in 1932.
  3. Total trade union membership had fallen from 8,348,000 in 1921 to 4,858,000 in 1930. David Butler and Anne Sloman: British Political Facts, 1900-1975 (1975), p. 299.
  4. Speech by Arthur Hayday; Labour Party Annual Conference Report for 1930, p. 178.
  5. Speech by W.H. Hutchinson, T.U.C. Annual Report for 1930, pp. 394-5. In February 1930 there had been published the Macmillan Report on a textile industry wage dispute which had suggested that when comparing the pre- and post-First World War standard of living of the worker, the value of recent social services should be taken into account. When settling this particular wage dispute, Lord Macmillan wrote, "it should be borne in mind that the average woollen operative has not only received an increase in wage rates substantially greater than the rise in the cost of living, but also has greatly expanded social services at his disposal". Report by a Court of Inquiry, Concerning the matters in dispute regarding Wages in the Northern Counties Wool Textile Industry, 1930, Cmd. 3505, p. 26.

ances, they argued, would provide employers with a golden opportunity to cut wages even further.<sup>1</sup>

In addition, many trade unionists were deeply suspicious of the real motives behind "those gatherings of dear philanthropic ladies and gentlemen of the family endowment society and people of that kind, not all of whom are in the Labour Movement".<sup>2</sup> The fact that the F.E.S. contained people of all political persuasions, including a Conservative Minister of Labour, and subtly altered its propaganda to suit each audience, was not lost on those in the labour movement. They could maintain that at heart the Society's leaders were deeply conservative, and could in justification quote statements by Eleanor Rathbone such as: "Are any of us quite satisfied that we are not moving towards a revolution of some kind, not perhaps a Russian revolution, but a revolution which, even if it takes constitutional forms, may be the outcome of the discontent so present in conditions of life to-day that when Labour gets into power with a sufficiently strong majority it will be forced by the pressure behind it into embarking on reforms, which, even if constitutional, may be dislocating to the whole basis and structure of industry? Is it now our duty as reasonable men and women to look to see whether there

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1. Rhys Davies even believed, somewhat mysteriously, that family allowances "were likely to be adopted as a principle by the next Tory Government, and the working class would have to pay for them by contributory deduction". Labour Party Annual Report for 1930, p. 177.
  2. T.U.C. Annual Report for 1930, p. 407. (Speech by C.T. Cramp)



is no other method, and whether the family insurance is not the best method for insuring a higher standard of life among the workers (without dislocating industry and overburdening the back of industry) by simply redistributing the available resources for the remuneration of the workers and so effecting a reasonable revolution".<sup>1</sup>

For their part, the Family Endowment Society leaders undoubtedly felt that the trade unions' opposition was clear evidence of the 'Turk complex' at work: the unions' much greater interest in the cause of old age pensions, Eva Hubback later wrote caustically, "may well have been because at any one time only about 10 per cent of Trade Union members had more than two dependent children, while nearly all the old age pensioners themselves had votes".<sup>2</sup> For the whole of the 1930s, relations between the Family Endowment Society and the trade union movement remained somewhat distant.

In the 1920s family allowances also aroused some interest within the Liberal Party. Liberals were sympathetic to the idea of widows' pensions, and when the Labour M.P. Rhys Davies introduced a motion in the House of Commons on the 6th March 1923 proposing pensions for widows or for those whose family breadwinner had become incapacitated,

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1. Speech to the Faculty of Insurance, 1927, quoted in Socialist Party of Great Britain pamphlet: Family Allowances: A Socialist Analysis (n.d., probably 1943), pp. 14-15.
  2. Hubback in E. Rathbone: Family Allowances (1949), p. 279.

50 Liberals voted for and only 8 against.<sup>1</sup> Although greatly weakened by the Lloyd George-Asquith split for much of the decade and the victim of long-term changes in the class loyalties of the electorate, the Liberal Party in the 1920s still considered itself a force to be reckoned with; and indeed the ideological soul-searching undertaken by the Party at this time, in an attempt to create a Liberal revival, caused it to investigate a number of new ideas. Family allowances were one of these.

Family allowances made their first official appearance in Liberal circles in 1924 when (mainly thanks to Beveridge) they were discussed at a Liberal Summer School at Oxford and at a conference of the Liberal Summer School Movement at Cambridge.<sup>2</sup> Evidently, however, there was still much suspicion over the idea in Liberal circles: the Liberal Magazine of September 1924, for example, called it "a piece of pure Socialism".<sup>3</sup> During 1925, however, family allowances began to attract more attention. Once again they were discussed at the Summer School<sup>4</sup> and within the Royal Commission on the Coal Industry Beveridge was persuading Sir Herbert Samuel (a prominent Liberal) to include them in the Commission's Report.<sup>5</sup> But the most significant event was the appointment, in July 1925, of a Women's National Liberal Federation Committee to investigate family allowances.<sup>6</sup>

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1. Voting figures from Liberal Magazine, April 1923, pp. 246-7.
  2. F.E.S. Annual Report for 1925, p. 2.
  3. Liberal Magazine, September 1924, p. 548. This was when mentioning the I.L.P.'s interest.
  4. Liberal Woman's News, June 1925, p. 73.
  5. See Chapter 2, pp. 93-5.
  6. Liberal Woman's News, July 1925, p. 92.

Interest within the Women's National Liberal Federation (W.N.L.F.) had been growing in 1925,<sup>1</sup> and in June of that year its Council passed a resolution, introduced by Lady Violet Bonham Carter, to the effect that "the question of Family Endowment raises an issue of great national importance" and that the Council should appoint a committee of enquiry into the subject.<sup>2</sup> In the following month, therefore, a Family Endowment Committee was appointed, with Mrs. Dorothea Layton (wife of the economist, Walter Layton) as Chairwoman, and a membership of Lady Violet Bonham Carter, Mrs. Margaret Wintringham, Lady Emmott, Mrs. Isabella Herbert and Mrs. Corbett Ashby.<sup>3</sup> This Committee met practically every fortnight from the beginning of October 1925 to the end of March 1926, and took evidence from "economists, teachers, manufacturers, mothers, and representatives of different sections of the community", among whom were experts like Beveridge, J.L. Cohen, Eva Hubback, and Professors D.H. Robertson and D.H. Macgregor.<sup>4</sup>

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1. In the April 1925 issue of the Liberal Woman's News (p. 44-5), for example, Eleanor Rathbone had written a short article on family allowances. As always, she presented it in the form most acceptable to the political inclinations of her audience: in this case, she made no mention of a State-financed scheme but suggested organisation through industrial pools or contributory insurance.
  2. Report of the Council Meeting of the Women's National Liberal Federation for 1925, *ibid.*, June 1925, p. 69.
  3. There were some minor changes of personnel later. One addition was Miss Lucy Mair as Honorary Secretary, who was secretary to Professor Gilbert Murray (a member of the Family Endowment Society) and the daughter of Mrs. Janet Mair, Beveridge's secretary. Dorothea Layton and Margaret Corbett Ashby were F.E.S. members.
  4. W.N.L.F. Annual Report for 1926-7, pp. 19-20. The records of the Liberal Party are now housed in Bristol University Library, but unfortunately are as yet unindexed, and so it was impossible to discover any surviving papers of this Committee.

In April 1926 the Committee published an Interim Report,<sup>1</sup> and at the next Annual Council Meeting, on the 22nd and 23rd June 1926, Mrs. Layton introduced a long motion, in the light of the Interim Report, which supported the principle of family allowances "as the most practical means of making provision for the minimum needs of the children of the nation", welcomed the Samuel Commission's recommendations on the subject, expressed the hope that private industry would begin to initiate schemes, adding that "such schemes need not prejudice in any way the introduction of a National Scheme which the Committee prefer", and finally requested that the Family Endowment Committee continue its labours for another year so that it could come up with more precise recommendations which the Council could then firmly accept or reject.<sup>2</sup> Mrs. Layton's motion was carried by the relatively healthy majority of 231 to 178, and thereafter the Committee continued taking evidence. Eventually their Final Report was published in April 1927: it emphasised that the need for family allowances was the product of long-term historical trends (such as children changing from producers of income to consumers), pointed out that family endowment existed in many areas of the social services, and concluded that industrial equalisation fund schemes would be the best form

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1. Interim Report of the Family Endowment Enquiry Committee set up by the Women's National Liberal Federation (1926). The Report considered a State scheme to be "the most logical and just" although "at the moment outside the scope of practical politics" (p. 3), went on to discuss organisation by contributory insurance or industrial pools (pp. 4-6) and concluded with some comments on possible effect on the birthrate and wage levels (pp. 7-8).
  2. Report of the Council Meeting of the W.N.L.F. for 1926, pp. 2-3; Liberal Magazine, August 1926, p. 467.

of development, with insurance-based schemes second best.<sup>1</sup>

In May the Report was discussed at the Annual Council Meeting, and Mrs. Layton must have had high hopes of it being accepted. She introduced a motion (seconded by Lady Emmott) calling on the Council to take up the cause of family allowances for State and municipal employees, to recommend to the Liberal Industrial Inquiry (which was going on at the time) that family allowances be introduced in their proposals, and to urge industry to initiate equalisation fund schemes. This time, however, there was strong opposition from some Council members: one speaker, for example, said the motion "would be helping on the movement towards the nationalisation of children" and asked "if allowances were paid to the mother do you think she could keep the money away from a dissolute or drunken husband?". Feelings such as these were in a majority on the Council, and Mrs. Layton's motion was defeated.<sup>2</sup>

So ended the W.N.L.F.'s official interest in family allowances. Some, like Mrs. Layton, continued campaigning: she spoke to the July 1927 Liberal Summer School at Cambridge,<sup>3</sup> and later that year, in October, attended the

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1. Women's National Liberal Federation: Final Report of the Family Endowment Enquiry Committee: Children's Allowances (1927). There was also a suggestion (pp. 18-19) that the State could set an example by paying family allowances to its employees and encouraging local authorities to do the same.
  2. Report of the Council Meeting of the W.N.L.F. for 1927, pp. 5-6
  3. Liberal Woman's News, September 1927, p. 127.

Family Endowment Society's Conference at the London School of Economics as a W.N.L.F. representative.<sup>1</sup> On occasions, the topic would briefly resurface within the W.N.L.F.: in their 1929 pamphlet Liberal Policy for Women, for example, there was a discussion of the need for equal pay and provision for family responsibilities which concluded, albeit somewhat lamely, that "whether this should be achieved through a system of family allowances or otherwise is a matter for consideration".<sup>2</sup> But by the end of the 1920s the subject had been quietly dropped.

Had the W.N.L.F. been wholeheartedly in favour of family allowances it is possible that they might have influenced the main Liberal Party. The Family Endowment Society evidently considered there was sufficient interest in the Party for them to publish in 1929 a pamphlet appealing to Liberals.<sup>3</sup> In addition, there were some prominent Liberals in the Family Endowment Society - Ramsay Muir, E.D. Simon, John Murray and Professor Gilbert Murray - who stood as Parliamentary candidates in the 1920s and presumably would have liked the Party to include family allowances in its

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1. Ibid., November 1927, p. 148. This was the conference that produced the booklet, edited by Beveridge, Six Aspects of Family Allowances (1927).
  2. W.N.L.F. pamphlet: Liberal Policy for Women (1929), p. 27.
  3. Paul Western: Family Allowances - a Policy for Liberals (F.E.S. pamphlet, 1929).



official programme.<sup>1</sup> However, evidently there was in the Party much suspicion and hostility towards the idea. For example, when the subject was debated at the 1928 Annual Conference of the Union of University Liberal Societies - a body that might have been more favourably disposed towards social reform than the rest of the Party - a motion was carried (after a sharp division of views, and by a small majority) "that under present conditions, social, economic and political, there can be no room on the Liberal Programme for any Scheme of Family Endowment".<sup>2</sup> And when the Party published a pamphlet on its policies for children there was no mention of family allowances, merely a vague statement that "the wealth produced by the nation must be more justly shared, so that any industrious working man may have in his own pocket enough money to bring up his children in health, happiness and independence".<sup>3</sup>

The only positive legacy seems to have been produced by the Summer School discussions and research activities which were directed at producing a new Liberal policy for revitalising industry that would, it was hoped, appeal to the electorate and help bring about a Liberal revival. Out of

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1. According to the F.E.S. Annual Report for 1930, p. 2, during the 1929 General Election "the subject of family allowances was raised in many constituencies. A number of candidates were approached, and many of all parties expressed interest in and sympathy with our aims, and it was not uncommon to find the cause of family allowances advocated in election addresses. However, in the collection of 1929 Liberal election addresses (in Bristol University Library) neither Simon's nor Muir's mentions family allowances.
  2. Liberal Magazine, February 1928, p. 102.
  3. Liberal Party pamphlet: Give the Children a Chance (1927) p. 19.

the Summer School activities Lloyd George organised a Liberal Industrial Inquiry, the Executive Committee of which contained two members of the Family Endowment Society's Council, E.D. Simon and Ramsay Muir.<sup>1</sup> In addition, membership of the Special Committees included another two family allowance campaigners, Eva Hubback and Mrs. Corbett Ashby.<sup>2</sup> Not surprisingly, therefore, the Industrial Inquiry's Report contained a discussion of family allowances: they were seen as "the most feasible way of providing for family needs, while still leaving a margin for the reward of special ability and effort. From another angle the proposal means that the loss of wages which the employee without dependents (sic) suffers is a compulsory saving or postponement of wages<sup>3</sup> against the time when he has a family and needs a supplement to his standard wages"; and the Report suggested that schemes could be introduced run either on a contributory insurance basis or by industrial pools.<sup>4</sup>

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1. Britain's Industrial Future, being the Report of the Liberal Industrial Inquiry (1928), pp. v, viii. The Executive Committee also contained H.D. Henderson, Rowntree and Keynes - all of whom were sympathetic to family allowances.
  2. *Ibid.*, p. viii.
  3. This idea was remarkably similar to that applied, in a different context, to wartime wages policy (including family allowances) in Keynes's How to Pay for the War (1940).
  4. Britain's Industrial Future, op. cit., pp. 190-2. A State scheme was considered too expensive.

Compared with the Labour and Liberal Parties, the interest shown by the Conservative Party in family allowances in the 1920s was virtually non-existent. Although only 7 Conservative M.P.s voted for Rhys Davies's 1923 mothers' pensions motion in the Commons (with 239 voting against),<sup>1</sup> the Conservative Government of 1924-9 did introduce the 1925 Widows', Orphans' and Old Age Contributory Pensions Act, which by June 1928 was paying pensions of 10s.0d. per week to 251,000 widows (with allowances of 3s.0d. or 5s.0d. per week going to their 344,800 children) and allowances of 7s.6d. per week to 15,000 orphans.<sup>2</sup> But beyond that, the idea of supplementing working class wages to bring them more in line with family needs held no appeal in official Conservative circles. Although widows' pensions were discussed at the 1923 Conservative Party Annual Conference (one speaker admitting that women's wages were insufficient to support a family of four or five) and a motion was passed approving of the idea,<sup>3</sup> family allowances were never discussed at any of the Conferences in the 1920s.<sup>4</sup>

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1. Voting figures in Liberal Magazine, April 1923, pp. 246-7.
  2. Conservative Party pamphlet: What the Conservative Government Has Done for Women and Children, 1925-1928 (1928), p. 6.
  3. Conservative Party Annual Conference Report for 1923. Reports for the 1920s are partly in the form of press cuttings, and contain no page numbers.
  4. Ibid., for 1920 to 1930.

The Family Endowment Society had on its Council one prominent Conservative politician - Sir Arthur Steel-Maitland, who was Minister of Labour from 1924 to 1929. Steel-Maitland (1876-1935) had served as a Special Commissioner to the 1905-9 Royal Commission on the Poor Laws and was interested in social problems; he was, for example, probably the only Conservative Minister ever to have slept in common lodging houses and gained a knowledge of the inside of a workhouse, and was generally liked by the labour movement.<sup>1</sup> As Minister of Labour at the time when family allowances were enjoying much discussion vis-a-vis wages questions it is to be expected that he might have exerted his influence within the Government. Yet the Steel-Maitland Papers contain no record of his ever having done so, even at the time of the Samuel Report (which, of course, recommended family allowances); nor do they contain any letters from Eleanor Rathbone asking for his help.<sup>2</sup> Indeed, but for his name on the Council list there is no evidence that Sir Arthur Steel-Maitland took any active interest in the Family Endowment Society.<sup>3</sup> All in all, therefore, family allowances were almost completely ignored by the Conservative Party in the 1920s.

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1. Press cuttings in Steel-Maitland Papers, Scottish Record Office G.D. 193/107/1.
  2. See, for example, *ibid.* G.D. 193/81/1, and G.D. 193/109/5 (on the 1926 coal dispute) and G.D. 193/244 (miscellaneous articles and letters, 1922-30).
  3. Apart, of course, from his introduction of family allowances for staff of the L.S.E., referred to in Chapter 2, pp. 85-6.

Family allowances thus enjoyed a limited amount of discussion within political parties in the 1920s,<sup>1</sup> but in no way did they ever become an issue of great importance. Apart from the I.L.P. leaders, politicians were cautious: at a time when fiscal retrenchment was the economic orthodoxy most generally accepted, the sheer cost of a State-run family allowance scheme made it appear a practical impossibility for the foreseeable future. Striking proof of this can be seen in what happened after 1931. In the new climate of extreme financial austerity family allowances disappeared from political discussion, and for most of the 1930s were rarely discussed within the three main political parties.

However, from about 1935 onwards Eleanor Rathbone began to gather together in the House of Commons an all-party group of M.P.s who grew in numbers until, in the Second World War, they made up a considerable pro-family allowance lobby. The emergence of this group was closely connected with the emergence of a 'middle opinion' that has been noticed by two recent historians.<sup>2</sup> With the Labour Party greatly

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1. They also enjoyed investigation by bodies like the International Association for Social Progress, which set up a sub-committee to look into family needs and the social services (the committee included J.L. Cohen, Professor A.M. Carr Saunders and Professor D.H. Magregor) and published a Report on Family Endowment (1927) which merely summarised the arguments for and against, and a Report on Family Provision through Social Insurance and Other Services (1928) which concluded (p. 17) with a brief discussion of possible family allowance schemes.
  2. Arthur Marwick: "Middle Opinion in the Thirties: Planning, Progress and Political 'Agreement'", English Historical Review, 79, April 1964, pp. 285-297; Paul Addison: The Road to 1945 (1975), pp. 18, 38-40, 43-4.

weakened after the 1931 split, the Liberal Party in decline, the Conservative Party effectively leading a National Government whose policy on social reform was to do as little as possible, conventional party politics within Parliament appeared to be in the doldrums; and by contrast, outside Parliament violent clashes took place between communists and fascists. In this situation, there emerged a group of politicians of liberal views who accepted the need for collectivist measures within a capitalist economy and aimed at forming a middle way consensus between the extremes of left and right that would evolve a programme of liberal reforms based on long-term planning and empirical social research.<sup>1</sup>

Typical of how this middle opinion strand of thought evolved was the case of Harold Macmillan. As a young Conservative M.P. in the 1920s, representing the predominantly working class constituency of Stockton-on-Tees, Macmillan allied himself with other young liberal Tories like Robert Boothby, Oliver Stanley, R.S. Hudson and Anthony Eden. He became increasingly disillusioned with Baldwin's leadership and, while out of Parliament in 1929-31, contemplated joining Oswald Mosley's New Party. After re-entering Parliament in 1933 he set about gathering

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1. Ibid. For an interesting personal account, see Lord Salter: Memoirs of a Public Servant (1961), pp. 241-7.



support for the ideas he had been developing since the 1920s for greater planning in industry, social reform, international relations, etc.<sup>1</sup> In the 1930s Macmillan was active in organising the Next Five Years Group (whose membership also included Eleanor Rathbone, Eva Hubback, Seebohm Rowntree, J.A. Hobson and Professor Gilbert Murray)<sup>2</sup> and took an active interest in social problems, including family poverty and the need for family allowances.<sup>3</sup>

The exact size of this pro-family allowance Commons group of the late 1930s is very difficult to estimate. Certainly, it had reached 152 by the middle of 1941,<sup>4</sup> but no firm evidence of its strength before then

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1. Anthony Sampson: Macmillan (1967), pp. 21-36.
  2. Harold Macmillan: Winds of Change, 1914-39 (1966), pp. 373-4, 485-8. For list of the Group's members, see *ibid.*, pp. 634-6.
  3. See, for example, speech in Hansard, Vol. 337, 24/6/38, Col. 1440. In The Middle Way (1938), pp. 38-65, Macmillan discussed in depth the problem of low wages vis-a-vis Rowntree's and Boyd Orr's researches on minimum needs; and then (pp. 301-311) went on to discuss the necessity of a Government-established minimum wage, including family allowances.
  4. Note of deputation of M.P.s to Kingsley Wood, 16/6/41, P.R.O. PIN 8/163.

is available.<sup>1</sup> Exactly how many M.P.s in the late 1930s would have supported a family allowances bill is impossible to say. The campaign conducted in the Commons was led by a very small group consisting of (apart from Eleanor Rathbone) Leo Amery, Duncan Sandys, Robert Boothby, Harold Macmillan, John C. Wright and Robert Cary (Conservative), David Adams (Labour) and Graham White (Liberal). They tended to raise the topic every time the problems of the U.I.S.C. or U.A.B. were discussed: if benefit and assistance rates could not be brought up to nutritionally-adequate levels without touching on wages and destroying work-incentives, they argued, then the problem had to be tackled at the wages end through family allowances.

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1. A very interesting source of information would be the Leo Amery Papers, but access to these was not granted. The Graham White Papers (in the House of Lords Records Office) consist of 21 large boxes of uncatalogued papers, which, while containing much interesting primary material on the Liberal Party and other matters (including a very large file on the administration of the Eleanor Rathbone Memorial Trust, of which White was a director), include next to nothing on the pro-family allowance group of M.P.s. The only item is an exchange of correspondence between White and Amery in April 1940, which is of no significance. In C.P. Cook: Sources in British Political History, 1900-1951, Vol. III (1977), p. 83, it is stated that Air Commodore John Cecil-Wright (who, as Wing Commander J.A.C. Wright, was also a member of the all-party group) has a collection of papers on family allowances. Air Commodore Cecil-Wright (b. 1886) very kindly afforded the author a most interesting interview, but stated that he in fact had no papers of relevance; and, more importantly, he doubted whether much written material for the all-party group would have survived, since communication between them was usually made by word of mouth, telephone, messages in the House of Commons, etc.

The all-party group of Eleanor Rathbone supporters was thus spearheaded by a number of Conservatives who felt alienated from their Party's negative attitude to social reform. The most important of these was Leo Amery,<sup>1</sup> who had served in Baldwin's 1924-9 Government but now found himself rather in the political wilderness. Leo Amery first heard about family allowances just after the First World War, when he met the wife of a Lille manufacturer who told him of the equalisation fund system run by her husband and a number of other French employers in the area; "she was enthusiastic on the merits of the scheme as a contribution to social welfare, but also hopeful that it might, in the long run, contribute to the restoration of France's sadly depleted population". Amery observed with interest the growth of the European schemes, and during the mining dispute of 1926 "urged on Baldwin its adoption, at any rate for the mining industry". Only in 1936, however, did he study family allowances seriously, at which time he was beginning to realise the extent of family poverty in Britain - added to which were the 'overlap' arguments vis-a-vis the U.I.S.C. and U.A.B. Realising the issue was "the most urgent aspect of social policy", he became an active propagandist for family allowances: he wrote numerous articles on the subject, made speeches in Parliament and in public, was an active leader

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1. Amery, Leopold Stennett; b. 1873, educated at Harrow and Oxford; barrister, and Conservative M.P. for Birmingham Sparkbrook from 1911 to 1945; a number of Cabinet posts, 1919-24, then Secretary of State for Colonies, 1924-29; Secretary of State for India and Burma, 1940-5; died 1955.

of the all-party Commons group, investigated existing private industrial schemes, and even persuaded the board of Maclean's, Ltd., the chemical manufacturers (on which he served) to introduce a family allowance scheme for their employees.<sup>1</sup>

Since Leo Amery was the most important figure among the pro-family allowance Commons group of the late 1930s it is illustrative of this section of opinion to analyse his motives clearly. His first concern, he maintained, was over the health and nutrition of the nation's children. As he saw it, "children are both the creators and sufferers of poverty in large families",<sup>2</sup> and it was deplorable that 25% of the child population were growing up under-nourished.<sup>3</sup> He had read a large number of the recent poverty surveys - he showed knowledge of the investigations in Sheffield, Merseyside, Miles Platting, Southampton, etc., and the work of Boyd Orr, Rowntree, the B.M.A., the Pilgrim Trust and the Children's Minimum Council - and quoted extensively from these surveys when advocating family allowances in Parliament<sup>4</sup> or at public meetings such as the B.M.A.'s April 1939 Conference on Nutrition (where family allowances were discussed at length).<sup>5</sup>

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1. Leo Amery: My Political Life, Vol. III. The Unforgiving Years, 1920-1940 (1955), pp. 205-6. This potentially very interesting section has been enormously hindered by the refusal of access to Amery's private papers.
  2. Hansard, Vol. 337, 24/6/38, Col. 1426.
  3. Ibid., Vol. 341, 14/11/38, Col. 574.
  4. Ibid., Cols. 576-7.
  5. British Medical Association: Nutrition and the Public Health (1939), pp. 91-104.

Amery also advocated family allowances in pro-natalist, 'national security' terms. For example, in the House of Commons in November 1938 he maintained that social reform and rearmament went hand in hand, since both were "part of a wider effort for national regeneration". "How can we", he asked, "confronted by dangers not of today and tomorrow but of the generations which lie ahead, contemplate with equanimity the prospect of our population, already small compared with some of our competitors, steadily dwindling, above all in the younger spheres of life?".<sup>1</sup> Again, when writing on "Family Allowances in Industry" in the magazine Co-Partnership in June 1938, he expressed an industrialist's concern that the threatening decline in the population would mean a decrease in demand for goods, a fall in purchasing power, high taxation to support an increasingly aged and non-productive population, and a growing expenditure on national defence "against great States who are concentrating all their abilities upon the maintenance of their numbers as well as upon the expansion of their armaments".<sup>2</sup>

Thirdly, Amery strongly supported the less eligibility argument for family allowances. If unemployment benefit and assistance levels were too low, but could not be raised without overlapping onto wage rates, then family allowances were the obvious solution. As an employer, Amery was insistent

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1. Hansard, Vol. 341, 14/11/38, Col. 574.  
2. Co-Partnership, June 1938, p. 3.

that the solution did not lie in overall wage increases; industry simply could not afford this, he maintained. "If we could, by a wave of the wand, bring the wage level of this country all round up to what is required for a large family, that would be the most obvious and most desirable thing to do, but frankly that is not possible today", he said, basing his case on Eleanor Rathbone's argument that the three-child minimum wage would be both wasteful and inadequate, in families with less or more than three children respectively.<sup>1</sup> To talk of all-round wage rises was "merely evading the issue";<sup>2</sup> the only solution was a system of family allowances, which, Amery suggested, should be an insurance-based scheme providing 5s.0d. per week for all children after the second, based on contributions of 4d. per week from adult male employees and 2d. per week from adult female employees and juveniles, with equivalent amounts from employers and the State. Such an arrangement would, he believed, overcome the overriding objection of cost.<sup>3</sup>

Leo Amery clearly saw family allowances as a conservative social reform. "This is essentially a conservative measure and will reflect credit on our party", he wrote to

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1. Hansard, Vol. 341, 14/11/38, Col. 578-9.
  2. B.M.A., op. cit., p. 96.
  3. Ibid., pp. 102-3.



Kingsley Wood in 1942,<sup>1</sup> when, as Secretary of State for India, he was attempting to convert his Cabinet colleagues; and in another letter at that time he emphasised to Churchill that family allowances were "a reform which the nation as a whole will keenly welcome and which our own Party in particular will feel is a Conservative reform building up the family and not merely a concession to socialism or trade unionism".<sup>2</sup> At the start of the Second World War (when family allowances were being discussed both inside and outside the Government as a possible means of controlling wages) Amery wrote in a letter to The Times that an immediate introduction of family allowances "would not only relieve the existing hard cases, but would afford a logical basis upon which a stand could be made against all further wage increases, except to the extent they are directly justified by a rise in the cost of living".<sup>3</sup>

Statements like these only served to heighten the suspicions of trade unionists. Ellen Wilkinson (who had actively supported family allowances in the 1920s) bitterly commented in 1938 that "what the Amery type want is to feed the existing and potential cannon-fodder with the greatest economy and lack of waste. Pay the money for the upkeep of each child; don't give it to the individual workman who may have few or no children. In short, apply the means test

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1. Amery to Wood, 30/5/42, P.R.O. T 161/116 (S.43697/3).
  2. Amery to Churchill, 30/5/42, P.R.O. PREM 4 (97/5).
  3. The Times, 14/1/40.

to wages".<sup>1</sup> In the late 1930s, labour leaders viewed such Conservative support for family allowances as designed to obscure the real issue of low wages: the Labour M.P. George Buchanan, for instance, pointed out that Amery was a railway company director, yet wages of railwaymen were very low, some being "not far above starvation level".<sup>2</sup>

Not surprisingly, the labour movement remained suspicious of this all-party support for family allowances. In 1939, for example, the T.U.C. were invited to send a representative to the British Medical Association's nutrition conference to participate in the discussion on family allowances. The T.U.C. General Council's Economic Committee briefly re-considered family allowances, and decided to abide by the 1930 Joint Committee's Minority Report decision.<sup>3</sup> Thus at the B.M.A. conference George Gibson, the T.U.C. representative, repeated all the familiar arguments in favour of services in kind as having greater priority plus some new ones: Gibson even claimed that a cash allowance would be mis-spent by parents, since "even with the best will in the world, it is questionable whether the average parent of the middle class, let alone the working classes, is competent to decide the best method of allotting an increased income in respect of the absolute welfare and future outlook of a child".<sup>4</sup>

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1. Ellen Wilkinson in Tribune, 8/7/38, quoted in Amery, op. cit., p. 207.
  2. Hansard, Vol. 338, 18/7/38, Col. 1863. Buchanan was, however, generally a supporter of family allowances.
  3. T.U.C. Annual Report for 1939, p. 245.
  4. B.M.A., op. cit., pp. 112-4.

However, there was a glimmer of hope in the Conservative and Liberal Parties. At the 1937 Conservative Party Conference Duncan Sandys introduced a motion expressing great concern over the decline of the British birth rate, the most serious result of which would be to endanger the security of the British Empire, he maintained. Among possible remedies proposed by Sandys, marriage loans and family allowances figured prominently.<sup>1</sup> Eugenic fears were frequently mentioned, and the Conference passed Sandys's motion without, however, calling on the Government to consider family allowances.<sup>2</sup> Clearly the pro-natalist arguments for family allowances were beginning to arouse some interest among Conservatives for 'national defence' reasons,<sup>3</sup> but only political outsiders like Amery, Boothby, Wright and Sandys were wholeheartedly in favour.

Within the Liberal Party, on the other hand, the very end of the 1930s saw a growing interest in family allowances, spearheaded by Graham White.<sup>4</sup> In common with other 'middle opinion' politicians, White believed a middle way could be found between extremes of left and right,<sup>5</sup> and

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1. Conservative Party Annual Conference Report for 1937, pp. 37-9.
  2. *Ibid.*, pp. 39-43.
  3. The next motion discussed at the Conference was on the "integrity and unity of the Empire". *Ibid.*, pp. 43-5.
  4. White, Henry Graham (1880-1965); educated at Birkenhead School and Liverpool University; Liberal M.P. for Birkenhead East, 1922-4 and 1929-45; President of the Liberal Party 1954-5 and Vice-President 1958-9.
  5. "In this Election the sterile arguments about Socialism and Capitalism are obsolete". 1935 General Election Manifesto by Graham White, in Graham White Papers (uncatalogued).

was very interested in a reform of the social services, the abolition of the means test, the problem of poverty and a nutritionally-adequate minimum wage, the need to stimulate demand in the economy, and so on.<sup>1</sup> White made no mention of family allowances in his 1935 General Election manifestoes and speeches,<sup>2</sup> but by 1939 he had decided that in his next appeal to his electors he would stress that the three most needed measures were increased old age pensions, the extension of medical benefit to the dependants of insured people, and "a scheme of family allowances or some similar step to improve nutrition".<sup>3</sup>

In the House of Commons, Graham White was a strong advocate of family allowances on child poverty grounds, rarely if ever mentioning the birth rate arguments. Like other Eleanor Rathbone supporters, he took the opportunity of mentioning family allowances whenever the problems of the U.A.B. and U.I.S.C. were discussed,<sup>4</sup> and wanted a complete overhaul of the social services, in order to remove the many administrative anomalies and overlaps, including an official investigation of family allowances.<sup>5</sup>

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1. Ibid. In the Graham White Papers there is a large file dealing with his interest in unemployment.
  2. Contained in *ibid.*
  3. White to W.R. Davies, 23/1/39, *ibid.*
  4. See, for example, Hansard, Vol. 337, 24/6/38, Cols. 1431-8; and *ibid.*, Vol. 345, 23/3/39, Cols. 1496-9.
  5. *Ibid.*, Vol. 349, 30/6/39, Cols. 828-831. 1935 General Election Manifestoes, *op. cit.*

The need for a reorganisation of the social services was, of course, widely acknowledged by social administrators in the late 1930s: indeed, the House of Commons discussed a motion on this very subject on the 22nd February 1939, rejecting it by the comparatively narrow margin of 172 votes to 149.<sup>1</sup> By May 1939, no doubt partly due to Graham White,<sup>2</sup> the Liberal Party decided to take up the cause of a social services reorganisation plus family allowances<sup>3</sup> and make improved child nutrition one of their main aims.<sup>4</sup> Family allowances were discussed at the Liberal Summer School on the 9th August 1939,<sup>5</sup> where Lawrence Cadbury made a speech presenting them primarily as a pro-natalist measure, emphasising the serious industrial consequences of a declining population,<sup>6</sup> and Richard Titmuss delivered a paper on maternal mortality.<sup>7</sup> At the Summer School Lord Samuel announced that the Party was going to make family allowances a major issue at the next General Election: "We shall make

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1. Hansard, Vol. 344, 22/2/39, Cols. 395-460.
  2. In October 1937, the Council of the Women's Liberal Federation had overwhelmingly passed a motion in favour of family allowances. Report of Council Meeting of the Women's Liberal Federation for 1937, p. 4.
  3. Liberal Policy. Resolutions Adopted by Meeting of the Assembly of the Liberal Party Organisation, 11 and 12/5/39, pp. 5-6.
  4. Liberal Policy. A Speech Delivered to the Council of the Liberal Party Organisation on the 15th March 1939 by Sir Archibald Sinclair.
  5. Liberal Magazine, September 1939, p. 432.
  6. L.J. Cadbury: A Population Policy and Family Allowances (1939), esp. pp. 1-3.
  7. Press cutting from Birmingham Post of 10/8/39, contained in P.R.O. AST 7/390.

this item a speciality of Liberalism", he said, "and bring it as prominently as we can before the nation. Neither the Labour nor the Conservative Party is taking up the matter effectively".<sup>1</sup> Quite what would have been the response of the electorate to this appeal is impossible to say, since one month later war broke out and changed everything.

Thus in the inter-war years family allowances had at one time or other aroused the interest of all sections of political opinion, even if (with the exception of the Liberals in 1939) they never became an official policy of any of the three main parties. In the 1920s they had been seen by the labour movement very much as a necessary part of the minimum wage concept, with pro-natalist arguments hardly ever mentioned; but eventually had been abandoned because of their high cost, because they had been presented by the I.L.P., and because of trade union opposition. Liberals (mainly women) had also shown interest, and had tended to favour the gradual spread of family allowances through industrial or contributory insurance schemes. The 1931 economic crisis acted as an enormous setback, but by the late 1930s interest in political circles was resurfacing, mainly among Conservatives disenchanted with the Baldwin-Chamberlain hegemony. In this period, anti-poverty arguments were still mentioned, but so also were pro-natalist, imperialist 'national defence' ones; and, most important of all, family allowances were now being presented as an alternative to a statutory minimum wage. Overshadowing all this, however,

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1. Ibid.



was the hostility and suspicion of the trade union movement; trade unionists in the late 1930s saw the demand for family allowances as obscuring the real issue of low wages, and until they could be persuaded to change their minds family allowances would remain a political impossibility.

The Development of Family Allowances in Foreign Countries

"It is a curious fact about the movement we are studying", wrote Eleanor Rathbone in 1927, "that it seems to have begun, spiritually if not in material results, almost simultaneously and quite independently in several countries, and in several minds in each country".<sup>1</sup>

This thesis is essentially about the movement for family allowances in Britain, but to ignore what was happening in other countries would be a serious error. Social policy historians are now realising the importance of comparative studies, and in the case of family allowances the fact that in several other countries demands for a family wage were being voiced in exactly the same way as in Britain indicates that the forces at work were far deeper than can be explained by merely analysing the activities of a pressure group like the Family Endowment Society. This section, therefore, is not so long and detailed as to obscure the fact that the subject under study is Britain; but at the same time it tries to do justice to the extremely interesting developments that

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1. E. Rathbone: The Ethics and Economics of Family Endowment (1927), p. 74.

were taking place abroad.<sup>1</sup> Its aim, in short, is to provide enough comparative information to enhance the understanding of the British experience.

France has had a long history of pro-natalist policies, but the first modern instance of a family allowance system appears to have been that introduced by Leon Harmel, the industrialist, in his Val-des-Bois factory in 1840,<sup>2</sup> and over the next forty years or so several other systems appeared. In 1862 the French Ministry of Marine granted 10 centimes per day for each child below the age of ten to families of seamen up to the rank of quartermaster having more than five years of service.<sup>3</sup> Further industrial schemes were launched in the late 19th century (such as by a group of industrialists at Lille, Roubaix and Turcoing in 1891), and some railway companies and coal mines

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1. The literature on foreign developments in family allowances is very extensive, particularly as regards the 1920s when most Western industrialised countries were encountering 'living wage' and other industrial problems. In the United States, for example, (a country still without a family allowance system proper) considerable interest was shown in European developments in the 1920s. Out of these many sources, four are outstandingly excellent and provide far more information than can possibly be summarised here: Paul Douglas: Wages and the Family (Chicago, 1925); Hugh Vibart: Family Allowances in Practice (1926); D.V. Glass: The Struggle for Population (1936) and Population Policies and Movements in Europe (1940). The second and fourth were originally postgraduate theses. Vibart also composed a typescript bound volume of extremely detailed tables giving information on European equalisation funds which is deposited in the B.L.P.E.S.
  2. Glass, op. cit. (1940), p. 100.
  3. Vibart, op. cit., p. 24.

began to supplement the wages of their married workers by various methods.<sup>1</sup> By 1914, various forms of family allowances were being paid to workers in over thirty firms, and schemes also covered school teachers, certain ranks in the army, and civil servants in the Treasury, Post Office and Colonial Office.<sup>2</sup>

The motives behind these early developments are not easily identified. Vibart emphasises the 1891 Papal Encyclical De Revum Novarum which outlined the duty of employers to provide a family wage.<sup>3</sup> Glass considers it unlikely that the Encyclical alone could have had much effect, but stresses the general growth, in late 19th century Europe, of a trend of thought favourable to the family wage.<sup>4</sup> In addition, it must be remembered that the idea of adding supplements to the wages of married men had a long history in Europe.

Whatever the reasons for the pre-1914 developments, there is no doubt that the rapid development of family allowances in France during the immediately after the First World War was due to rapidly falling real wages - a situation common

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1. Glass, op. cit. (1940), p. 100; Vibart, op. cit., p. 27. In the mining industry, the first family allowances took such forms as free coal.
  2. Glass, op. cit. (1940), p. 100-1.
  3. Vibart, op. cit., pp. 9-11.
  4. Glass, op. cit., (1940), p. 100.

to all Continental countries.<sup>1</sup> In response to growing hardship and unrest (particularly among workers with children), employers began to pay cost-of-living bonuses, which soon became related to family needs. The best illustration of this is the case of the Joya metal works, where in 1916 the manager, Emile Romanet, discovered the poverty of some of his older workers with families and persuaded the firm to introduce graded allowances for dependent children under thirteen years of age; other firms in the Grenoble area quickly followed suit, and in 1918 an equalisation fund was created, into which all employers paid sums proportional to the number of their employees, and from which allowances were paid; in this way the danger that employers would tend to hire only single men was avoided.<sup>2</sup>

Rapid developments took place in 1918-25, so that by mid-1925 fully 180 equalisation funds were in existence in France.<sup>3</sup> In 1918 equalisation funds covered 598 employees and paid out a total of 113,352 francs per annum in family allowances; by 1925 this had risen to 1,210,000 employees and 160,000,000 francs.<sup>4</sup> In 1924 the average amounts paid

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1. The year of the fastest rise in the cost of living in Europe, 1917, also marked the beginning of more rapid developments of family allowances. Vibart, *op. cit.*, p. 6.
  2. Paul Douglas: "Family Allowances and Clearing Funds in France", Quarterly Journal of Economics (Cambridge, Massachusetts), 38, February 1924, pp. 257-8.
  3. United Kingdom. Committee on Industry and Trade: Survey of Industrial Relations (1926), p. 124.
  4. Vibart, *op. cit.*, p. 31.

out by equalisation funds were 193 francs per month for the first child, 27 francs for the second, 35 francs for the third and 43 francs for the fourth; this, on average, constituted additions to a married man's wages of 4% for one child, 9% for two, 16% for three and nearly 25% for four.<sup>1</sup> By this time, about 20% of all those working for wages and salaries in France were covered by some form of family allowance system,<sup>2</sup> and the idea had spread into many areas of employment. By the autumn of 1920, 80 French regional Departments (out of a total of 90), 3 Algerian Departments and 206 towns with more than 10,000 inhabitants were paying family allowances to their public servants,<sup>3</sup> and from 1922 a succession of laws stipulated that firms tendering for Government contracts had to affiliate to an equalisation fund.<sup>4</sup> In addition, many equalisation funds had developed supplementary family services: about two-thirds of them granted maternity benefits, about one-fifth gave nursing allowances, and some even employed social workers to visit mothers in their homes.<sup>5</sup> In 1920, a bill was introduced in

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1. J.H. Richardson: "The Family Allowance System", Economic Journal, 34, September 1924, pp. 382-3.
  2. Douglas, op. cit. (1924), p. 260.
  3. International Labour Office. Studies and Reports, Series D, No. 13: Family Allowances - the Remuneration of Labour According to Need (Geneva, 1924), p. 31.
  4. F.E.S. pamphlet: Family Allowances Abroad and in the British Dominions (1932).
  5. Douglas, op. cit. (1924), p. 265. The average amount of birth allowances, for example, was 151.02 francs for the first child and 128.88 francs for each subsequent child. I.L.O., op. cit., p. 49.



the Chamber of Deputies with the aim of making membership of an equalisation fund compulsory upon all employers, but it had to be dropped in the face of employers' opposition.<sup>1</sup> Eventually in 1932 an Act was passed giving legal recognition to existing family allowance systems and providing for the gradual extension of compulsory equalisation fund membership to almost all employers in France.<sup>2</sup>

This rapid growth of family allowance systems in France was quite remarkable, given that employers took the initiative in introducing them and financed them out of profits rather than wage-deductions. Some employers, such as Emile Romanet of the Joya works, took a genuinely sympathetic, if paternalist, interest in their workers' welfare and introduced family allowances after witnessing the severe hardship endured by married men in times of rapidly rising prices.<sup>3</sup> Such employers pointed with pride to the maternity and child welfare services provided by their funds: in Nancy, for example, the fund maintained several hospital beds for sick children of employees and a doctor and nurse visited mothers at home; at Lyons, a similar service was credited with having cut the infant mortality rate among

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1. For an account of this bill, introduced by M. Maurice Bokanowski, see Douglas, op. cit. (1925), pp. 79-88.
  2. Jacques Doublet: "Family Allowances in France", Population Studies, 2, September 1948, p. 219.
  3. E. Rathbone: The Disinherited Family (1924), pp. 193-6.

children of employees from 123 to 44 per 1,000 live births.<sup>1</sup> Encouragement of the birth rate was often mentioned as an employers' motive, but this seems extremely unlikely.<sup>2</sup>

From the point of view of employers, the 'statistical' argument in favour of family allowances was probably the most important. Faced with a period of economic crisis and rising living costs, employers saw family allowances as a way of protecting their workers' living standards without having to raise wages all round. Because of the statistical distribution of children, family allowances were a relatively cheap and efficient way of alleviating the worst hardship. In 1922, for example, only 160,000 out of 700,000 employees covered by French equalisation funds were fathers (of 270,000 children) - a proportion of 23%.<sup>3</sup> Allowances added only about 2% to the total payroll, yet met family needs in a very efficient way. To illustrate this in one particular case: in 1931 the Union of Metallurgical Manufacturers in France set up an equalisation fund which, for a cost of 1.2% of the wages bill, provided an allowance of 8 francs per month per child; yet the same total amount of money, if

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1. Douglas, op. cit. (1925), p. 62. Similarly, the introduction of nursing allowances in the Auxene district fund was claimed to have increased the incidence of breast-feeding among infants of the workers from 50% to 93% in two years. Family Endowment Society. Monthly Notes, January 1925.
  2. Glass, op. cit. (1940), p. 104.
  3. Douglas, op. cit. (1924), p. 261.

distributed equally to all workers in the form of wage rises, would only have provided 36 francs per annum per worker - hardly covering the cost of a daily cigarette.<sup>1</sup>

Yet this obviously raises the all-important question of the extent to which employers used family allowances as a means of avoiding having to pay across-the-board wage rises. In the early 1920s in France, employers tended to use the term "allocation familiale" (family allowance) and interpreted allowances as a philanthropic addition to wages which could be withdrawn at their own discretion; workers, however, tended to use the term "sursulaire" (family wage) and saw allowances as part of wages, legally to be paid for as long as wages were paid.<sup>2</sup> This difference of interpretation symbolised a bitter struggle that took place in France after the First World War between employers and unions over whether family allowances should be used as an alternative to wage rises. Vibart quotes a number of employers favouring allowances for this reason; or rather, maintaining that since wage rises were economically impossible, family allowances were the next best thing.<sup>3</sup> Even the philanthropic

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1. Family Endowment Chronicle, 1, January 1932, p. 37.
  2. I.L.O., op. cit., p. 61. Typical of the employers' view was the comment of one that the introduction of family allowances was evidence of the "creative and generous spirit of French employers". Quoted in James C. Vadakin: Family Allowances, An Analysis of their Development and Implications (Miami, 1958), p. 30.
  3. Vibart, op. cit., pp. 158-160. For example, at the Second Congress of Compensation Funds, M. Bonvoisin, Director of the Central Committee of Compensation Funds, said: "We could cite examples where family allowances have made it possible to carry out without damage reduction in wages (which had become essential)".

Emile Romanet stressed that one advantage of a family allowance system was that it tended to reduce production costs.<sup>1</sup> Douglas gives an interesting example relating to the Roubaix-Turcoing fund: in 1920, the fund was paying allowances of 1 franc per day per child; after a strike in March of that year a local agreement was established by the Ministry of Labour providing for the periodic adjustment of wages according to the fluctuations in the cost of living index; between March and October of that year the cost of living rose 13%, but basic wages were increased by only 7½%; however, family allowances were raised to 3 francs per day, thus putting workers with families in a better position than if they had been awarded a full wage increase with no increase in the allowances; in the following year, the Roubaix employers ignored the Ministry of Labour agreement and cut wages more rapidly than the cost of living, such that now while the cost of living was 8½% below the March 1920 level, wages were fully 17½% below. Yet family allowances remained at 3 francs.<sup>2</sup>

Not surprisingly, French trade unions viewed family allowances in the early 1920s as an employers' weapon of industrial warfare, particularly useful for 'buying' the loyalty of married men and thus weakening trade union

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1. Ibid., p. 159.

2. Douglas, *op. cit.* (1925), pp. 89-90. Vibart (*op. cit.*, pp. 167-171) gives a detailed table of how family allowances affected wage levels.

solidarity. The granting of an allowance was usually conditional upon the worker's 'good conduct' and payment could be stopped in cases of absenteeism, lateness, strikes, etc. Even if an industry had to work short time through scarcity of materials or a breakdown of machinery, the allowance would be reduced in proportion of the time lost.<sup>1</sup> Some funds, like the one in Strassbourg and the Lower Rhine, declared that allowances could be withdrawn from anyone who was deemed to be spending it carelessly.<sup>2</sup> At the large Roubaix-Turcoing fund, a representative declared that these conditions attached to the payment of allowances caused the workers "to think before listening to agitation, to talk matters over with the employer, and to quit the shop only under exceptional circumstances".<sup>3</sup>

By the middle and late 1920s, however, French trade unions had successfully fought back on this issue and were generally in favour of family allowances; in 1925, for example, Eleanor Rathbone was able to quote a favourable statement from the Administrative Secretary of the large 'Confederation Generale du Travail': his verdict was that

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1. Douglas, op. cit. (1925), p. 67.
  2. "It [the allowance] may be withdrawn from any one who puts it to bad uses, or if those assisted are naturally careless. The clearing fund may take any necessary measures to ensure the proper expenditure of these amounts when it is shown that they are being employed for a purpose other than that for which they are intended." Regulations of the fund, quoted in Ibid., p. 62.
  3. Ibid., p. 67. At the 1923 Nantes Congress of Compensation Funds, the Secretary of the Textile Consortium of Roubaix said that "the withdrawal of family allowances for the current month in the case of a strike has proved a most efficacious means of preventing strikes". R. Picard: "Family Allowances in French Industry", International Labour Review (Geneva), 9, February 1924, p. 172.

"the Family Wage makes possible a fairer distribution of the product of labour, and increases the well-being of children.... It cannot be maintained that the trade union movement has been injured by the institution of the Family Wage.....[which] is purely and simply a redistribution on sounder and more humane lines of the wage-bill".<sup>1</sup> In 1932 the French Government introduced an Act making membership of an equalisation fund compulsory (by stages) for employers and establishing minimum rates for allowances.<sup>2</sup>

Not surprisingly, similar developments to those in France were also taking place in Belgium. Civil servants in the Post Office received from 1910 allowances of 36 francs per annum for each child under the age of fourteen starting with the third;<sup>3</sup> in 1915 the first private industrial scheme appeared in the coal mining company at Tamines, and after the First World War other coal mines followed suit;<sup>4</sup> but the first real expansion took place in 1921, when Belgium's first equalisation fund was established at Verviers.<sup>5</sup> Other funds rapidly followed, and a pressure group, the 'Ligue des Familles Nombreuses de Belgique' (founded in 1920), began to campaign for family allowances on social and demographic

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1. E. Rathbone: Family Allowances in the Mining Industry (F.E.S. pamphlet, 1925).
  2. Vadakin, op. cit., pp. 35-6. Under this Act, allowances were not to be used as alternatives to wage-rises.
  3. Glass, op. cit. (1940), p. 125.
  4. Douglas, op. cit. (1925), p. 96. On pp. 95-109 Douglas gives an excellent account of Belgian developments.
  5. E. Susswein: "Family Allowances in Belgium", Population Studies, 2, December 1948, p. 278.



grounds.<sup>1</sup> As in France, the motives of employers were at first deeply distrusted by the Belgian trade unions, with good reason; but by the mid 1920s this distrust was lessening.<sup>2</sup> In 1924, all Belgian coal mines adopted schemes and in 1928 an Act made membership of an equalisation fund compulsory for all employers who obtained contracts from the State or other public bodies.<sup>3</sup> In 1930 an Act introduced, by stages, compulsory coverage over all employees in industry, commerce and agriculture and established minimum rates of employers' contributions and child allowances;<sup>4</sup> in addition, as in France, employers were forbidden to use allowances as wage-depressants and means of enforcing industrial discipline.<sup>5</sup>

By contrast with France and Belgium, Germany's development of family allowances in the 1920s was unspectacular. Private schemes, such as the one at the Zeiss optical works,

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1. In addition, the migration of Belgian workers to and from France helped to spread the news of developments in the latter country. Douglas, op. cit. (1925), p. 97.
  2. For an interesting account, see *ibid.*, pp. 102-9. The Secretary of the Belgian Miners' Federation, which was originally opposed to family allowances, wrote after four years' experience of their operation: "The Allowances have had no effect on the basic wage. Neither have they in any way affected Trade Union solidarity. On the contrary they have to some extent furthered Trade Union influence. When a workman thinks himself injured by the suppression or diminution of the allowance due to him, he appeals to his Trade Union delegate to secure the fulfilment by the employer of the rules regulating the allowances". Quoted in F.E.S. pamphlet: Will Family Allowances Mean Lower Wages? (n.d., probably 1925).
  3. Family Endowment Chronicle, 1, November 1931, p. 27.
  4. Susswein, op. cit., p. 279.
  5. Family Endowment Chronicle, 1, November 1931, p. 27.

were fairly common before the First World War;<sup>1</sup> by 1912, thirty-one German cities were paying to their municipal employees allowances by which percentage additions to the basic wage were made for each child; and during the War many industries paid family-related cost of living bonuses.<sup>2</sup> The rapid price rises of 1920 led to a further expansion, and in that year the first equalisation funds were established, first in the metal industries of Berlin and then in the Cologne chemical industries.<sup>3</sup> The controversies aroused by these schemes were identical to those in France and Belgium: Heimann, for example, states that employers were very interested in the scheme as a means of winning the loyalties of the married men away from "revolutionary and syndicalist elements".<sup>4</sup> German trade unions were stronger in their opposition than French and Belgian, however, and for this and other reasons German equalisation funds never exceeded eleven in number throughout the 1920s.<sup>5</sup>

France, Belgium and Germany enjoyed the largest developments in family allowances in Europe in the 1920s, but schemes were also to be found in Austria, Czechoslovakia,

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1. Eduard Heimann: "The Family Wage Controversy in Germany", Economic Journal, 33, December 1923, pp. 509-510.
  2. Vibart, op. cit., pp. 42-3.
  3. Heimann, op. cit., p. 510.
  4. Ibid., p. 512. For a discussion of this, see Douglas, op. cit. (1925), pp. 114-8.
  5. F.E.S. pamphlet: Family Allowances Abroad and in the British Dominions (1932).

the Netherlands, Switzerland, Poland, Sweden, Norway, Denmark, Finland, Yugoslavia, Italy, Spain and the Irish Republic. In most cases, these were closely connected with cost of living bonuses related to family size introduced during and after the First World War (some continuing in the 1920s as little more than that); opposition from those on the political left was common; frequently family allowance schemes were paid to public employees; and the mining industry always proved a fruitful ground for development.<sup>1</sup>

In the 1920s the development of family allowances was also taking place in two countries outside Europe that were pioneers in social welfare provision - Australia and New Zealand.<sup>2</sup> Whereas in Britain in the 1920s the problem of wages and family needs never went beyond the confines of theoretical discussion, in Australia and New Zealand interesting practical solutions were emerging.

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1. For an account of developments in these countries, see Douglas, op. cit. (1925), pp. 119-147, Vibart, op. cit., pp. 47-50, and Mary T. Waggaman: "'Family-Wage' System in Germany and Certain Other European Countries", United States Department of Labor. Monthly Labor Review (Washington), 18, January 1924, pp. 25-9. A table giving information on schemes to public servants in twenty countries is contained in F.E.S. pamphlet: Memorandum on Family Allowances presented to the Royal Commission on the Civil Service (1930), Appendix B.
  2. In addition to the following footnotes, an excellent account of developments in Australia up to 1925 is to be found in Douglas, op. cit. (1925), Chapter 11; and for a general introduction see H. Heaton: "The Basic Wage Principle in Australian Wages Regulation", Economic Journal, 31, September 1921, pp. 309-319.

The development of family allowances in Australia can be seen as originating in 1907, when a Commonwealth Arbitration Court<sup>1</sup> dealt with a case brought by an employer named Harvester over the issue of whether his wage rates were "fair and reasonable": the employer had to prove this in order to qualify for certain tax exemptions. The outcome was the famous 'Harvester Judgement' by which the President of the Court, Justice H.B. Higgins, declared that having examined all the evidence relating to human needs, his view was that the subsistence level for a family of five was 7s.0d. per day. This decision was the first attempt by a court of law in Australia to establish a minimum wage based on the 'average' family, and for several years after it remained the basis for similar court judgements: within each Australian State legal machinery existed for minimum wage regulation and where an industrial dispute occurred the solution tended to follow the Harvester precedent.<sup>2</sup>

Price rises during and after the First World War produced the same kind of living wage demands that were being voiced in Europe at that time, and in response to these the Federal Government appointed a Royal Commission on the Basic

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1. Set up in 1900 to deal with industrial disputes.
  2. A.B. Piddington: The Next Step (Melbourne, 1925 ed.), pp. 2-4. According to Heaton (op. cit., p. 309), the preservation of industrial peace was a prime motive behind this; Australian wage regulation laws, he wrote, "have had about the same effect in preventing strikes as the voluntary conciliation machinery has had in British industry".

Wage in October 1919, with the lawyer A.B. Piddington as Chairman, to investigate the question of how a minimum wage could be calculated according to human needs.<sup>1</sup> The Commission investigated the problem in meticulous detail; a large volume of evidence was taken on clothing needs, food requirements, rent levels, whether to include items like fares, and so on,<sup>2</sup> and eventually in their Report, published in November 1920, they named the basic minimum for a family of five as £5.16s.0d. per week for Melbourne, with slight variations for other States.<sup>3</sup> This, it was calculated, would cost industry in the region of £93,000,000 - equivalent to one-third of the total production of industry in 1918.<sup>4</sup> Government and industry regarded this as impossible, and so the Australian Prime Minister asked Piddington to present an alternative

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1. In announcing the appointment of the Royal Commission, the Australian Prime Minister, W.M. Hughes, said: "If we are to have industrial peace we must be prepared to pay the price, and that price is justice to the worker... the cause of much of the industrial unrest, which is like fuel to the fires of Bolshevism and direct action, arises with the real wage of the worker.... once it is admitted that it is in the interests of the community that such a wage should be paid as will enable a man to marry and bring up children in decent, wholesome conditions.... it seems obvious that we must devise better machinery for insuring the payment of such a wage than at present exists". Report of the Royal Commission on the Basic Wage, 1920, p. 7. (Contained in Australian Parliamentary Papers, Vol. IV, 1920-1).
  2. In The Disinherited Family (1924), pp. 183-4, Eleanor Rathbone who of course ridiculed this attempt to define the needs of the 'average' family, poked fun at the spectacle of the seven Commissioners (all men), "considering whether the supposititious wife of the typical Australian workman should be allowed six blouses a year (two silk, two voile and two cambric or winceyette) as claimed by the Federated Unions; or only three..... as suggested by the Employers".
  3. Report, op. cit., pp. 12-58. On pp. 66-84 of the Report there are intricately detailed tables of all minimum weekly needs, such as one-eighth of a tin of floor polish.
  4. Memorandum by A.B. Piddington, 22/11/20, in ibid., p. 91.



scheme. This he did, recommending a minimum wage of £4 plus family allowances of 12s.0d. per week.<sup>1</sup> The response of the Government was to agree in principle to the minimum wage, but reduce the proposed family allowance to 5s.0d.<sup>2</sup>

In fact, nothing practical was done by the Federal Government to implement this promise, except that in 1920 it introduced a family allowance scheme for its own officials: 5s.0d. per week was paid in respect of each child (subject to an upper income limit of £400), and the scheme was financed wholly by the Government until 1923, and by a contributory scheme thereafter (until the national scheme was introduced in 1941).<sup>3</sup> Apart from an unsuccessful bill in 1921, the only other development at Federal level in the 1920s was the appointment in 1927 of a Royal Commission on Family Endowment, following a discussion of the subject at the Conference of Commonwealth and State Ministers in June of that year. The Majority Report of the Commission opposed family allowances on the grounds that basic wage schemes then in operation already contained an element of family needs adjustment, "sufficient, if directly applied, to provide for all existing children", that the cost would be prohibitive and that

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1. Piddington rested his case on the 'statistical fallacy' argument regarding the three-child family. A three-child minimum wage would have provided for 450,000 non-existent wives and 2,100,000 non-existent children. *Ibid.*, p. 90.
  2. Piddington, *op. cit.* (1925), pp. 21-7.
  3. T.H. Kewley: Social Security in Australia, 1900-72 (Sydney, 1973), pp. 136-7.



parental responsibility would be weakened. The Minority recommended family allowances for each child after the second; but the Government agreed with the Majority's verdict and there was opposition from trade unionists who feared that the introduction of a family allowance scheme would be accompanied by wage-reductions for childless men.<sup>1</sup>

However, in the Australian States in the 1920s the question of family endowment was always a live issue: it reappeared every time a State's industrial tribunal fixed the basic wage in relation to 'average' family needs. In 1925, for example, both Queensland and South Australia unsuccessfully tried to introduce family endowment bills.<sup>2</sup> The most noteworthy achievement was in New South Wales, where as early as 1916 there had been introduced into the State Legislative Assembly a motion from Dr. Richard Arthur proposing family endowment in very general terms.<sup>3</sup> In 1919 the State

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1. Ibid., pp. 138-140; Family Endowment Society pamphlet: Family Allowances Abroad and in the British Dominions (1932); J.B. Beyer: "Family Allowances in Australia", Bulletin of the International Social Security Association, January-February 1961, p. 47.
  2. Kewley, op. cit., p. 137. For a brief account of the events in Queensland, see University of Tasmania: Employment Relations and the Basic Wage (Hobart, 1925), pp. 17-19.
  3. Three years later, in September 1919, Dr. Arthur put the case for a State family endowment scheme of 5s.0d. or 6s.0d. per week for every child up to the age of about fifteen, financed out of "a special graduated income-tax, steeply graded", to the New South Wales Board of Trade. His evidence was published in the pamphlet State Endowment for Families and the Fallacy of the Existing Basic Wage System (Sydney, 1919).

Industrial Arbitration Court fixed the basic wage for males at £3.17s.0d., calculated on the three-child family, but in response to vociferous protests from employers over the amount this would cost the New South Wales Government introduced a Maintenance of Children Bill.<sup>1</sup> Under this the New South Wales Board of Trade would have been obliged to calculate annually the cost of maintaining a child and on this basis operate a family allowance system on top of a man-and-wife minimum wage: only the children of employees earning less than 5s.0d. above the minimum would receive the full cost-of-living allowance; the other child allowances would operate on a sliding scale; and no payment would be made in respect of employees who earned over £8 per week.<sup>2</sup> Opposition from trade unions was very strong, however, because no payments would be made during strikes or unemployment (since allowances were financed wholly by employers as part of wages) and because the scheme appeared to them as a device for avoiding the enforcement of the minimum wage (which would have cost about double the family allowance scheme - £11,930,000 as against £6,250,000). In addition, there was opposition from employers who feared that once introduced, the scheme would be greatly expanded in the future.<sup>3</sup>

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1. New South Wales Industrial Gazette (Sydney), 16, October 1919, p. 448. Employers maintained that capital would flow into other States where wage costs were not so high. Mary Stocks: The Meaning of Family Endowment (1921), p. 25.
  2. E. Rathbone: "The New South Wales Scheme for the Grading of Wages According to Family Needs", Economic Journal, 30, December 1920, pp. 551-2, and The Disinherited Family (1924) pp. 185-6.
  3. *Ibid.* (1924), pp. 187-8.

This combined opposition prevented the bill from becoming law in 1919, and a similar fate befell a Motherhood Endowment Bill of 1921 which would have introduced 6s.0d. per week for each child after the second, subject to an income limit; though this second bill passed further in the New South Wales Parliament than did its predecessor, it was lost in a dissolution. However, New South Wales established a Ministry for Motherhood and investigated alternative methods of raising the necessary money (such as by a State lottery); and finally in 1927 a family allowance scheme was introduced that provided 5s.0d. per week for each child under fourteen years of age where the total family income was less than the basic wage plus £13 per annum.<sup>1</sup> Until 1933 the scheme was financed by a payroll tax on employers, and thereafter out of general taxation.<sup>2</sup>

In general, therefore, Australian developments in family allowances in the 1920s grew out of State-enforced minimum wage legislation, and were thus financed by employers.<sup>3</sup> By contrast, the New Zealand Family Allowances Act of 1926 took no regard of the employment of the parents and was wholly financed out of taxation - thus meriting the

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1. Piddington, op. cit. (1925), p. 31; Family Endowment Chronicle, 2, May 1932, p. 4; J.C. Eldridge: "Motherhood Endowment in Australia", Eugenics Review, 14, April 1922, pp. 54-8.
  2. Kewley, op. cit., p. 138.
  3. The extra cost was, of course, passed on in higher prices to the consumer. Indeed, one argument put forward in favour of family allowances was that by costing less than a minimum wage programme they would also result in lower price rises - 6% as against 22½%, in the case of the Australian Federal Government's scheme. Piddington, op. cit. (1925), p. 25.

distinction of being the first true State system. In New Zealand, the family endowment principle had been acknowledged in several ways before 1914 - for example, through income tax child allowances and the payment of married allowances to school teachers - and during the First World War further extensions were added in the form of service pay separation allowances and unemployment dependants' benefits.<sup>1</sup> However, there appears to have been curiously little discussion on family wages thereafter, and private members' bills on the subject introduced into Parliament in 1922, 1924 and 1925 failed to pass.<sup>2</sup> By the mid-1920s, New Zealand still had no industrial schemes. Yet in 1925-6 family endowment suddenly became a live political issue, and very soon after a General Election (in which the Government promised to introduce a bill) the 1926 Act was passed.<sup>3</sup> It provided 2s.0d. per week for each child under fifteen years of age after the second to parents whose income did not exceed £4 per week; various residence and nationality clauses were included (for example, no payments were to be made to 'Asiatics', even if they were British subjects); and allowances could be withheld if the

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1. R.M. Campbell: "Family Allowances in New Zealand", Economic Journal, 37, September 1927, p. 369.
  2. These were introduced by the Labour member, M.J. Savage.
  3. For the debates, see New Zealand Parliamentary Debates (Wellington), Vol. 210, August 3 to August 28, 1926, pp. 587-633, 667, 762-774, 833-845. Both sides generally agreed with the principle; the main area of controversy was over the level of the allowance.

applicant was deemed to be of bad character.<sup>1</sup> The scheme remained in this form until 1938, when it was expanded in scope and the payments renamed 'family benefit'.<sup>2</sup>

Whereas in the 1920s family allowance developments in Europe were closely connected with the question of minimum wages, in the 1930s the main impetus changed to that of raising birth rates. In this new decade, Germany and Italy replaced France and Belgium as the main pioneers of family allowances, and in both pro-natalist policies were deeply imbued with fascist ideology.

By the early 1930s the comparatively minor developments in private industrial schemes in Germany had been all but wiped out by the effects of inflation, and of the few schemes that survived most covered public employees. In 1933, however, Hitler came to power and almost immediately there was launched a wide-ranging pro-natalist and eugenic policy based on the ideas expressed in Mein Kampf. In common with other European nations Germany had been experiencing a falling birth rate since the 1870s - from 39.2 per 1,000 of total population in 1876-80 to 14.7 in 1933 - and since the beginning of the twentieth century there had appeared a continuous spate of books and pamphlets expressing concern over this.<sup>3</sup>

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1. Campbell, op. cit., pp. 370-2; Family Endowment Chronicle, 2, May 1932, p. 5.
  2. Peter Kaim-Caudle: Comparative Social Policy and Social Security (1973), p. 251.
  3. D.V. Glass, op. cit. (1940), pp. 269-275.

However, only after 1933 was there any concerted attempt to raise the German birth rate by the introduction of both positive and negative pro-natalist eugenic policies. The most important of these was the 1933 Marriage Loans Act, under which interest-free loans of up to 1,000 marks were made available to newly married couples, to be repaid at a rate of only 1% per month. The aim of the loans was to enable couples to purchase furniture, kitchen utensils, linen, etc., and thus payments were made in the form of coupons that could be exchanged for these items. One-quarter of the initial loan was cancelled on the birth of each child, and in addition a birth entitled parents to postpone further repayments for up to one year. Loans were only made to 'pure Aryans' who suffered from no inherited disease.<sup>1</sup> On the one hand, the Marriage Loans Act was aimed at lowering unemployment by encouraging women to leave the labour market: loans were only made if the wife had been gainfully employed for at least nine months in the previous two years, and on marrying she had to stay out of work unless her husband had an income of less than 125 marks per month.<sup>2</sup> On the other hand, of course, the Act was a pro-natalist measure. In this latter area much was claimed for it: the marriage rate per 1,000 total population rose from 9.7 to 11.1 in the first year of operation, and the birth rate (per 1,000 total population) from 14.7 to 18.0 - apparently a striking tribute to the success of the loans. But in fact the most likely

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1. Ibid., pp. 287-8; D.V. Glass: The Struggle for Population (1936), pp. 22-3.

2. Ibid.



explanation for these rises in birth and marriage rates is that the marriage loans programme coincided with a general economic recovery, which caused postponed marriages to be completed; a similar rise took place in couples not receiving loans.<sup>1</sup>

Many other pro-natalist measures were introduced. From 1935 special grants were given to families with four or more children under sixteen years of age: up to June 1936 these were being paid to about 190,000 families out of an estimated 750,000 with four or more children.<sup>2</sup> Child tax rebates (rising steeply with each successive child), reduced railway fares, rent allowances, housing assistance, preferential treatment in employment selection - all these were available to parents of large families.<sup>3</sup>

Such schemes can be considered family endowment in a general sense, but in addition there were more limited family allowance payments. Equalisation funds were sponsored by the Government covering various occupational groups like panel doctors, dentists and apothecaries.<sup>4</sup> Several local family

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1. D.V. Glass: "The Berlin Population Congress and Recent Population Movements in Germany", Eugenics Review, 17, October 1935, pp. 210-1. Between August 1933 and February 1937, 694,367 marriage loans were granted and 485,258 children were born under them. This was a small figure when compared with the total number of births in the years 1934, 1935 and 1936 of about 3,761,000. Marie Kopp: "The Nature and Operation of the German Eugenic Programme", Marriage Hygiene (Bombay), 3, May 1937, p. 283.
  2. Glass, op. cit. (1940), p. 291.
  3. Ibid., pp. 299-303.
  4. Glass, op. cit. (1940), pp. 294-5.

allowance schemes were set up, such as the one run by the Berlin municipality: a number of carefully-selected families were awarded 'baby sponsorship' grants for each third or fourth planned child of 30 marks per month for the first year and 20 marks per month for the next thirteen years.<sup>1</sup>

All these family endowment schemes were, of course, only available to those parents deemed of 'eugenically sound Aryan stock'. The Berlin 'baby sponsorship' scheme, for example, was only available to parents who passed the most rigorous of examinations into their social, educational, medical and hereditary background; the severity of these criteria can be illustrated by the fact that out of 2,000 applicants in 1934 only 311 babies received sponsorship.<sup>2</sup> The other side to this apparently generous Nazi family policy was thus the negative eugenic programme that ultimately led to the extermination of millions of Jews.

Much the same motivation lay behind the Italian pro-natalist policies. In 1927 Mussolini had expressed alarm over Italy's ability to be an expansionist, imperial nation without a rapidly increasing population: "What are 40 million Italians", he said, "as opposed to 40 million French plus the 90 millions in their colonies, or as opposed to the 46 million English, plus the 450 millions in their colonies?".<sup>3</sup>

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1. Kopp, *op. cit.*, pp. 285.

2. *Ibid.* Of the initial 2,000 applicants, nearly half were immediately rejected "on the ground of ill-health, bad hereditary history or else the parents did not come up to the required mental standards".

3. Quoted in Glass, *op. cit.* (1940), p. 220.

Thereafter, a number of pro-natalist measures were introduced: encouragement of migration from towns to areas of reclaimed land in the country, emigration schemes, suppression of contraceptive information and severe restrictions on abortion, a tax on bachelors, generous tax concessions for large families, preferential employment selection for married men, cheap honeymoon journeys to Rome, and so on.<sup>1</sup> Family allowance schemes before 1934 were mainly confined to some State employees, but in that year an industrial scheme was set up (partly for pro-natalist reasons but also in the wake of wage reductions) which in 1935 covered 650,750 workers with dependent children. In 1936 and 1937 further extensions were made to provide family allowances for workers in industry, commerce, agriculture, banking and insurance.<sup>2</sup> As in the case of Germany, these measures appear to have had little effect on birth or marriage rates.<sup>3</sup>

In France and Belgium, by contrast, the 1930s saw no rapid advances; instead there was a gradual consolidation of the situation established by the Acts of 1932 and 1930 respectively. As the provisions of these Acts were enforced by stages more and more employers joined (though evasion was a problem), and more and more workers were covered. The main

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1. Eugenics Review, 27, April 1935, p. 5.
  2. Glass, op. cit. (1940), pp. 248-255.
  3. Ibid., pp. 261-8. Eva Hubback: "Family Allowances in Relation to Population Problems, Sociological Review, 29, July 1937, p. 282.

event of interest was the promulgation in July 1939 of the French 'Code de la Famille' which greatly extended family allowance coverage to all occupied persons and introduced a number of pro-natalist measures (including loans to assist young couples to set up home in country districts).<sup>1</sup> Even less progress was made in Australia and New Zealand (apart from the renaming of the New Zealand scheme in 1938, as already mentioned); the economic depression of the 1930s appears to have effectively removed family allowances from the realms of political possibility.<sup>2</sup>

However, in a few other countries population concern resulted in family allowance schemes. In the Soviet Union after 1934 there was a reaction against the sexual freedom of the 1920s (when, for example, abortion had been easily obtainable) and a number of pro-natalist measures were introduced, culminating in the 1936 'All-Union Code of Family Law' that made divorces more difficult, prohibited abortion and introduced family allowances for each child after the seventh.<sup>3</sup> By the end of the 1930s Spain, Hungary and Chile had introduced schemes, and the subject was under discussion in several South American States.<sup>4</sup>

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1. For accounts of France and Belgium in the 1930s, see Glass, *op. cit.* (1940), pp. 106-218; E. Susswein, *op. cit.*, pp. 279-280; J. Doublet, *op. cit.*, pp. 219-222.
  2. Kewley, *op. cit.*, p. 140.
  3. Frank Lorimer: "Population Policies and Politics in the Communist World", in Philip Hauser (ed.): Population and World Politics (Illinois, 1958), p. 219; Bernice Madison: Social Welfare in the Soviet Union (Stanford, 1968), pp. 42-4; David Heer and Judith Bryden: "Family Allowances and Fertility in the Soviet Union", Soviet Studies, 18, October 1966, p. 154.
  4. E. Rathbone: The Case for Family Allowances (1940), p. 99.

In conclusion, it can be seen that this necessarily brief survey of foreign developments sheds some interesting light on the British experience. In all European countries (or, if one is to include Australia and New Zealand, countries peopled by European-origin races) the early twentieth century saw emerging labour movements, worsening industrial relations and, as a result of both, interest in the question of the minimum wage - which, in turn, led on to discussion of the family wage. In all these countries, family allowances in the 1920s were frequently seen as an alternative to across-the-board wage rises or as a means of imposing wage reductions - exactly the grounds upon which the 1926 Samuel Report recommended them for the British mining industry and, in a different context, the British Government introduced dependants' allowances into unemployment benefit. Their use in Europe as a wage-depressant and a means of enforcing industrial discipline aroused much antagonism within the British trade union movement, and this antagonism was, throughout the inter-war years, an insuperable obstacle in the way of the Family Endowment Society.

The world-wide economic crisis of the early 1930s proved to be an enormous setback to developments in Australasia, as in Britain, but thereafter in Europe family allowances increasingly came to be seen in pro-natalist eugenic terms as concern over falling birth rates grew and international military rivalries intensified: the schemes in Nazi Germany, in fact, represented the logical extension of the version of family allowances

favoured by the British eugenics movement. In only a very few cases (such as the Belgian 'Ligue de Familles Nombreuses de Belgique' and A.B. Piddington in Australia) were pressure groups or individuals of much significance, and even then their influence seems to have been minimal - a point to be borne in mind when evaluating the importance of the British Family Endowment Society. In two obvious respects (Government disinterest in the family wage concept and the slow growth of private industrial schemes) Britain was an exception to the European pattern; but in general the forces at work in Britain were remarkably similar to those at work elsewhere.



## The Development of Private and Other Schemes

Finally, the growth of private industrial schemes and the spread of the family endowment principle must be very briefly mentioned. Unlike France and Belgium, where such developments were probably the main impulse behind the eventual introduction of a State scheme, Britain's industries did little to pioneer this aspect of social welfare.

By the end of 1939, twenty industrial family allowance schemes were in operation in Britain. Ten had begun in the course of that year, six in 1938, and one each in 1926, 1918, 1919 and 1917. Allowances varied between 1s.0d. and 5s.0d. per week per eligible child; only three firms paid allowances to the first child (most beginning with the third); in most cases a parental income limit was applied; and varying age-limits were applied of between fourteen and eighteen years of age. The cost usually amounted to a very small percentage of the total wages bill - for example, only 0.15% in the case of the oldest scheme, operated by E.S. and A. Robinson, Ltd., of Bristol.<sup>1</sup> The scheme run by H.P. Bulmer and Co. (Hereford), the cider manufacturers, was financed by the income from 10,000 £1 ordinary company shares which the Chairman, H.P. Bulmer, made over to trustees.<sup>2</sup>

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1. For details of all the firms and their schemes, see Marjorie Green: Family Allowances (1938), pp. 11-12; National Industrial Alliance: The Case For and Against Family Allowances (1939), pp. 14-15; E. Rathbone: The Case for Family Allowances (1940), pp. 115-8.
  2. Press cutting from Daily Herald of 13/1/39, contained in P.R.O. AST 7/390.

Perhaps the Cadbury scheme was the most interesting, for Lawrence Cadbury, like Seebohm Rowntree,<sup>1</sup> was an employer who was very interested in social questions. (He had been, for example, a member of the Next Five Years Group and treasurer of the Eugenics Society's Population Policies Committee.) In the April 1939 British Medical Association's Conference on Nutrition he spoke enthusiastically of his firm's scheme. It covered 284 families, with a total of 410 dependent children, and Cadbury had had an investigation made into how the allowances were being spent: 'clothing and boots' absorbed 23% of allowances in low wage families and 19% in high wage; 'special food for children' absorbed 19% of 'low wage' allowances and 17% of 'high wage'; in all, food expenditure accounted for 57% of 'low wage' allowances and 46% of 'high wage'; and only about 2% was spent on luxuries such as radios and gramophones.<sup>2</sup>

These industrial schemes attracted the interest of the Unemployment Assistance Board in 1938 and 1939 as the Board began desperately to think of a way out of their less eligibility predicament. In September 1938, for example, Professor H.M. Hallsworth wrote on behalf of the Board to

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1. Despite his avowed enthusiasm for family allowances, Rowntree only introduced them into his family firm in York in 1940. Asa Briggs: Social Thought and Social Action, a Study of the Work of Seebohm Rowntree (1961), pp. 243, 275-6.
  2. B.M.A., op. cit., pp. 105-7.

F.G. Robinson (of Robinsons, Ltd.) asking for details of his scheme:<sup>1</sup> Robinson replied, giving information, and concluding that "there is no evidence this allowance has increased the birth rate, but there is plenty of evidence that the amounts have been most gratefully received by the parents and the gratitude expressed warrants the Company continuing such expenditure".<sup>2</sup> Cadbury's also sent considerable information, including an official leaflet published by the Bournville Publicity Department, which stressed the anti-poverty arguments rather than the pro-natalist ones (because, Paul Cadbury told Lord Rushcliffe, "we are anxious to get genuine support for the scheme, and apparently working-class opinion is suspicious of any direct approach to the population question").<sup>3</sup> Allowances of 5s.0d. per week were paid for each child after the second, up to eighteen years of age if the child was at school or college, and without a parental income limit; allowances were paid during absence from work on account of sickness, accident, or short time, and during holidays or other periods of absence with permission; but, as in the case of early European industrial schemes, the firm reserved the right to withdraw the allowances, they were kept separate from wages (payment being made in separate envelopes), and (though the pamphlet did not specifically mention this) they would presumably not be paid during strikes.<sup>4</sup>

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1. Hallsworth to Robinson, 21/9/38, P.R.O. AST 7/390.

2. Robinson to Hallsworth, 24/9/38, *ibid.*

3. Cadbury to Rushcliffe, 3/12/38, *ibid.*

4. Bournville Publicity Department: Children's Allowances (1939), contained in *ibid.*

Other occupational systems existed by 1939. Apart from the London School of Economics scheme (mentioned in Chapter 2), the Methodist Church had paid family allowances since the end of the 18th century, run on the equalisation fund principle: the Wesleyan Methodists paid £8.8s.0d. per annum per child up to eighteen years of age (with an extra £12 per annum for six years of education), and the United Methodists paid £10.10s.0d. per child per annum.<sup>1</sup> By the 1930s some Church of England Dioceses ran their own schemes: for example, in Southwark married clergymen of three years' service received £30 per annum for a wife and £15 per annum for each child, and similar schemes were to be found in Lichfield, St. Edmundsbury,<sup>2</sup> Ipswich and York.

Finally, it must be remembered that by 1939 the principle of family endowment had been acknowledged in a large number of public and social policies: public assistance, unemployment benefit, widows' pensions, war pensions, school maintenance allowances, housing,<sup>3</sup> service pay separation allowances and

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1. F.E.S. pamphlet: The Case for Family Allowances Among the Clergy (1932) and International Association for Social Progress, op. cit. (1928), p. 11.
  2. Family Endowment Chronicle, 2, August 1932, p. 15.
  3. The 1930 Housing and Slum Clearance Act had contained a clause (for which Eleanor Rathbone and E.D. Simon had campaigned) permitting local housing authorities to use their subsidies to provide children's rent rebates, and by 1939 about 200 local authorities had done so. Hubback in E. Rathbone: Family Allowances (1949), p. 282. For a detailed account, see Family Endowment Chronicle, 3, April 1935, pp. 21-25.

income tax child allowances.<sup>1</sup> Yet rarely if ever had this principle been challenged. For example, in the late 1930s civil servants from relevant Government Departments met regularly to discuss arrangements for a wartime Prevention and Relief of Distress scheme. This was set up to administer, among many other things, the payment of allowances to children of families whose normal source of income had been disrupted by bombing, evacuation, delay in receipt of separation allowances, etc.; yet in all these discussions never was the State's obligation to meet family needs ever questioned.<sup>2</sup>

What was really at issue, therefore, was whether the family endowment principle should be applied to wages. Compared to their European counterparts, British industrialists had shown little enthusiasm for this idea up to 1939; and, apart from a flicker of interest within the U.A.B., the Government had shown none at all.

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1. In the Second World War billeting allowances in respect of evacuated children were also paid by the State.
  2. See material in P.R.O. AST 11/1-4, P.R.O. AST 7/401 and 408.

CHAPTER SEVEN: THE SECOND WORLD WAR.



By 1939 the movement for family allowances was just over twenty years old, and at this point it is useful to make a quick resume of what had been achieved in these years. The principle of family endowment was a very old one, and had been incorporated into a number of social policies; but on the vital question of family allowances in wages little progress had been made. A small number of private industrial schemes were in operation by 1939, but in comparison with other industrialised countries (where there had been identical demands for a family wage) Britain lagged behind. The interest shown by the labour movement in the 1920s had quickly died away, and throughout the 1930s the trade unions remained implacably opposed to family allowances. By the late 1930s Eleanor Rathbone had managed to gather together an all-party pro-family allowance group in the House of Commons, but it mostly consisted of political outsiders like Amery and Macmillan who had little influence over their respective Parties. Family allowances had been supported for a large number of reasons by a very wide spectrum of opinion, but this had tended to confuse issues, and often arguments for family allowances appeared to contradict each other. Generally, these arguments fell into two categories, the family poverty and the pro-natalist; but although a vast amount of evidence had been produced in support of both, this evidence had been rejected by the Government. The only area of promise, so far as family allowance supporters were concerned, was in unemployment policy,



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where by the late 1930s family allowances were being very tentatively considered as the only way of preserving less eligibility. However, such evidence as has survived indicates that the version of family allowances contemplated was the industrial equalisation fund one; a universal State-financed system (the Family Endowment Society's ultimate objective) was never considered. All in all, the situation in 1939 was that the Government had successfully resisted the campaign for family allowances for twenty years, and all the signs indicated that it could hold out for at least another twenty.

Yet within four years the Government had committed itself to introducing family allowances, and in 1945 the Act was passed. This dramatic change came about not through any sudden acceptance by the Government of the evidence of family poverty or the need to raise the birth rate, but because of two main reasons: firstly, family allowances became relevant to wartime economic policy; and secondly, they were seen as a means of ensuring work-incentives and labour mobility in any reorganised postwar system of social security. This chapter will examine how this change came about, and since the events of the 1939-45 period were extremely complex it is convenient to divide them up into four sections. The first ran from the outbreak of the War in September 1939 to the end of 1940: in this period family allowances were being intensively examined by the Treasury as a means of controlling inflation.

The second period began in early 1941 with the renewed activity by Eleanor Rathbone and her supporters, culminating in their deputation to the Treasury on the 16th June 1941, and ended with the publication of the White Paper on family allowances in May 1942. The third period covered the Beveridge Committee's work (actually begun in mid-1941), their recommendation of family allowances in the Report, and the Government's reaction. Finally, the fourth period began in mid-1943 and ended with the passage of the 1945 Act: in this, it was mainly the administrative details of the scheme that were settled.

The Treasury had opened a file on family allowances in 1938<sup>1</sup> (the same year as did the Unemployment Assistance Board) in response to growing Parliamentary pressure, for which the Chancellor had to be prepared. The pro-family allowance group in the Commons were demanding some sort of official enquiry or Royal Commission on the subject, but the Government maintained an attitude of indifference.<sup>2</sup> For its part, the Treasury decided on a policy of cautious hostility, and advised the Chancellor, Sir John Simon, to be careful of what he said: on the one hand, he should not appear implacably opposed to the idea of such an enquiry since public opinion might demand one in the future, but on

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1. P.R.O. T 161/1116 (S.43697/1), Family Allowances 1938-40.
  2. Hansard, Vol. 337, 29/6/38, Cols. 1899-1900, and 30/6/38, Cols. 2102-2103. Ibid., Vol. 338, 11/7/38, Col. 917.

the other hand he should at all costs avoid making any rash promises, because "if the first step is taken, there is a great likelihood that there would then be no escape from the adoption of a scheme in some form or other, and... while part of the cost might be raised by contributions, a considerable Exchequer subsidy would be inevitable".<sup>1</sup>

This policy of wary opposition suddenly changed with the outbreak of the Second World War in September 1939. For at least two years before the outbreak of war there had been pressure on the Government to formulate a cohesive economic strategy that could be put into operation immediately war broke out. What was needed was a co-ordinated policy covering price controls, wage regulation, levels of taxation, profits, the adjustment of industry to war needs, the financing of the war effort, and so on; above all, such dangers as rapidly-spiralling inflation, widespread strikes or flagrant profiteering had to be avoided. The economist J.M. Keynes, in his capacity as a member of the Economic Advisory Council's Committee on Economic Information, had been impressing this upon Ministers and officials since at least 1937.<sup>2</sup> Pressure also came from industrialists: on the 21st April 1939, for example, a group of them demanded that an 'Economic General Organisation Staff'

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1. Treasury note on family allowances (n.d., probably June 1938), P.R.O. T 161/1116 (S.43697/1).
  2. D.E. Moggridge: "Economic Policy in the Second World War", in Milo Keynes (ed.): Essays on John Maynard Keynes (1975), p. 179.

be set up to devise a wartime economic plan,<sup>1</sup> and the Government were aware that this feeling was widespread among businessmen.<sup>2</sup> In June 1939, therefore, a small committee called the 'Survey of Financial and Economic Plans' was set up under the leadership of Lord (Sir Josiah) Stamp with its other two members being the economists H.D. Henderson and Sir Henry Clay.<sup>3</sup>

The 'Stamp Survey' worked throughout the second half of 1939 on the many likely problems of a war economy. One of the most crucial of these was the relationship between wages and the cost of living. Above all else, the most important thing to be avoided in a war economy was runaway inflation: economists had the financial chaos of post-1918 Europe clearly in mind, and realised that rampant inflation would be disastrous to Britain's war effort.<sup>4</sup> A war economy would open up a whole new range of employment prospects for the working class, with high wages; this would result in increased consumption (particularly of non-essentials) which would be met by short supplies (owing to disrupted trade), and prices would rise; in response to this, employees (who would be in a relatively strong bargaining position) would seek large pay rises. When added to the abnormally

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1. Memorandum: Economic Defence signed by W.H. Coates, Oswald Falk, Oliver Lyttleton, Arthur Salter, George Schuster, Israel Sieff, R.L. Wedgewood, 21/4/39, P.R.O. T 160 (885/F.17545).
  2. Sir John Anderson to Neville Chamberlain, 17/5/39, *ibid.*
  3. Correspondence in *ibid.* See also, D.N. Chester (ed.): Lessons of the British War Economy (1951), pp. 3-4, 37-8, and W.K. Hancock and M.M. Gowing: British War Economy (1949), p. 47.
  4. R.S. Sayers: Financial Policy, 1939-45 (1956), p. 23.



high level of Government expenditure, this would rapidly produce high inflation - and in a time of high inflation people would tend not to save and would thus withdraw their capital from the war effort, channelling it instead into inessential consumption.<sup>1</sup>

The Stamp Survey's solution to this problem was to suggest that in wartime the adjustment of wages should be proportional to the rise in the cost of living - beyond a certain minimum figure - only for the first £2 per week of the income of the adult male wage-earner, with a lower figure for women and juveniles, and less than proportional to the rise in the cost of living for larger incomes.<sup>2</sup> However, the great drawback of this, Stamp realised, was that a uniform figure of £2 per week would take no account of differing family sizes, and hence differing financial need. To be effective, a wages policy would have to be related to family need, and thus the controversial question of family allowances would have to be tackled. However, Stamp warned, if introduced as a temporary measure in wartime family allowances would undoubtedly become permanent; but at the same time this should not be used as grounds for opposing what could be a vitally important anti-inflation weapon. The best policy, he suggested,

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1. Ibid., pp. 3-4. On pp. 1-22 Sayers gives an excellent summary of the general problems of wartime finance.
  2. Memorandum by Lord Stamp: Control of Prices, 26/10/39, P.R.O. CAB. 89/22.

would be for the Government to take the initiative and introduce a family allowance system that would cost the Exchequer as little as possible - either one run by employers, or a contributory scheme linked to health or unemployment insurance.<sup>1</sup>

Within the Stamp Survey, H.D. Henderson seems to have been the keenest advocate of family allowances;<sup>2</sup> but the strongest influence on the committee was from someone not officially a member of it - J.M. Keynes. Keynes was a close friend and colleague of Stamp, Henderson and Clay, and thus it is not surprising that Henderson's interest in family allowances as an anti-inflationary measure coincided closely with Keynes's ideas on wartime finance. Soon after the outbreak of the War Keynes began to clarify the theories he had been working on since 1937. On the 20th October 1939 he gave a lecture to the Marshall Society at Cambridge on 'War Potential and War Finance'; four days later he sent copies of his proposals to the Chancellor of the Exchequer, Clement Attlee, R.H. Brand, Stamp, Henderson and the editor of The Times; on the 27th October he outlined his ideas to a dinner attended by civil servants, Ministers and M.P.s; and on the 14th and 15th November he published two articles in The Times on 'Paying for the War'.<sup>3</sup>

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1. Memorandum by Lord Stamp: Wages and the Cost of Living, 30/11/39, P.R.O. T 161/1116 (S.43697/1). Stamp calculated that contributions of 8d. per week each from employers, employees and the State would yield an allowance of 3s.0d. to 4s.0d. per week per child.
  2. Stamp's memorandum (ibid.) was based on one written by Henderson on 20/11/39. P.R.O. CAB. 89/22.
  3. Moggridge, op. cit., pp. 179-180. Roy Harrod: The Life of John Maynard Keynes (1951), pp. 488-9.

Keynes's ideas, which were finally published in February 1940 in the short book How to Pay for the War, were somewhat more detailed than those of the Stamp Survey. As he saw it, voluntary savings by the general population would never be sufficient to fill the gap between tax revenue and expenditure on the war effort, and so the Government would have to introduce some form of compulsory borrowing. This was the rationale behind his plan for 'deferred pay': a levy would be made on wage packets which would go towards the war effort and would only be paid back once peace had returned.<sup>1</sup> Whereas in the First World War it was the profiteers and rich investors who made a financial killing by lending money to the Government, Keynes envisaged that under his plan it would be the ordinary wage-earner who would emerge from the War richer; deferred pay, which could be deposited in an institution of the individual's choice (like a friendly society or trade union)<sup>2</sup> would be, he hoped, essentially "the accumulation of working-class wealth under working-class control".<sup>3</sup> However, alongside this general reduction in consumption the lower income-groups would have to have their living standards protected, via an agreed minimum below which deferred pay would not be levied and a system of family allowances amounting to 5s.0d. per week per child up to the age of fifteen.<sup>4</sup> The overall effect of this,

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1. J.M. Keynes: How to Pay for the War (1940), pp. 1-11.
  2. Ibid., p. 43.
  3. Ibid., p. iii.
  4. Ibid., pp. 11, 32. Keynes also advocated the abolition of income tax child allowances (p. 39).

he believed, would be to increase the consumption of young families with incomes less than 75s.0d. per week, to leave unchanged the aggregate consumption of those with incomes of about £5 per week, and to reduce the aggregate consumption of those with incomes greater than £5 per week by about one-third on average.<sup>1</sup>

By 1939 Keynes was one of the most respected economists in Britain. Many of his ex-Cambridge students were in the Treasury<sup>2</sup> and his ideas on wartime finance seem to have aroused unanimous approval from fellow economists.<sup>3</sup> However, two factors prevented him from exerting official influence within the Treasury at the start of the War. Firstly, as a critic of the National Government in the 1930s he was not exactly viewed with enthusiasm by Ministers, and it was only with the fall of the Chamberlain Government in May 1940 that he was given a proper role to play.<sup>4</sup> Secondly, a more practical reason was that he was recovering from a serious illness and could not take on too demanding work.<sup>5</sup> For both these reasons, he could only exert his influence unofficially at the start of the War.<sup>6</sup>

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1. Ibid., p. 11.
  2. Robert Lekachman: The Age of Keynes (1967), p. 124.
  3. See F.A. Hayek, reviewing How to Pay for the War in the Economic Journal, 50, June-September 1940, p. 322.
  4. It was only in July 1940 that Keynes was given a room at the Treasury and a proper role as fulltime economic adviser. Paul Addison: The Road to 1945 (1975), p. 117.
  5. Roy Harrod in D.E. Moggridge (ed.): Keynes: Aspects of the Man and His Work (1974), p. 14.
  6. Keynes used all his contacts to get his ideas publicised. For example, he arranged a debate in the House of Lords on wartime finance to coincide with publication of How to Pay for the War. Moggridge in Milo Keynes, op. cit., p. 180.

Keynes's unofficial influence on the Stamp Survey over the question of family allowances was undoubtedly great. On the 24th October 1939 he sent them a memorandum on his proposals, which Stamp found so admirable that he urged Keynes to publish it immediately so that civil servants, politicians and the public could be made to realise that their living standards would have to drop in wartime.<sup>1</sup> A few days later Stamp's committee discussed ways by which declining living standards in wartime could be made to hit the poorest sections of the community least of all, and one device for achieving this was family allowances.<sup>2</sup> Throughout November and December the Survey worked on the possibility of family allowances, and while Sir Henry Clay appears to have been rather opposed to the idea,<sup>3</sup> both Henderson and Stamp were strongly in favour.

The essence of the Stamp Survey's argument was that since trade union demands for higher wages proportional to the cost of living would depend for their justification on the hardship suffered by the lowest income groups (especially those with a large number of dependants), "the Government could cut away this support for the trade union claim completely by extending the system of national insurance to cover family allowances".<sup>4</sup> Rapid price rises were causing

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1. Stamp to Keynes, 30/10/39, P.R.O. CAB. 89/22.
  2. Conclusions of 50th Informal Meeting, 8/11/39, *ibid.*
  3. See note by Clay: Family Allowances, 14/11/39, *ibid.*
  4. Note by Lord Stamp: Differential Allowances for Increases in the Cost of Living, 28/11/39, *ibid.*

great hardship at the start of the war: taking September 1939 as an index of 100 for both wages and prices, by December prices were 112 and wages 103, and by March 1940 prices were 115 and wages 108.<sup>1</sup> In many industries trade unions were pressing strongly for wage increases equal to the rise in the cost of living,<sup>2</sup> and in addition family allowances were inevitably being suggested by Eleanor Rathbone and her supporters as the remedy for this.<sup>3</sup> Several large industrialists had decided to meet trade union claims by granting cost-of-living wage increases in relation to family needs, and Stamp thought this should be encouraged.<sup>4</sup> Ultimately, he believed, the aim should be to introduce a Keynes-type economic policy which would include a family allowance scheme run by contributory insurance; the Unemployment Insurance Statutory Committee had been making a profit for some time, and with low unemployment in wartime this would increase: this profit could go towards financing family allowances.<sup>5</sup> Family allowances as a means of wage control were essential if a disastrous inflationary spiral was to be avoided.

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1. United Kingdom Statistical Office: Annual Abstract of Statistics, No. 84, 1935-46 (1948), pp. 118, 252.
  2. See, for example, the memorandum from the Directors of I.C.I. to the Chancellor, 27/11/39, P.R.O. CAB. 89/22.
  3. In early 1940, for example, there were requests for a deputation to the Chancellor. Rathbone to T. Crookshank (Treasury), 25/1/40, and to Kingsley Wood, 29/5/40; Leo Amery to Wood, 18/4/40 and 28/5/40. P.R.O. T 161/1116 (S.43697/1).
  4. Extract from Minutes of 11th Meeting of the Ministerial Committee on Economic Policy, 7/12/39, P.R.O. CAB. 89/22.
  5. Note by Lord Stamp, 28/11/39, op. cit.



Although Keynes was by 1939 highly respected among economists, Keynesian ideas were still regarded with suspicion by the most senior of Treasury officials. Nevertheless, the need for an anti-inflation policy was very pressing, and thus throughout the 'phoney war' period of September 1939 to May 1940 the Treasury began to sound out opinion on family allowances.<sup>1</sup>

First of all, the Treasury sought the opinions of other Government Departments. The most important of these was, of course, the Ministry of Labour, since it was the Department most responsible for wages policy, and here the Treasury immediately encountered opposition. The Minister of Labour, Ernest Brown, said that he was personally sympathetic to the idea of family allowances but was convinced that the trade unions would oppose them.<sup>2</sup> Civil servants in the Ministry were suspicious of family allowances, and believed that T.U.C. opposition could never be overcome. Stamp's proposal, one of them pointed out, viewed family allowances "not so much as a general social improvement but as a means of buying off pressure for wage rises" and since the unions were so opposed to them some other method of wage-control would have to be found.<sup>3</sup> Wages could

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1. They also collected a large number of speeches and articles on the subject. The relevant file, T 161/1116 (S.43697/1), is very large.
  2. Extract of Minutes of 11th Meeting of the Ministerial Committee on Economic Policies, 7/12/39, op. cit.
  3. F. Tribe (Ministry of Labour) to B. Gilbert (Treasury), 21/12/39, P.R.O. T 161/1116 (S.43697/1). Tribe was at the Ministry of Labour and was personally in favour of family allowances, though he realised that his Departmental colleagues were generally opposed. Tribe to E. Hale (Treasury), 30/4/40, *ibid.*

only be based on the skill of the worker, the Ministry maintained, and not on family needs; neither arguments about alleged child malnutrition in a small number of families nor considerations of war finance were justifications for launching a massive new social policy that would be bound to continue in peacetime.<sup>1</sup> In an outburst uncharacteristic of his Department's general attitude to the working class but perhaps indicative of the strength of their opposition, one Ministry of Labour official even insisted that allowances would be wasted on "cinemas, greyhounds, etc., like any other money coming into the home".<sup>2</sup>

The Stamp Survey needed no reminding of the strength of trade union opposition to their plans. At the start of the War, trade union leaders (especially Ernest Bevin and Sir Walter Citrine) were deeply distrustful of the Chamberlain Government's willingness to distribute the economic sacrifices of wartime equally over all classes; at the first meeting between the T.U.C. General Council and the Prime Minister after the outbreak of the War Bevin had insisted that the State would have to introduce strict price controls, and when these were not forthcoming he took the attitude that the working class henceforth had the right to claim higher wages in the same way that industrialists were

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1. Ministry of Labour Memorandum, 19/2/40, *ibid.*  
2. Memorandum by F.W. Leggett, 7/2/40, *ibid.*

being allowed high profits after taxation. In the eyes of trade union leaders, Chamberlain and his Ministers were the 'guilty men' of unemployment, appeasement and laissez-faire economics in the 1930s, and not to be trusted.<sup>1</sup>

Included in this general distrust were the Stamp proposals, and, realising that this trade union opposition would have to be overcome, Stamp decided to use Seebohm Rowntree as a mediator. Rowntree had taken an interest in the problems of a wartime economy almost as soon as the War broke out,<sup>2</sup> and on the 5th December 1939 wrote to Stamp, enclosing a memorandum suggesting that price controls should be accompanied by cost-of-living bonuses on wages and family allowances of 5s.0d. per week for every dependent child after the second.<sup>3</sup> Stamp found Rowntree's memorandum very interesting, and clearly hoped that as an employer with a deep interest in social problems and the welfare of workers Rowntree could be used to persuade both unions and employers to accept wage control plus family allowances. Accordingly, he met Rowntree and persuaded him to send his memorandum to trade union leaders and employers' organisations.<sup>4</sup>

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1. Alan Bullock: The Life and Times of Ernest Bevin, Vol. I (1960), pp. 644-5. The Ministry of Labour were sympathetic to this view, and warned that the unions would not accept a wages policy introduced without their consent. Ernest Brown to Lord Stamp, 15/2/40, P.R.O. CAB. 89/26.
  2. See letter by Rowntree in The Times, 16/10/39.
  3. Rowntree to Stamp, 5/12/39, P.R.O. CAB. 89/26.
  4. Correspondence in *ibid.*

Employers, apparently, reacted favourably. They were being pressed by the unions to grant large wage rises equal to the rise in the cost of living and expected the Government to lay down guidelines for this, said Rowntree;<sup>1</sup> he had sent out copies of his memorandum to two hundred employers' organisations in England and Wales and had received requests for a further thousand copies.<sup>2</sup> But trade union leaders reacted angrily. In particular, Ernest Bevin (whose opinions carried great weight in the trade union movement) wrote a letter to Rowntree which is worth quoting extensively as a vivid demonstration of trade union suspicion; after apologising for the delay in replying, Bevin went on: "My time has been taken up in trying to get wages commensurate with the cost of living. I am determined to keep them up to a proper level. The powers that be have won the first round but that is only a temporary victory for them. As our people sicken of this business they will revolt against the depression of their standards. I disagree entirely with your thesis and the answer to it is in the last paragraph.<sup>3</sup> No employer will make a sacrifice unless he is compelled to.<sup>4</sup> All the prices I have seen fixed, and the charges being made, indicate that taxation and everything else is included and the Employers rake off on the top, and in this farcical state of society for one class to be trying to measure another upon a fodder basis is intolerable".<sup>5</sup>

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1. Rowntree to Stamp, 10/1/40, *ibid.*
  2. Rowntree to Stamp, 8/1/40, *ibid.*
  3. Rowntree had suggested that employers should try to keep selling prices down.
  4. Rowntree had said that the initiative in introducing a wage- and price-control would have to come from employers. Rowntree to Bevin, 12/12/39, *ibid.*
  5. Bevin to Rowntree, 29/12/39, *ibid.*

Bevin's letter was passed around several Ministers and officials, who finally realised the depth of trade union opposition; Ernest Brown, for example, insisted that it would be impossible to get any agreement on wage control until workpeople clearly saw prices being held down.<sup>1</sup> Keynes found Bevin's letter "truly shocking", but said that since Bevin's bark was often worse than his bite he would try and see him personally and get him to change his mind;<sup>2</sup> and throughout late January and February 1940 there were rather half-hearted suggestions about setting up a joint conference of all sides to thrash the matter out.<sup>3</sup> Clearly, though, all concerned realised that a lot would need to be done to win the confidence of the unions; indeed, only a change of Government that removed the Chamberlainites and brought in the Labour Party would have achieved this. Their opposition to the Stamp proposals, therefore, was caused by factors much more fundamental than dislike of just family allowances.

However, quite apart from this trade union opposition there was a growing feeling inside the Treasury in the early months of 1940 that a national family allowance scheme, even if contributory, would end up as a very expensive social reform and should therefore be resisted; in addition, since price rises were flattening off, the Stamp proposals appeared

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1. Brown to Stamp, 20/1/40, *ibid.*
  2. Keynes to Stamp, 12/1/40, *ibid.*
  3. Correspondence between Stamp and Brown in *ibid.*

to hold less and less validity. The "real question", argued Edward Hale (Treasury), was "whether the grant of family allowances in any form will in practice make it possible to avoid increases in wages which would otherwise be unavoidable and which would cost more than the family allowances",<sup>1</sup> and by the spring of 1940 this was becoming less and less likely. The cost would be enormous, and introducing a national scheme would be "a job of the first magnitude, both in the preparation of the necessary legislation and still more in its application. With the war at its present stage it would be unthinkable to throw a burden of this kind on the already hard-pressed Government machine"; the Chancellor should therefore tell Eleanor Rathbone and Leo Amery that family allowances were impossible for the moment.<sup>2</sup> By September 1940 the Treasury could point to other Government measures that were alleviating the worst of war-time hardship - extensions of services in kind to children, food subsidies, rationing to ensure fair distribution, high direct taxation - and the line they took with family allowance supporters was that these immediate forms of assistance were more effective in meeting urgent need than something like family allowances which (even if accepted by the trade unions) would take a long time to implement.<sup>3</sup>

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1. Memorandum by Hale, 29/4/40, P.R.O. T 161/1116 (S.43697/1).
  2. Hale to B. Gilbert, 24/5/40, *ibid.*
  3. Note by Francis Hemming (Treasury): Family Allowances, 3/9/40, P.R.O. CAB. 89/24. From July 1940 onwards, social services to children were greatly extended. The provision of school milk rose by 50%, and school meals by 100%.  
R.M. Titmuss: Problems of Social Policy (1950), p. 509.



Thus by about the middle of 1940 the Treasury's attitude had hardened into what it was to remain throughout the remainder of the War: a determination to resist any wartime scheme, in the hope that once peace returned the arguments for family allowances would be greatly weakened.

Ironically, it was just around this time that there occurred important political changes which, had they taken place earlier, might have resulted in the implementation of the Stamp family allowances scheme. In May 1940 the Chamberlain Government was replaced by Churchill's Coalition, and the entry into Ministerial office of the Labour leaders Attlee, Bevin, Morrison, Cripps, Dalton and Greenwood meant that the trade unions would henceforth be less suspicious of Government proposals for family allowances since they now knew their interests would be protected.<sup>1</sup> The change of Government brought in Kingsley Wood as Chancellor, and led to the appointment of a special Consultative Council of economists, businessmen, trade unionists, etc., which included Henderson and Keynes. Keynes's official influence on Government economic policy steadily increased after May 1940, culminating in the 1941 budget.<sup>2</sup>

In addition, the anti-inflation arguments for family allowances publicised by Keynes and others at the start of

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1. A point stressed by Hilary Land: "The Introduction of Family Allowances", in Hall, Land, Parker and Webb: Change, Choice and Conflict in Social Policy (1975), pp. 179-180.
  2. Sayers, op. cit., p. 45. Moggridge in Milo Keynes, op. cit., p. 181.

the War had breathed new life into Eleanor Rathbone's campaign. Letters and articles on this theme were appearing regularly in the Press: The Times in particular carried several letters by well-known economists and others on the need for family allowances in wartime economic policy.<sup>1</sup> The year 1940 saw renewed activity on the part of the Family Endowment Society leaders and henceforth publications began to appear more frequently, in contrast to the rather barren years 1931-9.<sup>2</sup> Realising what was going on inside the Treasury, Eleanor Rathbone and Leo Amery were sending its officials a stream of persuasive information.<sup>3</sup>

This renewed activity reached a peak in 1941, at which point began the approximate second phase in the development of family allowances in the Second World War.

The most significant feature of this period was the change of attitude that took place within the labour movement. In early 1941 meetings were held between the Labour Party Policy Committee and the T.U.C. General Council's Economic Committee and as a result the Labour Party National Executive

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1. See letters to The Times by Rowntree on 20/11/39, Amery on 14/12/39, L.J. Cadbury on 6/1/40, Lady Rhys Williams and G.F. Goring on 6/1/40, Beveridge on 12/1/40 (and leader article agreeing with Beveridge), Cadbury on 17/1/40 and J.H. Richardson on 18/1/40; also article on "Family Poverty" on 11/12/39.
  2. Family Endowment Society: Family Allowances. The Case for a National Scheme (1941). E. Rathbone: The Case for the Immediate Introduction of a System of Family Allowances (1940) and The Case for Family Allowances (1940). Eva Hubback: Family Allowances To-day (1941) and A New Plea for Family Allowances (1943). These repeated the familiar arguments, but with a noticeably greater air of confidence.
  3. Contained in P.R.O. T 161/1116 (S.43697/1).

prepared a memorandum on family allowances that was debated at its Annual Conference in June 1941. In debate there was still opposition from trade unionists on the wages question, notably from Charles Dukes of the National Union of General and Municipal Workers; but more speakers were in favour than against, though it was stressed by Hugh Dalton that the memorandum was only a basis for discussion.<sup>1</sup> A telling point in the memorandum was that by 1941 there were so many existing forms of family allowances - in the social services, war pensions, service pay, income tax rebates, etc. - that virtually the only group not receiving such benefits were those below income-tax level in civilian employment.<sup>2</sup> This was evidently unfair, and the memorandum therefore proposed that a single family allowances scheme for all should replace these disparate forms of family endowment.<sup>3</sup>

Later in 1941 (in September), an even more significant event occurred when the T.U.C. Annual Conference re-opened the question of family allowances for the first time since 1930. Proceeding with much the same caution as the Labour Party, the T.U.C. General Council's Economic Committee had recommended family allowances in principle, subject to the

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1. Report of the Annual Conference of the Labour Party for 1941, p. 32. The memorandum is in Appendix IV, pp. 189-193. The debate is on pp. 166-9. The scheme envisaged was to be tax-financed and would provide 5s.0d. per week for every child of school age.
  2. Ibid., p. 190.
  3. Ibid., p. 191-2. This, it was estimated, would bring the cost down from £127,000,000 to about £90,000,000. It is important to note that the scheme envisaged the abolition of income tax child allowances.

proviso that any scheme should be tax-financed and run by the State.<sup>1</sup> In Conference, family allowances were debated very briefly: two delegates spoke in favour, emphasising the child malnutrition arguments, and then with little comment the matter was remitted to the General Council for further investigation; most remarkable of all, there was very little concern expressed over the possible effect on wage-bargaining.<sup>2</sup> Clearly, with Labour Ministers in the Government the unions felt much less suspicious that family allowances would be forced upon them in a form that would bring the most benefit to employers.

Interest was also being shown within the Conservative Party. In April 1940 the Conservative Research Department, evidently recognising the growing popularity of family allowances, had composed a detailed forty-three page memorandum which they sent to the Chancellor.<sup>3</sup> In addition, from his Ministerial position as Secretary of State for India Leo Amery was exerting his influence within the Government.<sup>4</sup> And finally, it must be remembered that the extent of child poverty revealed during the course of the evacuation programme

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1. Annual Report of the Trades Union Congress for 1941, pp. 183-4.
  2. *Ibid.*, pp. 372-6.
  3. Joseph Ball (Conservative Research Department) to the Chancellor, 25/4/40. In December 1939 the Executive Committee of the Conservative Central Office had discussed family allowances as a means of wartime wage control. See correspondence between Eugene Ramsden (Central Office) and Chamberlain, 15/12/39 and 24/12/39. P.R.O. T 161/1116 (S.43697/1).
  4. For example, Amery to Wood, 10/9/41, P.R.O. T 161/1116 (S.43697/2).

created a climate of opinion in 1940-1 that demanded more State measures to ensure the health of children.<sup>1</sup>

Riding on this new wave of interest, the Family Endowment Society leaders decided to concentrate all-out on lobbying the Chancellor, Kingsley Wood. In February, March and April of 1941, questions on family allowances were put to Wood in the House of Commons, and on each occasion he gave a reply that was discouragingly vague.<sup>2</sup> This, however, only goaded Eleanor Rathbone into greater activity, and on the 29th April a motion was put down in the Commons welcoming a national family allowances scheme, signed by 152 M.P.s. Three days later she wrote to Wood, asking to send a deputation.<sup>3</sup>

By this time, the Treasury seem to have realised that public and political pressure was growing at such a rate that it would be very hard to resist demands for family allowances in the long run. The best policy, they decided, would therefore be to delay as much as possible in order to ensure that the scheme would be a postwar one, limited in scope and low in cost. Once peace returned, the movement for family allowances would probably lose much of its impetus; and in

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1. A theme stressed in Titmuss, op. cit. Out of 31,000 children registered for evacuation in Newcastle, for example, 13% were deficient in footwear and 21% deficient in clothing. Ibid., p. 115.
  2. Hansard, Vol. 369, 26/2/41, Col. 527. Ibid., Vol. 370, 27/3/41, Col. 702. Ibid., Vol. 371, 29/4/41, Col. 348.
  3. Rathbone and Wright to Wood, 2/5/41, P.R.O. T 161/1116 (S.43697/2).

addition it was important to avoid incurring "any permanent commitments which may not prove to be within our capacity after the war".<sup>1</sup> Unless financed wholly by contributions from workers (which would be a political non-starter) any wartime scheme would be inflationary at the outset<sup>2</sup> - and by May 1941 the Treasury wanted nothing to interfere with the delicate economic stability they had been building over the previous year.<sup>3</sup> Besides, argued Kingsley Wood, the growing shortage of labour was resulting in greater opportunities for well-paid work and increased household income without any State supplementation.<sup>4</sup> However, Treasury officials realised that there were arguments that would be difficult to refute - notably that a large section of the population was receiving family allowances anyway, through income tax rebates, service pay allowances and in various social services - and to be over-dissuading to Eleanor Rathbone's deputation might provoke the pro-family allowance M.P.s into demanding a full Commons debate, which would in the long run greatly aid their cause.<sup>5</sup>

Eleanor Rathbone's tactic at this time was to pester the Chancellor with a series of technical questions on the

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1. Memorandum by B. Gilbert, 14/5/41, *ibid.*
  2. *Ibid.*
  3. On the 7th April there had been introduced the budget which was the cornerstone of wartime economic policy.
  4. Note by Kingsley Wood, 7/6/41, *ibid.* The number of insured unemployed fell from an average of 1,871,387 in 1938 to 233,508 in 1941. U.K. Central Statistical Office: Annual Abstract of Statistics, No. 84, 1935-46 (1948), p. 114.
  5. Memorandum by Gilbert, 14/5/41, *op. cit.*



financial implications of a family allowances scheme, in order to demonstrate that the cost would be greatly offset by the abolition of child allowances in income tax, service pay, war pensions, civilian widows' pensions, unemployment benefit and assistance, public assistance and in allowances for evacuated children. From April to July 1941 Kingsley Wood was questioned on this,<sup>1</sup> and eventually (after much prevarication) he gave the information that a universal 5s.0d. allowance for each child under fifteen years of age would cost £130 million, assuming no duplication with other allowances; child allowances in the social services amounted to about £15 million per annum;<sup>2</sup> and income tax child rebates covered 4,000,000 taxpayers, with 5,500,000 children,<sup>3</sup> at an estimated cost of £50 million for the past year and £80 million for the current year.<sup>4</sup>

In pursuing their delaying tactics the Treasury were suddenly blessed with a great stroke of luck. Just as they were preparing to meet Eleanor Rathbone's deputation, the Government announced the appointment of an inter-departmental committee under Sir William Beveridge to look into the reorganisation of the social services.<sup>5</sup> The appointment of

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1. Hansard, Vol. 371, 29/4/41, Col. 348 (question by Eleanor Rathbone); ibid., 13/5/41, Col. 1076 (question by Graham White); ibid., 20/5/41, Cols. 1395-6 (Rathbone); ibid., 29/5/41, Cols. 1991-2 (Rathbone).
  2. Ibid., Vol. 372, 12/6/41, Cols. 363-4.
  3. Ibid., 3/7/41, Col. 1525.
  4. Ibid., Vol. 373, 15/7/41, Col. 454.
  5. The announcement of the Committee's appointment was made on the 10th June 1941 in the House of Commons by Arthur Greenwood, Minister Without Portfolio.

this committee, whose Chairman was a convinced Eleanor Rathbone supporter, ensured that henceforth pressure would be taken off the Treasury on the awkward question of family allowances. More importantly, since the Beveridge Committee's terms of reference related specifically to postwar reconstruction, its appointment guaranteed that family allowances would never be introduced in wartime.

Eleanor Rathbone's deputation met Kingsley Wood (and representatives of other Departments) on the 16th June 1941. It was technically led by Wing Commander John Cecil Wright and, besides Eleanor Rathbone, consisted of six other M.P.s: Clement Davies (National Liberal), Sir Francis Fremantle (Conservative), Kenneth Lindsay (National Liberal), John Parker (Labour), Wilfred Roberts (Liberal) and Edith Summerskill (Labour). Wright opened the proceedings and emphasised the wide support that family allowances now enjoyed: 152 M.P.s from all parties had signed the recent Commons motion, several Cabinet Ministers were favourable, and from personal contact with trade unionists he believed the T.U.C. were about to drop their long-held opposition. Evacuation had revealed the extent of child poverty, he said, and there was a good case for extending to low wage earners the same benefits enjoyed by income tax payers with children. Finally, he emphasised the pro-natalist arguments, saying that he could not see "how we expect to build up the sort of

Empire that we hope to build up and maintain in the future on a system which throws the whole burden.... on the poor man who is raising a family". Other speakers emphasised more arguments: the nutritional needs of children, the evidence of poverty surveys, the increased economic dependency of children if the school leaving age was raised, and (in Eleanor Rathbone's case) more pro-natalist arguments that were strongly imperialist and even racist. In the course of a somewhat vague reply, Kingsley Wood agreed to set up an enquiry but warned that it was by no means certain that money spent on services in kind might not be more beneficial.<sup>1</sup>

The Treasury enquiry was conducted by Edward Hale, and was made as limited as possible. At no time was any pronouncement to be made for or against family allowances, since this was a policy-decision that would have to be left to the Cabinet.<sup>2</sup> Hale was instructed simply to investigate the practicality and cost of different family allowance schemes that might be introduced; but this he evidently found difficult, because "while there has been a good deal of propaganda by Miss Rathbone and her friends there has been no public controversy, so that if it is a question of extracting arguments from pamphlets and reported speeches the result would be quite one-sided".<sup>3</sup> The most important thing, however, was to seek the advice of other Government Departments on these practical questions, and throughout the period June to August 1941 Hale did this.

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1. Note of Deputation, 16/6/41, P.R.O. PIN. 8/163.
  2. Memorandum by B. Gilbert, 17/6/41, P.R.O. T 161/1116 (S.43697/2).
  3. Hale to Gilbert, 29/10/41, P.R.O. T 161/1073 (S.43697/02/2).

First of all, there was the question of whether the scheme should be contributory or non-contributory. This, the Treasury realised, was a very sensitive political issue upon which might depend public acceptance or rejection. Employers would want the former, unions the latter - and a decision would have to be made on whom to please. In reality, the Treasury well realised, such a distinction was largely illusory since "in one sense, every scheme must be contributory. That is to say, in the long run someone must pay for it".<sup>1</sup> It was quite likely that in the postwar world income tax would be greatly extended to cover the average worker, and thus whether the scheme was financed by taxation or weekly contributions the burden would still fall on the working class. However, it had to be borne in mind that "realisation of this fact may only come slowly..... the popular view would be that there was a fundamental difference between finance by contributions and finance by taxation".<sup>2</sup> Hale was reluctant to encourage this deception. "The idea that the burden of the cost of any scheme of this kind could be prevented by any method of finance from falling on the working population", he wrote, "is an illusion which it would be wrong to encourage. It may be that labour opposition to family allowances could be bought off by a non-contributory scheme but it is impossible to give an increased share of the cake to the worker with children except by reducing that of

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1. E.C. Lester (Treasury) to Hale, 4/7/41, P.R.O. T 161/1073 (S.43697/02/1).
  2. Memorandum by B. Gilbert, 17/6/41, op. cit.

the worker without children. A contributory scheme has the merit that it recognises and bases itself on this inescapable economic fact."<sup>1</sup>

However, any decision on this would have to take into account a second problem - the relationship between family allowances and income tax rebates for children. The Family Endowment Society were making much of this anomaly of 'child allowances for the rich but none for the poor' and it was something that the Treasury would have to settle. It might be possible to introduce a system whereby parents could have the first £13 per annum per child as either tax relief or family allowance, but not both; however, this arrangement would involve enormous administrative problems, not the least of which was the fact that income tax was collected in arrears and therefore a year would elapse before eligibility could be assessed.<sup>2</sup> A further dilemma, Hale maintained, was that a scheme which gave cash allowances to upper income-groups without imposing a means test would be very unpopular, yet a means test would be even less popular.<sup>3</sup>

Both these administrative problems were tied in with a third - the scope of the scheme. Income tax rebates covered the first child, so family allowances should too;

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1. Memorandum by E. Hale: Family Allowances, 19/8/41, P.R.O. T 161/1073 (S.43697/02/1).
  2. Ibid.
  3. Hale to S.P. Chambers (Inland Revenue), 8/7/41, *ibid.*

but the Treasury realised the amounts that could be saved if the scope was limited. Excluding the first child would lower the cost of a 5s.0d. weekly allowance from about £132,000,000 to about £58,000,000 per annum, and starting with the third child would make it only about £23,000,000.<sup>1</sup> Support for a restricted scheme came from Sir George Reid of the Assistance Board (who was also serving on the Beveridge Committee at the time). Reid insisted that most wages were sufficient to meet the needs of two or three children; any scheme should therefore start with the third child, should be contributory, and limited to those with incomes below £420 per annum.<sup>2</sup> "The suggestion that family allowances should include all children", he wrote, "is due, I feel, to a muddled pre-occupation with very low rates of wages, for which family allowances are not the appropriate remedy at all".<sup>3</sup>

Even stronger opposition came from the Board of Education over the question of whether money spent on cash allowances might not be better allocated to services in kind. The Board were jealously protective of their traditional role as guardians of the health of schoolchildren, and insisted that the only way of ensuring that the money reached the child was to provide extended free milk and

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1. Family Allowances: Memorandum by the Chancellor of the Exchequer, Cmd. 6354, May 1942, p. 7.
  2. Reid to Hale, 12/8/41, P.R.O. T 161/1073 (S.43697/02/1).
  3. Memorandum by Reid, 1/5/42, P.R.O. T 161/1073 (S.43697/02/2).



meals schemes.<sup>1</sup> "I feel sure", minuted the Board's new President, R.A. Butler, "that if we are out to improve the conditions of childhood the most effective way of doing so would be to provide free meals, free milk and free boots and clothing for all children who satisfy an income test".<sup>2</sup> The Board pressed this view strongly, and finally succeeded in having the 1942 White Paper remind the reader five times that the same amount of money might well be better spent on child welfare services.<sup>3</sup>

Fourthly, there was the question of administration and staffing. If paid through their branches, the Post Office would need extra staff and accommodation - and these might be very hard to obtain in wartime.<sup>4</sup> If introduced on a contributory basis, family allowances would have to be grafted onto the health insurance and pensions administration at Blackpool, where the supply of clerical labour had already been exhausted; the additional administration of claims for 2,250,000 children would be impossible.<sup>5</sup>

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1. D. Davidson (Board of Education) to Hale, 19/8/41, P.R.O. T 161/1073 (S.43697/02/1).
  2. Butler to Kingsley Wood, 21/10/41, *ibid.* In addition, Lord Woolton (Minister of Food) wanted an undertaking that the introduction of family allowances would not mean a cut-back in school milk and meals. Woolton to Wood, 17/10/41, *ibid.*
  3. Family Allowances: Memorandum by the Chancellor of the Exchequer, Cmd. 6354, May 1942, paras. 2, 4, 5, 9 and 26.
  4. D.J. Lidbury (Post Office) to R.J. Harvey (Treasury), 24/7/41, P.R.O. T 161/1073 (S.43697/02/1).
  5. Memorandum by E. Hale: Family Allowances, 19/8/41, *ibid.*

This raised a final problem - the date upon which the scheme should commence. Hale argued that the administrative difficulties were so great that family allowances could only be introduced after the War; no makeshift scheme should be introduced until the Beveridge Committee had reported; and cash allowances might exacerbate wartime inflation since "a considerable proportion of the money will be wasted by bad housekeeping or spent by the parents on themselves.... in time of war we cannot afford to incur expenditure in such a way that part of it will be wasted, aggravating the already dangerous inflationary tendency".<sup>1</sup> Gilbert also argued that family allowances, if introduced, should only be considered as part of a reorganised postwar system of social security.<sup>2</sup>

However, a promise was a promise and Kingsley Wood was duty bound to publish some sort of official report in response to Eleanor Rathbone's deputation. On the 4th September he decided to prepare a draft White Paper and circulate it round relevant Cabinet Ministers for comment. This was done in October, and their criticisms incorporated in a second draft, which was again circulated.<sup>3</sup> Clement Atlee (Lord Privy Seal), Ernest Brown (Minister of Health), Ernest Bevin (Minister of Labour) and R.A. Butler (President of the Board of Education) were all against the publication of a White Paper on family

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1. Ibid.

2. Gilbert to Sir Horace Wilson, 20/8/41, *ibid.*

3. Correspondence in *ibid.*

allowances,<sup>1</sup> but Kingsley Wood decided that he would have to do so.<sup>2</sup> Accordingly, more consultation and re-drafting was undertaken from October 1941 onwards, and eventually in May 1942 (after several questions in the Commons from M.P.s)<sup>3</sup> the White Paper was published.

It could hardly have been a less encouraging document, and constantly reminded the public that no attempt was being made to pre-judge the validity of the arguments for or against family allowances. After summarising briefly the case for (child poverty in large families, increasing wages without causing inflation, counteracting the birth rate decline, the anomaly of child tax allowances) and the case against (the effect on wage negotiations, the greater need for services in kind),<sup>4</sup> it went on to consider the relative merits of a contributory or non-contributory scheme, and was distinctly lukewarm towards both, emphasising at every stage the administrative problems.<sup>5</sup> Even on such a question as payment to the mother, for example, which was a vitally important principle to the Family Endowment Society, the White Paper was unenthusiastic, merely saying that "to whichever parent payment were made there would be no possibility of ensuring

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1. Memorandum by Sir Horace Wilson, 24/10/41, P.R.O. T 161/1073 (S.43697/02/2).
  2. Hale to Gilbert, 29/10/41, *ibid.*
  3. Hansard, Vol. 377, 20/1/42, Cols. 246-7. *Ibid.*, Vol. 378, 26/3/41, Col. 2149. *Ibid.*, Vol. 379, 21/4/41, Col. 480, and 5/5/41, Col. 1203.
  4. Family Allowances: Memorandum by the Chancellor of the Exchequer, Cmd. 6345, May 1942, p. 2.
  5. *Ibid.*, pp. 4-6.

that the additional income was properly spent. If it were considered necessary to ensure this, it could only be done by the direct provision in kind of such things as food, clothing and boots".<sup>1</sup> Finally, there was an outline of the costs of various schemes, such as the linking of a non-contributory scheme with the income tax system.<sup>2</sup>

The discouraging tone of the White Paper greatly disappointed family allowance supporters. Its emphasis on an income limit and, therefore, means-testing, seemed to Wing Commander Wright to smack of a 'soup kitchen' approach to the problem of family poverty; if the payment of allowances was dependent upon a means test then many parents would be deterred from applying, he maintained.<sup>3</sup> Eleanor Rathbone expressed apprehension that the Treasury were trying to delay matters until after the War when Parliament might be less concerned with social reform.<sup>4</sup> Thus when the Commons debated family allowances on June 23rd 1942 she and her supporters made sure a motion was passed by the House urging the Government to give "immediate consideration" to the question of a national scheme.<sup>5</sup> Kingsley Wood agreed to this, subject to three

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1. Ibid., p. 7.

2. Ibid., pp. 7-11.

3. Hansard, Vol. 380, 23/6/42, Col. 1859.

4. Ibid., Col. 1863.

5. Ibid., Col. 1944.

conditions which, he said, would probably be clarified by the autumn: the recommendation of family allowances in the Beveridge Report, a favourable decision by the T.U.C. Annual Conference, and the nation's financial position.<sup>1</sup>

Soon after the White Paper had been published, Kingsley Wood recommended to his Ministerial colleagues that the Government delay any decision on family allowances until the Beveridge Committee had reported,<sup>2</sup> and this was the Treasury's official view for the next seven months. Within the Government, however, there was growing opposition towards family allowances from civil servants who argued that services in kind would be less wasteful. In particular, the Ministry of Food suggested that, if introduced, part of the family allowance could be paid in the form of a food allowance,<sup>3</sup> and expressed fears that cash payments might raise food consumption to such an extent as to impose a serious burden on supplies.<sup>4</sup> Discussion on the question of 'cash versus kind' took place within the Treasury in the summer of 1942, and civil servants evidently felt irritated that family allowance supporters had not given this much thought: "So far as I can unravel the confusion of thought in the minds of the Family Endowment Society", wrote Hale, "they tend rather to the second point of view<sup>5</sup> and trust that by

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1. Ibid., Col. 1941.

2. Memorandum by the Chancellor to the Lord President's Committee, 29/5/42, P.R.O. T 161/1116 (S.43697/3).

3. Lord Woolton to Wood, 4/5/42, *ibid.*

4. C.H. Blagburn (Ministry of Food) to G.S. Dunnett (Treasury), 15/5/42, *ibid.*

5. i.e. that allowances should be in cash.

labelling the payment "family allowance" and giving it to the mother, they can cause it to have a different effect on the family budget from that of an increase of the same amount in the wage earner's income - which I don't believe".<sup>1</sup> Clearly, Treasury officials were wondering if this point could be used as an argument against family allowances: the Government was already committed to an expansion of services in kind for children, and (providing this cost less than a family allowance scheme) it might be possible to expand these services even further and thus stave off pressure for cash allowances.<sup>2</sup> As will be seen, this later became the basis of the Treasury's successful campaign to reduce the amount of the Beveridge-recommended family allowance system.

The summer of 1942 is a convenient point at which to end this survey of the second phase in the development of family allowances in the Second World War. In this period, public support for Eleanor Rathbone's cause grew rapidly, and in response to this the White Paper was rather reluctantly published by the Government. At the same time, however, the Treasury's determination to delay family allowances until after the War was greatly aided by the appointment of the Beveridge Committee, and therefore this second period had a certain air of unreality about it, since for much of it all concerned were waiting for the Beveridge Report to be published. The third phase of development, therefore, was connected with the work of the Beveridge Committee and its recommendation of family allowances.

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1. Hale to Gilbert, 5/6/42, *ibid.*

2. E.C. Lester (Treasury) to Hale, 11/8/42, *ibid.*



The Beveridge Committee was set up as part of the Government's overall plans for postwar reconstruction. As early as December 1940, at a very uncertain stage in the War, Churchill had decided to launch a study of postwar problems, and put Arthur Greenwood, Minister Without Portfolio, in charge of this.<sup>1</sup> Rather than establishing a Ministry of Reconstruction, Greenwood was instructed to appoint a Ministerial Committee on Reconstruction Problems, and this was done on the 24th February 1941.<sup>2</sup>

Greenwood was very keen to get this Committee to recommend family allowances as part of a general social services reorganisation after the War,<sup>3</sup> and in January 1941 the civil servants who were laying the foundations of this new reconstruction programme began to collect relevant material from other Departments, including that left by the Stamp Survey. "I think that the case for the immediate introduction of a system of family allowances is won with the general public", one of them minuted, suggesting that after consultation with other Departments a scheme should be drawn up and presented to the Cabinet as quickly as possible.<sup>4</sup>

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1. "The general aim will be to obtain a body of practical proposals which will command broadly the support of the main elements in all the political parties", wrote Churchill. Minute by Churchill: Study of Post-War Problems, 30/12/40, P.R.O. PREM. 4 (88/1).
  2. See material in *ibid.*
  3. Greenwood to Sir George Chrystal, 23/1/41, P.R.O. PIN. 8/163.
  4. S.B.R. Cooke to Sir George Chrystal, 27/1/41, *ibid.*

The subject of family allowances, however, soon became absorbed into the much wider problem of social security reconstruction. Ernest Bevin was particularly concerned to overhaul workmen's compensation,<sup>1</sup> a Royal Commission on which had been appointed in 1938 but done little work since the outbreak of the War.<sup>2</sup> Accordingly, in April 1941 discussions were held on the appointment of an inter-departmental committee primarily to investigate the reorganisation of workmen's compensation and health insurance.<sup>3</sup> However, by the time that Beveridge was appointed Chairman in early June, the scope of the investigation had widened, and the terms of reference required the inter-departmental committee "to undertake, with special reference to the inter-relation of the schemes, a survey of the existing national schemes of social insurance and allied services, including workmen's compensation, and to make recommendations".<sup>4</sup>

Those last four words in the terms of reference were vital to the subsequent history of the Beveridge Report, for by his interpretation of them Beveridge transformed what might have been a drily factual survey of existing services into the most famous single document in the history of British social policy.

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1. Memorandum of 16/5/41, P.R.O. PIN. 8/85.
  2. For a comprehensive account of this, see Helen Bolderson: Compensation, Maintenance and Rehabilitation: the conflict in British policies for the disabled, 1914-1946. (Unpublished University of London (L.S.E.) Ph.D. thesis, 1976), pp. 215-223.
  3. Letters, etc., in P.R.O. PIN. 8/85. The original chairman was to have been Sir Hector Hetherington, who had led the 1938 Royal Commission.
  4. Social Insurance and Allied Services, Cmd. 6404, 1942, (Beveridge Report), p. 2.

At the start of the War, Beveridge had been one of several distinguished economists (the others being Sir Walter Layton and Sir Arthur Salter) who had held important civil service roles in the First World War, yet were not being adequately employed by the Government.<sup>1</sup> But in June 1940 he had been asked by Ernest Bevin to take charge of a fairly unimportant man-power survey, and had reluctantly accepted.<sup>2</sup> Beveridge was not a modest man, and could be very difficult to work with:<sup>3</sup> evidently he aroused a good deal of resentment and hostility among Ministry of Labour civil servants, and Bevin found him a most uncongenial colleague.<sup>4</sup> Thus when the question arose of who should lead the proposed new social insurance committee, Bevin thankfully seized the opportunity to despatch Beveridge elsewhere, and eagerly recommended him to Greenwood.<sup>5</sup>

Initially, Beveridge was most resentful at being shunted off into what appeared an administrative backwater. Although appointed in June 1941, he had been kept busy at his other tasks, and only after December was he able to devote much time to the social insurance enquiry.<sup>6</sup> Thereafter, he gradually realised the full potential of what he

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1. Addison, op. cit., p. 64.
  2. Lord Beveridge: Power and Influence (1953), p. 274.
  3. Hugh Dalton, for example, found him "full of egoism and petulance.... a most tiresome man". Dalton Diaries, Vol. 26, 8/5/42.
  4. Addison, op. cit., p. 117.
  5. Alan Bullock: The Life and Times of Ernest Bevin, Volume II (1967), p. 225.
  6. Beveridge, op. cit., pp. 297-8.

was working on: the Report could be the summation of a lifetime's interest in social policy, and could make amends for the shabby way he had been treated by Bevin and others. By June 1942 he was totally absorbed in the work of the Committee, and had decided that the Report was going to be "quite revolutionary".<sup>1</sup>

Beveridge evidently ran the Committee with a firm hand, and on several important policy-matters he relegated the Committee to something of a rubber-stamp.<sup>2</sup> One of these issues was family allowances: from his experiences in dealing with the problem of the benefit-wages overlap in the U.I.S.C., Beveridge had become convinced that family allowances in wages would have to be part of a postwar reorganised social security system in order to ensure work-incentives and labour mobility. Thus there was never any doubt that family allowances would be recommended, and the Committee's discussions reflected this. The first meeting

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1. Comment to Hugh Dalton, Dalton Diaries, Vol. 26, 5/6/42.
  2. This, of course, resulted in the incident where, because of the number of policy decisions made in the Report, the civil servants on the Committee were instructed by the Government not to sign the Report and instead have themselves relegated to the status of "assessors". Beveridge Report, pp. 19-20. Evidently, other civil servants resented Beveridge's way of working. The Report was to have contained a statement that the various Government Departments "have given their views within the Committee frankly", but at the Treasury's insistence this was removed, and the final published version (p. 20) gives a very subdued version. On this point Hale complained that "Departments all felt - this was certainly the case with the Treasury - that the time available was insufficient for an adequate Departmental examination of issues involving the whole structure of the social services". Hale to Beveridge, 2/10/42, P.R.O. PIN. 8/87.

was held on the 8th July 1941 and family allowances were mentioned in the memorandum Social Insurance - General Considerations (July 1941); but no reference to them was made thereafter until the sixth meeting, on the 17th December, and even then the Committee merely agreed to ask the Treasury for details of cost and administration.<sup>1</sup> Six days earlier, on the 11th December, Beveridge had circulated to the Committee the memorandum Basic Problems of Social Security with Heads of a Scheme in which he outlined the 'less eligibility case' for family allowances: "It is unreasonable to provide against want during interruption of earnings, without removing the main cause of want during earnings - namely, responsibility for the maintenance of dependent children without resources specially allocated for that purpose. Allowances designed as a guarantee against want during interruption of earnings must take account of the family responsibilities of the recipient. If they do so, they are bound in an appreciable number of cases to be equal to or greater than the earnings of the recipient, thus producing an indefensible position of penalising children if, and because, their father returns to work or good health. No satisfactory social security scheme can be framed except on the basis of universal children's allowances".<sup>2</sup> In the face of this unequivocal statement, the Committee could hardly have raised a note of dissent, even if they had wanted to.<sup>3</sup>

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1. S.I.C. (41) 6th meeting, P.R.O. CAB. 87/76.

2. Contained in *ibid.*

3. Beveridge later wrote that "once this memorandum had been circulated, the Committee had their objectives settled for them and discussion was reduced to consideration of means of obtaining that objective". Beveridge, *op. cit.*, p. 298.

Thereafter, discussion of family allowances centred on administrative details. Since there was, according to Beveridge, "no need to argue the general case for family allowances", the only points at issue were such questions as whether allowances should vary with the age of the child, what age limit there should be, what should be done in the case of broken homes, and so on.<sup>1</sup>

Thus when the Family Endowment Society submitted written evidence to the Committee, and sent a deputation on the 2nd June 1942, they found that the Committee only wanted to discuss administrative problems. This was rather awkward, since on such points the Society had no clear policy. In their oral evidence, Eleanor Rathbone and Eva Hubback emphasised that since the Society's chief aim had always been to campaign for the principle of family endowment to be accepted, questions such as whether levels of allowances should vary according to the amount of rent paid by the household could not be answered by them.<sup>2</sup>

However, there was one administrative detail on which Eleanor Rathbone and Eva Hubback disagreed, and this was the question of whether income tax child rebates should be

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1. Family Endowment Society, Notes for Examination, memorandum by Beveridge, 1/6/42, Beveridge Papers VIII. 39. Other memoranda on administrative problems are contained herein.
  2. The Society's written evidence and the memorandum on their meeting with the Committee are contained in P.R.O. PIN. 17/1.



abolished. Eva Hubback wanted this done once a family allowance scheme had been introduced, and maintained that such rebates were just as much a form of State assistance as cash allowances: a man earning £15 per week, she pointed out, received the generous amount of 9s.7d. per week per child in tax relief.<sup>1</sup> Eleanor Rathbone disagreed, though: both in her meeting with the Committee and in a memorandum written by her and sent to Beveridge she argued that both systems should exist together. Child tax rebates should be retained, she declared, because of the need to stimulate the birth rate of the professional classes and because of the administrative complexities of abolishing such rebates. With curious logic she suggested that the apparent injustice of retaining the two systems could be countered "if the taxation system were so adjusted and explained as to make it clear that the well-to-do were paying for the benefits they enjoy, so that the extra cost of giving them the benefit of both schemes really represented not an addition to the State burden, but a 'transfer of a fraction of the resources of those who have no dependent children to those who have such responsibilities' ".<sup>2</sup> It was an important issue, and one which was much more than a mere administrative detail, but Beveridge merely shelved the issue by declaring that the question of tax rebates was outwith his Committee's

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1. Ibid.

2. Notes on the Cost of Alternative Schemes of State-paid Allowances, memorandum by E. Rathbone, 19/5/42, Beveridge Papers VIII. 39.

terms of reference.<sup>1</sup>

The most important question to be settled was the level of the family allowance, and in deciding this Beveridge enlisted the advice of the special sub-committee (consisting of Seebohm Rowntree, R.F. George, Professor A.L. Bowley and Dr. H.E. Magee) which had been set up to calculate minimum subsistence. The 'subsistence principle' was an important feature of the Report, and was said to be based on the evidence of the poverty surveys of the previous two decades.<sup>2</sup> Repeatedly, Beveridge acknowledged the influence of the "impartial scientific authorities" who had "made social surveys of the conditions of life in a number of principal towns in Britain" before the War, and who had "determined the proportions of the people in each town whose means were below the standard assumed to be necessary for subsistence".<sup>3</sup> Ostensibly, therefore, all benefits, including family allowances, were calculated according to scientific minimum subsistence.

However, matters were a little more complex than this. The ideal to be aimed at was benefit levels which were fixed at a subsistence level "by reference to reasoned estimates

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1. Memorandum of Meeting between Beveridge Committee and Family Endowment Society, op. cit. In an earlier memorandum, Beveridge had briefly considered the question of tax allowances, but had not shown any desire to recommend their abolition. Note on Family Allowances, 19/5/42, Beveridge Papers VIII. 39.
  2. Beveridge Report, pp. 76-90, 165-6. Janet Beveridge: Beveridge and His Plan (1954), pp. 107-8.
  3. Beveridge Report, p. 7.

of the cost of providing housing, food, clothing, fuel and other necessaries".<sup>1</sup> But there were three factors which, according to Beveridge, might cause benefits to be fixed at a level below subsistence. The first was the financial resources of the nation. The second was the possible effect on voluntary insurance through friendly societies and the like;<sup>2</sup> as a great believer in voluntary enterprise, Beveridge wanted his social security system to encourage individual thrift and self-reliance.<sup>3</sup> The third was the most important of all: "the possible effect on the readiness of recipients to take employment in preference to benefit.... While most men can be trusted to prefer work to idleness even when there is little financial difference between wages and benefit, there is a danger that benefits up to subsistence level will weaken the incentive of men to take employment and their readiness to take unfamiliar employment or employment at a distance".<sup>4</sup>

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1. S.I.C. (42) 3. The Scale of Social Insurance Benefits and the Problem of Poverty. Memorandum by the Chairman, 16/1/42, p. 1. Beveridge Papers VIII. 28.
  2. Ibid., p. 16.
  3. "The State in organising security should not stifle incentive, opportunity, responsibility; in establishing a national minimum, it should leave room and encouragement for voluntary action by each individual to provide more than that minimum for himself and his family."  
Beveridge Report, p. 7.
  4. The Scale of Social Insurance Benefits, etc., op. cit., p. 16-17. Beveridge added (p. 17): "In respect of unemployment insurance this means that the conditions governing receipt of benefit and the terms upon which offers of employment may be refused need careful examination, if the benefits are to be substantially improved".

There is no doubt that the minimum subsistence sub-committee worked very hard at calculating a scientific basis for minimum needs.<sup>1</sup> But there is equally no doubt that at the back of their minds was the decidedly unscientific consideration that benefits had to be kept below wage levels. Early on, the Committee's Secretary, D.N. Chester, warned that to fix benefits too high would reduce incentives to voluntary saving and would result in an overlap onto wages; however, if on the other hand the standard arrived at was too low, he warned that this "would raise the much wider question of minimum wages and the raising of the standard of living of the working classes".<sup>2</sup> The members of the sub-committee clearly were aware of this dilemma: Rowntree, for instance, declared on one occasion that "in arriving at the amount of benefit to be paid to unemployed persons it would in our opinion be unjustifiable to allow for a dietary more costly than can be afforded by a large proportion of working-class families when the chief wage earner is in work".<sup>3</sup>

The way out of this difficulty was through the provision of family allowances: "a system of universal family allowances would allow benefits for adults to be increased considerably above subsistence level without seriously conflicting with wages. But if there is no

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1. See material in Beveridge Papers VIII. 28.
  2. Memorandum on Fixing Rates of Benefit by D.N. Chester, 5/1/42, Beveridge Papers VIII. 27.
  3. Memorandum on Calculation of the Poverty Line - Food Requirements by B.S. Rowntree (n.d., probably early 1942), Beveridge Papers VIII. 28.

universal system of family allowances even the payment of benefits on subsistence level would be above the lowest level of wages".<sup>1</sup>

Beveridge undoubtedly saw family allowances as a valuable means of combating family poverty and removing economic obstacles to parenthood. The poverty surveys of the previous two decades had demonstrated that the two chief causes of poverty were interruption of earning power and large families, he maintained, and quoted statistics from these surveys to verify the latter point.<sup>2</sup> Following Eleanor Rathbone, he argued against the family-of-five minimum wage concept as being both wasteful and insufficient in relation to varying family needs: "Raising of wages has proved to be no cure for poverty", he confidently asserted; "But the rise of wages that has taken place makes it certain that we are rich enough to abolish poverty if we decide to do so, by a suitable moderate re-distribution of income".<sup>3</sup> Family allowances would effect such a moderate redistribution from the childless to the parents within classes and would alleviate the worst family poverty. Similarly, on the question of encouraging parenthood, Beveridge realised that "it is not likely that allowances for children or any other economic incentives will, by themselves, provide that means

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1. Fixing Rates of Benefit, op. cit.

2. Beveridge Report, pp. 7-8.

3. Scale of Social Insurance Benefits, etc., op. cit., p. 8.

[of raising the birth rate] and lead parents who do not desire children to rear children for gain", but maintained that "children's allowances can help to restore the birth rate, both by making it possible for parents who desire more children to bring them into the world without damaging the chances of those already born, and as a signal of the national interest in children, setting the tone of public opinion".<sup>1</sup>

Ostensibly, Beveridge arrived at his family allowance level by calculating the cost of maintaining a child: this, at 1938 prices, amounted to 7s.0d. per week on average,<sup>2</sup> which, with additions for the rise in the cost of living since 1938, resulted in a figure of 9s.0d. per week. From this, he deducted 1s.0d. in respect of services in kind for children that would be provided by the State.<sup>3</sup> However, this could easily be criticised as nothing like a realistic figure: on the Boyd Orr standard, for example, the sum would have had to be about 14s.0d.<sup>4</sup> The suspicion must remain that although Beveridge certainly saw family allowances as combating family poverty and encouraging parenthood, it was their less eligibility function that appealed to him most, and it was also on these grounds that the figure of 8s.0d. per week was chosen.

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1. Beveridge Report, p. 154.
  2. Memorandum by Beveridge: Subsistence Needs and Benefit Rates, 14/8/42, Beveridge Papers VIII. 28.
  3. Beveridge Report, p. 90.
  4. Hugh Lawson in Hansard, Vol. 408, 8/3/45, Col. 2339.



Proof of this can be found in the discussion that took place in the summer of 1942 with the Treasury on the cost of the Beveridge scheme. They had been increasingly concerned over the extra public expenditure proposed, and various informal discussions took place between Beveridge and such economic advisers as Keynes and Professor Robbins on possible reductions.<sup>1</sup> In one such meeting, for example, economies on family allowances were discussed: Robbins said he favoured a family allowance system as a means of reducing poverty "and because, by widening the gap between benefit and wages, it would produce a greater mobility of labour"; Beveridge said that if an economy had to be made, and the first child had to be excluded, it would still leave a sufficient gap between benefit and wages.<sup>2</sup>

As these discussions progressed, exclusion of the first child was more and more frequently mentioned.<sup>3</sup> On the 22nd July a meeting was held at the Treasury at which it was pointed out that the Beveridge scheme would cost about £800 million at postwar prices, which was too high; one of the economies proposed was the exclusion of the first child from the family allowance scheme.<sup>4</sup> Matters came to a head

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1. Janet Beveridge, *op. cit.*, p. 6.
  2. S.I.C. (42) 21st meeting, 24/6/42, P.R.O. CAB 87/78.
  3. Eleanor Rathbone had suggested this as a possible economy measure (which still insisting that child tax rebates should be retained) in her memorandum to Beveridge. Notes on the Cost of Alternative Schemes of State-paid Allowances, *op. cit.*
  4. Memorandum on meeting at the Treasury, 22/7/42, P.R.O. PIN 8/87. At this meeting, Keynes suggested that Beveridge should write his Report in two parts: "the first part would set out the ideal to be aimed at, the second would indicate the lines on which progress to that goal could be reached by stages on various assumptions as to the money available".

in August, and were settled by a 'deal' between Keynes and Beveridge whereby Keynes promised to support the Report (and thus win the Treasury over) in return for which Beveridge agreed to keep the additional burden on the Treasury down to £100 million per annum for the first five years.<sup>1</sup>

Accordingly, Beveridge made a number of economies in his scheme, one of which was the exclusion of the first child and the fixing of allowances at 8s.0d. per week for the rest; this reduced the cost of family allowances from £163 million to £110 million.<sup>2</sup> The interesting point to note, however, is that Beveridge refused to reduce family allowances any more than this, on the grounds that such a reduction would destroy their effectiveness as an agent of less eligibility. For example, he pointed out to his Committee that it might be possible to limit the 8s.0d. allowance to children of parents who were on benefit and to give, say, only 6s.0d. to the second and subsequent children of parents who were earning; but he warned that "the main objection is that [this] narrows the gap between earnings and benefit income".<sup>3</sup> Alternatively, £23 million could be saved by reducing allowances to 4s.0d. per week for each child after the first where the parent was earning. "If the sole object of family allowances were the abolition

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1. Lord Beveridge: Power and Influence (1953), p. 309.
  2. Memorandum by the Chairman: Revision of S.I.C. (42) 100 to 24/8/42, 28/8/42, Beveridge Papers VIII. 27.
  3. Ibid.

of want", he wrote, "then such a saving might be worth consideration. But in my view it would be wrong for two other reasons: as narrowing the gap between earnings and benefit and.... in order to improve both the quality and quantity of the population".<sup>1</sup>

In the published version of the Report, Beveridge was quite frank about his reasons for recommending family allowances. Children's allowances were 'Assumption A' of his plan, without which it could not work, because "first, it is unreasonable to seek to guarantee an income sufficient for subsistence, while earnings are interrupted by unemployment or disability, without ensuring sufficient income during earning.... Second, it is dangerous to allow benefit during unemployment or disability to equal or exceed earnings during work..... The maintenance of employment - last and most important of the three assumptions of social security - will be impossible without greater fluidity of labour and other resources in the aftermath of war than has been achieved in the past. To secure this, the gap between income during earning and during interruption of earning should be as large as possible for every man. It cannot be kept large for men with large families, except either by making their benefit in unemployment and disability inadequate, or by giving allowances for children in time of earning and not-earning alike".<sup>2</sup>

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1. W.H. Beveridge: The Pillars of Security (1943), p. 125.  
2. Beveridge Report, p. 154.

This was a classic restatement of the dilemma experienced by the U.I.S.C. and U.A.B. in the late 1930s, and Beveridge's solution to it was that proposed by most of the social investigators of those years: family allowances were an alternative to much more radical and expensive wage-rises, and would push up the wages of married men just enough to ensure the labour mobility and work-incentives necessary to the successful working of a postwar economy. Compared to this overriding consideration, arguments about child poverty or encouraging parenthood were of secondary importance, and the amount of space given to each in the Report reflected this.<sup>1</sup>

While the Beveridge Committee were conducting their work, the labour movement was finally coming round to a wholehearted approval of family allowances. At the Labour Party Conference in May 1942 James Griffiths introduced a long motion that included a call for family allowances; there was still strong opposition from some trade unionists (and support from Will Lawther, of the Mineworkers' Federation) but the vote went in favour of the motion.<sup>2</sup> More importantly, in March the T.U.C. General Council agreed to recommend that Congress accept the principle of State-financed non-contributory children's allowances, and in September this was achieved with little fuss.<sup>3</sup> The last real obstacle had been removed.

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1. Ibid.

2. Report of the Annual Conference of the Labour Party for 1942, pp. 132-7.

3. Annual Report of the T.U.C. for 1942, pp. 129, 301. In 1942 the Annual Co-operative Congress (representing 8,750,000 members of the co-operative movement) also passed a motion in favour. Co-operative Union to Chancellor, 20/6/42, P.R.O. T 161/116 (S.43697/3).

The Beveridge Report was published on the 1st December 1942, and for the subsequent five months the subject of family allowances became part of the stormy history of the public reaction to the Report. In the final months leading up to publication the Government began to view its proposals with growing alarm. Beveridge had been leaking information to the Press,<sup>1</sup> probably to ensure that publication would not be held up by the Treasury, and in October Brendan Bracken, Minister of Information, warned Churchill that "some of Beveridge's friends are playing politics.... when the report appears there will be an immense amount of ballyhoo about the importance of implementing the recommendations without delay".<sup>2</sup> Other Ministers were equally uneasy: Kingsley Wood had great reservations about the cost, complaining that "the time for declaring a dividend on the profits of the Golden Age is the time when these profits have been realised in fact, not merely in imagination";<sup>3</sup> Sir William Jowitt was worried about whether they would be able to stop Beveridge expounding his own personal views on the Report while the Government were considering it;<sup>4</sup> and Lord Cherwell, Paymaster-General, warned that to declare acceptance of the whole Report and its cost might affect postwar economic forecasting and hinder lend-lease

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1. Henry Pelling: Britain and the Second World War (1970) p. 169.
  2. Bracken to Churchill, 27/10/42, P.R.O. PREM 4/89 (2) (part II).
  3. Wood to Churchill, 17/11/42, *ibid.*
  4. Jowitt to Churchill, 23/11/42, *ibid.* Jowitt was Paymaster-General until 30/12/42, when he became Minister Without Portfolio with responsibility for reconstruction.

negotiations with the U.S.A.<sup>1</sup> Either because of his strong personal influence on Churchill<sup>2</sup> or because it seemed a real problem, Cherwell's point struck home, and the Prime Minister asked Jowitt (who was now in charge of reconstruction) to delay official approval of the Beveridge Report until the arrangements with the U.S.A. had been ratified.<sup>3</sup>

Thus when Beveridge requested a Press conference to expound his views prior to publication of the Report, it was flatly refused<sup>4</sup> and the Cabinet agreed that not only should the practicality of the Report's recommendations be carefully scrutinised, but it should also be considered in relation to other reconstruction measures some of which might have greater priority.<sup>5</sup> However, public opinion was becoming interested in postwar reconstruction in general and social security in particular; early in November 1942 came the news of the Allied Victories in North Africa, which appeared to mark a significant change in the course of the War, and at the last minute (two days before the Report was due to be published) the Government suddenly reversed its stance: realising the

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1. Cherwell to Churchill, 25/11/42, *ibid.* Henry Pelling: Winston Churchill (1974), p. 502.
  2. Cherwell was an old friend of Churchill, and for much of the War "was in closer and more continuous contact with the Prime Minister than any other man". The Earl of Birkenhead: The Prof in Two Worlds - the Official Life of Professor F.A. Lindemann, Viscount Cherwell (1961), p. 214.
  3. Pelling, *op. cit.* (1970), p. 170.
  4. War Cabinet meeting of 16/11/42, W.M. 153 (42), P.R.O. CAB 65/28. "Once it is out he can bark to his heart's content", minuted Churchill. Note of 25/11/42, P.R.O. PREM 4/89 (2) (Part II).
  5. War Cabinet meeting of 26/11/42, W.M. 159(42), P.R.O. CAB 65/28.



value of the Report as a wartime propaganda weapon, Brendan Bracken set in motion plans to give it the widest possible publicity.<sup>1</sup>

When the Report was published, it immediately became a best-seller. By midday on the 2nd December, 70,000 copies had been sold<sup>2</sup> and public reaction was ecstatic. With his Pilgrim's Progress language and the vivid imagery of the 'Five Giants', Beveridge had produced exactly the blueprint for the future that the public had been waiting for. The British Institute of Public Opinion conducted a poll in the second week following the Report's appearance, and discovered that 95% of the public had heard of it; however, there appears to have been a widely-held suspicion of the Government's willingness to put the scheme into operation: only 53% believed they would do so.<sup>3</sup>

By and large the Report met with universal approval, with many public figures speaking out for it.<sup>4</sup> In the general euphoria, little criticism was made. At one end of the political spectrum, Sir Ernest Benn called social security "a dangerous opiate" and declared "it is crystal clear that

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1. Addison, op. cit., p. 215-7.
  2. The Times, 3/12/43.
  3. The British Institute of Public Opinion: The Beveridge Report and the Public, P.R.O. PREM 4/89 (2) (Part II). See also, for public opinion in 1943, Beveridge Report: Public Opinion on, P.R.O. PIN 8/162.
  4. Some of these paeons of praise were so extreme as to be meaningless, like the statement by William Temple, Archbishop of Canterbury, that it was "the first time anybody had set out to embody the whole spirit of the Christian ethic in an Act of Parliament". Janet Beveridge, op. cit., p. 135.

if you pay for unemployment you will get it";<sup>1</sup> at the other, the Socialist Party of Great Britain saw Beveridge's obsession with the contributory principle as middle-class moralism designed to avoid real income distribution, and argued that the proposals were only forthcoming because the Government needed the co-operation of its citizens in the War effort.<sup>2</sup> In between these two poles, however, the mainstream of political opinion welcomed the Report, though there was a strong element within the Conservative Party that wanted to approve of the Report in principle but then "whittle it away by detailed criticism".<sup>3</sup> In this atmosphere, much public adulation was showered upon Beveridge - which did nothing to lessen his vanity<sup>4</sup> - and cartoons in the Press portrayed him as a kindly old man, in contrast to a heartless and indifferent set of Cabinet Ministers.<sup>5</sup>

Throughout December 1942 and January 1943, however, the Government failed to appreciate the full extent of public feeling on the Beveridge Report. Immediately after its

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1. Sir Ernest Benn: "Some Implications of the Beveridge Report", in J.W. Nisbet: The Beveridge Plan (1943), p. 45. For another right-wing critique, see Clive Saxton: Beveridge Report Criticised (1943).
  2. Socialist Party of Great Britain: Beveridge Re-organises Poverty (n.d., probably 1943).
  3. Harold Nicolson: Diaries and Letters, 1939-45 (1970), p. 264.
  4. Harold Nicolson met him in the lobby of the House of Commons as the Report was being hotly debated in February 1943: "My two previous reports led to the fall of two Ministers. This one may bring down a Government", said Beveridge. *Ibid.*, p. 283. Professor Lionel Robbins said of Beveridge at the time: "He sees himself as a possible future Prime Minister, and certainly as a member of the War Cabinet in the near future. He thinks that he can hear, already, a cry going up next year, after confused political debates and convulsive popular movements in his support, of 'Send for Beveridge' ". Dalton Diaries, Vol. 27, 16/12/42.
  5. Janet Beveridge, *op. cit.*, pp. 134, 142, 148, 153. Punch even portrayed him as the Fairy Queen. W.H. Beveridge: The Pillars of Security (1943), p. 79.



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publication, on the 3rd December, the Committee on Reconstruction Problems agreed to set up a committee consisting of the senior officials of all relevant Departments to look at the Report,<sup>1</sup> and at once the Treasury began a campaign against the Beveridge proposals. The Treasury's attitude was: "We regard Beveridge as the ultimate objective but we must decline to commit ourselves as to the stages by which the ultimate objective is to be reached and the intervals between those stages on major matters which are dependent for feasibility on future economic prosperity, hoped for but still to be achieved".<sup>2</sup> The Treasury's obsession with Britain's ability to pay for greatly expanded social security after the War was shared by the Chancellor, Kingsley Wood, who conveyed this message to the Cabinet. While the Phillips Committee were casting a cold eye at the Beveridge proposals, the Cabinet began to take stock of the situation. At a meeting on the 14th January 1943, Kingsley Wood presented his Cabinet colleagues with a memorandum stressing that the new social security system could only come about after the War if the economic situation was favourable, if trade was restored and unemployment kept low, if taxation was reduced, and if other reconstruction proposals with greater priority were implemented first; indeed, the only feature of the Report that Wood welcomed was its strong emphasis on the contributory principle.<sup>3</sup>

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1. Minutes of meeting of Committee on Reconstruction Problems, 3/12/42, P.R.O. T 161/1129 (S.48497/02). The committee of civil servants was chaired by Sir Thomas Phillips, Ministry of Labour, and its records are in P.R.O. PIN 8/115-6.
  2. Memorandum by B. Gilbert on the attitude of the Treasury to the Beveridge Report, 7/12/42, P.R.O. T 161/1129 (S.48497/02).
  3. War Cabinet meeting of 14/1/43, W.M. 8 (43), and Memorandum by the Chancellor, 11/1/43, P.R.O. CAB 65/33.

During January the Cabinet maintained an attitude of veiled hostility towards the Beveridge proposals. On the 8th January it agreed to approve the withdrawal of the Army Bureau of Current Affairs pamphlet containing an article on the Report, which assumed it would be implemented;<sup>1</sup> this notorious incident did much to damage the Government, since many of the pamphlets remained in circulation and were surreptitiously circulated among troops.<sup>2</sup> Four days later Churchill circulated to the Cabinet his memorandum Promises About Post-War Conditions in which he warned that "a dangerous optimism is growing up about the conditions it will be possible to establish here after the war"; after outlining the many economic burdens that Britain would face in peacetime - regaining of export markets, food rationing, economic development of "the tropical Colonies", maintenance of the Armed Forces, and so on - he warned against making rash 'homes for heroes' promises such as occurred in the First World War: the Government must not "deceive the people by false hopes and airy visions of utopia and Eldorado".<sup>3</sup> Similarly, Oliver Lyttleton, Minister of Production, criticised the Beveridge Report for not investigating "the essential problem of creating the background of reasonable stability which any such scheme requires for its success".<sup>4</sup>

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1. War Cabinet meeting of 8/1/43, W.M. 5 (43), *ibid.* The War Office had withdrawn it in late December. Janet Beveridge, *op. cit.*, p. 132.
  2. Janet Beveridge, *op. cit.*, p. 136.
  3. Promises About Post-War Conditions - Note by the Prime Minister, 12/1/43, W.P. (43) 18, P.R.O. CAB 66/33.
  4. Social Security - Note by the Minister of Production, 13/1/43, W.P. (43) 21, *ibid.*

By February, however, the Cabinet's opposition was weakening. The strength of public opinion was being realised, and some Ministers, like Herbert Morrison, were arguing strongly against the Treasury line.<sup>1</sup> Despite their personal dislike of Beveridge,<sup>2</sup> the Cabinet were realising that they would have to bow to political pressure. Wood still stressed the financial obstacles, but several Ministers warned that public and political opinion would object strongly if the Report's main features were accepted by the Government "in a grudging spirit".<sup>3</sup> Lord Cherwell began trying to persuade Churchill to drop his opposition by pointing out that there was "nothing particularly novel or revolutionary about the Beveridge plan. In the main it consolidates and augments existing insurance schemes, thus achieving administrative economy"; the cost of the scheme, he argued, would mostly be borne by the workers, through their own contributions, through the employers' contributions being passed on to the consumer, and through income tax "which, being marginal revenue, will to a certain extent also tend to fall on the small man".<sup>4</sup>

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1. Bernard Donoughue and G.W. Jones: Herbert Morrison - Portrait of a Politician (1973), pp. 314-5.
  2. There was great resentment over the way Beveridge appeared to be making so much political capital out of the Report. Thus when Beveridge asked to see Churchill to talk about the Report he received the frosty reply: "I hope an opportunity for a talk with you will occur in the future, but of course I have to give my main attention to the war", Churchill to Beveridge, 16/2/43, P.R.O. PREM 4/89 (2) (Part II).
  3. War Cabinet meeting of 12/2/43, W.M. 28 (43), P.R.O. CAB 65/33.
  4. Cherwell to Churchill, 11/2/43, P.R.O. PREM 4/89 (2) (Part II). Keynes was also persuading Churchill to support the Report. Pelling, op. cit. (1970), pp. 171-2.



This change of heart came too late to save the Government in the eyes of the public.<sup>1</sup> On the 16th - 18th February 1943 there took place the famous House of Commons debate on the Beveridge Report, in which the Government suffered great loss of prestige through their inept mis-handling of the affair, nearly precipitating a major back-bench revolt.<sup>2</sup> After this powerful demonstration of public opinion, those Cabinet Ministers like Kingsley Wood and Sir John Anderson who opposed the Report had to drop much of their overt opposition.

Meanwhile, within the Government the Beveridge proposals were being closely scrutinised by the Phillips Committee of senior civil servants, and, interestingly enough, their attitudes mirrored almost exactly the attitudes of most of the Cabinet.

The Treasury now realised that family allowances were without a doubt inevitable, and concentrated on reducing their scope. There was irritation that Beveridge had not mentioned any arguments against family allowances, and had so sweepingly assumed that they ought to be introduced.<sup>3</sup>

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1. On the 15th February Churchill was still insisting to the Cabinet that the Beveridge Report could not be introduced until after an election. Dalton Diaries, Vol. 28, 16/2/43. Labour leaders suspected that Churchill (who believed he could not lose such an election) wanted to implement the Beveridge recommendations himself, as Prime Minister of a postwar Conservative Government. Francis Williams: A Prime Minister Remembers (1961), p. 57.
  2. For accounts of the debate, see: Bullock, op. cit. (Vol. II), pp. 229-232; Addison, op. cit., p. 224; Michael Foot: Aneurin Bevan (1962), pp. 409-410; Janet Beveridge, op. cit., pp. 138-149. John Wheeler-Bennett: John Anderson, Viscount Waverley (1962), pp. 273-5.
  3. Memorandum by Gilbert to Barlow, Hopkins, Eady and Hale, 11/12/42, P.R.O. T 161/1116 (S.43697/3).

But officials realised that Beveridge's advocacy of them was supported by public opinion, and hence discussion centred on such cost-reducing devices as making the scheme contributory<sup>1</sup> or subjecting it to an income-limit.<sup>2</sup> The latter point had to be dropped because of the anticipated administrative difficulties (such as what to do in the case of the self-employed),<sup>3</sup> but the Treasury still wanted some means (such as adjustment with income tax) of avoiding having to pay cash allowances to rich parents who would not need them.<sup>4</sup>

Much the same lack of enthusiasm for family allowances marked the discussions of the Phillips Committee. This Committee first met on the 10th December, and was given a month in which to pronounce on various difficult points contained in the Beveridge Report, such as whether benefits and contributions should be flat-rate, whether all social security measures should henceforth be the responsibility of one single Ministry, and whether family allowances should be introduced.<sup>5</sup> At the fifth meeting, on the 29th December, family allowances were discussed, and the reaction was quite hostile. Several members wondered if the prewar arguments still held any

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1. Ibid.
  2. Memorandum by Gilbert: Income Limit for Children's Allowances, 26/1/43, *ibid.*
  3. Hale to Gilbert, 17/12/42, *ibid.*
  4. Memorandum by Gilbert, 7/12/42, P.R.O. T 161/1129 (S.48497/02).
  5. Memorandum (n.d., probably December 1942), P.R.O. PIN 8/115. The Phillips Committee worked under the Cabinet Committee on Reconstruction Problems. Outstanding problems were allocated to different Departments, with the Ministry of Health examining family allowances.

validity, and there was general agreement that no scheme should be introduced until after the War. The 'work-incentive' argument was mentioned, but against that there was no support for the pro-natalist case, and several suggestions were made for reducing the scope (such as starting only with the third child). Most important of all, the Phillips Committee decided to recommend a figure of 5s.0d. instead of the 8s.0d. proposed by Beveridge. This was partly because of expected increases of services in kind, but also because the figure of 5s.0d. "had the virtue of not pretending to be a subsistence rate. If an attempt at a subsistence rate were made (especially in a non-contributory scheme) it would be very unstable and there would be pressure for its increase if the cost of living rose or if the medical experts revised their views on the minimum adequate diet. It was therefore advisable to start low".<sup>1</sup>

This hostile view was shared by several Departments, whose opinions the Phillips Committee sounded out. The Board of Education reiterated its preference for services in kind;<sup>2</sup> the Ministry of Labour feared that wage-bargaining would be affected, and that family allowances would eventually lead on to demands for a Government-enforced minimum wage;<sup>3</sup> and the Treasury continued its running battle by questioning

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1. Minutes of the 5th meeting of the Phillips Committee, 29/12/42, *ibid.*
  2. Board of Education memorandum: Children's Allowances - Cash or Kind?, 11/12/42, P.R.O. PIN 8/116.
  3. Ministry of Labour memorandum: The Effect of Children's Allowances on Wages, 18/12/42, *ibid.*

Beveridge's pro-natalist arguments, recommending that an income limit be introduced, and calling for "an examination whether the small minority of cases where wages are below subsistence minimum should not be attacked in some other way rather than by a remedy whose main cost arises on the many cases where from this angle help is unnecessary".<sup>1</sup> Thus the Report of the Phillips Committee gave a very grudging approval of family allowances, subject to the provisos that an income limit be applied and the level of the allowance be lower than the Beveridge-recommended 8s.0d.<sup>2</sup> This was referred to the Committee on Reconstruction Priorities, and they in turn recommended to the Cabinet that the Government should accept in principle family allowances of 5s.0d. per week for each child after the first, the 5s.0d. being justified by reference to increased services in kind.<sup>3</sup>

In the midst of this unfavourable atmosphere, the Family Endowment Society asked to send a deputation to the Chancellor to press on him the need for the immediate introduction of family allowances; the T.U.C. were now in favour and so was the Beveridge Report, they pointed out, and thus had been fulfilled two of the three conditions Wood had given to the Commons in June 1942.<sup>4</sup> Wood agreed, and received the

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1. Memorandum by Treasury: Family Allowances (Appendix C to Report of the Phillips Committee), January 1943, P.R.O. PIN 8/115.
  2. Report of the Phillips Committee, *ibid.*
  3. Interim Report of the Committee on Reconstruction Priorities, 11/2/43, W.P. (43) 58, P.R.O. CAB 66/34. This was discussed in Cabinet the next day. War Cabinet meeting of 12/2/43, W.M. 28 (43), P.R.O. CAB 65/33.
  4. Eva Hubback to Wood, 8/12/42, P.R.O. PIN 8/16.

Society on the 14th January 1943. The Society were represented by 19 M.P.s, and others including Lawrence Cadbury, Seebohm Rowntree, Professor Gilbert Murray and Eva Hubback, plus the non-attending support of such figures as the Archbishop of Canterbury, Lord Balfour of Burleigh, Viscount Samuel and Professor A.M. Carr-Saunders. The points made were much the same as before, except that the pro-natalist case was given far more emphasis than in the past: in its written evidence the Society even went so far as to suggest that, in order to raise the birth rate of the professional classes, the Beveridge scheme should be supplemented by "a self-supporting scheme or schemes, designed to meet the needs of those on higher income levels and paid for by horizontal redistribution between those with and without children within those levels" - for example, raised child tax rebates, or a special contributory scheme for those above an income level.<sup>1</sup> In her oral evidence, Eleanor Rathbone was quite obsessed by the population aspect. It was, from a national long-term point of view, by far the most important question, she maintained, and went on to make the sweeping claim that "the State has a means of either stimulating the birth-rate or checking it through the system of family allowances, so giving the community some power over its future destinies".<sup>2</sup>

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1. Memorandum by the Family Endowment Society in Relation to the Deputation on 14/1/43, *ibid.* This, of course, was quite the reverse of what the Treasury were wanting.
  2. Note of Proceedings of Deputation, 14/1/43, *ibid.* Other speakers were John Cecil Wright, Seebohm Rowntree, and Mrs. Ayrton Gould.

As on previous occasions, civil servants regarded the Society's deputation as little more than a time-wasting nuisance. "Only Rowntree had anything new to say", was Gilbert's acerbic comment.<sup>1</sup> To a lesser or greater extent, this had been their attitude toward the Society all along, but now that they were concerned primarily with solving the administrative problems they found the Society's general statements of principle (such as the pro-natalist case) very irritating. In June 1943, for example, Eleanor Rathbone and Eva Hubback asked Sir William Jowitt<sup>2</sup> if they could meet the civil servant, Thomas Sheepshanks, who was then in charge of the final stage of the family allowances enquiry.<sup>3</sup> The meeting took place, but Sheepshanks found it unhelpful. Of the two ladies he wrote: "In point of fact, I discovered that although they have no doubt studied the question for a number of years, they had not really applied their minds to all the difficulties and had only the most nebulous ideas about such difficult questions as whether the family should be the family by blood or the economic family. Indeed, I do not think that the point had occurred to them".<sup>4</sup>

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1. Handwritten comment by Gilbert on duplicate of letter from P.D. Proctor (Treasury) to Hubback, 15/1/43, P.R.O. T 161/1116 (S.43697/3).
  2. Jowitt was Minister Without Portfolio with responsibility for reconstruction until 8/10/44 when he became Minister of Social Insurance (re-named National Insurance on 17/11/44).
  3. Rathbone to Jowitt, 4/6/43, P.R.O. PIN 8/16.
  4. Sheepshanks to T. Daish, 8/6/43, *ibid.*



The spring of 1943 marked the end of the third 'Beveridge Report' stage in the development of family allowances in the period 1939-45. The fourth and final stage ran from April 1943 to the passage of the Family Allowances Act in mid-1945.

During this period, the administrative problems of implementing a family allowances scheme were worked out in great depth by the 'Central Staff' Committee of Departmental representatives, under the Chairmanship of Thomas (later Sir Thomas) Sheepshanks, who was Controller of Insurance at the Ministry of Health.<sup>1</sup> The Central Staff had been formed - in the absence of a proper Ministry of Social Security - to co-ordinate the work of the various Departments dealing with the Beveridge recommendations, and to solve outstanding problems, such as the principle of universality, the abolition of the Approved Societies, conditions for disability benefit, and so on.<sup>2</sup>

Evidently the message of the February 1943 Commons debate on the Beveridge Report had been firmly implanted in the minds of Ministers and civil servants, for when the Central Staff came to discuss family allowances on the

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1. Memorandum on Progress of the Examination of the Beveridge Report, 2/11/43, P.R.O. PIN 8/123.
  2. In a memorandum of February 1943 Churchill had suggested that a committee should be set up to work on the Beveridge proposals so that they would be in an easily-implemented form once peace returned. "We do not know what Government is going to be in power after the war, or what Prime Minister", he wrote: "We should get everything ready for them and leave them a free hand to take up or reject a scheme which will be perfected in itself". Beveridge Report - Note by the Prime Minister, 15/2/43, W.P. (43) 65, P.R.O. CAB 66/34. This naturally aroused the suspicions of Labour Ministers.

12th and 14th April 1943 they quickly agreed to recommend the introduction of a scheme. Indeed, there was even discussion on whether a scheme should be introduced immediately; civil servants felt that in spite of the enormous administrative problems the immediate introduction of family allowances was a possibility,<sup>1</sup> although there was the danger that a wartime scheme would put a large amount of purchasing power in the hands of parents without a corresponding increase in the supply of foods and services taking place, which would be inflationary.<sup>2</sup>

Thus from April 1943 onwards the Central Staff worked on the important administrative problems. These were: payment to the mother or the father; whether the family unit should be the 'economic' or the 'blood' family; the upper age limit of eligible children; the question of children of aliens; how payments would be made in respect of children in orphanages, institutions, or local authority care; whether payments should be continued when the maintaining parent was abroad; whether to pay an allowance for the first child when the parent was on benefit; and how to recruit and accommodate the extra staff.<sup>3</sup>

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1. Minutes of 12 and 14/4/43, P.R.O. PIN 8/1. These administrative problems, such as the recruiting of an estimated extra staff of 1,000, were of course greatly exacerbated by the War.
  2. Memorandum on Children's Allowances (n.d., probably April 1943), P.R.O. PIN 8/2.
  3. These questions, and more, are dealt with in P.R.O. PIN 17 (1-16). See, in particular, P.R.O. PIN 17/2.

That these questions took fully two and a half years to settle must raise in a historian's mind the possibility that deliberate delaying tactics were being used. Many of these problems, after all, had been solved in the First World War in the administration of separation allowances; and in the regulations governing dependants' allowances in out-of-work donation, unemployment benefit, etc., the Government had precedents that could have been easily referred to.<sup>1</sup> Again, had the Stamp Survey won general approval for their family allowance scheme, there is no doubt that the administrative problems would have been solved in a matter of days. Was it really necessary, for example, that the residence qualifications for payment of an allowance should have taken a year and a half to solve, with many repetitious memoranda being circulated?<sup>2</sup>

On the one hand, there is good reason to believe that the Treasury were still employing their delaying tactics, even at this late stage hoping that a postwar scheme could be reduced in scope and cost. Their case against a wartime scheme rested on several arguments: it would increase problems of supply and demand; it would exacerbate the existing

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1. For example, for discussion in 1938-40 on the anticipated administrative problems of separation allowances and dependants' allowances under the Prevention and Relief of Distress scheme in a future war, see P.R.O. T 162/563 (E.19143/06).
  2. See material in P.R.O. PIN 17/5. In this file there is, for example, a memorandum (dated 20/4/44) considering what should be done in the case of a British citizen working as a civil servant in India, with one child in India and two in Britain; correspondence was even exchanged with the India Office on this point.

disparity between service pay and civilian wages; owing to the existing rationing system, additional purchasing power would not result in increased consumption of the most valuable foodstuffs; and wages with the new opportunities for overtime were adequate for family needs.<sup>1</sup> In addition, argued Gilbert, the fact that each Department had to be carefully consulted at every stage on each of the Beveridge proposals meant that delay was inevitable.<sup>2</sup> These were valid arguments, but were undoubtedly over-exaggerated by the Treasury as a deliberate policy. Even after the passage of the 1945 Family Allowances Act they tried to postpone the date at which payments would commence, and in several cautious memoranda suggested that no decision could be taken on this until after hostilities had ceased.<sup>3</sup> Evidently this tactic exasperated the new Labour Chancellor, Hugh Dalton, for on the final memorandum he angrily dismissed his officials' caution, insisting that family allowances were "much the best of our social service advances".<sup>4</sup>

Yet on the other hand, there is equally no doubt that after February 1943 Ministers and civil servants were acutely aware of public enthusiasm for the Beveridge proposals, and

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1. Memorandum on Finance of Beveridge Plan for Discussion on 20/10/43, P.R.O. T 161/1193 (S.48497/017).
  2. Memorandum by Gilbert, 3/3/44, P.R.O. T 161/1193 (S.48497/025).
  3. Gilbert to Sir Edward Bridges (Treasury), 25/6/45; Bridges to Sir Thomas Phillips, 27/6/45; Memoranda by Gilbert, 16/7/45 and 2/10/45. P.R.O. T 161/1199 (S.52494/01).
  4. Handwritten comments by Dalton on memorandum by Gilbert, 2/10/45, *ibid.* Labour had taken office on the 27th July.

impatience over the delay in implementing them.

Sir William Jowitt frequently impressed on civil servants the need to work quickly, in view of public opinion: in September 1943, for example, he urged this on Sir Thomas Sheepshanks,<sup>1</sup> and a month later told Sheepshanks that he was "very anxious to get on with the clauses about Children's Allowances as he thought it likely that he would be pressed to introduce this as a separate measure even if its operation was deferred until after the war".<sup>2</sup>

The administrative problems certainly were enormous, being greatly complicated by wartime shortages and by the fact that other reconstruction programmes were being worked on simultaneously. Thus although the first draft of a Family Allowances Bill was drawn up by August 1943,<sup>3</sup> many administrative problems dragged on: for example, it took one and a half years to settle the legal and administrative ramifications of how to pay allowances to children in institutions, and much of the delay was quite simply due to the fact that children's services were being reorganised and the Poor Law finally dismantled at the same time.<sup>4</sup> Many of the administrative problems were caused by the War, such as the question of how duplication with service allowances could be

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1. Sheepshanks to E.G. Bean (Ministry of Health), 15/9/43, P.R.O. PIN 8/123.
  2. Sheepshanks to H. George (Ministry of Health), 6/10/43, P.R.O. PIN 17/2.
  3. Contained in *ibid.*
  4. See material in P.R.O. PIN 17/3. On a problem like this the Government also had to consider the wishes of relevant organisations. See Note of Deputation from the Council of Associated Children's Homes, 19/4/45, *ibid.*

avoided if the main family allowance scheme was introduced in wartime.<sup>1</sup> Even if the scheme was introduced just after the War, it would still be in advance of the main social insurance reforms, which would result in an awkward interim period of temporary regulations.<sup>2</sup> A permanent family allowance scheme would have to contain no legal loopholes, and thus questions such as what to do if two families had claims to one child would need to be sorted out with great care.<sup>3</sup> Civil servants clearly felt aggrieved that the public in general, and family allowance supporters in particular, were quick to criticise the Government for taking so long without appreciating the magnitude of the administrative problems.<sup>4</sup>

Thus it is likely that even without the Treasury's policy of cautious delay, the difficulties of launching a scheme in wartime would have been overwhelming.

In this final phase, between the setting up of the Central Staff and the passage of the Family Allowances Act, two controversies arose. The first was the question of whether the family allowance should be paid to the mother or the father. This had long been an emotive issue with the Family Endowment

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1. Memorandum on Date of Commencement, 25/7/44, P.R.O. PIN 17/8.
  2. For example, the problem of how to deal with orphans. See material in P.R.O. PIN 17/11.
  3. See material in P.R.O. PIN 17/12 - 13.
  4. For example, Sheepshanks expressed irritation that the policy of no duplication with service allowances, which the Central Staff had considered carefully, was seen by critics in such terms as "doing down the soldier serving in the Burmese jungle". Sheepshanks to Jowitt, 2/6/45, P.R.O. PIN 3/65.



Society, and was one of the few administrative details that they insisted on. Payment to the mother was seen by them as recognising the economic rights of women, guaranteeing that the money would be spent wisely, and keeping the allowance separate from the man's income - an important point if trade union opinion was to be appeased.<sup>1</sup>

In their discussions the Central Staff appear to have had no strong opinion either way: they recognised on the one hand that the issue was deeply important to women's organisations,<sup>2</sup> but on the other hand payment to the father as legal guardian involved fewer administrative difficulties.<sup>3</sup> The Home Office, for example, supported this latter point, maintaining that making the mother legally entitled to the allowance would create awkward precedents, and somewhat exaggeratedly warning that "once the legal principle that the father or other legal custodian is the person who is primarily responsible in law for the maintenance of a child is abandoned, a whole new code of legislation will be required"; however, they recognised that politically it would probably be necessary to grant entitlement to the mother.<sup>4</sup> The first two drafts of the White Paper on Social Insurance reflected this indecision, with the

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1. In two deputations to Sir William Jowitt on the Beveridge proposals, in March and August 1943, the T.U.C. supported payment to the mother. See material in P.R.O. PIN 8/7. However, the Ministry of Labour, normally very sensitive to T.U.C. opinion, favoured the father as the legal guardian. Memorandum on Attitude of Departments to Administrative Questions (n.d., probably June 1943), P.R.O. PIN 17/2.
  2. Several women's organisations (e.g. the Married Women's Association) sent deputations to Jowitt on this. See P.R.O. PIN 8/65-66.
  3. Memorandum on Children's Allowances (n.d., probably April 1943), P.R.O. PIN 8/2.
  4. Memorandum by Home Office, 4/2/44, P.R.O. PIN 8/132.

word 'mother' being provisionally entered;<sup>1</sup> but when it was published in September 1944 this was reversed, although the mother was also entitled to cash the allowance.<sup>2</sup>

The wrath of the Family Endowment Society was naturally aroused, and they sent a deputation to Sir William Jowitt on the 10th October 1944. Both in their written and oral evidence they repeated their long-standing arguments for payment to the mother;<sup>3</sup> but as with all previous deputations, civil servants remained distinctly unimpressed by the Society's arguments on matters of principle: on the point that payment to the mother would raise the status of women, they found it "curious to rely on the payment of a few shillings each week to achieve this desirable end".<sup>4</sup>

The controversy continued right up to the debates on the Bill in the House of Commons.<sup>5</sup> At the last minute, however, the Cabinet decided that in view of the strength of public and political feeling on the matter, a free vote on that part of the Bill should be allowed,<sup>6</sup> and in the face of almost

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1. P.R.O. PIN 8/148.
  2. Social Insurance, Part I, 1944, Cmd. 6550, p. 15 (para. 53). Likewise, the first three drafts of the Bill (contained in PIN 17/2), which were drawn up as early as August-October 1943, favoured payment to the mother, but the final version altered this.
  3. Memorandum of F.E.S. Evidence and Note of Deputation in P.R.O. PIN 8/68.
  4. Memorandum on Deputation, 10/10/44, *ibid.*
  5. Eleanor Rathbone was, of course, marshalling support from those inside and outside Parliament on this point. See letters to Beveridge, 2/3/45 and 13/4/45, Beveridge Papers VI. 10.
  6. War Cabinet Meeting of 6/3/45, W.M. 26 (45) 7, P.R.O. CAB 65/49.

unanimous opposition (Eleanor Rathbone having announced that she would vote against the Bill if payment to the father was not reversed)<sup>1</sup> Jowitt gave way.<sup>2</sup>

In deciding for payment to the father initially, the Government had had in mind the danger that "to give the legal title to the mother might imply a recognition that she was responsible for the child's maintenance, and might thus provide a demand for an increase in the allowance sufficient to enable her to discharge that responsibility in full".<sup>3</sup> In other words, the Government wanted to forestall any demands that family allowances be fixed at the full subsistence cost of maintaining a child, and this brings one on to the second area of controversy in the 1943-5 period - the decision to lower the level of the allowance from the Beveridge-recommended 8s.0d. per week to 5s.0d.

As has been shown, both the Treasury and the Phillips Committee wanted a 5s.0d. figure because this would obviously be below subsistence and thus release the Government from the obligation of increasing the allowance level as the cost of

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1. Hansard, Vol. 408, 8/3/45, Col. 2285.
  2. Ibid., Vol. 410, 10/5/45, Cols. 2056-2076.
  3. War Cabinet meeting of 6/3/45, op. cit. This was in addition to the already-mentioned legal difficulty. Unfortunately the relevant P.R.O. file on payment to mother or father (PIN 17/4) is not yet released to researchers.

living rose.<sup>1</sup> However, in public Government spokesmen gave a different justification. In the Commons debate on the Beveridge Report, Sir John Anderson justified the lowering of the allowance level to 5s.0d. by mentioning the importance of services in kind, saying that "it is, in the view of the Government, important that such allowances, if granted, should not be at a rate which would in practice prove an obstacle to the fullest development of the welfare services", and vaguely promising that these services would be developed more than Beveridge visualised when he fixed their value at 1s.0d. per child.<sup>2</sup> 5s.0d. was thus the figure assumed by the Central Staff in all their discussions, and this level was defended in the 1944 White Paper on the grounds that "nothing should be done to remove from parents the responsibility of maintaining their children..... The scheme here set out is not intended to provide full maintenance for each child. It is rather a general contribution to the needs of families with children".<sup>3</sup> Similarly, in the Commons debate on the White Paper, Jowitt reiterated these sentiments and R.A. Butler emphasised that whereas cash allowances were going to cost £57,000,000, free milk and meals in schools

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1. Minutes of 5th meeting of Phillips Committee, 29/12/42, P.R.O. PIN 8/115. The 1942 White Paper on family allowances (Cmd. 6354, p. 3) had mentioned the figure of 5s.0d. "for illustration because this is the rate that has been proposed by advocates of family allowances". What was significant about the Phillips Committee's decision was that it specifically altered the Beveridge figure, and thus quickly abandoned the principle that the family allowance plus the value of services in kind should amount to subsistence.
  2. Hansard, Vol. 386, 16/2/43, Cols. 1666-7.
  3. Social Insurance, Part I, op. cit., p. 14 (para. 50).

were going to cost even more, £60,000,000.<sup>1</sup> Again, a few months later in the debates on the Bill Jowitt insisted that the Government was not betraying the Beveridge principles, since the Beveridge Report had plainly stated that if provision in kind were extended beyond the scope envisaged, then cash allowances should be reduced;<sup>2</sup> and he repeated the point that the allowance was a form of general financial assistance to the whole family rather than a maintenance payment earmarked for a particular child.<sup>3</sup>

The disparity between the private and public reasons for cutting family allowances from 8s.0d. to 5s.0d. was thus quite striking, and it is likely that the real reason was related to the general decision to abandon the Beveridge principle of providing subsistence benefits, which was announced in the 1944 White Paper. The reason given for this was that the principle of flat-rate benefits and contributions meant fixing the latter at a level that low wage earners could afford, and this automatically put an upper limit on what could be paid out in benefits.<sup>4</sup> However, there is no doubt that the real reason was economy, and that the Treasury long campaign to cut the cost and scope of the family allowance scheme was a partial victory.

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1. Hansard, Vol. 404, 2/11/44, Cols. 986-7, and *ibid.*, 3/11/44, Col. 1111.
  2. *Ibid.*, Vol. 408, 8/3/45, Col. 2262.
  3. *Ibid.*, Vol. 410, 10/5/45, Col. 2031.
  4. Social Insurance, Part I, p. 7 (paras. 12 and 13)

Both these controversies surfaced in the Commons debates on the Family Allowances Bill, between March and June 1945. But apart from them, and a small rumpus over whether there should be duplication with servicemen's family allowances,<sup>1</sup> the general tone of the debates was one of satisfaction that the principle of family endowment in wages had been accepted. Left wing speakers like Aneurin Bevan still made the point that the introduction of family allowances was a tribute to the fact that the industrial system was unable or unwilling to pay proper wages, but Bevan approved of the measure.<sup>2</sup> Most speakers seem to have believed that the Bill marked a new era of State legislation for children - "the country has become child conscious", said Lady Astor<sup>3</sup> - and that this would automatically result in more measures.<sup>4</sup> In view of this, most M.P.s were willing to overlook the Bill's defects: Eleanor Rathbone for one believed that the future trend of the birth rate would force the Government to expand the scheme.<sup>5</sup> Finally, in the debates there were many tributes to Eleanor Rathbone's remarkably dogged persistence in campaigning for the past twenty-five years; the passage of the Bill was very much seen as a personal victory for her. On the 15th June 1945 the Bill was finally passed, and payment of allowances commenced on the 6th August 1946.

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1. Land, op. cit., pp. 220-1.

2. Hansard, Vol. 408, 8/3/45, Cols. 2345-6.

3. Ibid., Col. 2333.

4. At one point, Sir William Jowitt said "I feel this is probably the first of a series of Family Allowance Bills".  
Ibid., Vol. 410, 10/5/45, Col. 2045.

5. Ibid., Vol. 408, 8/3/45, Col. 2277.



This final chapter is obviously crucial to the analysis of the development of family allowances. As has been shown, by 1939 the Government were still flatly rejecting the arguments put forward by family allowance campaigners, and the fact that the Act passed into law only six years later obviously raises the all-important question of whether the Second World War forced those in power to accept these arguments.

On the face of it, the theory that there is a strong causal connection between the intensity of a war and the degree of social change or social reform that follows has some attraction. This theory was first outlined by Aristotle, then Spinoza and Herbert Spencer, and has gained a degree of academic respectability in the last thirty years.<sup>1</sup> Its most cogent theoretical discussion was in Stanislaw Andreski's Military Organisation and Society (1954) where the theory of the 'Military Participation Ratio' was posited: Andreski argued that the extent to which a war flattened the pyramid of social stratification depended on the proportion of militarily utilised individuals in the total population.<sup>2</sup> It has also been taken up by conflict theorists, who instance war as a time when, faced with an external threat, the internal

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1. P. Abrams: "The Failure of Social Reform: 1918-20", Past and Present, 24, April 1963, p. 45.
  2. S. Andreski (Andrzejewski): Military Organisation and Society (2nd ed., 1968), p. 33. Andreski suggested there was an 'actual' military participation ratio (M.P.R.) and an 'optimum' one: the former was what actually obtained in a society; the latter was what could be achieved in a society, given the existing technical resources; "and the changes in social stratification during or after wars are often due to the fact that the war emergency compels states to approach the optimum M.P.R. and to abandon the previously existing actual M.P.R., if it deviated from the optimum".

cohesion of some societies is strengthened.<sup>1</sup> And for the historian the theory received its most interesting expression in Richard Titmuss's Problems of Social Policy (1950).

Titmuss argued that the imminence of invasion in mid-1940 in Britain brought about a new attitude by Government and population alike towards social policy and equality. "The mood of the people changed and, in sympathetic response, values changed as well", he wrote: "If dangers were to be shared, then resources should also be shared. Dunkirk, and all that the name evokes, was an important event in the war-time history of the social services. It summoned forth a note of self-criticism, of national introspection, and it set in motion ideas and talk of principles and plans".<sup>2</sup> In this work, and in a later essay on "War and Social Policy", Titmuss emphasised that the Second World War thrust into national consciousness the needs of women and children in particular, as part of a wider concern over the quality and quantity of future generations: "In no particular sphere of need is the imprint of war on social policy more vividly illustrated than in respect to dependant needs - the needs of wives, children and other relatives for income-maintenance allowances when husbands and fathers are serving in the

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1. Lewis Coser: The Functions of Social Conflict (1968 ed.), pp. 87-95. "The Nazi attack appreciably increased the internal cohesion of the British social system, temporarily narrowing the various political, social and economic fissures that existed in British society." Ibid., p. 94.
  2. R.M. Titmuss: Problems of Social Policy (1950), p. 508.

Forces..... The more, in fact, that the waging of war has come to require a total effort by the nation the more have the dependant needs of the family been recognised and accepted as a social responsibility".<sup>1</sup>

The development of family allowances would thus appear to be a likely candidate for such an explanation. However, the 'war and social change' theory has been strongly attacked as being far too crude. Abrams, for example, has shown that the First World War ushered in little real social reform and suggests that Andreski's concept of the military participation ratio needs considerable refinement before it can be historically meaningful.<sup>2</sup> It is evident that the theory, while an interesting framework of approach, is far too general to be really useful. In addition, it is equally evident that it has all-too-often been extrapolated from very superficial evidence. Titmuss, for example, mentioned an editorial in The Times of the 1st July 1940, which called for social justice, the abolition of class difference, fairer distribution of wealth, and so on, and included the statement that "the new order cannot be based on the preservation of privilege whether the privilege be that of a country, of a class or of an individual".<sup>3</sup> This he took as evidence of the fundamental

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1. R.M. Titmuss: "War and Social Policy" (1955), in Essays on 'The Welfare State' (3rd ed., 1976), p. 84. Andreski (op. cit., p. 73) also mentioned women as an important group whose status is changed by war.
  2. Abrams, op. cit., pp. 43-64, esp. p. 62. See also discussion between Abrams and Andreski in *ibid.*, 26, November 1963, pp. 113-4.
  3. The Times, 1/7/40. Mentioned in Titmuss, op. cit. (1950), p. 508, and op. cit. (1955), p. 82.

change of attitude favouring social policy that was brought about by the War, and subsequent historians have often followed suit.<sup>1</sup> Yet in the same issue of The Times, five times the amount of space is devoted to the Court Circular and Society News, chronicling the activities of the British aristocracy. Clearly the change of attitude was rather less fundamental than Titmuss believed, and a closer reading of this source of evidence does not justify the 'war and social change' theory.

Similarly, it is hardly likely that the complex events outlined in this chapter fit the 'war and social change' theory. Most certainly, there was a great public interest in postwar reconstruction, as the events surrounding the Beveridge Report demonstrated. The movement for family allowances benefited enormously from this public support, and Ministers and civil servants realised that they would have to concede to popular pressure. But this is not the same thing as saying that they suddenly accepted the arguments put forward by family allowance supporters. With the exception of Ministers like Amery, Greenwood, Dalton and Morrison, those within the Government certainly did not. As this chapter has shown, the two crucial stages of development were those connected with the Stamp Survey and the Beveridge Report. In the former, family allowances were seen primarily as a means of holding

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1. See, for example, Derek Fraser: The Evolution of the British Welfare State (1973), p. 194. Fraser even reprints the editorial in an appendix (p. 265).

down wages and combating inflation; in the latter, they were seen primarily as ensuring less eligibility, labour mobility and work-incentives. In both cases, it was the needs of the economy rather than the children that dominated discussion.

To re-emphasise this point finally, this chapter will conclude with a summary of how the family poverty and the pro-natalist arguments fared in wartime.

The former can be dealt with quickly. In the 1939-41 period, much of the activity centred on the Treasury, and there is no evidence that relieving family poverty was ever their aim. "At the present moment", Hale summed up in 1940, "any proposal must be judged by one criterion alone, namely, whether it will help to win the war",<sup>1</sup> and thus the Treasury's discussion of family allowances centred on factors like wage control, inflation, problems of supply and demand, and so on; besides, by mid 1940 the Treasury had decided to oppose family allowances. Nor were other Departments enthusiastic about the family poverty arguments: as has been shown, Departments like the Assistance Board maintained that if acute child poverty existed (and this was thought unlikely), then the remedy lay elsewhere - possibly in increased services in kind, as the Board of Education wanted. Indeed, such was Departmental opposition that Kingsley Wood only just managed to publish the 1942 White Paper. Beveridge

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1. Memorandum on family allowances by Hale, 29/4/40, P.R.O. T 161/1116 (S.43697/1).

undoubtedly saw family allowances as helping to alleviate family poverty, but equally undoubtedly regarded this function as secondary, and for him their less eligibility function was paramount. It was on this basis that family allowances were accepted by the Government, and thereafter, in the 1943-5 discussions on administrative problems, arguments about family poverty were little mentioned.

A lengthier discussion must be given to the demographic case, however, for the Second World War saw concern over the falling birth rate reach its zenith. In the 1939-45 period, the Family Endowment Society stressed the pro-natalist arguments more strongly than ever before. This was particularly true of Eleanor Rathbone, whose language on this point often became frankly racialist and imperialist. In the Society's deputation to Kingsley Wood in June 1941 she warned that the "Anglo-Saxon race" was diminishing in proportion to the "yellow and coloured races";<sup>1</sup> when giving evidence to the Beveridge Committee, she wanted child tax allowances enlarged in order to stimulate the birth rate of the professional classes;<sup>2</sup> and this plea was repeated in another deputation to Wood on the 14th January 1943.<sup>3</sup> Yet when challenged on the question of whether family allowances would actually

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1. Note of Deputation, 16/6/41, op. cit.
  2. Memorandum of Meeting between the Beveridge Committee and the Family Endowment Society, 2/6/42, op. cit.
  3. Memorandum by F.E.S. in Relation to Deputation on 14/1/43, op. cit.



influence the birth rate, she could be extremely vague, making a statement like: "The argument that Family Allowances abroad have not increased the birth rate is partly irrelevant and partly untrue; irrelevant, because everywhere the amounts were too small to meet more than part, usually a small part, of the minimum cost of child maintenance - untrue because in fact there is evidence that everywhere the system did help both to slow down the falling birth rate and to increase the survival rate".<sup>1</sup> What she appeared to be saying was that a 5s.0d. allowance would not be enough to affect the birth rate, and that a higher figure was therefore needed.<sup>2</sup> Yet the ambiguity of statements like the above left the impression that she did believe a 5s.0d. allowance was needed for pro-natalist reasons. Typical of this ambiguity was the section in her pamphlet The Case for the Immediate Introduction of a System of Family Allowances (1940), where "declining population" was named as one of the five elements in the wartime case, yet under that heading there was no actual statement that a family allowance scheme would raise the birth rate.<sup>3</sup>

In fairness, it must be remembered that in stressing the pro-natalist case the Family Endowment Society were only

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1. Ibid.
  2. See, for example, statement in Hansard, Vol. 391, 16/7/42, Cols. 555-8, and The Case for Family Allowances (1940), p. 65.
  3. Op. cit., p. 4. (Generally, page references have not been given for F.E.S. pamphlets, since most of them were very short; in some, pages were not even numbered).

following the movement of public opinion, which was becoming increasingly concerned about the population problem. Eloquent testimony to this can be found in the Commons debate of the 16th July 1943 on the trend of population, which resulted in Ernest Brown, Minister of Health, promising to set up a Royal Commission on the subject.<sup>1</sup> In this atmosphere, it is hardly surprising that family allowances were seen as a remedy: and this misconception may have been further perpetuated by Churchill's radio broadcast on the Beveridge Report in March 1943, in which he mentioned family allowances in pro-natalist terms, warning that "if this country is to keep its high place in the leadership of the world and to survive as a great power, our people must be encouraged by every means to have larger families. For this reason well thought out plans for helping parents to contribute this lifeblood to the community are of prime importance".<sup>2</sup>

But to what extent were those in the Government influenced by this? The Stamp Survey and Treasury plans certainly were not. In his Report, Beveridge dispelled the notion that children's allowances alone would influence the birth rate, but said that their introduction might induce a climate of opinion favourable to more pro-natalist measures.<sup>3</sup> In none of the Committee's surviving papers is there any evidence

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1. Hansard, Vol. 391, 16/7/43, Cols. 544-653.
  2. Quoted in Sir John Walley: Social Security: Another British Failure? (1972), p. 80.
  3. Beveridge Report, pp. 8, 154.

that allowances were seen as pro-natalist. Beveridge most certainly was concerned about the population problem, and wrote many articles on it at this time.<sup>1</sup> But, while wanting income tax rebates for the professional classes and skilled wage earners enlarged in order to remove the economic obstacles to their infertility,<sup>2</sup> he maintained that only if economic inducements were combined with a change in public opinion would the birth rate be raised.<sup>3</sup> The 1942 White Paper on family allowances only gave the demographic argument the very briefest of mentions,<sup>4</sup> and the 1944 White Paper on social insurance ignored it completely. In the Commons debates on the Family Allowances Act Sir William Jowitt firmly maintained that pro-natalist arguments had little value at that stage; only when the Report of the Royal Commission on Population was published could the question be answered.<sup>5</sup>

Even more striking is the complete absence of any evidence that demographic considerations played any part in the policy-decisions of civil servants and Ministers. Out of over eighty Public Record Office files relevant to the development of family allowances in the Second World War

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1. See Beveridge Papers IXa, 78-9.
  2. W. Beveridge: "Children's Allowances and the Race", in The Pillars of Security (1943), pp. 159-160.
  3. Beveridge to Sir John Clapham, 18/4/43, Beveridge Papers IXa, 78-9. Typescript of articles by Beveridge in The Star, October 1945, and in Political Quarterly, March 1946, ibid., IXa, 81 (part I).
  4. Family Allowances. Memorandum by the Chancellor of the Exchequer, op. cit., p. 2.
  5. Hansard, Vol. 408, 8/3/45, Col. 2260.

that were consulted for this chapter, only three brief references were found. Firstly, in discussing the Beveridge recommendations the Phillips Committee quickly dismissed the pro-natalist arguments, and agreed that if an increase in population was desired it could only come about (if at all) by a wide-ranging population policy going well beyond the scope of social security.<sup>1</sup> The second instance was a Ministry of Labour Memorandum of December 1942, which very briefly mentioned the failure of French and Belgian family allowance schemes to raise the birth rate and noted that "there is no reason for expecting a different result in this country".<sup>2</sup> Thirdly, after listening to the October 1944 deputation from the Family Endowment Society, a memorandum somewhat impatiently dismissed the Society's pro-natalist arguments by pointing out that stimulation of parenthood was a complex subject best left to the experts on the Royal Commission on Population.<sup>3</sup>

Again, if one examines the Government's reaction to the population question in general in the period 1939-45 one finds no evidence of family allowances being discussed as a remedy. The 1942 White Paper on the Current Trend of Population in Great Britain made no mention, and merely summarised available evidence on demographic change, ending with a fairly

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1. Report of the Phillips Committee, January 1943, P.R.O. PIN 8/115.
  2. Ministry of Labour Memorandum: The Effect of Children's Allowances on Wages, 18/12/42, P.R.O. PIN 8/116.
  3. Memorandum of 10/10/44, P.R.O. PIN 8/68.

optimistic prediction that the British population would number 45,980,000 in 1971.<sup>1</sup> The Government, of course, responded to the public concern over the falling birth rate by announcing, on the 16th July 1943, the appointment of the Royal Commission on Population.<sup>2</sup> In the preliminary discussions concerning the appointment of the Royal Commission, a number of outstanding issues were discussed, but family allowances was not one of them.<sup>3</sup> Evidently the Government view was that proper statistics would have to be collected before any claims for family allowances could be made; it was pointed out that "until we know the distribution of families by sizes we cannot even guess what effect might be produced by alternative systems of graduated children's allowances, or of marriage loans to be cancelled on the births of children".<sup>4</sup> The Report of the Royal Commission contained a mention of family allowances: a plea was made that the level of the allowance be increased, particularly

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1. Current Trend of Population in Great Britain, May 1942, Cmd. 6358, p. 11.
  2. Hansard, Vol. 391, 16/7/43, Col. 651.
  3. See memoranda by Professor E. Mellanby (2/10/43), Sir H.D. Henderson (26/10/43) and Sir A.M. Carr-Saunders (n.d., probably October 1943) in P.R.O. MH 58/407. Carr-Saunders, for example, listed twenty-six important questions relating to population change that he thought the proposed Royal Commission should answer, but the pro-natalist effect of family allowances was not one.
  4. Memorandum: Paymaster General. The Form of the Population Inquiry (handwritten comment says: "Note by W.A.B. Hopkin, ? early 1943"), ibid. This file is the only one available for the Royal Commission at the moment. The only other Ministry of Health file on population in 1939-45 is MH 58/406, which deals with the problem of treating infertility, and proposals that local authorities should set up clinics for couples needing treatment. This was viewed by the Ministry as a medical rather than a demographic problem, however.

in the case of older children, and that the first child be included.<sup>1</sup> But since the Royal Commission's Report was published in 1949 it is, strictly speaking, outwith the scope of this thesis; and, in addition, by then the birth rate had risen such as to dispel the population panic. Indeed, the Report was never even discussed by Parliament.

Therefore, both the child poverty and the demographic arguments played little part in causing the Government to accept family allowances in 1939-45; there is no evidence that the changed atmosphere in wartime induced a fundamentally different attitude on the part of the Government such as made them agree with the Family Endowment Society's case. Family allowances came about for two reasons. Firstly, there was the Treasury plan of 1939-40 which, by arousing interest in family allowances as an immediate wartime policy, gave a tremendous boost to the family allowances campaign and created a wave of public pressure that forced the Government to take an interest - even if, as shown by the Treasury's enquiry leading up to the 1942 White Paper, this interest was very half-hearted. There is no doubt, however, that the Government (and the Treasury in particular) could have successfully resisted this public pressure almost indefinitely had it not been for a second and much more important factor - the recommendation by Beveridge of family allowances

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1. Report of the Royal Commission on Population, June 1949, Cmd. 7695, pp. 166, 169-170.



as an essential precondition of any successful social security system in a full-employment economy. Only in this respect does the 'war and social change' theory have validity: the Second World War undoubtedly speeded up trends that were in evidence in the late 1930s, when there was a growing consensus among social administration experts that (a) the social services needed a drastic reorganisation, and (b) in any such reorganisation the problem of men with large families being better off financially when unemployed than when employed needed to be tackled by the introduction of family allowances. The fact that Beveridge, an Eleanor Rathbone supporter, was selected to lead this reorganisation made little difference: family allowances would probably have been recommended anyway. At the end of the 1930s the Government was presented with two possible solutions to the benefit-wages overlap problem: either it could launch a large-scale State intervention into many areas of industry in order to ensure that wages were raised to nutritionally-defensible levels, or it could introduce a system of family allowances that would push up the wages of married men just high enough to preserve less eligibility. The opposition of the trade unions was an immense obstacle to the latter, until the Second World War, which brought about certain conditions conducive to trade union co-operation -- the entry of the Labour Party into the Government, low unemployment and higher wages.

Thus despite all the arguments of the Family Endowment Society on child poverty, encouraging the birth rate and raising the economic status of women and children, family allowances were attractive to the Government only in so far as they were an alternative to, and a way of avoiding, the whole question of minimum wages, and also as a way of ensuring the work-incentives and labour mobility essential to the successful working of the economy.

## CONCLUSION

The 1945 Family Allowances Act was seen by Eleanor Rathbone as "the triumph of a great principle" and she intended to continue campaigning for similar measures.<sup>1</sup> But in January 1946 she died, and with her death the great driving force behind the Family Endowment Society was removed: the movement for family allowances was seen by contemporaries as largely her creation,<sup>2</sup> and without her it inevitably fizzled out. The Society continued campaigning on minor issues for a short time,<sup>3</sup> and Eva Hubback even wanted it to turn its attention to the U.S.A.,<sup>4</sup> but within a few years it had disbanded.

From 1945 onwards, family allowances were allowed to slip behind rises in the cost of living, gradually becoming a more and more neglected area of social policy. In 1952 they were raised to 8s.0d., but this was to compensate for the removal of food subsidies and represented no real increase. In 1956 the amount for the third and subsequent

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1. Speech for Family Allowances Reception (to celebrate passage of the Act), 13/11/45, Eleanor Rathbone Papers XIV 3 82.
  2. See for example, James Griffiths: Pages from Memory (1969), p. 81. Griffiths was Minister of National Insurance when the first family allowance payments were made.
  3. For example, in February 1946 the Society tried to persuade the Government to raise the proposed benefit of 7s.6d. under the National Insurance Bill for the first child of widows, the unemployed and the sick. Hubback to Beveridge, 26/2/46, Beveridge Papers, IIb 45 (part 2).
  4. Hubback to Beveridge, 10/3/46, *ibid.*, IXa. 102 (part 1).

children was raised to 10s.0d. and the age limit was raised from sixteen to eighteen. Between 1956 and 1968 the purchasing power of the second-child allowance fell by 39% and that of the other allowances by 31%. In 1968 increases were introduced by stages so that in 1969 allowances amounted to 18s.0d. for the second child and £1 each for subsequent children. This brought them up to their original real levels: in 1948 the value of family allowances paid to three children as a percentage of the standard rate of national insurance benefit for a married couple was 24%; by 1967 it had slipped down to 12%; but by 1969 it was back at 24% again. However, in order to stay at the Beveridge-recommended levels this figure would have had to be maintained at 40%.<sup>1</sup>

The relative neglect shown by successive Governments towards family allowances can be strikingly illustrated by drawing a comparison with the child allowance component in the income tax system. The latter has always provided a far more generous system of family allowances to those sections of the population who arguably need them least. In 1948-9, for example, family allowances were paid in respect of  $4\frac{3}{4}$  million children at a total cost of £60 million, but income tax allowances in respect of  $25\frac{1}{2}$  million wives,

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1. Peter Kaim--Caudle: Comparative Social Policy and Social Security (1973), pp. 264-5.

children and adult dependants cost a total of £360 million.<sup>1</sup> When one considers that over 40% of families with children, containing 52% of the nation's children, were completely exempt from income tax in 1948-9,<sup>2</sup> then the discrepancy in treatment under the two systems is very marked. In 1949 a man with an income of £300 per annum received, in effect, a family allowance through the tax system of £10.10s.0d. per annum for the first child, and nothing for subsequent children; a man with an income of £500 received £18 for the first child, £18 for the second, £16.10s.0d. for the third and £6 for the fourth; and a man with an income of £1000 received £27 for each of his four children.<sup>3</sup> In 1953-4 the total cost of income tax allowances for children amounted to £140 million per annum, while the ordinary family allowance system cost only £103 million; by 1965-6 these amounts were £500 million and £146 million respectively;<sup>4</sup> and by 1971-2 they had risen to £930 million and £255 million respectively.<sup>5</sup>

By 1954 family allowances were being paid for nearly 5 million children in about 3.2 million families in which the eldest child was under sixteen years of age; in addition, there were about 3 million families with one child under the

1. Allan Cartter: "Income-tax Allowances and the Family in Great Britain", Population Studies, 6, March 1953, pp. 219-220.
2. Ibid., p. 225.
3. H.S. Booker: "Income Tax and Family Allowances in Britain", ibid., 3, December 1949, p. 244. See also, for tables of tax allowances, Neville Vandyke: "Family Allowances", British Journal of Sociology, 7, March 1956, pp. 42-3.
4. V. George: Social Security, Beveridge and After (1968), p. 195.
5. Michael Meacher in New Statesman, 4/1/74.



age limit.<sup>1</sup> Of all families receiving allowances, 64% had two children under the age limit, 23% had three, 8% had four, 3% had five and 2% had six or more.<sup>2</sup> Quite what effect they had in alleviating family poverty is impossible to say, since no survey ever attempted to measure this. By 1953-4, however, one household in ten was found to be living at a standard less than 40% above the basic national assistance level; and 29% of those persons living under this poverty line were children under the age of sixteen.<sup>3</sup>

Thus in the three decades following the 1945 Act family allowances became, in Peter Kaim-Caudle's words, "the Cinderella of the social services".<sup>4</sup> Concern over the birth rate had all but disappeared, and (for most of the 1950s anyway) the worst excesses of family poverty, such as existed in the depressed areas of the 1930s, appeared to have been conquered. But even more important was the fact that the 1950s and 1960s were years of relatively full employment, in which preserving less eligibility and work-incentives became a minor problem; all that was needed was a wage-stop in a few national assistance/supplementary benefit cases.<sup>5</sup> Since, from the Government's point of view, this latter function was the main purpose of family allowances it is hardly surprising that they fell into neglect.

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1. Vandyke, op. cit., p. 39.

2. Ibid.

3. David Bull: "The Rediscovery of Family Poverty", in Bull (ed.): Family Poverty (1972 ed.), p. 16.

4. Kaim-Caudle, op. cit., p. 264.

5. For example, out of a total of 1,844,000 persons receiving national assistance in 1961, 12,000 were being wage-stopped. Frank Field: Poverty: the Facts (Child Poverty Action Group pamphlet, 1975), pp. 6, 20.

In studying the movement for family allowances one is thus studying something that rose to prominence in the 1918-45 period, and declined thereafter.<sup>1</sup> The principle of family allowances was a very old one, and had been most notably applied in the Poor Law between 1795 and 1834. From the late 19th century onwards in all European industrialised countries several factors combined to produce a demand for the 'living' or 'family' wage: the changing role of children from producers of family wealth to consumers; the increased cost of education; concern, in a period of growing economic competition, over the health and productivity of the workforce, which led on to an interest in wage levels that would guarantee basic physical efficiency and thus have to take account of varying family needs; and the challenge of an increasingly socialist labour movement. Added to this was the emergence of feminism, with its demands that the State should dispense greater economic justice to women and children. By about the early 1920s the demand for a family wage was being expressed in Britain most forcibly by the Family Endowment Society, who over the next 25 years led the campaign. In the course of this campaign, a vast amount of evidence was produced, based upon the latest research by leading social investigators, medical scientists, economists, demographers, etc., to support the anti-poverty and pro-natalist arguments for family allowances. Yet up to 1939 all this evidence had been repeatedly rejected or ignored by those in

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1. Although of course since 1965 the Child Poverty Action Group has renewed the campaign for family allowances.

government, and family allowances still seemed as remote as they had appeared in 1918. By 1943, however, the Government had made a firm promise to introduce family allowances, and two years later the Act was passed; but this sudden acceptance did not indicate a dramatic change of heart on the Government's part. Anti-poverty and pro-natalist arguments were still rejected: family allowances aroused interest only in so far as they could be used as a short-term economic strategy for controlling inflation in wartime by holding down wages; and, in the long-term, they were seen as essential to any postwar reorganised social security system and the successful running of the economy because of their ability to push up the wages of married men just high enough to ensure the preservation of less eligibility, work-incentives and labour mobility.

Several interesting points can thus be drawn from this case-study of social policy development. The movement for family allowances was made up of many shades of political opinion, each supporting family allowances for their own peculiar reasons. Even within the Family Endowment Society there were many different viewpoints - something that was further compounded by Eleanor Rathbone's habit of altering her case to suit the political opinions of whatever audience she happened to be addressing at the time. Between the I.L.P. viewpoint of the 1920s and that of, say, Leo Amery in the late 1930s lay many different perspectives. Certainly, by the early

years of the Second World War there had developed in Parliamentary and public opinion a general consensus on the need for family allowances; but in fact this consensus was still made up of many shades of opinion, and on certain arguments (most notably the demographic and eugenic) there was much disagreement. In addition, such consensus as there was did not include civil servants, most of whom opposed family allowances. The 1945 Act appeared to satisfy all sides, yet the addition of a few shillings a week cannot have resulted in a dramatic improvement in the economic status of large working class families, nor can it have induced couples to produce more children.

Had this account been written solely from the evidence of secondary sources it would have appeared as though family allowances came about largely through the efforts of the Family Endowment Society. As with much of the older, consensus-inclined social policy historiography, it would have been a case of one generation of reformist-orientated academic social scientists writing history in terms of the apparent importance of a previous generation of exactly the same sort of people. In fact, reference to primary sources shows that this was not so.

Real power appears to have remained firmly in the hands of civil servants. Most consensus explanations of social policy development tend to view civil servants as disinterested elements in the policy-making process, but this was clearly

not the case with family allowances. The ease with which, for example, Ministry of Health Officials were able to deflect the Children's Minimum Council campaign is clear proof of the extent of their power. Predominantly upper-middle class, with public school/Oxbridge educations, senior civil servants undoubtedly displayed strong class loyalties that made them hostile or indifferent to a campaign aimed at assisting working class mothers and children. Indeed, they seem to have had a far greater influence over decision-making than did politicians - although it could be argued that in the 1930s in particular, with a National Government in power dedicated to fiscal retrenchment, civil servants had greater power than either before or since. Even in the 1939-45 period the Treasury did all it could to get family allowances dropped altogether, and succeeded in getting the Beveridge recommendations whittled down. The power of civil servants is not, of course, something that can be 'measured' in any quantitative sense; it is simply the subjective impression of this author, having read a large amount of surviving evidence. But the question of in whose interests civil servants act is one that is crucial to any explanation of social policy development.<sup>1</sup>

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1. For an interesting essay on this theme, see Max Beloff: "The Whitehall Factor: the Role of the Higher Civil Service, 1919-39", in Gillian Peele and Chris Cook (eds.): The Politics of Re-appraisal, 1918-39 (1975), pp. 209-231.

Again, viewed from a comparative perspective the movement for family allowances in Britain was not really instigated by the Family Endowment Society, but was the product of long-term forces at work in all industrialised European nations, or in countries which had similar social infrastructures. Although there was some variation in the nature and timing of developments in each country, the general trend of the arguments was exactly the same as in Britain - from the controversy over wages in the 1920s to the pro-natalist claims of the 1930s. This continued in the 1940s, too: to give but one example, the introduction of the 1941 Child Endowment Act in Australia (which provided 5s.0d. per week to each child after the first up to the age of sixteen, as did the 1945 Act in Britain) was introduced as an anti-inflationary alternative to all-round increases in the basic wage<sup>1</sup> - exactly the grounds upon which they were discussed within the Treasury in 1939-40. In Britain, those in power were able either to ignore these arguments completely (in the 1920s and 1930s) or else accept them very much on their own terms (as in the early 1940s).

Clearly, therefore, family allowances did not come about through a rational response by the Government to evidence of need and hardship. If the movement for family allowances fits either of the two general explanations of social policy develop-

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1. T.H. Kewley: Social Security in Australia, 1900-72 (Sydney, 1973), pp. 190-5.



ment outlined at the start of this thesis, it is the conflict rather than the consensus. Despite all the evidence of family poverty and the need to raise the birth rate, the Government only ever showed interest in family allowances as a means of preserving economic stability. By the late 1930s the problem of maintaining the work-incentives and labour mobility essential to the successful working of a free market economy could only be solved in one of two ways. Either there could be a large-scale State intervention into private industry in order to raise wages to nutritionally-defensible levels, which intervention would also be aimed at making industry more efficient and hence better able to pay higher wages (as socialists wanted); or there could be introduced a system of family allowances sufficient to alter wages just enough to make it economically more worthwhile for a man with a large family to be in work rather than unemployed, leaving the economic status quo basically unaltered (as suggested by those of the political centre and right, including a growing number of employers). The social and political upheavals of the Second World War years allowed the Government to decide between these two alternatives, and, not surprisingly, they chose the latter - just as had the Speenhamland magistrates at the Pelican Inn in 1795. At £57 million the cost of family allowances seemed high at the time, but they were considerably cheaper and far less radical than the alternative.

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