

Poverty

BY A.

*"There are three artificial factors
subsidised housing, overtime*

WHEN the Conservatives campaigned for the 1959 general election on the theme of "you've never had it so good" they were returned to power with a large majority. With a little guidance, it was easy for the electorate to believe that prosperity reigned everywhere. After all, money wages had gone up; there were certainly more material goods about; and there were few of the barefooted children whom many remembered from the early 'thirties. Today, although the attitude of 1959 seems over-complacent, there are still many people who genuinely think that in Britain poverty is a thing of the past. The facts, however, do not support this view.

It is true that some sections of the population are, in real terms, much better off than they were before the war, and the "Family Expenditure Survey" by the Ministry of Labour for 1964 gives the *average* weekly household income in Britain as £23 12s. (\$66).

In October 1960, in an article published in *The Sunday Times*, Mr. Aidan Crawley guessed that "in a population of fifty million, there must be between four and five million men, women and children who at best find life hard and at worst live in misery." This in itself is an astonishingly high figure — approaching one tenth of the entire population. Of equal interest, however, is Mr. Crawley's assessment that "the most significant thing about poverty in Britain is that it is no longer generally noticeable."

In September 1964 the magazine *New Society* published some startling figures derived from the Inland Revenue returns for 1962, the most recent then available. Not only was nearly half of the personal wealth of the country owned by two per cent of the population, and one quarter of the wealth by one half of one per cent, but 42 per cent of earners, even including husbands and wives as one, earned less than £10 (\$28) per week before tax.

The latest Blue Book on National Income and Expenditure shows a slight improvement in that figure, from 42 per cent to under 38 per cent. In 1963, again treating married couples as single units, there were ten million wage incomes of less than £500 (\$1,400) per annum before tax, out of a total of 26½ million. Many of these ten million incomes are those of juveniles and retired people. Taking the figures for 1965 given by the National Institute of Economic and Social Research in "The British Economy in 1975," the number of workers aged 15 to 19 was 3,249,000 and over 65 years, 954,000 (of which 75,000 and 111,000 respectively were married women). Even if all these earning units received less than £500 (\$1,400), that would account for only 4,017,000 of the ten million incomes.

In a feature called "1964 Criterion of Poverty" published in March of that year, *The Sunday Times*, after commenting that the poor in Britain were "an invisible group, rarely noticed or commented upon," stated that, according to the latest Inland Revenue statistics, there were 4,458,000 families — comprising 12,678,000 people, almost 25 per cent of the population — whose income was £14 (\$39) per week or less.

Later the same month, under the heading "White-Collar Poor," *The Sunday Times* published a letter from a civil servant in Liverpool whose income was £656 (\$1,840) per annum, the maximum for a clerical assistant. The letter contained hints on how to economise, and its restraint and complete lack of bitterness made it all the more poignant. "Don't smoke, drink or gamble" may be reasonable advice, but using an incandescent paraffin lamp instead of electric light, packing yourself off to bed after the evening meal to do without heat, remembering that "beef dripping on toast saves butter," and buying a newspaper only at the weekend, are sacrifices that no one should have to make. "When shirts get frayed, cut off the tail . . . use it for a neat patch . . . Replace the tail with an odd piece of material." Society cannot describe itself as affluent while this kind of thing is going on.

There is, perhaps, a greater readiness to recognise that there is distress among the old, but just how extreme some of this distress can be is shown by Professor Peter Townsend and Dr. Dorothy Wedderburn in their book *The Aged in the Welfare State* (reviewed in *New Society*, 19 August 1965). They estimate that there are 1,750,000 people over 65 who have a combined income from all sources of less than £4 (\$11) per week.

The housing figures also are appalling. According to the 1961 census, 31 per cent of households still lacked one or more of the amenities of cold or hot water tap, fixed bath, and water closet. Moreover, the conclusion from a small survey undertaken in 1964 by the Simon Community Trust, and quoted in the Salvation Army centenary booklet *Tragedies of Affluence*, was that, including people in hostels as well as those sleeping out, there were about 90,000 men, women, and children who were without homes at all.

Finally, in a survey called *The Poor and the Poorest*, published in December 1965, Professors Abel-Smith and Townsend estimate the number of people living in poverty in Britain as 7½ million.

It is difficult to define what constitutes poverty, and statistics must be interpreted with meticulous care if any precise conclusion is to be reached. but the figures given above afford at least a broad indication that a substantial section of the population of Britain is living at a level of hardship.

It is probably true that the nature of the poverty bears little relation to that which many people remember from before the war: that is because they are comparing present-day circumstances with conditions during a time of severe

Britain

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help to create apparent affluence —
working and the working wife."



depression, when existing poverty is always desperately intensified both in kind and in extent. Even a sound comparison between, say, 1939 and the present day should be regarded with reserve, for there is nothing sacrosanct about "pre-war" as a base, and if the comparison could be taken further back in time the result might well look different. It helps to put matters in perspective to quote one historian (Douglas Jerrold, *England: Past, Present, and Future*) who, after referring to Victorian England as the "two nations" described in Disraeli's novels, goes on to say: "It was not so in 1688. Real wages then were far higher than they were in 1939 . . ."

What, however, of the abundance of material goods now available? What about the motor cars that we see everywhere, the refrigerators, washing machines, and television sets? Some measure of the increase of these goods is given by Mr. George Schwartz, in *The Sunday Times BusinessNews* of 22 August 1965. He writes that over the decade from 1954 the number of television licences rose from two million to twelve million and the number of road vehicles with current licences from 5.3 million to 11.4 million. It may be noted from the Ministry of Labour's "Family Expenditure Survey," already referred to, that whereas 80 per cent of households hold television licences, and 53 per cent have washing machines, only 34 per cent have refrigerators and only 22 per cent telephones. Motor cars are owned by 37 per cent. Except in the case of television sets, these figures disprove the sort of vague assertion occasionally to be heard that in these days almost everybody has a car or a 'fridge.

Nevertheless, the considerable increase in consumer goods since before the war is undeniable, and as these goods would not be produced unless there was an effective demand for them, it may seem that their existence is proof of a generally high standard of living. This assumption must now be tested.

As an illustration, I will take a family consisting of husband and wife and their two children. They are not among the ten million units who earn less than £500 (\$1,400) per annum but among those who seem to be better off than that. The minimum amount of money needed to supply their everyday needs, excluding housing, is £12 (\$33.50) per week. (For simplicity, income tax and family allowance will be ignored). They are lucky enough to live in a small council house where they enjoy an adequate standard of comfort for a subsidised rent of £2 (\$5.60) per week. Their total essential expenditure is therefore £14 (\$39) per week.

The husband's basic wage rate is £10 (\$28) for a standard 40-hour week, but he has the opportunity of working overtime and regularly puts in another eight hours a week for which he is paid time and a half — 7s. 6d. an hour compared with 5s. That brings him another £3 (\$8.40) per week, and so increases his earnings to £13 (\$36) per week.

This is still inadequate, so the wife goes out to work and earns £5 (\$14) per week. The combined income of the family is now £18 (\$50), and after the necessary expenses of £14 (\$39) have been met there is surplus of £4 (\$11) per week. It is with this surplus that the family buys the variety of consumer goods which makes them appear to be affluent.

There are three artificial factors that help to create this apparent affluence — subsidised housing, overtime working, and the working wife — and if these are removed the position looks very different. Without the subsidy, the rent of the house in which our family live would probably be £8 (\$22) or more, and the total necessary expenditure would rise to £20 (\$56) per week. Without overtime working, the husband's earnings would be reduced from £13 (\$36) to £10 (\$28), and without the wife's wage that sum would be the sole income of the family. Although there is superficially a surplus of £4 (\$11) and affluence, in stark reality there is a deficit of £10 (\$28) and poverty.

As to the fairness of this illustration, the following information is relevant. According to a written reply in Parliament on 11 November 1965 the number of public authority rented dwellings at the end of 1964 was 4.9 million, compared with 4.4 million privately rented (and 7.9 million owner-occupied). In April 1965 the average number of hours worked per week was 47.5, compared with 47.8 in April 1964 and 47.7 in 1938 (Ministry of Labour figures, quoted in *The Guardian*, issues of 25 March and 1 September 1965). There were 4,791,000 married women at work during 1965 (National Institute of Economic and Social Research), and although not all wives work because it is financially essential, family incomes are nevertheless boosted by their earnings.

The *kind* of family in the illustration is thus fairly common in Britain. All three of the artificial factors do not necessarily operate at once, but the number of families where one or more of them does so must be large enough to render the claim of general affluence hollow.

To be sure, we are affluent — if we work as long as we have always worked, if we multiply our efforts by sending our wives out to work, and if we receive charity from the state.

No doubt if we instructed our children to sweep chimneys we could be more affluent still.

FORM OF BEQUEST

*I bequeath, free of duty, to the United Committee
for the Taxation of Land Values, Limited, the sum
of £*