Poverty in the United Kingdom
A Survey of Household Resources and Standards of Living

Peter Townsend
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Preface

In this book I have sought to show the extent of poverty in the United Kingdom and give some explanation for its existence. Although I have drawn on a number of studies carried out in the 1970s, and on the reports in 1975, 1976 and 1977 of the Royal Commission on the Distribution of Income and Wealth, the principal source of information is the national survey carried out for the specific purpose of writing this book in 1968-9. Are the findings from that year out of date in the late 1970s? Very properly this question will be raised. The answer can take many different forms, some theoretical, some technical and some personal.

One answer is that the structure of society does not change significantly in a short span of years, except sometimes in revolutionary conditions or war, and that the research team was inevitably seeking to describe and analyse the social structure of the United Kingdom in attempting to describe and explain poverty. There are major conceptual and technical problems in doing so - in trying to revise familiar but inadequate methods of describing society and adopting relative measures of inequality and deprivation instead. I believe this lays the basis for cross-national and scientific work.\(^1\) The team discussing and planning the project grappled with the problem of devising alternative measures when completing the pilot studies\(^2\) and preparing the questionnaire. In the questionnaire we tried to develop a comprehensive conception of resources; measure some of them, like fringe benefits and the ownership of wealth, more reliably than in other studies; and at the same time develop operational standards, and not only indicators, of deprivation. Yet at the stage of provisionally analysing the information collected in interviews, and at the final stage of checking and integrating that analysis, there were unanticipated problems of generating as well as of digesting new conceptions, and therefore new measures of inequality and deprivation (and putting them into operational form as indicators and combined indices), so that a closer representation of that elusive structure of inequality might finally be given. We were trying to sustain both an

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account of the total social structure (as well as of the relationship between some of its component parts) and an account of poor minorities within that structure.

There are a number of different senses in which the underlying social structure can be said to have remained much the same during a period of a little under ten years. Upon analysis, social changes turn out to be technical or cultural rather than structural. People are conscious of the rapid spread of car ownership, colour television, telephones, central heating, hi-fi equipment and air travel; the introduction of new methods of production in industry and new drugs and surgical techniques in medicine; new fashions as well as materials and processes in the clothes that are worn and the goods and furnishings that are bought for the home; new types of musical and theatrical entertainment; and an array of new bodies, controls and procedures brought into existence by legislation. But while styles of living and prevalence of types of social interaction are indeed affected, the division of society into social classes, social minorities, regional and local communities, family, neighbourhood and friendship groups and networks, and administrative, professional, political and religious groups, and therefore the distribution of resources commanded by such groups, may remain largely unaltered. This is the paradox which the social scientist is bound to call attention to and explore. One of the problems is that individuals often ascribe changes occurring to them in their lifetime as changes occurring to society. Another is that the extent of social change is exaggerated by many bodies because it suits them consciously or unconsciously to do so. And a third is that even when structural changes occur, they may be of a very short-term nature only. Change may be cyclical rather than long term, and there may be periodic reversions to long-term structural dispositions. The state of conflict between major contending classes and groups in society may mean that one class or group secures an advantage at a particular point in time which is later lost or redressed by another class or group.

What has to be accepted therefore is that some ‘changes’, in the popular sense of the term, have little or no impact on the basic divisions or conflicts in society and do not affect its structure. Many contemporary ‘changes’ - in fashion, technology, legislation and, during inflation, in the interaction of earnings, taxes and prices - belie the reality of our stable structure of inequality. This reality is not easy to demonstrate. There are organizations and interests which exist, both knowingly and unknowingly, to conceal or deny it. One of the characteristics of inequality is that many of the people who have most to gain from it are not conscious of it or do not want to be reminded of it. If they happen to be conscious of it, they want and tend to believe that their privilege is ordained or natural, or meritorious, or diminishing - and extremely modest; alternatively, that others’ disprivilege is inevitable or deserved - and rather modest. These beliefs are reproduced in government and administration and are reflected in decisions about the collection and presentation of knowledge about our society by social scientists.

The key question is whether, in trying to escape conventional perceptions, or,
more correctly, showing that we are not entirely ruled by them, the relativity of that structure can be described independently of belief. Repeatedly in the book I have tried to show how the survey findings tie in with other, more recent, data, and how the distribution of earnings, and of net disposable incomes, happens to have remained much the same in the early 1970s as in the late 1960s. By 1976 there was, for men, a slight narrowing of differentials among both manual and non-manual workers, compared with 1968, and the earnings at the lowest decile, relative to the median, approached the level reached in the early 1960s. For women, the picture was more complicated, with some widening of differentials for both lower-paid manual workers and higher-paid non-manual workers. The overall distribution of earnings, as shown by the New Earnings Survey of the Department of Employment, like that demonstrated from 1906 to 1960 by G. Routh\(^1\) and by A. R. Thatcher,\(^2\) has remained remarkably constant during the last two decades. Similarly, such relative figures as can be gleaned from the reports of the Family Expenditure Survey for 1957-76, especially the quantile data published in *Economic Trends*, covering the years since the poverty survey was carried out, suggest a stable structure, with no marked changes taking place in the distribution of resources between different household types or in the distribution around the mean or the median *within* any of the types or groups, especially since 1969. In the words of one statistician in the Central Statistical Office, who analysed the distribution of original, net disposable and final incomes during the period 1961-75, although there are variations over the years, particularly for the upper ranges of income, there is no significant trend either towards or away from more equality, the net effect being a distribution very similar in 1975 to that in 1961’.\(^3\) All this is discussed in various sections of the book, particularly the conclusion.

Perhaps the one trend to which I call special attention, though its short-run impact is small, is the proportionate growth of the professional, managerial and executive classes, without there being much evidence of a corresponding long-term relative fall in their levels of remuneration and living standards. It is this trend, accompanied by, or perhaps even indirectly determining, the growth in the ‘dependent’ population of retired, unemployed and disabled people, and of school or college trainees, which

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our institutions and culture are having difficulty in absorbing. Whatever the inequality between top and bottom in the dispersion of resources, the proportionate accumulation of population in the upper-middle reaches of the dispersion is being accommodated only at the price of more people being pushed to the bottom. It is not simply that there are more old people, but proportionately more retired old people, proportionately more people near the state’s pensionable ages who are being retired or made redundant, and more people being pushed into unemployment or sub-employment, all of them having very low incomes. In some respects, of course, as with the big increase in the official unemployment rate, or even the increase in the numbers retired, the proportion with low incomes has definitely grown since 1969. However, new social security and tax measures may have cushioned the fall of some members of the population, or have helped members of other groups to clamber a step or two higher in the long ladder of income distribution, and while that possibility exists, the evidence cannot be regarded as conclusive.

I regard this structural change - that is, of a simultaneous increase towards the top of the distribution of income in number and proportion of professional, managerial and executive workers, and at the foot of that distribution of economically inactive or dependent persons - as being the most important taking place in our society. It represents an advanced stage in the history of conflict between classes. Later in this book the distribution of different types of resources will be shown to be related not just to the occupational class of individuals but to that of their parents as well. The most striking example of this will be found in the case of old people (in Chapter 23). But access to, and command over, resources is not only determined by class of origin and past as well as current occupational class mediated directly therefore by family, laws of inheritance and labour market. It is also determined increasingly through the infrastructure of social policy, mainly the state’s social policy. Through social policy, the upper non-manual groups exercise enormous influence. Sometimes that influence is exercised positively on their own behalf - in the comparatively low taxes raised from capital gains; the special tax reliefs and indirect as well as direct subsidies like improvement grants available to home owners; the additions to personal standards of living represented by employers’ welfare benefits, especially occupational pension rights, the subsidies and tax relief available for private education and the grants and subsidies available for higher education. The economic position of such groups is positively enhanced. Sometimes that influence is exercised negatively - by creating hostility towards increases in public expenditure and hence taxation, or insisting on tighter controls of those seeking supplementary benefit; influencing the adoption and perpetuation of national minimum or subsistence-level benefits only for people with reasonably good employment records; and laying the basis for public acceptance of early retirement. In part, attitudes are directed at the working class; ‘feather-bedding’ is derided and ‘standing on one’s own feet’ is extolled. In part, attitudes are directed towards the perpetuation
and extension of an underclass. If the indicative evidence since 1969 about resources is correct, and if the underlying trend towards greater inequality is continually threatening to make itself evident, then the findings have not lost any of their force or relevance.

The findings can also be considered in relation to method. The need for better measures of inequality in the distribution of incomes and wealth is as acute as it was in the late 1960s, and the book may make some contribution to those measures. Examples might be given from government sources which show what little progress has been made in documenting inequality in the distribution of resources. Richard Titmuss long ago listed the limitations of Inland Revenue data,¹ and more recently Tony Atkinson has reviewed at length the defects of official estimates which purport to show trends in the distribution of incomes and wealth.² The Royal Commission on Income and Wealth has tried to run in both directions at once, criticizing the official statistics but also reproducing them without amendment. The commission admitted that the official statistics were ‘deficient in many respects’, largely because these were ‘by-products of the administrative processes of Government Departments, particularly the Inland Revenue’.³ They had been urged to adopt alternative approaches to the definition of both income and wealth,⁴ and the commission agreed that ‘no single definition could be adequate for all purposes’.⁵ Yet, despite going on to claim that they had followed a policy offering alternative approaches and definitions ‘so that readers may make their own choice of the most appropriate statistics for the problems they wish to study’,⁶ in practice they made little or no use of secondary analysis or estimation to produce alternative data. Admittedly it would be difficult, though not impossible, to do so. Instead the commission provided the same official diet as before, concluding that there had been significant trends towards greater equality of distribution of both wealth and income, even in recent years.⁷ Regrettably, the press seized on the broad summaries of the

⁶ ibid, p. 132.
⁷ Compare the unqualified summary paragraph 16(a) in the first report, for example (which suggests a decline in the income share of the top 5 per cent), with the strong reservations about household composition, imputed rent of owner-occupiers, investment income, income in kind, fringe benefits, tax evasion and interconnections between income and wealth in Chapter 3, esp.
fall in share of the top 1 per cent and 5 per cent without much reference to the commission’s qualifications, and thereby helped to maintain the unsubstantiated belief that the rich have become relatively poorer, not just in post-war compared with pre-war years, but in the 1970s compared with 1960. The appointment of the Royal Commission greatly raised expectations. A complex range of official statistics were rapidly assembled in the first six of their Reports, but a breakthrough in the measurement of either resources commanded by individuals, income units, households and families, or of changes that have taken place over a period of years in the distribution of those resources, has still to be achieved.

The data collected in the annual Family Expenditure Survey, carried out regularly since 1957, are potentially more valuable than either the Inland Revenue data or the Central Statistical Office’s adaptations of those data. However, as its name implies, the survey is designed to obtain more comprehensive and reliable information about expenditure than about income; and the findings on income distribution are rarely presented in a form which allows a span of years or different types of household to be compared.

Despite considerable public discussion and pressure, the Board of Inland Revenue’s practices have not been thoroughly overhauled. And, with the exception of certain data about different quartiles, both in the survey reports and in the special analyses of the Central Statistical Office, published since November 1962 in Economic Trends, and a few forays into the survey data by the Department of Health

pp. 34-54. Compare, again, the inconsistency of summary paragraph 16(b) (which suggests an increase in the income share of the bottom 20 per cent) with paragraph 346 (which stated that there was little change in their share of income and, anyway, that further study was required of the incomes of this section).

1 There are problems other than appearing to write for two audiences, moreover. The commission did not attempt to resolve certain apparent conflicts of evidence. Thus in the summary chapter of the fourth report attention was called to ‘a net overall reduction in inequality’ between 1972-3 and 1973-4 before and after tax, and specific reference was made to the respective shares of the top 20 per cent and bottom 20 per cent. No mention was made of the evidence reproduced earlier in the text from the FES showing what the commission admit was ‘an increase in the share [of final income] of the top decile group’ as well as a change in original income ‘indicating a tendency towards greater inequality overall’. Tables 11 and C12-C17, which appear to tell a rather different story from the Blue Book distribution of personal incomes, are strangely not referred to in the summary chapter. Royal Commission on the Distribution of Income and Wealth, Report No. 4, Second Report on the Standing Reference, Cmd 6626, HMSO, London, 1976, pp. 24-5,73-4 and 109-14.

2 Thus, the report of the 1973 survey, published in 1974, stated, ‘It must be emphasized that the survey is primarily a survey of expenditure on goods and services by households ... Information which is obtained about income is primarily to enable households to be classified into income groups, in order that separate analyses of expenditure can be made for these groups of households’ - Department of Employment, Family Expenditure Survey, 1973, HMSO, London, 1974, p. 3.
and Social Security, the annual Family Expenditure Survey has not been extensively developed or more imaginatively analysed and presented.

These criticisms make the decision not to collect reliable information about net disposable income in the General Household Survey all the more regrettable. Through the Social Survey Division of its Office of Population Censuses and Surveys, the government launched the General Household Survey in 1971. The purpose of the survey is to provide a kind of co-operative research service meeting the needs of many departments within one survey framework. In the notes prepared for interviews is the statement: ‘Income is probably one of the most powerful factors influencing the way people live, their housing, employment, size of family and so on.’ Yet the questions on income were reduced to a minimum and cover ‘gross’ income only. Both the first report, published in 1973, and the second report, published in 1975, contained few tables based on this variable, and the second is apologetic to the point of embarrassment about the shortcomings of the attempts in it to move towards a measure of any value comparatively. The long-established deficiencies of government statistics of the distribution of income remain.

In terms, then, of the continuing need to measure more exactly and more comprehensively the distribution of resources, as well as the relatively unchanging structure of inequality, I hope the findings described in Poverty in the United Kingdom will be felt to be relevant and not outdated.

In a report of considerable length, it may be helpful to provide as many signposts as possible for readers wishing to track down subjects of special interest to them. The table of contents on pages 5-13 gives headings of subsections as well as titles of chapters, and chapters normally have a short summary at the end. Sometimes I have chosen to include a theoretical discussion or a discussion of the implications for policy of the findings in the latter pages of chapters rather than in the concluding chapters. Illustrations of the experiences of individuals and families will be found in most chapters, and especially in Chapter 8. However, names used are not the real names and sometimes one or two other details have been changed to protect the identities of people providing information in confidence.

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Acknowledgements

This book has been a long time in the making and I owe both a special debt to a few close friends and colleagues who at considerable cost to themselves made it possible and a general debt to many families whom we interviewed, fieldworkers, coders, assistants and statisticians who took a generous interest in the project and collaborated to bring it to fruition. It represents some fulfilment of a lifetime’s ambition. In my early twenties I wrote a draft paper for Political and Economic Planning, subsequently published in 1952 under the title Poverty: Ten Years After Beveridge, and realized that in the years following the Second World War there was nothing that matched the accounts provided by Charles Booth and Seebohm Rowntree of social conditions in Britain at the turn of the century, although there had been a few imitative studies in the inter-war years.

My friend and colleague Brian Abel-Smith had been writing quite independently on the subject of poverty at that time, and we began working together on a pamphlet on pensions. Later we wrote together as well as separately on social security, and especially pensions, health and welfare services and the history of institutional care. In 1960-62 I had been undertaking secondary analysis of Family Expenditure Survey data, comparing the distribution of incomes with national assistance scales. Around that time we developed the idea of carrying out a national survey of poverty. After I had written a paper for the British Journal of Sociology in 1962, based partly on these FES data, we wrote a more extensive account of the surveys in The Poor and the Poorest (1965). In early 1964, shortly after I had been appointed to a Chair in Sociology at the newly founded University of Essex, we drafted what we believed to be a provisional application to the Joseph Rowntree Memorial Trust in three pages for £32,000 to undertake both a number of pilot studies and a national survey of poverty. This was approved with an alacrity which, in view of the rough-and-ready estimates of both time and cost of undertaking an unprecedentedly ambitious survey, was subsequently embarrassing and frankly painful - for the protracted final stages of analysis and writing had to be conducted on a shoestring. The trustees’ prompt decision was a measure of their warmth and confidence. The research would not have been possible without this generous grant (and subsequent supplementary
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support) from the Rowntree Trust. Perhaps I should add, for the benefit of those who are prone to criticize the costs of social science research, that the eventual cost of £58,762 included about £20,000 for the pilot studies and altogether resulted in substantial books on fatherless families, large families and methods of defining and measuring poverty, as well as this report on the national survey (some further material is also being prepared).

With the help of an advisory group consisting of Sir Donald Sargent (Ministry of Social Security), Leonard Nicholson (Central Statistical Office), Miss Jean Rowntree and Ford Longman (both of the Joseph Rowntree Memorial Trust), Professor John Yudkin (Queen Elizabeth College) and Professor David Marsh (University of Nottingham), under the chairmanship of the late Professor Richard Titmuss (London School of Economics), we completed The Poor and the Poorest, embarked on the pilot studies of large families, fatherless families, the chronically sick and the unemployed (already described in the Preface), and later drew up drafts of the questionnaire to be used in the main study. I must also thank Professor Alan Stuart and Professor Durbin for advice and encouragement when we came to devise methods of drawing a stratified sample.

Because computing and other facilities would not in the early days have been readily available at the new University of Essex, the pilot work and the analysis of the main survey were located at both the two university institutions, though the fieldwork for the main survey and the follow-up surveys were administered from London. The Research Officers appointed to carry out the pilot studies were Hilary Land (LSE), and Dennis Marsden and John Veit-Wilson (both at the University of Essex). Adrian Sinfield had already embarked on a pilot study of unemployed men in North Shields, and after he moved to the University of Essex in 1965 he continued studying the unemployed and, with the other three, joined the planning of the main survey under the joint direction of Brian Abel-Smith and myself. For a short period Christopher Bagley also worked on the project as a research officer. Sheila Benson was appointed administrative research secretary to mobilize and direct the field and coding staff, and at a later stage Marie Brown joined the team to supervise and accompany interviewers who were to approach households throughout the United Kingdom.

The completion of the fieldwork was touch and go. We had hopes of employing a research agency to do the interviewing, but there were no precedents for the range of income, wealth, fringe benefit and social service data which we wanted to collect. At that stage only one organization, the Government Social Survey, seemed sufficiently equipped to do such a job. Dorothy Wedderburn and myself had worked with them on a national survey of the elderly in 1962. However, the Government Social Survey (now a division of the Office of Population Censuses and Surveys) was overloaded with research commissioned by the government and we therefore decided to recruit and train our own team of interviewers. We recruited a number of very experienced
interviewers, not all of whom took kindly to the length of the questionnaire and its preoccupation with income. Some withdrew in the early stages.

There were twenty-five interviewers who completed more than four fifths of the interviews, including many of the follow-up interviews in four special areas (Belfast, Glasgow, Neath and Salford). They were Angela Avens, Grace Benton, Mollie Carney, Sheila Chapple, Mrs E. M. Cluley, Michael Faherty, Zara Faherty, Marion Ford, Rhoda Fraser, Jim Gatt, Mrs E. Y. Golden, Doreen Groom, Doreen Hersee, Inez Jones, Mrs B. Knight, Betty Prince, Pam Rattee, Brenda Rawlings, Mrs Sorbie, Mrs E. Taylor, Keith Travis, Susan Vinen, Janet Williams, Mrs H. Worgan and Joan Worthington. Nearly all of them were interviewers with long experience and I am grateful for their support and help. Among them I must pick out Janet Williams, who travelled throughout the United Kingdom, supervising, briefing, converting refusals and checking questionnaires in the office; the late Rhoda Fraser, who was dedicated to the project and quite exceptionally to the welfare of the families whom she interviewed; Mrs H. Worgan, who supervised the work in Scotland, and Mrs Cluley, Michael Faherty, Zara Faherty, Keith Travis and Joan Worthington, who travelled extensively and, like Janet Williams and Marie Brown, showed that people initially refusing an interview could often be persuaded to change their minds. It was the faith and persistence of these people which, in the end, brought a most hazardous task to a successful culmination.

Interviewers helping with difficult areas or for some interviews in the final stages were Faith Adams, Mrs K. Almes, Mrs Baguley, Mrs J. Bunning, Mrs Burnett, Paul Chapman, Peter Collier, Andrea Cordani, Mrs P. Coulson, J. Cullen, Mrs M. L. Doughty, Mrs Feltell, Roger Giles, Ron Halpern, Mrs Hosier, Hugh Kerr, Stasia Laudanska, Mrs J. Martin, Ian McCannagh, F. G. Moore, Mrs H. T. Parker, Mrs M. B. Pattison, Chris Pye and Mrs V. Widdett.

In the special areas, Spencer Marketing Services helped us with the screening interviews and, following special briefing and pilot sessions, later undertook in conjunction with our team many of the follow-up interviews. I am particularly indebted to Joy Marcuse, who directed the operations of this research agency. I would also like to thank Joy Restron, of Public Attitudes Surveys, for her assistance in the Newcastle region.

Andrew Hinchcliffe carried out and supervised much of the coding, and Colin Jacobsen not only supervised some difficult stages of the coding but also edited and checked the questionnaires as they came in. Both kept the rest of us at full stretch in disentangling the interviews, sometimes resulting in return visits to certain households. Both showed that they were not prepared to settle for a quiet life and insisted on meaningful, as well as high professional, standards (which are not always the same thing).

In mid 1968, Brian Abel-Smith was invited by R. H. S. Crossman, newly appointed as Secretary of State for Social Services, to become his Senior Adviser at
the Department of Health and Social Security. Soon after he accepted this appointment he withdrew from the project. None of us appreciated quickly enough the significance for the survey of his acceptance of this new assignment. We failed to take a decision which in retrospect might have saved one or two years, to transfer the data analysis immediately to Essex. While the LSE computer manager was extremely indulgent in permitting protracted analysis of the survey data, it was inevitable that as time went on it became difficult to administer data analysis in a separate institution. Moreover, problems of integrating the analysis at LSE with that at Essex meant, in the end, that most of the work originally conducted at LSE had to be repeated at Essex. This was a big reason for delay, for which I must accept entire responsibility. Another was, of course, that in supervising the analysis and writing a report two directors acting jointly in their vacations and during terms of sabbatical leave would have completed the report a lot more quickly than one director alone. And as I have already indicated, too few funds were available during the analysis stages to allow the report to be prepared more quickly by financing a division of labour in the writing up.

In the subsequent analysis of the data I depended heavily first on Hazel O’Hare, of the London School of Economics, and then Phil Holden, of the Department of Sociology in the University of Essex. Each of them constructed tapes, overcame the difficulties of rewriting programmes for different computers and showed immense patience with insistent requests for tabulations. To both of them and to the Essex University Computing Service I owe a major debt. John Bond, David Hughes, Tim Mason, Jennifer Nyman and Alan Walker acted as my research assistants for different periods of the analysis, and prepared material for particular chapters. I am grateful for their help and especially their sense of commitment. John Bond wrote the first draft of Appendix Four on the costing of social services and contributed substantially to Chapter 19. Dennis Marsden has written Chapter 22 (on one-parent families) jointly with me. Alan Walker wrote the first draft of Chapter 25 (on means-tested benefits) and also worked on material on children and the elderly, David Hughes prepared a substantial amount of material on housing costs for Chapter 13 and helped to elaborate Chapter 16, and Hilary Land was responsible for writing the first draft of Appendix One on methodology. Tim Mason and Jennifer Nyman worked on housing, low pay, the rich and the special areas.

Among those who have helped in the preparation of the project, answered particular questions, commented on particular chapters, or otherwise contributed to the report, and to whom I am indebted are Tony Atkinson, Richard Barron, Colin Bell, Marjorie Cowell, Susan Ferge, Amelia Harris, Alan Harrison, Colin Harbury, Geoffrey Hawthorn, Mrs Jackson, David Lockwood, Tony Lynes, John Macarthy, Della Nevitt, Geoff Norris, Frank Parkin, Nicholas Ragg, Jack Revell, Sally Sainsbury, Gurmukh Singh, Jim Spencer, Roy Wallis, Dorothy Wedderburn, Steve
Winyard and Michael Wolfson. Barbara Wootton was also a key adviser at a critical stage of the work.

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Finally I owe certain debts of an incalculable kind to Brian Abel-Smith, who shared with me all the early planning, the organization of the questionnaire and the fieldwork, maintaining a clear-headed appreciation of what was really worthwhile in research and, after having to withdraw from the project, showing dignity when the project came under fire from certain established, including political, interests. To Sheila Benson and Marie Brown, who held the project together during its most critical stages. Marie’s infectious enthusiasm communicated itself to the most hesitant interviewer and her qualities as an interviewer are, in my experience, quite unique. To Dennis Marsden, Adrian Sinfield, Alan Walker and Joy Townsend, who have given continuing help and personal encouragement during the research. And to Ruth Townsend, who helped me through so many vicissitudes during the early years of the project and never lost her sense of priorities, even when family life was put at strain by my obsession with the project. I wish this report were a more adequate return for their support.