

CHILDREN'S
ALLOWANCES



Women's National Liberal Federation.

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Children's Allowances

Final Report

of the

Family Endowment Enquiry Committee

of

The Women's National Liberal Federation.

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WOMEN'S NATIONAL LIBERAL FEDERATION,
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Children's Allowances.

The Committee of Enquiry on Family Endowment, set up by the Women's National Liberal Federation in the summer of 1925, has now concluded its investigations and begs to present its report to the Council of the Federation. The Committee has held fourteen meetings, hearing evidence from married women, economists, business men, members of education committees, the teaching profession and the Civil Service, and a representative of the International Labour Organisation with special knowledge of Family Endowment schemes abroad. The Committee decided to substitute the term "Children's Allowances" for "Family Endowment," on the ground that this name describes more accurately the object of the policy which they advocate.

PRESENT POSITION AND THE OBJECT OF CHILDREN'S ALLOWANCES.

Under the present system of wage distribution in this country large numbers of children cannot be sufficiently provided for out of their father's wages, and it is almost impossible in the great majority of trades for large families, whilst the children are under school leaving age, to maintain a reasonable standard of living. The fundamental object of "Children's Allowances" is to ensure that the minimum needs of every child in the community shall be supplied without help from the Poor Law or from charity.

This necessitates some redistribution of that part of the nation's wealth which can fairly be assigned to wages or salaries, in accordance with 'real' rather than 'supposed' needs.*

SOME EFFECTS OF EDUCATION AND FACTORY ACTS.

Study of the subject makes it plain, that Children's Allowances so far from being a revolutionary innovation, are the logical complement of the social legislation which has been developing throughout the last century, as a result of the Industrial Revolution.

* *'Supposed' needs.* This expression is used throughout this report to cover the generally accepted view that every male wage earner may have to feed and clothe a wife and two or three children, and should, at any rate, have a wage adequate to enable him to do so, and these needs, purely imaginary as they would be in the case of a bachelor, or a married man without children, or with no children dependent on him, do undoubtedly roughly underlie any wage bargains, and particularly any differences in wages for similar work of equal value, between men and women.

A consideration of the present system of wage payments and how it has grown up will make this clear.

In the early days of our race's history and among primitive peoples to-day, the needs of a family were supplied by the man and the woman together. If he was the hunter, she probably sowed the grains of corn and made the clay utensils they cooked in, and spun and wove the clothes they wore, and the question of economic dependency never arose. So it was when different groups or families learnt to specialise in one kind of work and bartered it for other things. The work was done in the home, every member of the family doing his or her share, whether in weaving or carpentering or agriculture. Children were either apprenticed at a very early age or worked at home. And so it went on until the introduction of machinery, which drove the workers, men, women and children, into the factories. All the time the family was producing a variable amount according to its size and its output. However underpaid the individual workers were, those with families had more money than those without. Owing to the gradual growth of the social conscience, which was stimulated by the terrible conditions which allowed young children from three years upwards to work long hours, in insanitary factories, and in mines, the Factory Acts were passed, which step by step restricted women's labour, and forbade the employment of children under twelve. At the same time the Education Acts by compelling children to attend school, prevented, or at any rate curtailed, any work at home. Children from the ages of five to thirteen, who might otherwise have looked after younger brothers and sisters were taken away from home during school hours. This indirect result of the Education Acts made it still more difficult for the mother to go out to work in order to bring her share to the common stock of necessaries required by her growing family. The growing desire to keep the children at school until the age of sixteen will still further increase the period in the life of every family during which the whole family is dependent on the one worker. This has always been made an objection to any extension of compulsory education. As long ago as 1870 we find Lord Shaftesbury, one of the prime movers in the Factories Bills, moving an amendment to the Education Bill to lower the age of leaving school from 13 to 10, and urging 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 wife and family on 9s. a week unless he was assisted by such labour." At the present day the main opposition to raising the school leaving age is based on the increased difficulties which every family of young ones would have to face if the period during which the children had to be maintained was lengthened.

Legislation has produced the economic dependency of the young family and wife on the male worker, and so obliged the out-

put of the male workers to cover the needs of the women and children withdrawn from industry. The immense increase in the productivity of labour, due to the invention of machinery and the growing strength of the trade unions, led to an increase of wages which made it generally possible for the married worker still to support his family, but often at a very low standard of living.

As we have shewn this complete economic dependency of the wife on her husband is of comparatively recent growth. There is no reason to assume that its removal would weaken the real bonds of married life which have existed through the centuries.

THE NEEDS OF THE WORKERS AND WAGE RATES.

Now if the needs of all workers were the same, there would be no difficulty in fixing a uniform subsistence wage calculated according to the standard of living of the time. But since some workers are bachelors, some have one child, some three, some six or nine, the subsistence needs of individual families vary enormously. It is clearly out of the question to calculate subsistence needs on the basis of the largest conceivable family. Yet, if there is to be a uniform rate, and it is calculated on a smaller family, some children will go unprovided for.

For example, in Australia, an attempt to base subsistence wages* on real needs, led to the recommendation of Children's Allowances by the Chairman of the recent "Royal Commission in Australia on the Basic Wage," on the ground that a living wage on any other basis was found quite impracticable to enforce. The Chairman of the Commission suggested the rise in the cost of living should be met by State Endowment of Children, financed through a tax paid by employers on each worker. This proposal has only materialised so far in the case of Federal employees, whose wives receive an allowance of 5s. per week for each child under 14. However the Minister of Labour in New South Wales has just introduced a bill paying 5s. a week to every child under 14 in families where the income does not exceed £364 annually including the endowment, family income being taken as the combined income of husband, wife and children under 14, plus 25% of the incomes of children over 14 residing at home.

The employers' contribution has been fixed at 6% and 6½% of the Wages Bill respectively under Federal and State Awards. As a bill has just been rushed through Parliament increasing the Income Tax on incomes over £1,250 to meet the commitments of the State under this scheme, there is reason to believe it will be carried into effect.

So long as wages are partly calculated on a uniform subsistence basis, the growing tendency to restrict the birth rate and to marry late, by decreasing the size of the average family, must have an un-

* "The Next Step, Family Basic Income," by A. M. Piddington, K.C.

favourable effect on the position of married men with large families of dependent children. As the number of these grows smaller, their influence is felt less, and the workers as a whole tend to become more willing to accept wage rates which do not meet the needs of a large family. The general standard of living among wage earners has risen, but the minority of workers with large families are relatively worse off than they were before. This is a tendency which will increase and may have very serious social reactions. Moreover the Family Wage calculated on the needs of three children and two adults, not only leaves unprovided for over $1\frac{1}{4}$ million children in families where there are more than three, but pays for three million wives and over sixteen million children who do not exist at all.

The following table shows roughly the proportion of wage earners who actually have children under school leaving age to support, and how many are bachelors, or men whose children can earn for themselves:—

WAGE EARNERS WITH DEPENDENT CHILDREN.

38.5	{	14.5% have one dependent child.
		10.6% have two dependent children.
		6.4% have three dependent children.
		7.0% have more than three dependent children.
		i.e. 3.9% have four children.
		2.9% have five children.
.8% have six children.		
.3% have seven or more.		

WAGE EARNERS WITHOUT DEPENDENT CHILDREN.

61.5	{	29.0 are bachelors or widowers without dependent children.
		32.5 are married couples without children or with no dependent child under 14.

Witnesses were almost all of opinion that it was the capacity of the industry to pay and the natural forces of supply of and demand for labour as modified by the machinery of collective bargaining that ultimately fixed wages. But three factors enter very definitely into the supply side of the bargain, skill, scarcity and the needs or 'supposed' needs of the workers. There is nothing revolutionary in suggesting that the 'real' rather than the 'supposed' needs of the worker should be taken into account in determining his basic wage rates. In the case of Trades Boards, for example, the "needs of the workers," the vague family unit, undoubtedly enters very much into the minds of the members of the Board, so much so that rates are sometimes fixed which may by their height

drive some firms out of business, and consequently some people out of work.

Wage rates are now generally fixed on the assumption that every male wage earner has a family dependent on him, and this is made a ground for differentiating between the rates paid to men and to women. At the same time, as we have pointed out, they are not fixed at present in such a way that all the dependents of wage earners, male or female, are in fact provided for; and wage rates in most trades are not even high enough for the wage earner to bring up a family of three children on a reasonable standard of living. Moreover, under the stress of foreign competition any increase in the total wage bill in the near future is very unlikely in any but the sheltered industries, though better organisation and increased efficiency both in the management and by the workers may make it possible.

THE POSSIBILITIES OF ANY GENERAL REDISTRIBUTION OF WEALTH AND THEIR EFFECT ON THE FAMILY.

To some the simplest remedy for the present state of affairs might seem to be a redistribution of the country's wealth so as to give a more equal share to everyone. But this would not in fact appreciably improve the position of the large family.

The actual effect has been worked out by Sir Josiah Stamp.* He estimated the national income in 1923 to be 2,353 millions. This sum represents the total amount produced in the country during the year by the manufacture of goods and the rendering of services such as transport. He then calculated the effect of levelling down all incomes to £5 a week, pooling the excess and dividing it up equally.—The total income after excluding those below £5 is thus about £1,673 millions. Now about 300 millions of this forms the income of charitable institutions and various commercial bodies and cannot be spent by persons. From the amount to be divided must also be subtracted the amount which is taken from these incomes in taxation for national and local purposes, which he estimates at roughly 432 millions. The amount of people who at present get £5 or more a week, would require about 414 millions.

This leaves us with a rough figure of 544 millions.

But allowance must also be made for the necessary savings to be effected—Sir J. Stamp takes the savings before the war as a basis—about 375 millions, at present money values 600 millions, and if we are to have the same amount per head it reaches about 644 millions, necessary to provide the same annual increase in factories, houses, ships and other capital goods as before.

About 145 millions of this has been contributed out of the £5

* "Wealth and Taxable Capacity," by Sir Josiah Stamp.

incomes—leaving as spendable additional income about £45 millions. After allowing for all possible errors, the pool must lie between nil and 128 millions.

Now it would take 140 millions to provide an additional 5s. per week—for 10½ million families.

Now if a much lower figure, say 450 millions, which is roughly the amount now saved—is taken instead of 644 millions—this will make a further addition of perhaps 7s. 6d. a week. But the economic effects of low savings would be very harmful in the coming years and against the common interest.

That is to say a comparatively small number of people would be much worse off, and the majority would at best only receive from 5s. to 10s. a week in the first year, and the amount in later years would probably be less. Meantime, according to Mr. Rowntree's* calculations, 15% of the wage earners of the country have an income which is not sufficient to meet the bare needs of their families, and 50% of the children—the future workers of the country—live, during the years which will determine their physical health and capacity throughout their life, below the minimum standard at which they can be kept in reasonable health. These have to suffer for the upkeep of the children who do not exist. Where the family income is insufficient it is eked out by the mother going to work while the children are still young enough to need her at home, by letting rooms at the very time when the family most needs space, and by relief in the form of school meals, and by charity.

Whatever a better organisation of industry or further invention and better distribution may do in the future to increase the productivity of labour, some redistribution on a family basis seems urgently necessary before these improvements can produce any great results, and to enable these results to give their full contribution to the general human happiness.

We have seen that a mere pooling of all national wealth would not meet the case. But it is possible to redistribute part of it so that it goes to meet real rather than imaginary needs. The part where the redistribution is most urgently needed and could be carried out with least difficulty is what is known as the 'National Wages Bill.' This expression is used for the part of the country's whole wealth which is the fair share of the wage earner.

CHILDREN'S ALLOWANCES IN PRACTICE IN ENGLAND TO-DAY.

Actual needs have already been taken into consideration in the payment of wages and salaries in the following cases:—

- (1) In War time—Separation allowance.
- (2) War Pensions.

* "The Human Needs of Labour," by B. Seebohm Rowntree.

- (3) Unemployment Insurance.
- (4) Poor Law out-door Relief.
- (5) Widows' Pensions.
- (6) Some mineowners give a free cottage in addition to wages to married men.
- (7) Some farmers give free milk to married labourers with children.
- (8) The Wesleyan Ministry pays Children's Allowances to its Ministers of 8 guineas a year for each child, up to the age of 18, with an additional 12 guineas a year for each child during six years to cover the additional cost of education. This principle has been put into practice since 1770.
- (9) Income Tax Rebates in respect of wife and children.
- (10) One of the London Colleges pays children's allowances to the staff in addition to their salaries.

In the case of unemployment insurance and out-of-door relief, large families have as an inevitable result been sometimes better off in times of unemployment, than when employed.

THE PRINCIPLE UNDERLYING ANY SCHEME FOR CHILDREN'S ALLOWANCES.

The principle on which this is done is the same whatever the method of carrying it out. The basic rate of wages if determined by needs at all should be calculated on the needs of two persons (man and wife, or man and housekeeper) or possibly three (man, wife and one child). A children's allowance should be paid in addition to this for each dependent child, (if the first child was included in the basic rate then the second and succeeding children alone would be paid for). The rate of this allowance should be uniform and independent of the wage, which would still fluctuate above the basic minimum according to the conditions of industry and the bargaining power of the wage earner. Such an arrangement would clear the ground for an equitable settlement of wages as between workers and employers and different sections of workers, eliminating from the bargaining process the consideration of the presumed larger needs of male as compared with female wage earners, married as compared with unmarried workers.

Figures showing the real financial position of each industry must be made available to representatives of the workers concerned, in order to make this possible.

The allowances should be paid direct to the mother, and be quite separate from the payment of wages. Abroad this is the more usual practice and the men on the whole prefer it, for it avoids what otherwise may seem the injustice of paying different wages to two men for the same work. The allowances should not in any way depend upon the 'output' or 'skill' of individual workers.

This way alone seems to offer a hope, dependent on no revolu-

tion, or unknown invention of genius, but realisable within our generation, of assuring to every family, even the lowest on the industrial ladder, the material means for healthy living. It would be a first and most important step towards placing the service of motherhood in a position of security and honour, which our present system has so far failed to do.

A NATIONAL SCHEME OF CHILDREN'S ALLOWANCES

It might seem at first sight that the most just way of putting this principle into practice would be a National Scheme for the payment of allowances to all children, financed by taxation and administered by the State. A scheme of this kind, paying allowances to all children up to the age of 15 would cost roughly 154¼ million pounds if every child received 5s. a week, and 108½ million pounds if every child received 3s. 6d. a week. The cost of administration has to be added in both cases* But such a scheme would be very complicated and far too costly to be considered as a question of practical politics for many years. The Committee feels, therefore, that as the question is one of pressing necessity, Children's Allowances must be introduced by some other system.

DIRECT PAYMENT OF CHILDREN'S ALLOWANCES TO STATE AND MUNICIPAL EMPLOYEES.

The principle might be introduced in the case of servants of the State, civil servants, teachers or municipal employees, on the same lines as the 'cost-of-living' bonuses paid abroad, or as pensions are paid in the Army and Navy.

REDISTRIBUTION OF THE NATIONAL WAGES BILL.

There remains to be considered the redistribution of the National Wages Bill. This could be done in two ways:—

- (1) by Contributory Insurance,
- (2) by Industrial Pools, (organised regionally or by industry).

Let us examine these two possibilities in greater detail.

CONTRIBUTORY INSURANCE.

Contributory Insurance has the advantage that the requisite machinery is already in existence and known to be effective. To the criticism that insurance contributions are already too high the answer can be made that contributions would be so arranged that every man with more than one child will receive more than he pays in, while the bachelor may expect to get back in the future, more than he has contributed. Also some differentiation of payments

*These figures are arrived at by taking the latest census figures.

might well be made to meet the case of those older men whose children are beyond school leaving age when the scheme is first introduced. Detailed figures for different insurance schemes have been worked out lately by Mr. J. L. Cohen.* An examination of these figures shows that the weekly cost per insured person could not be less than 2s. 6d. a week (this would give about 3s. a week per child under 15) and would probably be nearer 3s. 6d. or 4s.

The chief objection to the Insurance Scheme undoubtedly lies in the difficulty of getting the wage earners and employers to pay still further contributions. In reality, apart from administrative cost and the State's contribution, if any, it would make no difference to the wage earners' sacrifice, if the schemes are properly run, whether employees and employers together agree to set aside so much of the portion distributable in wages to be paid in allowances, or whether they both contribute to it afterwards in insurance premiums. Under either system it will enter into cost of production, but this is not so obvious to the rank and file. The psychological effect of seeing the insurance contributions deducted week after week has to be reckoned with.

The Committee attaches great importance to the worker's sense of responsibility for their wives and children, and were at first inclined to think that this responsibility was better maintained by asking him to contribute towards his own children or his fellow workers' children in this form. But when the pool system is examined we shall find that it does not involve any acceptance of charity or loss of self respect. A pool would only be instituted by agreement between employers and employed. The workers' part in the agreement would be to allow some of the amount due to them in wages, to be put aside in a pool for the needs of their children. In this way they are really contributing their own share just as much as under an insurance scheme, though the contribution is made before the wages are paid and not after. In either case the amount of the State's contribution, if any, where the scheme applies to industry, is a matter for discussion on its merits, quite apart from the particular method by which it is given.

INDUSTRIAL POOLS.

After hearing a great deal more evidence with regard to the working of the Industrial Pool system for Children's Allowances abroad, particularly in France, the Committee has come to the conclusion that it is along these lines that we should attempt to introduce the principle in this country.

The fact that the Liberal Party is making a comprehensive study of the whole industrial field, with a view to discovering how far legislation can expedite a better feeling between employers and employed, is an additional reason for urging that these

* "Family Income Insurance" by J. L. Cohen.

principles should, if possible, be put into effect, as part of any such proposals that are made.

The Liberal Industrial Inquiry is likely to work on the lines of interfering as little as possible in industry, while at the same time ensuring to the workers a fair share of the product of their labour and a wider opportunity of understanding the industry they belong to, and of feeling that they are co-partners whose joint interest it is to make the industry a successful concern. It seems to us that the Industrial Pool system for Children's Allowances could well be worked in with such developments.

A Description of Children's Allowances.

SCHEMES IN EXISTENCE IN OTHER COUNTRIES.

The method of Industrial and Professional Pools or Equalisation Funds on the one hand, and Direct Payment of Children's Allowances to State and Municipal employees on the other, has been tried in varying degrees by a number of European countries. In France and Belgium it has been the most extensively used—though in Germany at one time about 4½ million employees received wages on this basis. It will, therefore, be useful to study these schemes in some detail.

CHILDREN'S ALLOWANCE SCHEMES IN FRANCE.

In France, before the war, certain municipal authorities, railway companies and commercial organisations had adopted the practice of paying special allowances to those of their employees who had families. During the war cost-of-living bonuses were often paid by individual employers, and the size of the family was taken into account in doing this.

After the war, with the constant fall in the value of the franc, causing great distress and constant demands for an increase of money wages, first individual employers and then groups of employers in a particular geographical area, found it convenient to form pools, with a central office, from which the allowances were usually paid according to the number of the worker's children. The total cost was divided among the employers on an agreed plan, either in proportion to their wages bill, or to the number of their employees, or to the number of hours worked, and consequently irrespective of the married or single state of their employees. The contributions varied from 2 to 5 per cent. of the wages bill—but the smaller is the more usual figure. Contributions to the Pools are usually levied as follows: the Administration Fund or Pool at fixed periods, receives a return from each member showing his wages bill and the amount of family allowances paid by him. The proportion of total allowances to total wages is then ascertained and the administrative expenses of the Pool are added. The division of the figure thus obtained by the number of members, gives the amount of the contribution payable by each. If one of the affiliated firms has paid out in allowances an amount larger than this contribution, the Pool refunds him the difference. If a smaller amount, he refunds the surplus to the Pool. Modifications are introduced for members employing mainly women or young persons. Under this system Children's Allowances were financed entirely by a redistribution of the Wages Bill, organised by the employers, without consultation with the workers or interference by the State, and all payments cease during a stoppage of work.

Details of the Pool or Children's Allowances Scheme at Grenoble.

In 1906 a "Caisse de Secours" or "Welfare Committee" was started. It consisted of manufacturers, merchants, and workmen together with a priest and a lawyer. They met about once a month to discuss the general welfare of the workers, and any decisions that they arrived at were put into force in their works. If the results were found satisfactory, these reforms were gradually adopted by the other manufacturers in the district.

In 1916 the workmen members of the Committee declared that wages were inadequate to enable married men with families to maintain a decent standard of living. An enquiry was held into the circumstances of eight men, with varying domestic responsibilities, all belonging to the Joya Metal and Engineering Works. As a result, the Employer was convinced that the men's plea was just, and it was decided that from November 1st 1916, married men should receive allowances on the following scale for children under the age of 13 years:—

One child	1.90 francs per week.
Two children.. .. .	4.50 francs per week.
Three children	7.90 francs per week.
Four children	12.0 francs per week.

At the end of the month the local Union of Engineering Employers decided that the same allowance should be given in all Grenoble workshops, though compliance was left to the discretion of each employer. In 1918 a higher level of allowances was fixed. These were generally adopted by the employers, but a tendency was creeping in to prefer to employ men without families.

In May, 1918, to meet this difficulty, a compensation fund was founded to equalise the cost of the family allowance and prevent discrimination against family men. This fund was maintained by contributions paid by each firm in proportion to the total of wages paid, and by 1921, each child was getting on an average 6 francs per week.

In December, 1919, there were six of these pools, involving 50,000 workers. By 1924, owing to the successful working of the existing pools, this number had increased to 158, involving about 1½ million workers, and by May, 1926, to 190 'clearing funds' with a corresponding increase of workers involved.

ADVANTAGE OF REGIONAL OVER INDUSTRIAL POOLS.

Of these pools rather more than half are regional. Supporters of this form claim that it has the following advantages over the industrial pool:—

- (1) It is more adaptable to local variations in the cost of living.
- (2) It ensures local responsibility.
- (3) It entails lower administrative costs.
- (4) It emphasises the separation of allowances from wages proper.

AMOUNT AND COMPARATIVE VALUE OF ALLOWANCES PAID.

The allowances are very much lower than has ever been contemplated in this country, and it has been authoritatively stated that for trades generally the average weekly allowances for one, two, three, four, five and six children were 5, 16, 27, 43, 51 and 74 francs, and the State workers, 11, 15 and 22 francs for one, two and

three children. But in many cases the rates are on a higher scale. For example, the Paris-Lyons-Mediterranean Railway makes weekly allowances of from 11 francs to 17 francs for each of the first two children under 18 years—and from 18 francs to 27 francs for each further child up to 21 if engaged upon an educational course or infirm. In a number of cases allowances are paid in respect of the wife as well as the children. For purposes of comparison with this country a calculation worked out by Mr. I. H. Richardson, of the International Labour Office, giving the cost of a basket of food commodities in London and Paris in April 1926, shows that the equivalent purchasing power of the allowances would be as follows:—

No. of Children.	For Trades generally.	For State workers.
One	5 francs = 1/-	11 francs = 2/2½
Two	16 ,, = 3/3	15 ,, = 3/-
Three	27 ,, = 5/5	22 ,, = 4/5
Four	43 ,, = 8/7	

ATTITUDE OF TRADE UNIONS IN FRANCE.

The Christian Trade Unions have favoured the scheme from the beginning, but at first it was opposed by the Socialist trade unions who would have preferred a flat rate increase and resented the paternalism of the employers who regard the payment of allowances as an 'act of grace.' Now, however, the system is so widespread, and the beneficiaries by it are so numerous, that the trade unions warmly favour the principle and wish to see it made general and compulsory, and the equalisation funds or pools administered by a joint committee of employers and workers.*

A Bill to this effect was introduced by M. Bokanowski in 1920. It was proposed that the measure should apply to all employers, whether in industry, commerce, agriculture or domestic occupations, who employed one or more workers during at least 150 days per annum, and five hours per working day. The monthly allowance for the first child was to be a minimum of 5 per cent. of the monthly wage, and of 7½ per cent. for other children. These allowances were to be paid to the mother.

This Bill was rejected owing to the opposition of the employers. However, it was referred to the Committee on Insurance and Social Welfare for further consideration and the fear of compulsion gave increased stimulus to the development of voluntary pools.

*The Confederation Generale du Travail write:—

"The Allowances enable a fairer distribution of the product of labour and a higher standard of life for children. They have no real effect on the birth rate. We could not maintain that the allowances have not reacted on the bachelor's wages. But in actual practice an organism which aims at equity and solidarity justifies certain sacrifices. The Pools guard against the preferential employment of unmarried men. Trade Union solidarity has not been impaired by the system. We in France consider that the Family Wage is purely and simply a redistribution on sounder and more humane lines of the wage bill."

The industries adopting the system include the Metal, Mining, Engineering, Textiles, Glovemaking, Building and even Dock labour in two ports. There are also 27 Agricultural pools. An additional 1½ million workers are paid allowances direct by Public bodies, Railways, Banks, etc. In 1920, 80 French Departments and 206 towns with more than 10,000 inhabitants followed the practice.

BELGIUM.

In Belgium about 20% or more of the workers are involved, and the pools are almost always worked regionally.

The first funds were formed in 1922, and now altogether 40,000 workers in private enterprises, and 230,000 in government employment are involved.

A permanent Central Committee has been formed, "Comité d'Etude des Allocations Familiales," to serve as a connecting link between them and investigate any problem that may arise. The system is spreading rapidly as in France.

OTHER COUNTRIES.

In other countries it is mostly the state and municipal employees whose families now receive allowances, though many firms paid Children's Allowances immediately after the war.

The fact that children's allowance schemes in France and Belgium developed on the pool system—so avoiding the danger of discrimination in favour of the single men by individual employees; whereas in Germany, Austria, Czecho Slovakia, Poland and the Netherlands, the allowances were definitely paid as part of wages, by employers to their own employees, largely accounts for this fact.

The men claimed that it made it more difficult to get work. Hence though there is little criticism of the general idea of Children's Allowances, in **Germany**, for example, they have fallen into disrepute and firms are in many cases giving them up.

In the **Irish Free State** Children's Allowances are paid to most of their State employees up to the age of 16, and to the age of 21 in the case of invalid children and those continuing their studies. It also introduces equal pay for men and women.

EFFECT ON THE BIRTH RATE.

One of the avowed objects for which the system was introduced in France, was to encourage an increase in the population, and it may be objected that this would be a most undesirable effect in this country. It is still too early to see what effect the allowances have had on the birth-rate in France, and even should the population of France be found to be on the increase, it would be difficult to know to what factor to ascribe it among the number of movements afoot which are aiming at that object.

For instance the Welfare Work, which has gone with the allowances in France, is quite new there, and has helped to reduce the infant mortality. This is in any case a wholly desirable effect; but its result on the population would be less in this country, where an efficient system of health visiting and welfare work is already in existence.

The committee would not contemplate the payment, at any rate at first, of an allowance of more than 3s. to 5s. a week per child, graded according to the number of children, and they find it hard to believe that such an allowance would encourage parents to increase their family who did not wish to do so in any case.

Moreover, it is the general experience that an improved standard of living leads to a decrease in population. It is possible that the allowances might lead to an increase in the families of the most poorly paid workers but even this seems very unlikely. In this connection the committee considers that the development of public opinion with regard to birth control is of great importance. It should be remembered that the allowances are not intended to take the whole cost of the upkeep of children off the parents' shoulders, but simply to effect a more equitable distribution of wages and one more productive of general welfare.

It does not appear to us practicable to introduce any system of Children's Allowances except at a time when alterations are being made in wage rates. They might be accepted as a palliative to a reduction of wages, or as a compromise when an all-round increase is demanded; but their sudden introduction in an industry where wages are stable would almost certainly be viewed with suspicion.

Recommendations.

There are certain steps which the State could undoubtedly take to introduce such a system:—

(1) * **As an employer** it might pay Children's Allowances to all its employees just as allowances were paid for the children of soldiers during the war.

(2a) * **As legislator** it might embody the principle in the "fair wage clause" of all government contracts as soon as there were enough pools formed in this country to make this practically possible.

(2b) It might insist that all municipal employees should pay Children's Allowances to their employees.

(2c) It might well be made one of the duties of Trade Boards to put Children's Allowances schemes into effect in all grades that they touch.

(3) State Action to encourage Industrial Pools.

With regard to the more highly organised industries, and to those workers who seem to come under no existing organisation, it might offer to finance the cost of administering any pools started on a proper basis.

In any case certain **broad principles** stand out that where such pools are formed it is important:

(1) that workers should be enabled to move easily from one pool to another, whether industrial or regional,

(2) that industries employing mostly women's labour should bear their fair share of the general cost of such pools,

(3) that there should be some impartial arbitrator or tribunal to see that the workers have a fair share in the organisation of such pools,

*In the Post Office there is already a differentiation of payments for equal work, for men receive a certain wage at 22, regardless of their length of service, and at 26 a higher rate, even if they freshly enter the service then, presumably because of the likelihood of marriage, with its increasing cost.

*This is done in some towns abroad, e.g., in Liege, the Municipal Council decided when selecting contractors for work undertaken for the municipality, to encourage the paying of Family Allowances by giving preference to those who are members of equalisation funds, paying allowances of certain specified amount. Where a contractor is not affiliated to such funds 2s. is added to his estimate, in order to enable the municipality to pay similar allowances to his workers.

In France a Bill became Law in 1922, which provided that in the case of State contracts the payment of allowances to workers in respect of their family responsibilities shall be compulsory in all but exceptional cases, when the Minister must state his reason for the exception. This was followed in August, 1923, by an order from the Minister of Labour laying down the regulations with which approved equalisation funds or pools must comply.

(4) that the administrative cost of such schemes should be as low as possible,

(5) that women workers if employed under any pool should be eligible as mothers to receive allowances.

It will be seen from these recommendations that the Committee is strongly of the opinion that the time has come when something definite should be done in this country to bring the whole question of Children's Allowances into practical politics.

This year is a particularly suitable one for the Council of the W.N.L.F. to bring forward such proposals, as the Liberal Industrial Enquiry is expected to bring out its report in the autumn, and the committee hopes that Children's Allowances will find a place in its recommendations.

Signed E. DOROTHEA LAYTON (Chairman).
MARGERY CORBETT ASHBY.
VIOLET BONHAM CARTER.
MARGUERITE DIXEY.
GERTRUDE EMMOTT.
ISABELLA HERBERT.
SHENA SIMON.
URSULA WILLIAMS.
MARGARET WINTRINGHAM.
LUCY MAIR (Hon. Sec.).

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Appendix.

TABLES SHOWING PROBABLE EFFECT ON WAGES IN METAL INDUSTRY IN GREAT BRITAIN IF CHILDREN'S ALLOWANCES SCHEME WAS ADOPTED.

An analysis of the following two tables taken from the Census figures of 1921, and of the Ministry of Labour's enquiry into actual wages in the same trade, made in 1925, shows how the application of the principle of Children's Allowances in this trade would affect the wages of the different wage-earners.

The latter enquiry shows an average weekly wage of 54/8d.

From Table A. we see that the total number of workers is 1,850,940. Thus the total weekly earnings will be £5,059,230.

From Table B. we see that there are roughly 1,536,100 children under 16 years of age dependent on these metal workers.

If each child received 3s. a week, the total weekly cost would be £230,415.

If each child received 5s. a week, the total weekly cost would be £384,025.

Deduct these sums respectively from the total wage bill, and divide the remainder evenly between 1,850,940 male occupied persons. Then average weekly earnings of each male would be 52/2d. or 50/6d. respectively.

Thus bachelors, married men without children or with children no longer dependent on them, would sacrifice 2s. 6d. or 4s. 2d. from their usual weekly wage—for the sake of those with young children.

The following table gives the exact position, and is of interest in showing how the application of the principle of children's allowances in a particular industry, without any increase or decrease of the total wage bill, but merely by a redistribution among the wage-earners of the existing wage bill, would affect the wages of each class of worker.

TABLE A.

GREAT BRITAIN.
METAL INDUSTRIES.

Number of Males Occupied therein.

<i>Metal Workers (not Electroplate or Precious Metals)</i>	<i>Number of Males Occupied therein.</i>					<i>Total</i>
	<i>Single</i>	<i>Married</i>	<i>Widowed</i>	<i>Divorced</i>	<i>Total</i>	
England & Wales..	607,328	881,629	50,584	694	1,540,235	
Scotland	130,325	138,607	11,122	156	280,210	
Total	737,653	1,020,236	61,706	850	1,820,445	

Workers in Precious Metals & Electroplate.

England & Wales..	10,153	18,114	1,149	23	29,439
Scotland	434	562	56	4	1,056
Total	10,587	18,676	1,205	27	30,495
Grand Total ..	748,240	1,038,912	62,911	877	1,850,940

These figures include:—

1. Employers, Managers, Foremen.
2. Furnacemen (not Foundry) and Puddlers.
3. Rollers.
4. Foundry Workers.
5. Smiths and Skilled Forge Workers.
6. Machine Tool Workers.
7. Fitters and Millwrights.
Erectors, Fitters, Tool Setters, Millwrights,
Erectors' Fitters, Millwrights' Labourers.
8. Other Metal Workers:
Boilermakers, Platers and Iron Shipwrights,
Boilermakers' and Platers' Labourers.
Mechanical Engineers, Engineers (not Engine Drivers).
Mechanical Engineers, Engineers' and Mechanics' Labourers.
Motor Mechanics.
Plumbers (not Chemical Plumbers).
Press Workers and Stampers (not Hot or Hydraulic); Drawers (not Wire or Tube).
Riveters.
Riveters' Labourers.
Tinsmiths; Sheet Metal Workers.
Tool Makers.

TABLE B:

GREAT BRITAIN.

Number of Children, aged 15 years and under, dependent upon Metal Workers.

<i>Metal Workers (not Electroplate or Precious Metals)</i>	<i>Children dependent on.</i>		<i>Total</i>
	<i>Married Men</i>	<i>Widowers</i>	
England & Wales ..	1,242,870	26,072	1,269,942
Scotland.. ..	237,018(a)	6,784(a)	243,802
Total	1,479,888	32,856	1,512,744
<i>Workers in Precious Metals and Electro Plate.</i>			
England & Wales ..	22,256	436	22,692
Scotland.. ..	641(a)	19(a)	660
Total.. ..	22,897	455	23,352
Grand Total ..	1,502,785	33,311	1,536,096

TABLE C.

WEEKLY PAYMENTS OF METAL WORKERS.

	<i>Present. Wage.</i>	<i>Wage if 3/- per child allowance is paid.</i>	<i>Wage if 5/- per child allowance is paid.</i>
Bachelors			
Married Men without Children }	54/8	52/2	50/6
Married men with children no longer dependent			
Married men with one child ..	54/8	55/2	55/6
Ditto with 2 children..	58/2	60/6
.. 3	61/2	65/6
.. 4	64/2	70/6

etc.

PAMPHLET