



DEPARTMENT OF HEALTH AND SOCIAL SECURITY  
ALEXANDER FLEMING HOUSE  
ELEPHANT AND CASTLE  
LONDON S.E.1

TELEPHONE: 01-407 5522

17 March 1970

F Field Esq  
Director  
Child Poverty Action Group  
1 Macklin Street  
Drury Lane  
London WC2

Dear Mr Field

As you know the Prime Minister passed on to me the copy of "Large Families in London" which you sent him.

The detailed information that Miss Land has presented in this book is very valuable. But I do not think she would claim that her book deals with poor families in general. Her study was restricted to families with five or more children in London and she emphasises that the small numbers in her sample may not be representative even of families in London (page 139). It should also be noted that the fieldwork for the survey was carried out between February 1965 and April 1966.

As you know I have considerable sympathy with your view that family allowances are a useful weapon - perhaps the best that we have - against poverty among families with children where the breadwinner is in full-time work. To be frank I doubt whether minimum wage legislation has a part to play. You will remember the conclusion reached in the paper on "A National Minimum Wage" published by the Department of Employment and Productivity last year, that a national minimum wage would benefit least men between the ages of 30 and 60 (page 172).

What we really need, surely, is more information about these families and this is what we hope to gain from the current study of Family Expenditure Survey data.

Yp  
Dick Gamm

Dear Hilary,

Do you want to reply to the librarian?  
(grah.)





10 Downing Street  
Whitehall

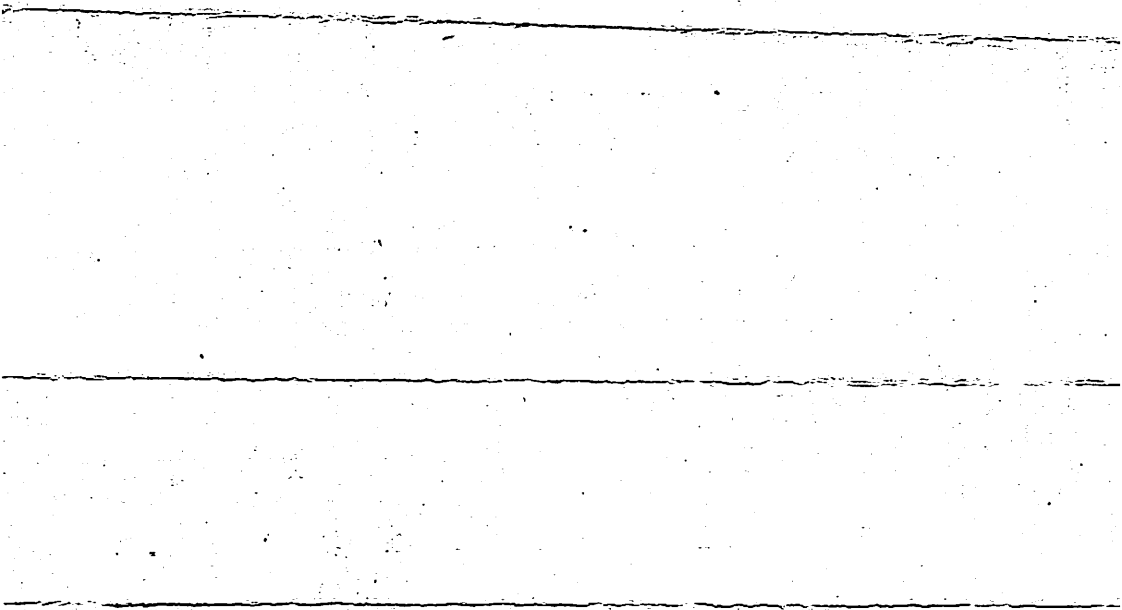
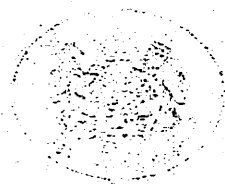
February 11, 1970

*to Mr. Field*  
Dear Mr. Field,

The Prime Minister has asked me to thank you for your letter of February 9, 1970 and for the advance copy of Miss Land's book "Large Families in London".

Yours sincerely,

F. Field, Esq.



23rd March 1970

Dear Mr Cressman,

Frank Field passed on to me your letter of March 17th and asked me to reply.

I would not claim that my study of large families is representative of all large families and, as I have made clear in my book, the fieldwork was carried out over three years ago. Nevertheless, there are some general conclusions to be drawn from my study which are still valid in spite of changes in benefits for children. The most important of these is that family allowances together with basic wages or salary are the crucial elements which determine a family's level of living.

Latest figures available show that there are still nearly one million men working full-time and earning a gross wage of £15 or less a week. Something has therefore still to be done about low wages and if minimum wage legislation is not a feasible solution then some other means must be found to increase very low wages.

While it is true that your Government have substantially increased family allowances since I concluded my study nothing has been done subsequently to maintain their real value. As a result their real value is being continuously eroded by inflation. And in any case it was estimated at the time that these increases in family allowances would reduce the extent of Child Poverty by half. There is therefore a case for making further substantial increases in family allowances. Not all the changes in benefits for children have been to the advantage of families: free school milk for secondary school children has been withdrawn, for example. The problems facing the poorer large families in my study are therefore not as out of date as I would wish and in the absence of any evidence to the contrary I believe that these problems are still common to low wage earners with children all over the country.

You mention that you hope to gather more information from the Family Expenditure Survey data. This survey includes valuable information concerning small families but while there are more poor small families than poor large families, children from large families comprise half the total number of poor children. We do need therefore, to know the problems facing large families. However, in spite of the large sample the number of families with five or more children in the Family Expenditure Survey is small (65) - smaller than in my study (86).



53rd March 1930

Dear Mr. Duggan,

Your letter passed on to me from Father of March 17th and asked me to reply.

I would not state that my study of large families is representative of all large families and, as I have made clear in my book, the material was selected and even then there are. Nevertheless, there are some general conclusions to be drawn from my study which are still valid in spite of changes in behavior for children. The most important of these is that family allowances together with parent wages or salary are the crucial elements which determine a family's level of living.

Latest figures available show that there are still nearly one million men working full-time and earning a gross wage of £15 or less a week. Another one million are therefore still to be found on low wages and if minimum wage legislation is not a feasible solution then some other means must be found to increase very low wages.

While it is true that your Government have substantially increased family allowances since I completed my study nothing has been done subsequently to maintain their real value. As a result their real value is being continuously eroded by inflation. And in any case it was estimated at the time that these allowances in family allowances would reduce the extent of child poverty by half. There is therefore a case for making further substantial increases in family allowances. Not all the changes in behavior for children have been to the advantage of children: free school for low-earning school children has been withdrawn, for example. The subsidizing the poorer large families in my study are therefore not an end in itself as I would wish and in the absence of any evidence to the contrary I believe that these families are still entitled to low wage earnings with children all over the country.

You mention that you hope to gather more information from the Family Expenditure Survey data. This survey includes valuable information concerning small families but while there are more small families than large families, children in large families comprise half the total number of poor children. We do need therefore to know the problems facing large families. However, in spite of the large sample the number of families with five or more children in the Family Expenditure Survey is small (25) - smaller than in my study (35).

Such families are under-represented in the Family Expenditure Survey, partly because their response rate appears to be lower than that for other families (approximately 63% as compared with 69% overall). From my experience of interviewing large families I should not be at all surprised to find that fewer parents of large families than of small families had the time to keep Family Expenditure Diaries. This would be particularly true for those with low incomes. There is therefore no guarantee that the large families included in the Family Expenditure Survey are any more representative of all large families than the families in my study.

In view of the short-comings of the Family Expenditure Survey data regarding large families it is hard to see what new light it will throw on the underlying problem of finding a suitable method of adjusting family income to family size. There is no avoiding the fact that low basic wages and inadequate family allowances are an integral part of the problem. Simply waiting for "more information" of such a limited nature will neither alter this nor make family allowances any more acceptable politically. Meanwhile the value of family allowances is being eroded and if nothing else, my study illustrates the consequences of allowing this to happen.

Yours sincerely,

Mr Richard Crossman,  
Dept of Health and Social Security,  
Alexander Fleming House,  
Elephant & Castle,  
London S.E. 1

Such families are under-represented in the Family Expenditure Survey, partly because their responses tend to be lower than those of other families (approximately 6% as compared with 8% overall). From my experience of interviewing large families I should not be at all surprised to find that fewer members of large families than of small families had the time to keep Family Expenditure Records. This would be particularly true for those with low incomes. There is therefore no guarantee that the large families included in the Family Expenditure Survey are any more representative of all large families than the small ones in my study.

In view of the short-coming of the Family Expenditure Survey data regarding large families it is hard to see what new light it will throw on the underlying problem of finding a suitable method of adjusting family income to family size. There is no avoiding the fact that low basic wages and inadequate family allowances are an integral part of the problem. Simply waiting for "more information" of such a kind as there will be after this new family allowances survey more acceptable politically. Meanwhile the value of family allowances is being eroded and if nothing else, my study illustrates the consequences of allowing this to happen.

Yours sincerely,

Mr Richard C. Gorman,  
Dept of Health and Social Security,  
Alexander Fleming House,  
Kingsway, London W.C.2.  
London S.E.1





DEPARTMENT OF HEALTH AND SOCIAL SECURITY  
ALEXANDER FLEMING HOUSE  
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From the Minister of State

MC 87533

Miss Hilary Land  
The London School of Economics  
and Political Science  
Skepper House  
13 Endsleigh Street  
LONDON WC1

15<sup>th</sup> April 1970

*Mr Crossman*

Mr Crossman has asked me to thank you for your letter of 23 March.

May I firstly mention some points on which we evidently agree. One is the importance of family allowances for poor people with large families and the value of the 1968 increases in the allowances. I think you also agree that "clawback" has been effective in concentrating aid on the families who need it. Another is that despite all that we have done (including for example the introduction of rate rebates and the encouragement we have given to local authorities to introduce rent rebate schemes, as well as the increases in benefits financed by the central government) some large families are still living below the supplementary benefit level.

You naturally feel that in face of these facts we need not delay to obtain further information; that we ought to commit ourselves straightaway to further increases in family allowances and offset the cost by additional clawback.

But the Government have to see the problem in a much wider social and financial setting. We have to remember that clawback lowers the tax thresholds for all families who draw family allowances, and that the net cost of any increases in the allowances must be met from the limited funds available for improvements over the whole range of benefits. We need to know, for example, how many families with children are still in need and how far their resources fall short of their needs.

You go some way towards recognizing this when you say that half the total number of poor children are in large families. I am not sure what evidence you rely on for this. It is true that the number of families with five children or more in the Family Expenditure Survey sample is small. But it is surely self-evident that we need information about families of all sizes before we can make judgments about the overall position.

I do not quite follow your deductions from the figures of men in





E. R.

full time work for gross wages of £15 a week or less. They include as you know men of all ages, whether or not they have dependent children, I am afraid they do not provide a short cut to the facts we need about families with children who depend on low wage earners and are living below supplementary benefit levels.

Thank you again for your letter.

Yours sincerely  
David Ennals

DAVID ENNALS

