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PRIME MINISTER

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I attach a contribution for the next meeting on "Renewing the Values of Society".

Though I have written this primarily from the standpoint of the Department, I hope colleagues will forgive me if I also attach a copy of the speech I made at the 1977 Party Conference in reply to a debate on the family. Some of the points I made may well be relevant in the Group's discussion.

2 I am sending copies of this to Willie Whitelaw, Geoffrey Howe, Keith Joseph, Michael Heseltine, David Howell, Norman Fowler, Norman Tebbit, Cecil Parkinson and to Sir Robert Armstrong and John Sparrow.

David Saunders

for

PATRICK JENKIN

(approved by the Secretary of State and signed in his absence)

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3 September 1982



Paper from the Secretary of State for Industry to the Family Policy Group

RENEWING THE VALUES OF SOCIETY

1 This paper is intended as a contribution to the discussion primarily from a Department of Industry standpoint.

2 One preliminary maxim: to quote Burke - "The laws reach but a little way". We must not exaggerate what governments can do by legislation, institutional change or exhortation.

3 A second point is that a high level of long-term unemployed is profoundly anti-family. Prolonged unemployment erodes respect for the breadwinner, creates strains within the family and increases dependence on the State. Many would argue that the best thing we can do for the family is to pursue our policies to bring the numbers of long-term unemployed down.

Help for the small firm is help for the family

4 The need to encourage the establishment, continuity and growth of small and family businesses, and to help the self-employed, is at the heart of the Department of Industry's interest in the values of the family. We have made much progress here but the momentum must be maintained. The following issues arise:



- (a) There is a general need to keep under review the impact of tax - CTT, CGT, Corporation Tax and stamp duty - on small firms and wherever possible make changes which ease the burdens. We are not a "one generation society" and continuity of family businesses is essential.
- (b) Further moves to lift the burdens for small firms and the self-employed. Studies have been done in the past. But over-elaborate bureaucratic rules are widely felt to deter small firms. To offer the prospect of alleviation of the administrative hassle of the employment of people by small firms would be a considerable boost. If it is thought that we ought to look at this again, as I would recommend, perhaps the task could be given to the present Working Group on small firms under John MacGregor.
- (c) The black economy. Taxation and administrative hassle encourage the black economy and therefore undermine respect for the law and institutions. This underlines the constant need to avoid imposing excessive taxes or regulations on small firms.
- (d) The Enterprise Allowance Scheme. There is growing evidence that this scheme, so far only a pilot experiment, is encouraging unemployed people to become self-employed. We need to decide soon whether to extend the scheme.



(e) Enterprise Agencies. These are valuable institutions for generating new start-ups. We need to look at further ways of helping here.

Business and the community

5 I am sure that it helps family life if people have a feeling of belonging to the community in which they live. For industry, it must be our objective to encourage firms to play a greater role in the local community. This should be a matter of self-interest. If firms show little concern for the community in which their employees and their families live, then they cannot be surprised if in turn employees show little concern for the well-being of the firm for which they work. Involving the private sector in community development could be encouraged, as has been suggested already, by shared cost schemes.

Strengthening the sense of identity between a company and its employees

6 The size, remoteness and apparent insensitivity of many organisations - those for which people work and those which serve them in their local community - weaken people's personal commitment and involvement. Many people will spend their entire lives working in a large company; companies must be encouraged to follow the example set by those firms with the best record on employee involvement. Work is already in hand but this subject



is of direct relevance here.

7 Profit participation also has a role to play in securing commitment and a sense of belonging.

Education and industry

8 Another aspect of closer cohesion in the community is encouraging continuity of experience as a person moves from one world to another. This, together with the need to correct the cultural bias against industry, is why links between industry and education must be improved. More direct contacts between schools and firms will increase pupils' understanding of the world of industry and commerce. Schemes such as "micros in schools" help prepare children for the new technology they will face at work. Broadening the training and experience of teachers could help children relate more easily their education to the world outside their school. Again, this will foster the sense of community, rather than life consisting of a number of disparate and unrelated stages.

Privatisation

9 We need to press ahead with privatisation as it is one of the main instruments by which the Government can counteract the growth of centralisation and reduce the number of State monoliths which tower above the individual.

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reorganisation has taken the very best of our sisters away from the bedside? Must we accept the flaccid, remote, lay administration that somehow seems to need a dynamite suppository to get it going? Must we accept the contraction of our specialist services when our research and our efforts have led Western medicine to its present eminence? In the National Health Service we find that management has become a substitute for discipline and the dilution of skills has become the penalty of excellence.

The devotion and the skills of the members of the medical and nursing Royal Colleges are second to none. Before it is too late I ask the next Conservative Cabinet to give back to the doctors the responsibility for the finance and the administration of the hospital service. I tell you this: without this it will rapidly become impossible for us to continue to treat and to serve our fellow human beings. Our society, this Party, will be judged on the standard of care we provide for the lonely, the sick and the little children.

MR JENKIN'S SPEECH

THE RT HON PATRICK JENKIN, MP (Wanstead and Woodford): I was delighted when the National Union decided to give time for this discussion on the Family and Conservative Policy. I think we have had a very thoughtful and a very constructive discussion. A great many valuable proposals and ideas have been put forward. I know that many more would have been put forward if the more than 50 speakers who sought to take part in this discussion had had a chance to come to the rostrum.

I can give you this pledge, that I and my Front Bench colleagues, Janet Young in the House of Lords, Gerry Vaughan and Lynda Chalker in the House of Commons—and may I say how enormously grateful I am to them for their energetic and imaginative work on the social services—that we will go through this debate, comb through the record, and take forward in the proper context the various proposals that have been made in the main stream of our policy work.

The family is an enduring institution. It has been the foundation for virtually every free society known to history. It possesses strength and resilience, not least in adversity. Loyalty to the family ranks highest of all, higher even than loyalty to the State. It is no accident, as Tom Benyon reminded us, that dictatorships whether of the Left or of the Right seek first to devalue and then to destroy the family. To those who regard unconditional obedience to the State as the paramount duty, the family is a prime obstacle to be crushed. But tyranny is not the only threat to family life. It can be undermined by the scorn of fools, by the bias of the collectivists, or even by benign neglect.

This afternoon we have heard in many of the moving speeches from the rostrum how the family is under pressure. Mrs Case told us of the problems of a family with a mentally handicapped child. Mrs Hadley described to us the problems of the elderly in a deprived area of East London. Mr Falkner told us of

the problems of nursing in the psychogeriatric wards of some of our oldest and most out-dated hospitals. Dudley Fishburn described to us the problems of the elderly in a retirement area of our country.

Many of the symptoms of the pressure under which families exist are among our greatest social anxieties. The rising tide of juvenile crime, the growth of truancy, the break up of marriages, family violence, the loneliness of the aged, the growing dependence on the social services, the steadily mounting numbers of children in care—these are the toll exacted by the strains on family life. In a discussion as full as this one there have been many strands and, much as I should like to, I cannot reply to them all.

One strand which was raised by Janet Young in her opening speech and picked up by one or two speakers from the floor is the profound change that has taken place not only in this country but in other advanced societies, occasioned by the number of married women who now take a job outside the home. I am told that there is now a word for 'latchkey kid' in every European language. Although for mothers with very young children only a small minority work full-time, in more and more families mothers are combining earning with home-making. In many cases her pay contributes a sizeable part of the family income, her career may rank equal in importance to that of her husband, her contribution towards the joint retirement income is significant.

This represents a massive change in family life and I think we should pause and ask—how far have our institutions in government adapted to this change? Yes, we have adapted the tax system to the married woman earner. We have partially adapted the social security system. There is now an elaborate machinery to ensure her equal opportunity, equal pay and equal rights; but I think we ought to stop and ask—where does this leave the family? And where does it leave the mother who chooses not to go out to work but to stay at home and look after her family?

There seem to me to be two aspects of this and one is certainly financial. Freedom of choice is an admirable principle but one must ask what sort of freedom is it when young mothers who would rather stay at home and look after their young children feel forced to go out to work, simply to make ends meet? Our tax system gives great advantages to families where both spouses work, but a family where the father works and the mother stays at home and which has exactly the same total income pays very much more tax. Is not this a tax penalty on staying at home to look after the children? Should we not perhaps be looking for a greater neutrality in our tax system?

Widows face a comparable discrimination. I believe that we must do better for single parents of whom young widows and widowers form a significant part.

One way to redress this imbalance in our tax system is to recognise the costs of bringing up children. Here we face an immediate difficulty. There just are no proper figures to guide us as to what are the costs of bringing up a family. Margaret Winn in her notable

book, *Family Policy*, has shown just how hit-and-miss are our methods.

If I may reminisce for a moment, I remember when I was Financial Secretary to the Treasury and we increased the child tax allowances, I was asked what was the basis upon which we chose the figure that we put in the Budget. I had no answer, except simply to say that like Topsy they had just 'grewed' that way.

The result of this hit-and-miss has been, as Janet Young showed us in her admirable opening speech, that inflation has eroded the child tax allowances far more than the other personal allowances. I would like to repeat those staggering figures. While the tax threshold for a single person has risen 87 per cent between 1945 and this year, for a family with two children it has risen only 14 per cent and for a family with four children the increase has been only 9 per cent. Interestingly enough, if you look at the intermediate years you see that families fared far better under Conservative governments than they did under Labour governments.

Stephen Perry in his powerful defence of the tax credit scheme was absolutely right when he said this is the way in which we can start to redress the balance. Had we remained in office the tax credit scheme would now be on the statute book. Child tax credit was to be the first stage. But you remember how last year the Labour Cabinet tried to bury the child benefit scheme. When we challenged them in the House of Commons they funked the vote and ran away. The great child benefit robbery was the day that Labour finally abandoned the family. I agree with Peter Bottomley—a classic example of what goes wrong if you listen to the union bosses rather than to the voice of the family.

By constant pressure we forced three debates on the floor of the House, and something has been salvaged from the wreckage. Labour claims to be the party that cares, but the great child benefit robbery finally proves this to be a hollow sham. What did they offer to families at last week's conference at Brighton? Absolutely nothing! Mr Healey was asked about his forthcoming cuts. I quote *The Guardian*: 'He ruled out the possibility of giving extra money in the form of child benefits. These would work against people without children.'

When one considers the figures I quoted a moment ago, this shows a staggering ignorance. Mr Healey is pleading for pay restraint, but I tell him—go and ask the police! Go and ask the firemen! For the greatest pressure for the big pay increases comes from the young family men with children to support. These are the ones he should be listening to—family basher Healey!

Our tax system must be more family orientated. We must concentrate relief where there are dependent children. I give you this pledge: the next Conservative Government will retrieve the child benefit scheme from Mr Healey's waste-paper basket and give it top priority.

But inflation is not the only argument. The pressures on young wives to go out to work devalue motherhood itself. I am always

saddened when a mother tells me, 'I do not work. I am only a mother.' When I see what my own wife did I wonder what they mean.

Parenthood is a very skilled task indeed, and it must be our aim to restore it to the place of honour it deserves. We hear today a great deal about social work. A team from the British Association of Social Workers has been seeking to define the social work task. This is a job which has taken them many months. During that time no fewer than four of the team left to have babies. Somewhat wryly, one of those remaining was moved to suggest that perhaps the most important social work of all is motherhood.

This brings me to my next point. The family is not just mum, dad, and kids—a sort of snap, crackle and pop. It is very much more besides. What sort of encouragement do we give to families to look after their elderly relations? Yet the family must be the front-line defence when Gran needs help. Rightly we argue that the best of social work is helping people to help themselves. Do we do enough to make this a reality? How many council houses are built with a 'granny' annexe? How many housing authorities deliberately set out to house a young family near older relatives? Take another case. Why does not the invalid care allowance go to married women? How odd it is that it goes to a married man whose wife is crippled but not to a wife whose husband is crippled!

Some people have seen this as discrimination against women, but it is not; it is discrimination against the family.

Over the years we in this country—both Governments must share the blame for this—have made the mistake of looking at our social problems in terms of categories—the elderly, the under-fives, kids in trouble, the mentally handicapped. All experience shows that trying to help people outside the family context can bring poor results with heavy costs. Involve the family and there is a very much greater chance of success. We had one example given to us this afternoon by Dr Anthony White when he talked about the real importance of preventative medicine throughout family life. The Court Report on child health shows how much needs to be done that can have an effect upon health in old age. Let me give you other examples.

The National Playing Fields Association is doing a marvellous job in setting up adventure playgrounds for children in deprived city areas. This can be a thankless task if vandals destroy equipment almost as soon as it is built. But what they have found is—involve the fathers right from the outset and the venture almost always turns out to be a success.

Another example is the pre-school play groups movement which now has thousands of groups all over the country; its success comes because it involves the mothers as well as the under-fives.

The National Children's Bureau's recent study of young people in care shows in poignant detail how much is lost when a child has to spend its childhood in institutions. John Grugeon was right to remind us of the other, happier side of the picture. The recent

report of Kent County Council, of which he is such a distinguished leader, shows how much can be gained, and the chances of success enormously improved, if even difficult youngsters can be fostered and so share in a family life. I passionately believe that every child deserves a proper family life. A loving family is worth more than all the psychiatrists in Britain put together. Gerry Vaughan will forgive my saying so.

A family policy is not just about tax and about the social services; it is about the family shop at the street corner; it is about the family farm. The family stands as the living denial of that Socialist heresy which Margaret Thatcher is an inspired phrase christened their 'one generation society.' We are not a one generation society, and families exist to prove it.

What about hooliganism and crime? Is there not a case for the law encouraging parental responsibility more than it does and fining parents directly when their children commit certain offences?

What about education? What is parental choice if it is not an assertion of the voice of the family over that of the bureaucrat and the expert?

By contrast, what is the process of forcing every child into the same mould of mediocrity if it is not an attempt to deny the right to benefit from a good family background?

In the wise words of Lord Robbins, 'The advantages of being born into a happy and civilised family can only be removed by the elimination of the family itself.'

Family policy, like peace, is indivisible. Weaken one part and you weaken it all.

So what is to be done? Let us always remember that family life involves the most personal and private relationships between people; governments must tread with extreme caution. Let us remember, too, that our aim is to build a society that lets people make more of their own decisions, and exercise greater responsibility for their own lives. The last thing we want, therefore, is a vast new bureaucracy intruding into the privacy of our homes. I hold no brief for a Ministry for Children—before you could wink it would

have hundreds of civil servants occupying a tower office block in Wigan—with a computer that doesn't work!

But from the things we read in the newspapers and elsewhere of the anxieties of today it suggests that benign neglect is not enough. The time has come for more positive action. In an ideal world, it should suffice for the word to go out from the next Prime Minister—and who better to launch a new policy for families—and henceforth all Departments would jump smartly into line, and all Departments would look after the family. I know, and you know, that Whitehall does not work like that. We will need something more.

We will need to enlist the concern of the very many voluntary bodies active in the family field—and many of them have already shown great interest in our ideas. I warmly endorse what Mrs Springman said about supporting voluntary bodies, including those which support community life. I support what Andrew Boff said. Many of these bodies, as I have said, are interested in this debate; and we will not want for allies in this fight for the family.

Secondly, we need a forum—a Family Council, perhaps—where these voluntary bodies can bring their influence to bear directly on all ministers whose policies affect family life. Ministers would then be asked to accompany any new policy proposals with an assessment of their impact on the family, a Family Impact Statement if you like, drawn up after consultation with the interested groups. In this way Parliament, Cabinet, and people can be vigilant to safeguard and enhance the quality of family life.

This task—nothing less than the creation of a powerful and effective lobby for the families of Britain—is one in which all can join. Millions share our conviction that a sound family life lies at the heart of a free and healthy society. Millions see in today's strains on family life the seeds of greater social ills tomorrow. Among all the clamours and distractions that command attention today, let us resolve to restore the family to its rightful place in the life of our nation.