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A REASONABLE REVOLUTION

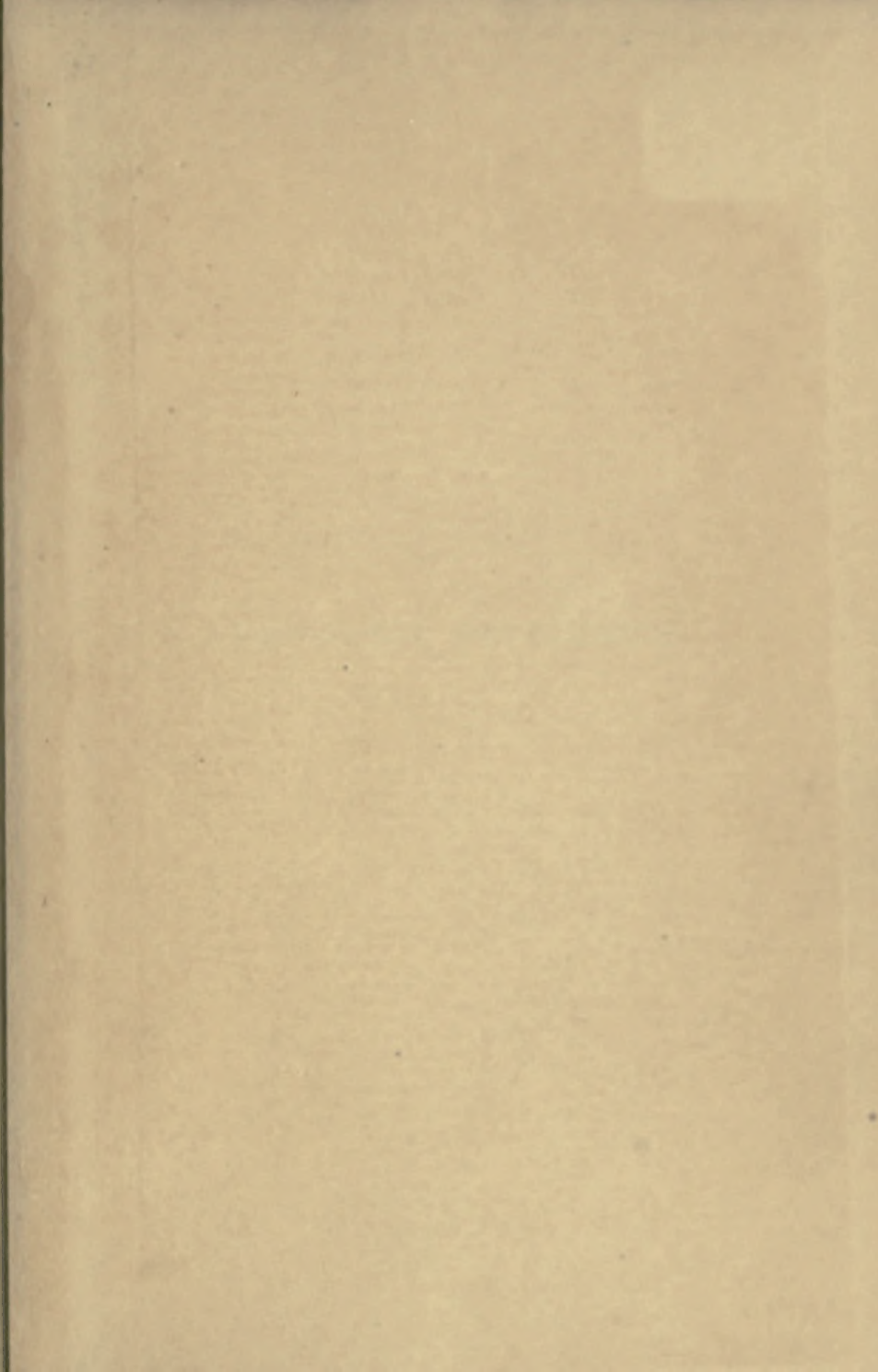
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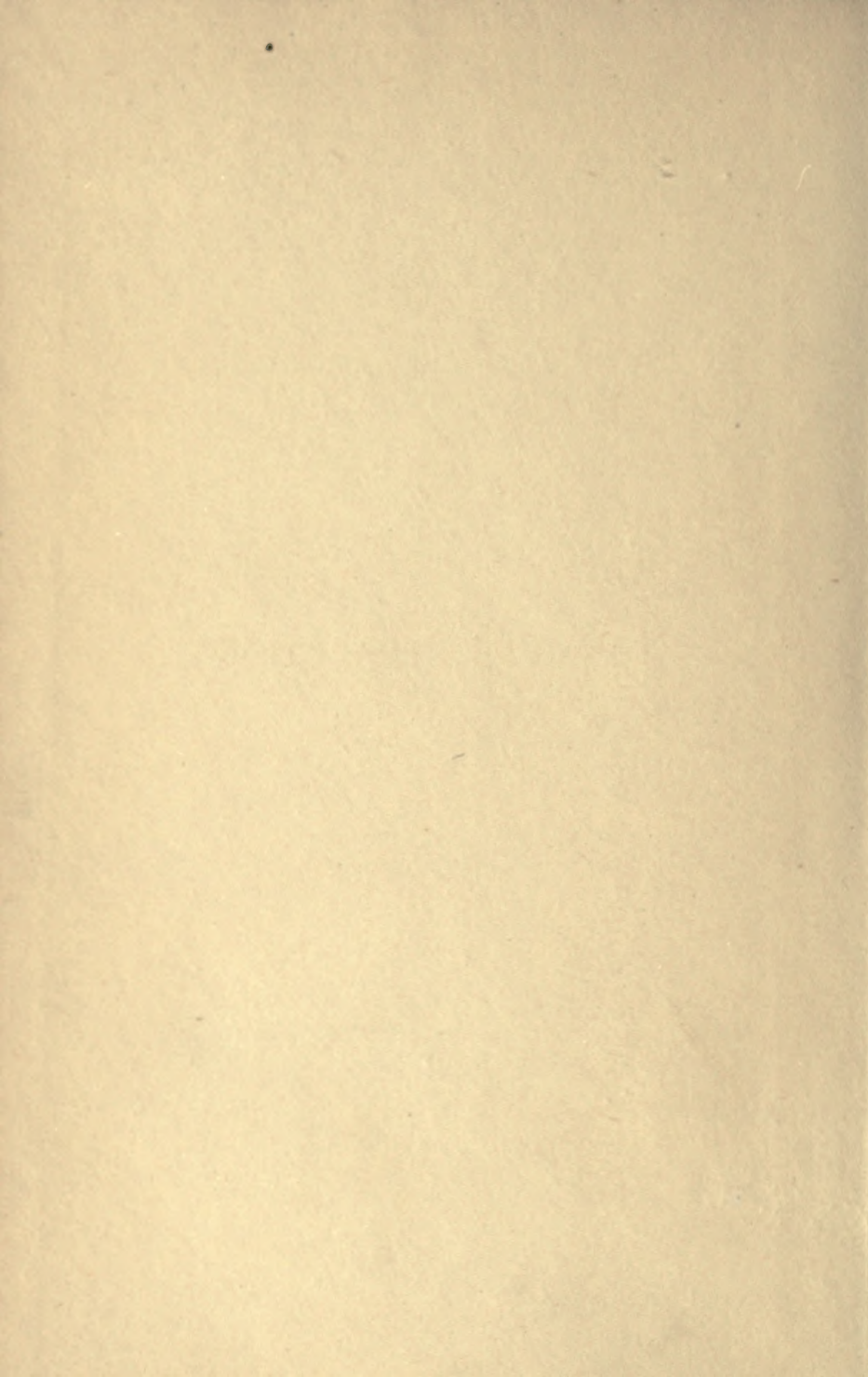
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A REASONABLE REVOLUTION

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BEING A DISCUSSION OF THE
STATE BONUS SCHEME—A
PROPOSAL FOR A NATIONAL
MINIMUM INCOME

BY

BERTRAM PICKARD

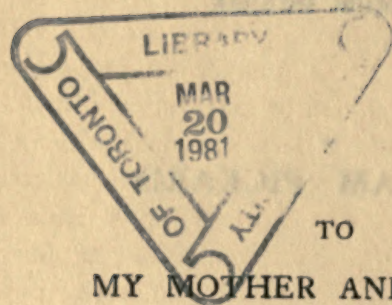


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A REASONABLE
REVOLUTION

BEING A MEMOIR OF THE
LATE ROBERT SCOTT
BY HIS SON A. SCOTT



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TO
MY MOTHER AND FATHER

30896

15-2-1921



First Published in 1919
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AUTHOR'S FOREWORD

THIS little book has been written for the following reasons. The State Bonus League, in propagating the State Bonus Idea originally put forward by Dennis Milner, B.Sc., A.C.G.I., were continually being asked for a fuller exposition of the proposals than is contained in Mr. Milner's pamphlet, *Scheme for a State Bonus*. As one who has been associated with the Movement from earliest days, and with Mr. Milner's consent, I undertook this work of amplification.

Whilst there is almost entire agreement between myself and the other members of the League Executive, yet there are some parts of the book where the method of presentation is coloured by my own personal valuation of the State Bonus Scheme. The book, therefore, must not be taken to represent in its entirety the position of the League.

Nevertheless I have received the heartiest co-operation from the other members of the Executive ; indeed, without their co-operation and their courtesy the book could never have been written at all. In thanking them, it is my sincere hope that this presentation of the Scheme may render some small service in bringing nearer the ideals which have inspired the originator of the State Bonus Idea.

B. P

CONTENTS

	Page
AUTHOR'S FOREWORD	7
INTRODUCTION	11
<i>CHAPTER</i>	
I. THE PROBLEM	13
Life Physical—Life Moral—Life Spiritual	
II: THE STATE BONUS SOLUTION	19
Introductory—You get—You give—A brilliant device— The net effect—Insurance value of the Bonus	
III. STATE BONUS IN ACTION	31
Introductory—The Bonus in relation to the Problem of Status—The Bonus in relation to the Problem of the Distribution of Wealth—The Bonus in relation to the Problem of Production	
IV. DOUBTS AND DIFFICULTIES	39
FIRST GROUP: Will wages fall?—Will prices rise?— What about pensions?—What about control?—Is it a palliative?	
SECOND GROUP: What of the slacker?—And of the blackguard?—Is it pauperizing?—How about the birth- rate?—Would illegitimacy increase?—What of the lonely spinster?	
V. ALTERNATIVES	51
1. A National Minimum Wage.—2. The National En- dowment of Motherhood	

CHAPTER	PAGE
VI. IS IT A PALLIATIVE?	58
Introductory — Who is the enemy? — State Bonus a Revolution	
VII. IS IT FEASIBLE?	64
Workability of the Scheme—Acceptability of the principles —Conclusion	
APPENDIX : TWO SKETCHES	73
1. Is it Reasonable?	
2. The Wolf at the Door	

INTRODUCTION

THERE are still a few people who, with tightly closed eyes, affirm that in their opinion there is no acute social unrest, but fortunately, for themselves and others, they are rapidly diminishing in number.

Before the War we knew that Socialist ideas were gaining ground on the continent of Europe, and some of us believed they would ultimately triumph, however strong might be the forces ranged against them. But was there one who dreamt of seeing, in the short space of four and a half years, the overthrow of Czarism and Kaiserism, with all the oppressive machinery of pride and privilege implied by those terms? We are not discussing at the moment whether the new conditions are better or worse than the old ; we are simply pointing out the unexpected power of the Socialist Idea, and the unexpected weakness of those forces we had deemed invincible for many years to come ; and it is in the light of this revelation that we shall do well to take stock of the position in this country. *

A brief survey of the nature of the demands for reform during the past hundred years will help us to view the present situation in true perspective. A century ago the great mass of the people of this country were living under appalling conditions. The Industrial Revolution had driven them off the land into the towns, where, robbed of their common rights in the soil, they were compelled to work under disgraceful conditions for starvation wages. The country was seething with discontent, and the agitation culminated in the Reform Bill of 1832. Next came the Chartist agitation for the franchise, speedily to be followed by the successful anti-Corn Law struggle, led by Cobden and Bright. There succeeded a long period of comparative calm, until once again the question of the franchise came to

the fore, and this time the people's demands were granted after the stormy period 1866-7.

The foregoing Movements have one thing in common, namely, they were political Movements ; that is to say, they strove for their goal, whether it was votes or cheaper bread, through political machinery. During the latter part of the century, however, a new phase became apparent. Two Movements sprang into being and rapidly developed, each having as its aim the raising of the standard of living, but neither striving towards that end by political methods—we refer to the Co-operative and the Trade Union Movements. A third new Movement of equal significance, however, was the inauguration of a Labour Party, which aimed to cement the power of the Working Classes, so-called, but which still strove to achieve reform by political methods.

Now we do not suggest that to-day the members of the Labour Party stand as a body for the achievement of reform through political machinery only, whilst the Trade Unions stand for the denial of such machinery. That would be entirely untrue. But we do suggest that the success of Trade Unionism has led very many to look to the "industrial weapon" rather than to Parliament for the achievement of revolution in our social and industrial fabric. Whilst not denying the constitutionalism of the "strike," national or sectional, we feel that in the present absence of unity and organization such method would achieve only national disaster.

It is the purpose of this little book, therefore, to advocate the well-worn path of political agitation, not because of any sentiment or cut-and-dried theory of Government, but because it is our belief that a reasonable revolution, opening the gates of a new Social Order, can be achieved this way, whilst along the other path, despite the high ideals of many who would tread it—and do not think that we doubt their idealism for a moment—yawns the grim gulf of chaos, into which they, and we with them, would almost certainly be plunged.

A Reasonable Revolution

CHAPTER I

THE PROBLEM

THE following has been held up as an ideal, namely, that "the fullest opportunity of development, physical, moral, and spiritual, should be assured to every member of the community, men, women, and children." In facing our Problem, then, we cannot do better than examine the social field under the three aspects of life: physical, moral, and spiritual; and in so doing let our aim be to discover, if possible, some common factor operating against social harmony in all these spheres, a factor, moreover, so fundamental that its removal would not merely improve the present condition of things, but would make possible the rapid growth of a new and better system of social relationships.

Life Physical.

Under the head Physical we will discuss matters relating to the proper development of body and mind, matters, in short, of Health and Education.

Health.

The importance of adequate nourishment during infancy and childhood is strongly urged by Sir George Newman (Chief Medical Officer of Health to the Board of Education), and is too generally admitted to require

demonstration. There are many causes of the existing malnutrition of our infants and children, amongst them, of course, being the careless and inefficient spending of money. There has been a growing conviction of late, however, that a much more serious cause is the actual lack of money, particularly in the case of families larger than the average. This conviction has been expressed convincingly both by Mr. B. S. Rowntree in *The Human Needs of Labour*, and the Family Endowment Committee in their booklet, *Equal Pay and the Family*. Both these books point out how inadequate to deal with the question of family responsibilities is a wage system which does and must pay for work done, thus showing no discrimination between the bachelor and the family man, or between the single woman and the widow. The argument for a measure of Family Endowment, put forward by these two books and elsewhere, has been greatly strengthened by the experience of the War. In his Annual Report Sir George Newman points out "that in 1916 the children were, on the whole, better fed and better clothed than at any time since medical inspection was introduced." The reason is almost certainly this, that two factors have combined to put the family in a stronger economic position than before the War. In the first place, many more married women have been employed, and in the second place, the Army system of separation allowances, affecting as it does so large a proportion of the people, has taken into account the needs of the family. These two factors are responsible for bringing about a more scientific distribution of wealth, with the gratifying result above quoted. It would be folly to ignore the lesson learnt, and what we have to ask ourselves is how best to perpetuate the benefits which have been incidental to the separation allowance system. At the moment we will leave this question unanswered.

The Housing problem is generally admitted to be of great urgency. Everybody acknowledges that the con-

ditions under which a large proportion of the people live are as idiotic from the point of view of national efficiency as they are unjustifiable from an ethical standpoint. That there must be more houses and better houses every one is agreed, but when the question of how the houses are to be paid for is considered in detail the problem is seen to be complex. We find that exactly those houses which it is most essential to remove are the most difficult to replace, because they are inhabited by just those people who can least afford to move into houses of the type we feel to be essential in the interests of national health. And once again we find that the family is in especial difficulty, for, as with an increasing family the need for a larger house increases, so does the ability to pay the rent diminish in inverse proportion. The inevitable result is gross overcrowding, just when there is particular need for plenty of room and good air so that the children may develop into healthy men and women. Once more we are forced to the conclusion that some form of family endowment is the only solution.

Education.

We have recently passed through a very illuminating experience in the matter of Education. It was discovered in the light of the War that our Educational system was not as efficient as it might be, and it was generally agreed that this must be remedied. Accordingly, Mr. Fisher introduced his statesmanlike and very excellent Bill, which was eventually passed, but, sad to say, not in its original form. Moreover, the alterations had been of a vital character and had seriously reduced the scope of the new educational programme. The chief of these alterations was of course the reduction of the compulsory age-limit from sixteen years—the age Mr. Fisher proposed—to fourteen, or fifteen if so desired locally. The opposition to the sixteen years limit was mainly economic, and came partly from employers whose work and wages were based upon child labour, and

partly from parents who knew that they could not afford to have their children in a non-earning capacity beyond the previous age-limit. It was obviously in the national interests that the limit should be raised to sixteen, but because of these local economic disabilities a great educational policy had to be curtailed. Here, once more, we see how futile is the present wage system in meeting the question of family responsibilities.

Life Moral.

In the sphere of morality (we use the term in its wider sense) we find many obstacles impeding progress. The terms Heredity and Environment suggest a thousand and one influences which interfere with the true growth of character, but, though less obvious perhaps, we shall still find that there is an economic factor operating adversely here, as there was in the spheres of Health and Education.

Consider for a moment the effect of destitution upon the moral fibre. Those who remember the story of the Bishop's candlesticks in *Les Misérables* will probably share with the writer a keen sense that something is radically wrong with a social system that can lead a man to criminality so that his starving wife may live. We know also, only too well, how starvation-pay drives many a girl on to the streets who would otherwise have combated temptation. And yet again we know how extreme poverty with all its attendant miseries drives men and women to drown their care in drink.

Nor is it destitution alone that wreaks such moral havoc. The *fear* of destitution is as potent, though more subtly, as destitution itself. Consider the habits of deceit in business, of unscrupulousness, which are justified in the mind of the perpetrator, and, indeed, in the eyes of the world. "Business is business" explains the employer who pays his workers less than a living wage. "A man must live" is the plaint of the workman who takes liberties with the property of his master.

And thus by an insidious process public morality is weakened.

There is another aspect of the evil wrought by economic dependence, worthy of special mention. When one individual is absolutely dependent upon another for the means of existence, there is apt to be developed a species of will-slavery, or subjection of personality. Take, for example, the case of the woman who, not able to support herself, is almost compelled to marry the first man who offers her marriage. Or, again, the effect upon a man's political actions when his livelihood is virtually in the hands of another to give or to withhold. Surely independence of spirit is a quality that we shall do well to cultivate in our national life; but before we can do this efficiently, we must remove the economic stumbling-block that stands across the way.

Life Spiritual.

There may be those who will argue that there is little relation between economic problems and spiritual development; but the writer is strongly of the opinion that economic considerations have a very real bearing upon the matter. What are the essential conditions which make possible the growth of our higher nature? They are surely two—opportunity for inspiration and opportunity for service. With regard to inspiration, there are of course a thousand different sources appealing differently to different people, but, though it would not be true to say that there is no inspiration in a life of grinding toil, yet surely it would be true to say that the highest inspiration is not possible without sufficient leisure for the quiet examination of the self, and for contact with Beauty, whether it be the beauty in Nature or the Arts. These great gifts of God and men may be enjoyed without riches, but, without peace of mind and leisure, alone obtainable by those possessing a measure of economic security, their deepest inspiration will be lost. It is much the same in the matter of service. The will

to serve is stimulated by the opportunity to serve, and any conditions which compel selfishness are obstacles to spiritual progress. We have seen how destitution and the fear of it—and it is important to keep in mind that before the War about 87 per cent. of the population had incomes of less than £160 a year, most of them very much less, for an average family of five—inevitably tend to produce an absorption in the struggle for existence which is fatal to the cultivation of unselfishness and thus to the ideal of service.

To summarize: we have examined the Social field under the heads Life Physical, Life Moral, and Life Spiritual, and we have found that in each of them there is an economic factor of greater or less importance. We have recognized that there is at present an economic obstacle which must be removed if we are to attain the ideal of full development quoted at the beginning. We have judged moreover that *economic dependence* constitutes that obstacle, and that any solution must take into account the needs of the family as well as the needs of the individual. We can now pass on to the solution put forward by Dennis Milner, B.Sc., a solution which in the writer's opinion fulfils the conditions we have seen to be essential.

CHAPTER II

THE STATE BONUS SOLUTION

Introductory.

THE State Bonus Scheme is so simple that, in general terms, it can be outlined in a few sentences. We cannot do better than quote the words in which Mr. Milner himself summarizes his proposals in his pamphlet *Scheme for a State Bonus*.¹

It is suggested :—

(a) That every individual, all the time, should receive from a central fund some small allowance in money which would be just sufficient to maintain life and liberty if all else failed.

(b) That as every one is to get a share from this central fund, so every one who has any income at all should contribute a share each in proportion to his capacity.

Let us examine these two proposals separately and in more detail.

You Get.

The idea that every human being has a moral right to the bare necessities of life has often found expression, the most interesting case being perhaps the American Declaration of Independence, which proclaims—

¹ *Scheme for a State Bonus*, by E. M. and Dennis Milner, B.Sc., A.C.G.I. Through all booksellers from Simpkins, Marshall, Hamilton, Kent & Co., Ltd. Price 3d.

That all men are created equal, with certain inalienable rights; that among these rights are life, liberty, and the pursuit of happiness; that to secure these rights governments are instituted.

Though far from attaining the ideal, we yet recognize that in all civilized communities something of this idea exists in practice. Countless organizations strive to save the weaker members of society from merciless extinction, whilst even those who systematically refuse to work inside or outside the Workhouse are in the last resort fed and clothed at the expense of the community. For this we may be thankful, whilst admitting to the full the hopeless failure of the Poor Law system and, indeed, of most private charities as well.

It is just this failure that has led reformers like Wallace and Shaw to make alternative proposals such as free bread, whilst others have suggested pensions and endowments for various sections of the community, great or small. But it has been left to Mr. Milner to embody these ideas in a universal plan and to suggest a minimum income, based upon primal needs, for every member of the community.

He suggests that every man, woman, and child in Britain,¹ who is a British subject, whether rich or poor, should be entitled to a minimum subsistence allowance, that is to say, a sum of money which would be just sufficient to buy the bare necessities of food, clothing, and shelter, and would therefore keep body and soul together whilst preserving a measure of independence should all other sources of income fail.

The amount of this sum would of course depend upon the cost of living at the time when the Scheme was put into operation. For purposes of illustration, however, Mr. Milner has assumed, taking into account the level of prices, that before the War a sum of five shillings per head per week would be adequate.

¹ Because of the uncertainty of Irish affairs, it is proposed that Ireland should be excluded from the Scheme.

In determining the amount, Mr. Milner recognises that it would be unwise to fix the level too high, lest those of a lazy temperament should be tempted to take advantage of the Bonus (as he styles the allowance).

But what in his opinion is far more important is that the *right* of the individual to the Bonus should be safeguarded in every possible way. It must not be regarded in any shape or form as a dole. It must be deemed the monetary equivalent of the right to land, of the right to life and liberty, and must carry with it no taint of pauperism. That is why it must be paid to all alike, the rich, the poor, the deserving, the undeserving. It must be free of taxes. It must not be taken for debt before it has passed into the hands of its rightful owner. It must always be there to help a man when he is down on his luck. To-day the man—or woman—who is down finds it well-nigh impossible to rise again. The Bonus would freely extend the helping hand that is now so charily offered by society. In short, as Mr. Milner says, "it must be ours like the air and the sunshine."

And, moreover, it must be receivable at short intervals—say weekly—so that its benefits would not be delayed and thus prove useless as a remover of destitution. Even so, we must admit there would still be beggars, but at least the excuse for beggary would have been removed and numbers of men and women rescued from a humiliating necessity.

With regard to the distribution of the money, Mr. Milner suggests that this should be undertaken by the Post Office. During the War the Post Offices have undertaken the work of the separation allowances, and it would be easy to utilize this experience and organization. It would probably prove necessary to augment the Post Office staff, but to all intents and purposes the machinery for the distribution of the Bonus exists, which is a great point in its favour, as it would mean a minimum of expense in working.

It is suggested that the Bonus should be paid upon sight of signature. At the inauguration of the Scheme it would be necessary for each individual to register at the Post Office in his or her locality, leaving behind a permanent record of signature. Thenceforth it would only be necessary for the Bonus claimants to enter the Post Office each week, sign their name, and receive the money, unless they preferred to claim the money at longer intervals, in which case it would be credited weekly to an account in the Post Office Savings Bank. Mr. Milner is confident that, as there are no questions to answer or complicated forms to fill up, the whole process could be carried out with great rapidity, and he has devised a simple machine to facilitate rapid reference to the permanent signatures.

It is suggested that children under fourteen years of age should, where possible, be registered below their mother's name, and that she should be legally entitled to draw and spend the Bonus on their account. The advantages of this course being pursued we will deal with later. So much for the allowance received.

You Give.

Mr. Milner makes it very clear that for the satisfactory working of the Scheme it is essential that any one having any income at all should make a contribution to the fund (or pool) from which the Bonus is to be paid. The Scheme, he insists, is not aimed merely to achieve an arbitrary increase in wages, but rather to achieve security for all. In effect it is to be a pooling of risks, a gigantic insurance scheme, whose chief money benefits accrue to those who at any given time are most in need. It is therefore only in keeping with the spirit of the Scheme that *all* should contribute in proportion to their capacity.

Estimating in pre-War figures—no other reliable figures are available—Mr. Milner calculates that in order to pay Bonuses to the whole community in England,

Scotland, and Wales, about one-fifth of the National Income would be absorbed.¹ He suggests, therefore, that the simplest way to acquire this fund would be to collect one-fifth (20 per cent.) of all individual incomes.

It may appear at first sight that a flat rate of 20 per cent. would unduly penalize those with small incomes, but it will be seen from the tables on page 29 that the tax together with the Bonus achieves a very nice graduation, whilst the advantages of a flat rate

¹ The national income for the year 1913-14 was about 2,250 million pounds. This figure is stated on high authority and is not likely to be challenged, as it is 50 millions below the figure put forward in the House by Mr. Lloyd George during the early days of the War (November 1914).

Making a reduction for the income of Ireland (based upon the Census of Production for 1911 and later Statistical Abstracts) of 5 per cent., this leaves us with an income of 2,137 millions for England, Scotland, and Wales.

The population in June 1914 was 41·7 millions (Statistical Abstract), so that one-fifth of 2,137 (being the Bonus pool), distributed equally over a population of 41·7 millions, yields £10 5s., which would be the amount receivable as Bonus per head per annum. This is approximately equivalent to 4s. per head per week.

The above, however, only constitutes the net cash benefit. Other benefits would accrue through the reduction of rates and taxes due to the fact that much present national expenditure would be superseded. The following is a list of liabilities which would be partially or wholly cancelled by the introduction of the Bonus Scheme—Health Insurance, Old Age Pensions, Poor Law, Unemployment Insurance, Other Pensions, Income Tax Abatements (in consideration of family responsibilities), Separation Allowances, Private Charities. It is impossible to make a detailed estimate of the probable economies in these various spheres, but it is thought that 110 millions would not be an overestimate. This would be equivalent to an average saving per head of about £2 12s. per annum, or 1s. per week, so that with the cash benefit of 4s. the total benefit would be 5s. per head per week.

It is obvious that the benefit gained by reductions in rates and taxes would vary for different sections of the community, but for simplicity in illustration we have preferred to speak of the Bonus in terms of an average net benefit (5s.), rather than of a fixed cash benefit (4s.), plus a variable benefit through economies. We hope we have made this point clear.

are twofold and very important. In the first place, the Scheme is much easier to understand and its benefits more clearly visualized than would be the case if the money was to be collected along the complicated lines of the Income Tax: and in the second place, the administration of the Scheme would be enormously simplified by the adherence throughout to a flat-rate tax.

It is suggested, as in the distribution, that the collection of the money should be carried out by the State on behalf of the community.

Once again we find that much of the necessary machinery is already in existence. The money from dividends and profits would be collected through the present Income Tax channels, though, of course, it would be additional to, and would be kept entirely separate from, the Income Tax.

The money from salaries and wages would be deducted at source by the employer, and a cancelled Government stamp would be given to the employee, as in the present Health Insurance, as proof that the money had already been received by the Government. A man now drawing a wage of £2 would then draw £1 12s. in cash and 8s. worth of cancelled Government stamp. It must be borne in mind here that the Bonus would be received on or about the same day as the contribution was made, so that the apparent reduction in earnings is misleading. Here again Mr. Milner is confident that the process of deducting the tax by cancelled stamp could be made infinitely simpler than is the case with the Health Insurance collection. He suggests that the stamps should be in the form of rolls, and that every one-sixth of an inch should represent one penny. With the aid of a rule (or measure) divided, not into feet and inches, but into pounds, shillings, and pence, it would be possible to draw out and tear off the roll to any given amount. Others factors which would render the Bonus collection simpler than that of the Health Insurance—which, by

the way, Mr. Milner suggests should be superseded—are firstly, that the Bonus stamps would only be of one kind (namely, penny stamps in series), and secondly, that there is no question of the stamps being preserved in order to prove the right to benefits.

There would still remain to be taxed a comparatively small section of the community: small tradesmen, farmers, etc., who would not be reached by either of the foregoing methods. They would need assessing specially, and admittedly they would not be very easy to assess; but Mr. Milner has it on good authority that the total cost of collecting the Bonus pool would only be about two million pounds, which is only about half the cost of administering the Health Insurance money. This is more than satisfactory when we bear in mind the enormously greater amount of money that would be dealt with under the Bonus Scheme.

A Brilliant Device.

There is an all-important rider which Mr. Milner attaches to his Scheme. It is this. When the correct percentage that each will have to pay in order to produce an adequate pool has been discovered, then that percentage shall become a *fixed* percentage. This is to say (supposing for the sake of argument that 20 per cent. of all incomes would produce the Bonus) that 20 per cent. must always in future be paid into a central pool for distribution as Bonus. The effects of this provision are two.

In the first place, the purchasing power of the Bonus would thus be standardized; that is to say, it would rise and fall with prices, and would thus remain at a constant spending level. This is due to the fact that there is a definite relation between prices and incomes. If prices rise, then somebody's income must of necessity be enhanced: thus is the sum total of all incomes—i.e. the national income—augmented, thus the fifth (which

is the Bonus pool), and thus the Bonus itself. The economics involved in the above argument are complex, and the point is not easy of demonstration. Suffice it to say, however, that several leading economists bear Mr. Milner out in the belief that here is a method which would absolutely prevent the benefits of the Bonus being filched from the recipients by soaring prices. When we remember how concessions in wages have been almost invariably followed by rising prices which have at once robbed the concession of its value, we shall realize how important is this method of securing a standard purchasing power by an automatic and certain means.

The other advantage is no less important. We have been discussing, above, the effect when a nominal increase in the national income takes place as a result of rising prices. Now let us see what would happen when a real increase takes place in the national income, that is to say, when Production increases. Well, obviously, as the national income is a measure of national annual production, if production is increased then the national income must of necessity be greater. Thus would the one-fifth or Bonus pool become greater in real value, and thus would the quota per head of the population be greater. This is neither more nor less than national Production-sharing. That is to say, that each of us would have a definite stake in Production. The greater the national productivity, the greater would become our share in the surplus. It follows naturally that if national Production were to fall below the point where it stood at the time the Bonus had been instituted, then the value of the Bonus would depreciate accordingly. But there would be little fear of falling Production when each member of the community stood to share in increased productivity. But what about the four-fifths? does some one say. Who is to reap those benefits? Let the reader be patient and read on, bearing in mind the while the

thought of economic security—be it only a minimum—and what that thought is capable of meaning.

The Net Effect.

In examining the net effect that the Bonus would have upon income, we must first try and make some estimate as to what would be a likely figure for the Bonus to be standing at to-day (December 1918), for, of course, it would be very misleading to calculate on the basis of a 5s. Bonus when money has depreciated by half. Unfortunately, there are no figures published which would help us in calculating the national income of to-day, so that it must frankly be admitted that the following tables are founded to a considerable extent on guesswork. Even so, they are worth while, as it is much easier to illustrate the effect of the Scheme by definite figures than by indefinite phrases. It must be clearly understood, moreover, that the Scheme does not collapse if the figures Mr. Milner puts forward prove to be incorrect. He has used figures to illustrate his argument and has tested his figures, but he is neither committed to a five-shilling Bonus nor to a 20 per cent. tax; he is simply advocating the following principles, namely, that a *fixed* percentage of the national income, collected as an *equal* percentage of all individual incomes, should be pooled and redistributed *equally*, as a weekly bonus, of an amount that would *just* secure at the commencement a minimum of economic independence.

To resume. It is thought that national Production has remained about the same during the War as in later pre-War days. Although the Army withdrew from Industry several million men, it is thought that the large entry of women, together with more overtime and increased efficiency, have restored the balance. But prices have roughly doubled, or in other words money has depreciated by half, so that if the above suppositions are true the nominal value of the national income

must be roughly double what it was before the war. Thus would the pool be double and thus the Bonus, but, to be on the safe side, we will call the result nine shillings rather than ten shillings. Let us assume, then, that if the Scheme were put into operation to-day, the pool would yield nine shillings per week per head, and see, by means of the following tables, what the net effect would be upon differing incomes in differing circumstances. In each case it will be seen that the point where the tax and Bonus are identical in amount, and therefore cancel one another, is notified by underlining.

Insurance Value of the Bonus.

There is another benefit, less tangible perhaps, but no less real than the net cash benefit. It is, in effect, an insurance benefit of a very generous nature. Consider the lot of a man with an average family whose income stops when he becomes unemployed or falls ill. It is a hard lot indeed, for even though he have the present State Insurance benefits to look to and club money in addition, yet, after a short time, he will find himself in a precarious position. But under the Bonus Scheme things would be different. There would be forty-five shillings coming into the home, so that neither the man nor his family need go short of the prime necessities of life, whilst even if he died the widow and children would still be guaranteed a subsistence. Neither would these benefits diminish and cease, as in the case of existing benefits. They would be there week after week, month after month, bringing with them a sense of security and peace of mind so essential to a man or woman who is bearing the frowns of Fortune. To get like benefits from an insurance company it would be necessary to pay an annual premium far out of the reach of the average working man. Yet the Bonus would be equivalent to the payment of that premium year after year for ever.

TABLES SHOWING NET EFFECT PER WEEK

I.—In the Case of Single Men and Women.

Income.	One-fifth Tax.	Pension.	Differ-ence.	Result.
0/-	0/-	9/-	9/-	Net benefit
20/-	4/-	9/-	5/-	"
40/-	8/-	9/-	1/-	"
45/-	9/-	9/-	0/-	Neither gain nor loss
60/-	12/-	9/-	3/-	Net loss

II.—In the Case of Man and Wife.

Income.	One-fifth Tax.	Pension.	Differ-ence.	Result.
0/-	0/-	18/-	18/-	Net benefit
50/-	6/-	18/-	12/-	"
60/-	12/-	18/-	6/-	"
90/-	18/-	18/-	0/-	Neither gain nor loss
120/-	24/-	18/-	6/-	Net loss

III.—In the Case of Average Family.

Income.	One-fifth Tax.	Pension.	Differ-ence.	Result.
0/-	0/-	45/-	45/-	Net benefit
60/-	12/-	45/-	33/-	"
120/-	24/-	45/-	21/-	"
180/-	36/-	45/-	9/-	"
225/-	45/-	45/-	0/-	Neither gain nor loss
240/-	48/-	45/-	3/-	Net loss

TABLES SHOWING NET EFFECT PER YEAR

I.—In the Case of Single Men and Women.

Income.	One-fifth Tax.	Pension.	Differ-ence.	Result.
£ 0	£ 0	£ 25-0	£ 25-0	Net benefit
25	5	25-0	20-0	"
50	10	25-0	15-0	"
75	15	25-0	10-0	"
100	20	25-0	5-0	"
117	23-6	25-0	0-0	Neither gain nor loss
125	25	25-0	0-0	Net loss
150	30	25-0	5-0	"

II.—In the Case of Man and Wife.

Income.	One-fifth Tax.	Pension.	Differ-ence.	Result.
£ 0	£ 0	£ 45-15	£ 45-15	Net benefit
50	10	45-15	35-15	"
100	20	45-15	25-15	"
150	30	45-15	15-15	"
200	40	45-15	5-15	"
234	46-15	45-15	0-0	Neither gain nor loss
250	50	45-15	3-4	Net loss
300	60	45-15	13-4	"

III.—In the Case of Average Family.

Income.	One-fifth Tax.	Pension.	Differ-ence.	Result.
£ 0	£ 0	£ 117	£ 117	Net benefit
100	20	117	97	"
200	40	117	77	"
300	60	117	57	"
400	80	117	37	"
500	100	117	17	"
585	117	117	0	Neither gain nor loss
1000	200	117	83	Net loss

Some have found it difficult to grasp these benefits, so used are they to the risks of ill health, unemployment, old age, and death. They will do well to try and visualize a life where much of the misery and waste, now the inevitable companions of these various misfortunes, has been removed.

CHAPTER III

STATE BONUS IN ACTION

Introductory.

THE Social Problem is many-sided, and, therefore, as we saw in Chapter I, open to attack at many points. There are, however, two such points of attack where, it is generally agreed, reformers should concentrate their forces. There is, firstly, the need for a greater equality of status as between different classes of the community. There is also the need for a more equitable distribution of the products of industry.

But there is a third need sufficiently important to be grouped with the two preceding ones, namely, the need for an increased Production. Possibly the urgency of this third need may not be generally admitted, so that it may be well to expand the idea, at the same time seeking to justify its inclusion.

To some, increased Production only spells increased private profit. Merely to state that point of view is to condemn it. To others, increased Production, viewed nationally, spells economic supremacy and dominance in the affairs of the world. This view is very prevalent just now, but reflection will show that it is every whit as anti-social and every whit as futile as the ideal of military supremacy and dominance. It is just these false conceptions, virtually setting up Production as an end in itself to which all else must be subordinate, that have driven many to revolt against the present industrial system, and to turn their minds to the old

industrial system of handicrafts, as offering a way of life not inimical to the free growth of personality. But surely it cannot be that the great natural resources of the world exist to no purpose. Surely the great discoveries of Science and the marvels of Invention might be organized in the service of man. There is much that is good in the old system of handicrafts—the simple life, the joy in creative work, the dignity of labour; but it offers no true liberty, for it would mean long hours of labour in order to satisfy the primal needs of the body, and would debar men from the richest fruits of Travel, Science, and Art. Let then the motive for Production be the ideal of organizing the resources of the world for the benefit of man. Let the aim be the harmonious development of man, the development of body, mind, and spirit. At the present moment the national Production is not great enough to provide, for all, that liberal culture and that leisure which are essential to the free growth of personality.¹ Yet, not only must that culture and that leisure be secured to all, but also the conditions of home-life and of labour, for a great proportion of the community, must be revolutionized. The more we consider this present disability, the more we shall become convinced of the vital necessity of increasing Production, always bearing in mind, however, that nothing in the process must be allowed to interfere with that free harmonious development which we have set before ourselves as the ideal.

Let us now examine some of the chief probable effects of the Bonus under the three heads Status, Distribution of Wealth, Production.

The Bonus in Relation to the Problem of Status.

The insistent demand of Labour for a greater measure of control leaves no doubt as to the importance of

¹ The national income divided equally amongst the whole population (using our pre-War figures for illustration) would only have yielded about £50 per head per annum.

the question of Status, an importance which has been admitted by the Whitley Report. It is a twofold problem—social and industrial. In both these spheres the problem is largely educational, but the economic factor is nevertheless of great importance. The following are a few ways in which the Bonus would accelerate the movement towards an adequate solution.

There is, first and foremost, the frank recognition of the right to life, together with the truly democratic method of translating this principle into practice. Here is a courageous admission of the supreme value of human personality, irrespective of class, creed, or sex. Who can doubt that the Nation sowing such generous seed would reap a rich harvest of goodwill and mutual understanding, tending to the dissolution of social barriers?

There is the certain and immediate abolition of dire or "Primary" ¹ poverty, with the consequent abandonment of much of the machinery of public and private philanthropy, which, however well-intentioned, has failed to raise permanently any considerable number of the "submerged tenth" from an abyss where Faith is a mockery, Hope an impossibility, and Charity a byword indeed.

Again, the Bonus would bestow greater economic freedom upon that very large section of the community to whom the fear of destitution is an ever-present reality. It is easy to see how this new-found freedom would increase the bargaining power of the "worker," ² and how this power would be used to reinforce, not only his demand for a larger share in the fruits of industry, but also for a greater control of the machinery of Production itself. The influence upon the question of Status is obvious.

It will not be irrelevant here to point out the relation of the Scheme to the problem of the status of women. The Bonus would be tantamount to a recognition of

¹ As defined by Mr. B. S. Rowntree in *Poverty*.

² This point is elaborated later in the chapter.

the value of woman's service in domestic life. The fact of economic security both for single and married women would assuredly give a great impetus to the ideals of social purity. The Bonus would operate equally both for men and women. It would be fitting that the recognition, upon a basis of sex equality, of the right to life should follow swiftly upon the granting to women of the political franchise.

Lastly, but by no means of least importance, there are the educational aspects of the Bonus. We would point out, firstly, the effect upon the problem of Education in the narrower sense of the term, and secondly, the effect in the wider sphere of general education for citizenship. The recognition of the rights of the child, irrespective of parentage, is a fundamental feature of the Scheme. The benefits it bestows on the family would enormously reduce the economic stumbling-block which, as we pointed out in Chapter I, bars the way to the higher education of the people. The effect upon the general civic education of the people would be more gradual. Nevertheless, who can doubt that increased responsibility in the control of money, and later of the machine of Production itself, would develop qualities of mind and character which hitherto have had no room for expansion? Who can doubt that the introduction of the principle of national production-sharing inherent in the Bonus Scheme would lead to the right understanding of such principle, thus fostering the spirit of co-operation? This is surely the *summum bonum* of true education.

The Bonus in Relation to the Problem of the Distribution of Wealth.

In considering the probable effects of the Bonus upon the problem of the equitable distribution of the products of industry, we shall be considering what is perhaps the most original and far-reaching aspect of Mr. Milner's Scheme.

One of the outstanding features of the years immediately preceding the War was the struggle of organized Labour for a greater share in the fruits of industry. Again and again Labour was able to force a rise in wages, but there is every reason to believe that this temporary betterment was speedily counterbalanced by the depreciation of money, due to a rise in prices. This is to say, that those in control of the machinery of Production were able to take away the advantage they had conceded. Mr. Milner would probably prefer to express it thus: that the relative value of services rendered in our Competitive System, as determined by the operation of the Law of Supply and Demand, cannot be changed by the arbitrary raising of wages. These relative values, he argues, are based upon the value of the Bottom Man, and he defines this Bottom Man as one who, because of the imminence of destitution, must accept exceedingly low wages for exceedingly disagreeable work. The existence of such a class obviously reduces the bargaining power of the class immediately above, and so on up the scale.

The task, then, that Mr. Milner sets himself is to raise permanently the economic status of the Bottom Man. His method is simply to confer increased bargaining power. He proposes to give to every one—and therefore to the Bottom Man—a minimum subsistence allowance. This means that the Bottom Man—supposing him to be married, with at least three children—would receive as a right about the same amount as he previously received for wages. The benefit does not cease there, however, for he would still be free to sell his labour, but he would not, as formerly, be driven to accept low wages for disagreeable work. Economic security would have made it possible for him to demand fair value in return for his services. All that is now requisite to give permanence to this betterment of the Bottom Man's position is some device to prevent those in control of the machinery of Production restoring

the old scale of values. It is in this connection that we shall realize the vital importance of Mr. Milner's proposal that the percentage of the national income required for the purposes of the Bonus should be a fixed percentage. Nothing less than a reduction in national productivity could then reduce the spending power of the Bonus. What effect these proposals would have ultimately upon the distribution of wealth experience alone could show, but there will be few, we think, even in reactionary circles, disposed to argue that the elimination of the influence of the fear of destitution upon the operation of the Law of Supply and Demand is bad. There will be very many, on the other hand, who will welcome with open arms any scheme that offers a practical escape from some, at least, of the cruelties inherent in the Competitive System.

The Bonus in Relation to the Problem of Production.

It is in this connection that the State Bonus Scheme is subjected to the keenest criticism. This criticism is of the following twofold character. It is urged, in the first place, that the Scheme would encourage idleness, and in the second place that it would cripple those who largely control the machinery of Production, thus crippling Production itself. Let us consider these charges separately. The first charge, if it is to be valid, must demonstrate that under the Bonus System there would be a very much larger number of persons idle than there are at present. Even the cynic will probably admit that genius, love of family, satisfaction in labour well done, ambition, and the desire for free and full development, together account for a very large proportion of the stimulus that urges men and women to work. The vast majority of individuals are not prepared to live at the lowest possible level of efficiency, which is only to say that a very small minority are actuated by the urge of necessity. Those who are determined to be idle can be idle to-day, living upon

public or private charity. And what do we do with them? Do we coerce them into work at the point of the bayonet of starvation? No ; in the last resort we can only feed them and hope they will mend their ways. In short, the treatment of the idle is an educational problem. How, then, would the Bonus operate? It would remove the plea of necessity which, as we have just observed, is a poor ally of Production, but which, it may be noted in passing, is a useful ally of Criminality. It would not, however, vitiate the operation of any of the higher motives, only offering as it does a minimum standard of life. It might even tempt some of those to work who were previously content to live on charity, for they would receive a full return in added comfort for the money earned, whereas to-day they are rewarded by charity in proportion to their indigence, which phrase might often be translated, in proportion to their improvidence. Thus the Scheme, whilst based upon the belief that Man is normally industrious, takes human frailty into account and is essentially a sane admixture of idealism and common sense.

It is just this saving grace of common sense that is the Scheme's strongest ally in overcoming hostility on the second charge, namely, that of crippling the machinery of Production. No one can expect that the old pre-War standards and values will be re-established. The signs of the times point to one of two things. Either there must be a generous desire amongst all classes of the community to remedy the inequalities of the present Social Order, or there must inevitably be a class conflict so bitter and so protracted that it would spell disaster to both antagonists. Facing the facts, then, let us bring about this new Social Order with the least injury to individuals and the greatest good to all. There must of necessity be a more equitable distribution of wealth. Let this adjustment, then, be made upon a basis of income rather than of capital, and thus interfere for the present as little as possible

with the machine of Production, so that industrial stability may be maintained.

So far we have dealt only with the negative aspects of the Bonus in relation to Production. Let us now enter the more fruitful field of the positive.

There are three dynamics inherent in the Scheme which must inevitably tend towards increased Production. The first of these is that greater efficiency and those higher powers which would be liberated by the removal of "Want and the fear of Want." The second is the principle of production-sharing. There would be no case for restricted output. There would be every reason for increased output. Lastly, there is the goodwill which would be created amongst all classes of the community by this corporate endeavour to face and solve the Social Problem. We cannot take the measure of goodwill. We cannot estimate its power in concrete terms. But this we know, that without goodwill there can nothing be accomplished that is good.

CHAPTER IV

DOUBTS AND DIFFICULTIES

By this time a number of queries will naturally have risen to the reader's mind, and it is the purpose of this chapter to face, as frankly as may be, the chief doubts and difficulties that have been expressed at different times by critics of the State Bonus Scheme.

These doubts and difficulties may be grouped roughly into two classes. There are, firstly, those coming from the people who are to receive more in Bonus than they pay in tax; and, secondly, those from the people who are to pay more in tax than they receive in Bonus.

FIRST GROUP.

Will Wages Fall?

This is quite naturally one of the first questions that occur to the individual who is to benefit under the Scheme. It is, moreover, a question of such fundamental importance, that, although it has really been answered already when considering the effect of the Bonus upon the distribution of wealth, we will go over the ground again in more detail.

The reasons usually given by the critic for believing that wages would be depressed are two. Firstly, it is suggested that the employer would feel justified in reducing wages, seeing that subsistence was guaranteed by the State; and secondly that there would be an increase of "pocket-money" workers who would tend

to undercut wages. Let us examine these charges separately.

In forecasting the probable action of the employer, let us take the instance of the Bottom Man. The Bottom Man, it will be remembered, was our definition of the man who is exploited because of his fear of starvation. Suppose for the sake of argument that to-day he is getting twenty-five shillings a week and that he is a man with a wife and three children. The Bonus would bring him forty-five shillings per week whether he worked or not. That is to say, that under Bonus conditions he would be secured a standard of living nearly twice as high as formerly, so great had been his exploitation. Now is it likely that under those conditions he will go back to his old work of grinding toil under appalling conditions—we are dealing with the vilest forms of labour at the moment, remember—for less than formerly? It is not likely, when the increase to the family exchequer would be so proportionately small. He will, almost certainly, refuse to go back at the old rate or anything like the old rate. Yet the work that he used to do, disagreeable though it be, must be done by somebody. The inevitable result will be that the employer will be compelled to offer much higher rates of pay in order to get the work done at all. If that is the position of the Bottom Man, and if all wages are finally based upon him—as we believe they are—then obviously wages must rise rather than fall, everywhere. Another way of stating the case in general terms would be that whilst no new power had been conferred upon the employer, the wage-earner had been presented with a new bargaining force, i.e. economic independence.

With regard to the "pocket-money" workers; would their number be increased or decreased, and would their power to undercut the Labour Market be greater or less? The "pocket-money" worker, we take it, is recruited mainly from two sources. Firstly, there are those girls

and women who have no intention of remaining permanently in Industry but who are seeking the independence that even a small amount of "pocket-money" brings; and secondly, there are those Pensioners whose pensions are inadequate and who therefore go into Industry merely to supplement them. Surely both these classes would tend to reduce in number when most, if not all, of what they previously sought in Industry was provided by the Bonus. And even supposing there were some whose desire to bargain for a fair wage was weakened by the sense of security brought by the Bonus, the power of such a class to under-cut wages must surely be greatly reduced, if not eliminated altogether, by the new power conferred upon each individual, the power to stand out indefinitely for fair wages and fair conditions. This last point is dealt with more fully in the chapter entitled "Is it a Palliative?"

Will Prices Rise?

A second question, which is somewhat closely allied to the former question, relates to prices. Will the benefits of the Bonus be robbed by rising prices as have been the benefits from increased wages in the past? The following arguments will serve to point some general reasons for believing that the Bonus benefits would not be cancelled by manipulations in the price of goods.

In the first place the Bonus tax, being deducted from profit, could not be considered an extra charge upon the cost of production, as could a rise in wages, for instance. An advance in prices would not therefore be justified in the eyes of the public, and public opinion plays at least some part in regulating the level of prices. If in this case public opinion did not prove a sufficient deterrent for all employers, it is safe to say that employers such as the Co-operative Societies would leave prices unaltered, as no benefit would accrue to their members by advancing them. It is said that the Co-operative Societies had a steadying effect upon prices during the

early stages of the War, and the same wholesome effect would result from their competition if an attempt was made to inflate prices after the introduction of the Bonus Scheme. It should be borne in mind that this salutary check would be upon the prices of those commodities—i.e. staples—which it is most important should be kept down.

In the second place, foreign competition would ensure that prices could not be raised in those fields where such competition was operative. This means that the margin going to the employer would be less, and his only method of recouping himself would be in more efficient Production, which necessarily must benefit the community as well as himself.

The above are reasons for supposing that prices would not rise because of the Bonus. We have already shown in Chapter II how, when prices do rise, for whatever reason, the Bonus automatically rises with them, so that in general terms we might state the position with regard to prices thus: that the Bonus Scheme secures, by the device outlined in Chapter II, the equal distribution of one-fifth of total Production, and whilst not interfering with the operation of the law of Supply and Demand as regards the other four-fifths, confers upon the many, to the detriment of the few, a new power with which to bargain for their fair share of that four-fifths.

What about Pensions?

An important question that naturally comes to the mind of the disabled soldier and other pensioners is as to whether or not the Bonus would be additional to the pension. The following are some of the principles which, it is suggested, should determine the course to be adopted in different instances.

It is thought that as the Bonus is parallel in purpose to the Old Age Pension, and supposing it to be as large in amount as the Old Age Pension, that the latter might very well be superseded.

With regard to the disabled soldier, it is felt that his pension is a recognition of definite services rendered to his country, and therefore ought to be additional to his Bonus, which is a recognition of his right to life.

The widow (or other dependents) of a man who has fallen is in somewhat different case. The pension there is not a recognition of service done so much as a recognition of the right to life. The Bonus aims to extend this principle to all, and it is suggested therefore that the Bonus should take the place of such pension except in cases where the present pension is greater in amount than the Bonus. Then, it is thought, an amount should be paid as pension, additional to the Bonus, and making the total up to the amount of pension previously received.

What about Control?

Some critics from the more advanced wing of the Labour Movement suggest that the question of money is not so important as the question of the control of Industry. Will the State Bonus affect control? they ask. In answer, we repeat what we said in Chapter III, namely, that the new power of economic independence would be used as effectively in the demand for better conditions and more control as for increased wages. Self-government in Industry cannot come in a night. The State Bonus does not pretend to be a panacea, but it could be applied at once, and it would hasten, not retard, the democratization of Industry.

Is it a Palliative?

The same critics are apt to regard the whole Scheme in the light of a buttress to the present capitalistic system. This criticism is of such paramount importance in these days of revolution that we propose to give a chapter to the answering of it.¹

¹ Chapter VI.

SECOND GROUP.

What of the Slacker?

The commonest criticism, coming from those who would lose monetarily under the Bonus proposals, is the criticism that the Scheme would be exploited by the Slacker. It is a serious objection, if true, though not as serious as some people would have us believe. It is, moreover, peculiarly difficult to meet, for the belief which some of us hold that the Bonus would have exactly the opposite effect—at any rate after a brief period had elapsed—is based not so much upon adducible facts as upon faith in human nature.

We dealt with this question to some extent when considering in Chapter III the effect of the Bonus upon Production, but we will add a few more reasons for supposing that the problem of the slacker is by no means insuperable.

We have shown before, it will be remembered, that if there are to be slackers they must come from those who are living either at subsistence level or below it. Unhappily, this is a considerable section of the community, probably about four million people. Knowing what we do about economic pressure, would it be unfair to guess that at least three million were there because they could not help themselves? This would leave a million, including dependents, who only worked to save themselves from starvation. Now, the experience of the Trades Board Acts has shown us that a higher standard of living means a vastly increased efficiency. It would surely be reasonable to suppose, then, that a higher standard of living for the three million would increase their efficiency by at least $33\frac{1}{3}$ per cent. This would mean that if the million never worked again—a most unlikely contingency—their previous output would be balanced by the increased efficiency of the three million. But, it is said, there are a million Unemployed to-day¹ seeking

¹ J. H. Thomas in the House of Commons, February 1919.

work. Introduce the Bonus and it is safe to say that most of these would be speedily absorbed in order to make the thousand and one things that millions of people would be demanding over and above what they formerly demanded. The nation obviously would be the gainer by the amount of this Production now wasted through unemployment.

Even so, there are some who will still mourn at the thought of that idle million—which, as we said, includes dependents, and is, we are confident, a big overestimate. But at least we should know who the slackers were under Bonus conditions. Those who have studied the question of the Unemployed and the Unemployables tell us that under present conditions it is well-nigh impossible to discover who is unemployed because unemployable and who because inefficient through misfortune. Then, we should know the one from the other and should be able to deal with the problem of education for work.

If there be any still unsatisfied, we would leave with them the following questions: Are you prepared to see the wife and children suffer because the man is idle? Are you prepared to let a man die of starvation because he will not work, remembering that even our semi-pagan civilization of to-day does better than this? And finally, if you place such great weight upon the question of idleness amongst those in humble circumstances, are you prepared to deal equally sternly with the idle in all classes of society?

And of the Blackguard?

Hesitation is felt by some at the thought of handing over a family maintenance to a possible blackguard who might ill spend it on himself and leave the family to suffer as before: the "as before" is important, for it is obvious that the Bonus could not place the family more at his mercy than formerly. Nevertheless, we agree

that everything must be done to safeguard, as far as possible, the rights of the children.

To some extent this would be achieved by the suggested payment of the children's money to the mother, until such time as the children were old enough to draw the Bonus in their own right. The mother, it is suggested, should be legally empowered to spend the Bonus on behalf of the children, and any attempt on the husband's part to filch the money from her could be made an offence against the law, incurring serious penalties.

Of course there would still be cases where the money was misapplied, and where such cases could be traced either through the Society for the Prevention of Cruelty to Children or through the Education Authority, action could be taken on behalf of the community. In the last resort the children could be removed from their parent or parents, and the Bonus would of course go with the child, and would be administered for the child by any institution that had the case in charge.

We feel very strongly, however, that any elaborate system of supervision would savour of Prussianism and would be repulsive to the great majority of the people. We feel, moreover, from what we know of institutionalism, that, except in very extreme cases, the home is the best place for the children, and that a good deal of faith might be safely exercised. Blackguardism is to some extent a product of the wretchedness engulfing the lives of the very poor, and the Bonus would tend to raise the standard of conduct by raising the standard of comfort.

Is it Pauperizing?

A few critics have suggested that the Bonus would be pauperizing in effect, and have quoted the old Poor Law and a system of free-bread instituted in Rome as proof of the demoralizing effect of "doles." We frankly do not understand this charge. We can see no sort of resemblance between the Bonus and a "dole."

A dole is a recognition of hardship only, and is withdrawn at once when the hardship passes. The Bonus is not "something for nothing," as it perhaps appears superficially. It is a definite recognition of the right to life, or, better still, the monetary equivalent of the right to land. Once given, it must not be confiscated under any pretext whatsoever.

The weakness of the old Poor Law lay in the fact that it gave benefits only when need was proved, thus giving no sort of power to the worker to demand fair wages. The result was the inevitable exploitation of the community by the employers of labour. The Roman free-bread distribution was still less of a parallel, as the benefit was uncertain, being given at the good pleasure of a Cæsar whose pleasure it might be to remove it at any moment. The Bonus would be instituted not through the largesse of King or Government, but because the people demanded their economic rights as citizens of a world richly endowed by Nature; and the independence that these new-found liberties would bring must surely have vastly other results than pauperizing.

How about the Birth-rate?

Some anxiety is being felt to-day at our falling birth-rate, and it is recognized that the appalling ravages of infant mortality constitute one of the most serious aspects of the problem. Sufficient has been said in the first chapter to show how powerful an instrument would be family endowment in raising the standard of living just where the need was greatest. The connection is obvious.

Some are inclined to think that the Bonus would encourage larger families amongst the less desirable sections of the community. The exact opposite, however, would almost certainly be the case. Statistics show that the size of the family increases as the social status decreases, until, amongst the dregs of society, it would be impossible for more children to be born than are

being born. This state of things is due in part, it is thought, to the wretchedness of environment, which breeds a hopelessness and recklessness together with a loss of self-control. The Bonus, by raising the standard of life, would tend to counteract these evil influences, whilst the children which were born would stand an increasing chance of becoming healthy citizens.

On the other hand, in what is known as the lower-middle class, where economic considerations now have a deterrent effect upon the birth-rate, the Bonus, by removing this economic disability, would be likely to encourage larger families, which would be beneficial to the nation.

Would Illegitimacy Increase?

Another difficulty that is sometimes raised has to do with the thorny problem of illegitimacy. Would not the fact that provision was to be made for the child tend to increase the number of illegitimate children born? queries the critic. In answering, we must think not only of the mother's point of view, but also of the child's. Indeed, the child's point of view is the more important, for in common justice we shall admit that the child should suffer as little as possible for the unsought wrong that overshadows its life from first to last. Surely the least we can do for the poor little being who strives bewildered in a cruel world is to ensure that at any rate the bare necessities of life shall be forthcoming. And surely, too, it is better both for child and mother that they should be enabled if possible to live together, so that any spark of love in the mother-heart might be quickened and helped to bring comfort where comfort is so sorely needed.

And why should this common justice tend to increase the evil? The married mother is to be helped just the same, so that the relative positions after the introduction of the Bonus Scheme would be the same as they are to-day; thus all the present deterrents would be equally strong. Indeed, there is reason to believe that illegitimacy

would tend to decrease for the following reasons: in the first place, the Bonus would make possible earlier marriages; and in the second place, a higher standard of life secured for those at the bottom of the social scale would stimulate self-respect and diminish recklessness, bred of despair and degraded environment.

What of the Lonely Spinster?

Lastly, it is urged by some that the Bonus Scheme would heavily penalize the lonely spinster. The lonely spinster, be it noted, like the widow, receives little enough consideration in daily life, but is ridden into the lists with great zeal when some young Knight of Progress is to be met and, if possible, overthrown. However, the lot of the single individual is sufficiently important to warrant a thorough examination.

There are two distinct classes to be considered. There is the single individual living on earned income, and the single individual living on unearned income. They must be considered separately.

We saw from the tables in Chapter II that the point at which the Bonus ceased to be a benefit to the single individual was an income of £117 per annum. But to the single man or woman earning his or her income the insurance value of the Bonus (dealt with at the end of Chapter II) is considerable. We are not likely to be challenged, we think, when we suggest that £10 would be a ridiculously small premium to pay annually in order to obtain the benefits conferred by the Bonus during unemployment, sickness, etc. This means that the real Bonus benefit would be £23 8s. plus £10, or £33 8s. in all, so that income would have to be in excess of £167 before the tax became greater than the benefit. Before the War, statisticians tell us, 87 per cent. of the population were receiving incomes of less than £160 a year, *for an average family of five*. Surely, then, it is not too much to ask that single individuals with potential incomes of over £160 should contribute some-

thing towards the guarantee of life and liberty for their less fortunate countrymen.

In the case of the individual living on unearned income the burden is admittedly heavier, because, of course, the insurance benefit is non-existent. However, £117 is a not inconsiderable income to be exempt, and it is always open for single individuals to live communally if they desire to increase the spending power of their incomes. There are also two other considerations which should tend to compensate such persons for the reduction of their incomes. Firstly, they would be, for the first time, protected, to some extent at least, from rising prices—a very important consideration for those with fixed incomes of £200 or less, and secondly, when Production rose they would participate in the surplus, although they would have done no work towards the creation of that surplus.

Altogether, we feel that the single individual would be very equitably dealt with under the State Bonus Scheme.

CHAPTER V

ALTERNATIVES

I. A National Minimum Wage.

It is increasingly admitted that the first charge upon Industry should be a living wage for all those engaged therein, including those who are least skilled and therefore in the worst position to bargain for adequate remuneration. The minimum wage, i.e. a wage below which it becomes unlawful to pay, has been adopted by many industries of lesser or greater importance with a view to securing this basic livelihood. Furthermore, there is a growing desire to extend the principle and institute a national minimum which would bring the less organized trades into line with the highly organized, where already the principle is operative. Moreover, the principle is considered by Labour so vital that the National Labour Party give it a prominent place upon their programme.

It is the writer's belief that whilst a national minimum would ensure much fairer conditions in Industry than prevail to-day, yet that in several particulars it would fail in its purpose and compare unfavourably with the State Bonus method.

It would not be relevant to discuss the difficulties of instituting and enforcing a national minimum, serious though they be. Let us rather assume that a statutory minimum has been achieved and examine its probable operation, firstly in relation to family needs, and secondly in relation to the problem of exploitation.

In fixing a minimum wage which shall be a living wage, it is, of course, necessary to take into account the needs of the man for whom the wage is intended. Nor is it sufficient to consider alone the needs of the man himself, for he will generally be supporting dependents. Obviously, here is a difficulty, for one individual may have only one person dependent upon him—or even none at all—whilst another may be supporting ten or more. An attempt has been made to overcome this difficulty by fixing the minimum at an amount which will secure what is deemed a reasonable standard of comfort to the man with average family responsibilities, that is to say, with a wife and three children dependent upon him. It will be readily seen, however, how very unsatisfactory is this attempt, and how very arbitrary this standard of the "average man," who in reality only exists in small numbers. Consider the wide range of needs that are met by this hard-and-fast mathematical method. There is, on the one hand, the young unmarried man with no dependents in the world, who, because of the inability of Industry to differentiate, is to be remunerated on the assumption that there are four other mouths to feed, four other bodies to clothe and house. On the other hand, there is the man with a wife and possibly seven or eight children below the school-leaving age, who is to be remunerated on the assumption that, somehow or other, those extra five mouths and bodies are to be satisfied by the standard comfort of the "average man." The anomaly is seen at its worst in the case of the widow with a large family, for here the situation is greatly aggravated by the fact that the minimum wage considered adequate for a woman is invariably far below that of the man, for the reason that, generally speaking, the woman is not the breadwinner.

The remedy of these grotesque anomalies does not lie with Industry—at least, not as organized to-day. Remuneration by the employer must of necessity be

proportional to work done. If the responsibility for the maintenance of the family were to be thrown directly upon Industry, there would naturally be a tendency for the man with the larger family to be driven out of Industry altogether.

The State Bonus Scheme recognizes that payment in Industry must be for work done, but proposes that the community should guarantee to all a subsistence upon a family basis, leaving each free to bargain for fair remuneration, but under fairer conditions than to-day, because of the new power that would be theirs.

Another weakness of the minimum wage is that it does not provide for the contingencies of illness and unemployment. It may be urged that these are separate problems, and that they are already dealt with by schemes of National Insurance. The plea is to a large extent valid, but we are surely justified in speaking of this disability as a "weakness," when the State Bonus Scheme, in one comprehensive measure, achieves the aim of the minimum wage, and in addition provides far more adequate benefits during times of sickness and unemployment than do the schemes at present in operation.

Yet another defect which may be mentioned here is that the minimum wage does not contain within itself any guarantee that its spending power will be maintained. Rising prices would immediately reduce its value. Of course, this difficulty could be overcome by the institution of a sliding scale, but there would be a considerable danger of suspicion and friction arising over the method employed in arriving at the cost of living. We have already seen how the Bonus would automatically rise and fall with prices, thus remaining at a constant spending power. Of course, this would only apply to the Bonus itself, and not to the wages earned in addition, which might still depreciate in value owing to rising prices, as at present. However, it would be a considerable achievement to

ensure that at least a proportion of income was standardized as regards its spending power.

We will now pass to the consideration of a national minimum in relation to the problem of exploitation. The minimum wage is first and foremost aimed to abolish "sweated" labour; but whilst the institution of a national minimum would secure that no individual in Industry was paid a starvation wage, it is more than probable that the minimum wage would tend to become the maximum, and in this way the more efficient and industrious would be robbed of the fair fruits of their labour.

The above result would probably be brought about as follows. In the first place there would be a tendency for the inefficient to be driven right out of Industry, when they would become a burden upon the community, and, what is worse, a factor for depressing wages. They would form a reservoir of labour from which the employer might draw as soon as it became worth his while to employ them at the minimum rather than pay a higher wage to a more efficient workman. It will readily be seen how eager would those in the "reservoir" be to escape from their condition of pauperism, and how, therefore, they would necessarily reduce the bargaining power of the more efficient, just as the sweated worker does at present.

Another factor that would tend to make the minimum wage become a maximum would be the lethargy of that minority who do not exert themselves to obtain the full fruits of their labour. They have always had an "undercutting" effect upon wages, and would continue to do so after the institution of a national minimum, because those who desired to bargain for the full fruits of their labour would be equipped with little more power than they are to-day.

Consider the position, however, under the State Bonus System. In the first place, there would be no reservoir of unemployed, for the greatly increased spending power

of the workers would have produced an enormous demand for commodities, particularly "staples," and the fact that the distribution of the Bonus would be proportional to Production would mean that the demand would be maintained and would always keep pace with supply. In the second place, although there would still be those too inert to exert their bargaining power, the new power of independence which would then be possessed by the majority would negative very largely, if not entirely, the "undercutting" influence of the inert.

In using the term "bargaining power," it must not be supposed that we have in mind—still less advocate—a series of industrial conflicts. We believe that the advantages accruing to all from co-operation under the Bonus System would make for goodwill and mutual understanding, and that the bargaining for wages and conditions would tend to become a peaceful process, based upon a mutual recognition of rights and relative strength. The greater mobility of Labour, achieved by a guaranteed subsistence, would render this bargaining process much more automatic than it is to-day, as the rapid flow that would always be taking place from the lower paid work to the higher would ensure that employments lagging behind in the matter of wages and conditions would quickly be crippled for lack of labour, and so would inevitably raise their standard forthwith.

2. The National Endowment of Motherhood.

A second alternative to the State Bonus Scheme is a proposal for the national endowment of motherhood, which has been outlined by a small group of feminists in a booklet entitled *Equal Pay and the Family* (Headley Brothers, one shilling net). As feminists, their main contention is that the service rendered to the community by the mother should be remunerated, and they suggest, therefore, that theoretically the mother should receive

an endowment from the State so long as she has children under her care, and that also each child should be additionally endowed throughout the period of dependency. For reasons of expediency, however, they suggest that as a first measure the State should introduce an endowment scheme to cover all mothers and dependents whilst those dependents are under five years of age, and it is to this particular proposal, therefore, that we shall confine our attention. It is only necessary to add that the suggested rates of endowment are twelve shillings and sixpence per week for each mother, five shillings per week for each first child, and three shillings and sixpence per week for all other children, whilst the total cost of the scheme is estimated at £144,000,000 per annum.

In comparing this proposal with the State Bonus Scheme, we shall not attempt any detailed criticism, for, although the proposals are in some respects somewhat nebulous—we refer particularly to the collection of the money—we find ourselves in general agreement with the arguments used and the suggestions made, and believe that the scheme would achieve a very real measure of reform. Our criticism of the proposal is based rather upon the belief that the national endowment of motherhood would be entirely inadequate to meet the urgent demands of the present situation.

Whilst meeting to some extent the problem of family responsibilities, at least while the children are very young, it fails altogether, we feel, to meet the general problem of the distribution of wealth. The originators of the scheme themselves express doubt about the probable effect upon wages. Personally, we feel that because the endowment would affect only a proportion of the wage-earners, there would be no substantial alteration in bargaining power, and that therefore there would be nothing to counteract the tendency for wages to fall to a subsistence level. The final result would be a slight improvement for the large family, during some

years at any rate, but a considerable lowering of the standard of living for the small family and for single individuals. Compare this effect with that produced by increasing the bargaining power of all, and by distributing a fixed percentage of national Production amongst all.

Any scheme which fails to cut at the root of the problem of exploitation will fail—and quite naturally so—to attract the sympathy of Labour. There is a demand that new bottles shall be found to contain the new wine. In one respect the endowment scheme may be said to be revolutionary, namely, in the economic recognition of the services of the mother. But, after all, this is only the extension of an old principle, namely, the principle of payment for work done. The State Bonus Scheme, on the other hand, whilst providing the needs of the family, is based on a frankly communistic principle which insists that primal needs at least must be secured irrespective of work done, whilst the same principle underlies the suggestion for the equal sharing of surplus Production. The difference in psychological effect between the two methods would be enormous, particularly as it became generally realized how big a step had been taken from a competitive to a co-operative system.

For the above reasons we suggest that the State Bonus Scheme is more likely to catch the imagination of forward-thinking people, and that the spirit of the times, together with the direct appeal of the Bonus to so large a proportion of the population, ensures its feasibility.

CHAPTER VI

IS IT A PALLIATIVE?

Introductory.

ANY reform put forward to-day has to run the gauntlet of this question. A palliative is something which cloaks, excuses, or softens by favourable representation. In relation to our social system it would mean something which extenuates, and therefore tends to perpetuate. And so certain are modern thinkers becoming that the social and industrial system must be revolutionized, that any reform which savours of a palliative is regarded not only as useless, but as positively dangerous.

It is not surprising that the State Bonus Scheme should have been subjected to a keen examination on this very point. Indeed, it has many times been condemned offhand as a palliative by those who have seen that it bore a superficial resemblance to a pension scheme, and did not take the trouble to look below the surface. It is the purpose of this chapter to show in what way the Bonus Scheme constitutes a revolution; how it carries with it the germ of a new system as different from the present system as justice from injustice.

In passing, however, we would point out the folly of supposing—as some extremists do—that the old system can be overturned and a new one set up in a night. That way lies chaos, and chaos has never proved efficient yet. Consider the case of a lake whose semi-defiled waters permitted only an indifferent stock of fish. Would

it be reasonable to empty the lake before refilling with pure water, thus exterminating the fish in the process, or would it not be better to secure a steady influx of pure water, and thus secure more gradually, but with equal certainty, a pure lake with a corresponding betterment in the stock of fishes? All analogies break down somewhere or other, but the foregoing will suffice to point the argument for revolution through a process of rapid evolution, rather than through an upheaval which must produce a period of chaos.

It will be urged by many that nothing less than a great upheaval can possibly shake the foundations of the present system. It is the whole purpose of this little book to show that there is a method of transition from the present system to a new system which, when rightly understood, offers a basis for co-operation between the conflicting parties.

Who is the Enemy?

Who or what is it that constitutes the injustice of the present system, and must therefore be overthrown before social harmony can be attained? "Capitalist" is a term much used to designate the enemy, but it is generally used somewhat loosely, and is taken to include both the employer of labour (in the sense of the conductor of business) and the investor. These are very distinct classes and must be considered separately. "Employer," when analysed, is found to be a very comprehensive term, for it includes the man who employs ten thousand workers and the tiny tradesman who employs one. This tiny tradesman is far more likely to be exploited than to exploit under prevailing conditions, and is not regarded as the enemy of society, which the word Employer is meant to convey. This merely goes to show that the term Employer is inadequate as a description of those deemed responsible for the tyranny of the present industrial system.

There is the same unsatisfactoriness about the term "Investor." Like the term "Employer," it covers a very large field, and includes the man who, without doing a stroke of work, lives a life of idle luxury, as well as the man whose hard-earned savings bring him a tiny income during his old age. The latter is strictly a Capitalist as well as the former, but he is not regarded as an enemy of society: indeed, as in the case of the very small Employer, he is far more likely to be exploited than to exploit.

Then, who exactly is meant when the term "Capitalist" is used in a derogatory sense? It is surely he who wields an autocratic influence over the lives of others by reason of some power possessed by himself that is not possessed by those he overrides. And what is this power? It is surely that which is given by an assured supply of money. The greater the sum of money and the more assured its source, the greater the power conferred thereby. It is the power to wait, the power to make at all times a good bargain. It is obvious that the man who must sell his wares will inevitably make a poor bargain. In such case also is the man who must buy. The man with an assured income—particularly if it be a large one—is always in the position to wait, whether buying or selling, and in this way automatically takes advantage of the man who cannot afford to wait. It is important to realize how automatically the advantage is gained by the one and lost by the other. It explains to a large extent the misunderstanding that exists between the extreme Socialist and the so-called Capitalist. The Socialist condemns the Capitalist as being wilfully cruel, whereas he is often sincerely trying to live up to a standard he conceives to be "just." Naturally enough this also leads the Capitalist to misjudge the Socialist.

All this would go to show that it is the system rather than the men in it that is wrong, and that to change the system we must cut at the roots, not of the

Capitalist's power so much as at the power of Capitalism, i.e. the power conferred by money.

Obviously one way of meeting the problem would be to confer upon everybody something of the same power that is enjoyed to-day by the few. This is the method adopted in the State Bonus Scheme, where a measure of independence is to be obtained for all by the guarantee of a minimum income.

State Bonus a Revolution.

It is only necessary now to show that, despite the moderate appearance of the scheme, the effects would be justly described as revolutionary rather than palliating.

£23 8s. is a small annual income, but it begins to assume a somewhat different aspect when one considers that it is equivalent to the interest on a sum of rather less than £500 invested in bed-rock securities at 5 per cent. When we think that the tramp on the road would have become a Capitalist to the extent of £500, we begin to see the value of the Bonus in a new light; and when we consider that an average family with the breadwinner out of work would be capitalized to the extent of about £2,300, we shall realize that the new-found power would be very considerable. It means, in the last resort, that it would be possible for a man to withdraw from the wage system altogether and set up for himself in business. Suppose, for instance, he wished to set up on the land. He could purchase the land with his savings and then could live on the Bonus until he harvested his first crop. It is just this waiting period that at present makes impossible the development of small holdings on a large scale. Even in the extreme case of a man with no savings, the fact of a guaranteed subsistence would make it easier for him to borrow the necessary capital, for the first charge on his profits would not be perforce the maintenance of his family, but would, or at least could, be the interest on borrowed

capital. The Bonus itself could not be mortgaged, of course—that would be made illegal for obvious reasons—but the fact that subsistence was found, whilst not being in the nature of absolute security to the lender, would naturally incline him to lend money, at more favourable terms than to-day.

The foregoing figures are based on the assumption that national Production remains at the same level as when the Bonus was introduced. But Production will not remain stationary. It has been steadily rising all the time, and will continue to rise, because of the introduction of more efficient methods and increased co-operation—assuming, of course, that industrial chaos is averted—even though hours of labour be considerably reduced, as, of course, they must be. Suppose the increase in productivity be 25 per cent., as it very reasonably might be in the course of a few years, the Bonus receivable by the average family would then be rather more than £146, which capitalized is about £3,000. Thus would the bargaining power of the great majority be steadily raised, and thus would they increasingly be in a position to demand and obtain the full fruits of their labour. How far along the road towards equal incomes this would carry us it is impossible to say, but the distance would quite certainly be very considerable, and exploitation must rapidly pass into the limbo of forgotten injustices.

All this constitutes a revolution, but if there be still some unsatisfied, there is yet another way of looking at the Bonus proposal. It would mean the beginning of a new system of payment—payment proportional to need rather than to work. Many reformers have felt—Bellamy and Morris amongst them—that until the idea of reward is divorced from work, the highest and truest incentives will continue to be dwarfed. We shall admit that the finest work in any sphere is done by those with disinterested motives: we must confess, however, that for the majority the ideal is at present unattainable.

Nevertheless, we recognize that work will become ennobled the more it is separated from the idea of reward, the more it becomes linked to the idea of service. By instituting a system of payment based upon human need, yet sufficiently moderate not to make excessive demands upon our imperfect nature, the State Bonus Scheme would be instituting the first step in a revolution of the most fundamental character. If this first step were crowned with success, why then, having proved to the critics of human nature that their pessimism was ill-founded, such confidence would have been developed that we should move forward rapidly towards that social harmony which is as yet only the dream of visionaries.

CHAPTER VII

IS IT FEASIBLE?

THE feasibility of the State Bonus proposal depends upon two things—

- (1) The workability of the Scheme.
- (2) The acceptability, to the public, of its principles.

1. Workability of the Scheme.

This matter has already been dealt with in Chapter II. It is only necessary to remind the reader here that the machinery both for the collection of the tax and for the distribution of the Bonus is already in existence. The collection could be undertaken, it will be remembered, by the Inland Revenue authorities, and by the employers of labour through the media of cancelled Government stamps, which could take the place of, and need not be additional to, the present collection for National Health Insurance. The distribution, it will also be remembered, could be undertaken by the Post Offices, superseding the separation allowances and Old Age Pensions.

Expert advice has been taken from a high official in the Inland Revenue Department, who gave it as his unofficial opinion that the Scheme was practicable.

Two criticisms have been raised with regard to the amount of money changing hands. In the first place it has been suggested that it is inefficient to hand over

the Bonus to those with incomes over a certain figure ; and secondly, that as all are to pay and receive, it would be simpler to strike a balance in each case and either pay to or tax, as the case might be, in one action.

The answer to the first criticism is that the new principles inherent in the Scheme must be applied universally if they are to be rightly understood. The answer to the second is that the complicated graduation necessarily entailed by such method would be more difficult to work, and in the end more costly than the flat tax and flat benefit.

2. Acceptability of the Principles.

In adducing the evidence of acceptability we will outline the growth of the State Bonus Movement, and in order that the genesis of the State Bonus Idea may be properly understood, we will prelude our account of the activities of the State Bonus League with a brief biographical sketch of the originator of the Scheme.

Dennis Milner, B.Sc., A.C.G.I.

Dennis Milner was born at Hartford, Cheshire, in the year 1892. His father, Mr. Edward Milner, was one of the original directors of Brunner, Mond & Co., the famous alkali manufacturers, and was well known for his business sagacity and his interest in matters educational. His mother has, since her husband's death in 1902, devoted a great deal of time and energy to work amongst the poor of Northwich, and is now, at the age of sixty, actively engaged in helping her son in the work of propaganda.

Dennis Milner very early showed his natural bent for engineering, and he spent many very happy hours both as a boy and young man in "tinkering" with all sorts and conditions of motor cycles and cars. In this way his instinctive capacity for invention was stimulated, and it soon became apparent to his older friends that

he would make his name in the engineering world, if Fate intended him for such a career.

In 1904 he went to Bootham School, York, where John Bright had spent some of the most profitable years of his school-life. He made rapid progress in his studies, whilst his energy and thoroughness won for him a prominent position in the life of the school.

After taking an Honours Degree and the Diploma of the City and Guilds Institute, he went for a short time to an engineering firm near Wolverhampton, but shortly after the outbreak of war he, together with his wife, whom he married in 1914, took up voluntary work in connection with a War Relief Agency. Later he joined the engineering staff of a large firm in the North of England, but, although he made rapid progress in what was to him very congenial work, he felt impelled to give an increasing amount of time and thought to the study of social problems.

This interest in social and economic questions was of long standing. Mr. Milner had always been deeply interested in his mother's work at Northwich, and at Bootham, where a strong tradition of social service was fostered, he had had ample opportunity of increasing his knowledge of the social and economic sciences. Many were the hours spent there in discussing the problems of life in general and of poverty in particular, and with the passage of time the call to make some contribution towards their solution became ever more insistent.

Some three and a half years ago, after reading Bellamy's *Looking Backward*, Dennis Milner first conceived the germs of his Scheme for a State Bonus. He himself now finds it difficult to say exactly how the idea came and expanded. His realization of the value of economic security was certainly the starting-point. After that it is easy to see how the thought of a minimum subsistence allowance would develop, and then it was just a question of working out in detail how the money,

was to be collected and distributed. Here, in another sphere, was ample scope for the inventive ability he had shown in the sphere of mechanics, and his analysis and ultimate synthesis of social and economic data was marked by the same thoroughness and imagination that had characterized his researches in engineering. The resultant idea, as is always the case with great ideas, is as simple as it is comprehensive.

During February 1918, seeing signs of the approaching storm of social and industrial unrest, and feeling that he held a key to the solution, Mr. Milner felt impelled to lay his Scheme before the country. Accordingly he wrote his first pamphlet, and on March the 9th left business in order that he might give his whole time and energy to the work of propaganda.

His first move was to carry out a series of interviews with leading economists, business men, social workers, feminists, Labour leaders, etc. Whilst not finding complete agreement on all hands, he found such a general measure of recognition that the Scheme was fundamentally sound, both as regards its economics and sociology, that he was encouraged to go forward in the belief that the Scheme would rapidly gather to itself a public opinion sufficiently strong to bring it within the range of practical politics.

Mr. Milner's policy, right from the beginning, has been to approach all sides, whatever their label. He is most insistent that his Scheme is not primarily aimed to benefit any one section of the community, but all sections. The experience of the foregoing interviews helped him to a more adequate expression of his proposals, and during May, in collaboration with his wife, he drafted a new pamphlet which, except for a few minor alterations, is still published in its original form.

The State Bonus League.

In July the writer joined forces with Mr. Milner and his wife, and later, realizing the need for organized

public opinion, the arrangements for the inauguration of a State Bonus League were taken in hand. The first Branch of the League was started at Castleford, and was quickly followed by the formation of several Branches in the Mansfield area. A somewhat detailed description of Mr. Milner's visit to Mansfield and district (August 16th-19th) will serve to show the methods adopted by the League and the great attraction of the State Bonus Idea.

The ground was prepared by articles in the local Press which attracted considerable attention and ensured the success of the public meetings. These were four in number, including three indoor meetings and one open-air meeting. At the former, held respectively in Mansfield, Sutton, and Selston, Branches of the League were started, about 75 per cent. of those present becoming members. At the latter, which was held in Mansfield Market Place, a crowd numbering upwards of a thousand listened to Mr. Milner with keen attention, and questioned him for about two hours, being loath to leave the subject even then. During the meeting about fifty persons joined the League and upwards of a pound's worth of State Bonus Literature was bought—an unusual testimony to the interest aroused. During the week-end several leading business and public men were interviewed, and universal interest as well as a considerable measure of sympathy was exhibited. Those who have had experience of propaganda will recognize that the above results speak well for the attractiveness of the Scheme, and the foregoing details are worthy to be related because of the support they give to the contention that the public mind is ready to accept the State Bonus solution.

About this time it was decided that the headquarters of the League must be moved from York to London, and this important step materialized during September. It was agreed, however, that the work in the provinces must be maintained, and so at about the same time as the League established its headquarters in Victoria

Street, Mr. W. Miles, who had had long experience of the Workers' Educational Association and of the Labour Movement, was appointed national organizer, and began at once his work in the Midlands.

During October the propaganda continued apace. At headquarters the work was of a twofold character. An attempt was made on the one hand to get the ear of the War Cabinet both directly and through the Departments, whilst on the other hand the aid of the Press was solicited. Circumstances made this work peculiarly difficult. The War was drawing to a close, and the feverish conditions obtaining just before the signing of the Armistice left the Government little time or inclination for the discussion of the question of social and industrial unrest. The same factors, together with the paper shortage, made the Press work unusually difficult. The success attained, however, in both these spheres was at least measurable.

The announcement of a General Election found the State Bonus League, like many other people, somewhat unprepared. It was rapidly decided, however, that Mr. Milner should stand, and after consultation with the Branches at York and Castleford he arranged to contest Barkston Ash.

There is no need to detail the events of the Election. Mr. Milner stood as an Independent candidate, giving a prominent place in his Address and at all his meetings to the State Bonus Scheme. Whilst endorsing the programme of the National Labour Party, he had no official backing from any political group, which factor militated largely against his success at the poll. His total of 1,030 votes, whilst disappointingly small to Mr. Milner and his fellow-workers at the time, is in reality by no means despicable, taking into consideration the unusual circumstances of the Election and the peculiar difficulties under which Mr. Milner fought the contest. Throughout the constituency—which embraced both rural and industrial elements—there was a very real interest shown

in the State Bonus proposals, and very many who voted in opposite camps confessed themselves converts to the Scheme.

The work of propaganda, always crippled for lack of funds, has been more than ever handicapped since the Election, but even so there is evidence that the knowledge of and the interest in the Scheme are daily growing greater all over the country. It is encouraging that in Labour circles particularly there is an awakening appreciation of the merits of the Scheme. There are now twenty-two Branches of the League in existence, and, what is still more important, there is a tendency for other organizations to make it their aim to forward the principles of the Scheme by giving opportunities for discussion amongst their members. The early stages of any Movement are always the most difficult. Success in propaganda is cumulative in effect. The outlook is surely promising, and we feel that a Movement that has gone thus far in so short a time is destined to leave its mark upon contemporary thought.

The foregoing sketch of the State Bonus Movement will have served to show that people in all sections of the community are ready to receive with interest, if not always with sympathy, the State Bonus Idea. At first sight it may appear strange that a proposal which is in effect one-fifth Communism should be so well received by those living in a Social Order that is dominantly individualistic. Upon reflection we shall see, however, that although Individualism is still rampant in our midst, yet that the communistic principle is by no means foreign to our social and economic system.

Communism To-day.

A quotation from an article entitled "A State Bonus for All," appearing in the *Nation* from the pen of Mr. J. A. Hobson, will serve to illustrate the point. Speaking of Communism he says :—

Its basis is a tacit recognition that the right to life and to the means of living is one which every ordered community must and ought to recognize and secure. In most communities some access to the land, as a maintenance, serves as a practical fulfilment of these private claims, and the disappearance of the "commons" and the consequent creation of a landless proletariat were ill-compensated by a degraded and degrading Poor Law. But bad as our Poor Law has been, it has served to keep just alive the communist conception of the individual right to the material means of life, irrespective of work or merit. For, though our Poor Law has always striven to attach the obligation to perform productive service as a condition of maintenance, this is not its final logic. The man has the legal right to live without performing the equivalent work if he stubbornly insists on doing so.

The same tacit admission of these rights may be seen in our Health Insurance, our Unemployed Insurance, the Workmen's Compensation Act, the system of abatements from Income Tax in view of family responsibilities, and again in our free Education and in the free feeding of school-children. Nor has this communistic conception of society grown weaker during the War. Rather has the realization of the interdependence of all sections of the community stimulated the communist idea. Proofs of this may be seen in the fact that never before has the profiteer been in such bad odour, and in the introduction of a rationing scheme based upon human need rather than upon class standards of any kind. It is more generally felt to-day than ever it was that as a community we are members one of another, and that if one member suffer then all the members suffer with it. It is because this frankly communistic conception is abroad that men and women on every hand welcome the State Bonus Scheme as being a definite expression of their conviction.

Conclusion.

In conclusion we would make a personal appeal. We stand to-day upon the threshold of revolution. Whether

it is to be a revolution achieved through blood and tears, or instead a triumph of intelligence, will depend—upon you, reader. The social and industrial fabric to which we have grown accustomed is tottering. Its foundations are insecure: nothing can save it. Whether the new fabric is to be ugly or beautiful will depend—upon you, reader. If you be one of those marching sternly towards emancipation, will you not curb your passion lest it become as cruel as the system you would overthrow? If, on the other hand, you stand within the citadel of privilege, will you not throw open the gates lest in its defence the whole city should be destroyed?

Apparently the interests of you who march and you who stand within the gates are separate, irreconcilable. That is because they are seen through the distorted lens of an evil social system. In reality your interests are one, indissoluble. Will you not say "Come, let us reason together"? Will you not seek to find the way, to a new and better country?

In this little book we have endeavoured to point a way. In all sincerity we believe that the plan we have described offers an escape from the present intolerable position, offers an approach to that new land of social harmony where not materials and self-interest but rather co-operation and a right valuation of human personality shall be the basis upon which life is built.

If you agree that here is a solution, then the closing of the book must signalize the opening of a campaign on behalf of reasonable revolution. Let men and women of goodwill everywhere give of their best, whether their influence be great or small. A victory for constructive revolution may yet be won, but there must not be delay, or it may be too late.

APPENDIX

TWO SKETCHES

IS IT REASONABLE ?

JOHN SINGLE and Thomas Home, both unskilled labourers of about the same age, had worked during the week the same number of hours, at the same kind of work, with pretty much the same amount of skill and industry. Now, they were receiving from their employer the same remuneration for their services. A most equitable and reasonable arrangement ! is your natural comment. But wait a minute. Allow me to introduce you more closely to Single and Home, after which I shall be content to leave you to make your judgment.

Having pocketed his wage, John Single passed out of the factory with something of carelessness in his gait, and presently arrived at his lodgings. He was a bachelor, and for a very moderate percentage of his earnings was able to secure all the necessaries together with many of the comforts of life. This evening he was to meet a friend at the Picture House. After a comfortable repast, therefore, he dressed carefully in his second best suit and sallied out to keep his engagement as blithe as you please.

Thomas Home, however, gave a very different impression as he left his work. He carefully checked his wages and as carefully placed the coins in his pocket, then soberly left the factory and made his way along the crowded street. There was nothing of carelessness in *his* manner, but rather an air of responsibility.

By and by he reached a long street of dingy brick houses, where he was spied by two urchins playing in the gutter. They ran to meet him with cries of "Daddy!" and escorted

him, one on either hand, to the home. His face had lighted up at the sight of them, but now as he entered the house it bore again that look of care.

"Well, mother—here we are again!" he said with an assumed cheerfulness as he entered the room; and the little woman, who was nursing a baby beside the fire, smiled an answer, though she was not to be deceived, as were the children, by his assumption of lightheartedness.

"How's the youngster?" inquired the husband, looking compassionately at the babe, who lay breathing heavily in her mother's lap. There was a moment's silence.

"The doctor says she *must* have more nourishing food, Tom," replied the woman almost apologetically. The man's brows contracted, but he laid a hand on the woman's shoulder to show that he understood her hesitation.

No further reference was made to the doctor for some time. Mrs. Home saw to the evening meal. There was some beef-steak for Mr. Home, whilst Mrs. Home said that all she fancied was a stew of potatoes and onions—it was always thus, that Mrs. Home's taste coincided with the dictates of economy. The children looked wistfully at the steak, but were too well trained to murmur.

Thomas Home was deeply abstracted during the meal, and his wife glanced anxiously at him from time to time whilst making a brave show at playfulness with the children.

"There's only two ways to do it that I can see," said the man abruptly, when the table had been cleared and they were gathered round the fire. "We can either run into debt or put Tommy to a job." Tommy was the eldest of the five children who were such a constant source both of joy and care to the Homes. He was a particularly bright boy, and his parents cherished the hope that he might "do something" in the scholastic world. He could be removed from school any time as far as the law was concerned, but his parents were determined that he should stay his full time there, so that he might have every chance of winning a scholarship which would take him further along the road of knowledge. Moreover, there seemed every prospect of his winning such a scholarship.

It was little wonder, then, that when Thomas Home made this suggestion he should frown heavily at the fire and avoid

the look of pain which he knew would appear in his wife's eyes. But the pain was there all the same, and Mrs. Home looked again and again round the sparsely furnished room in the hope of finding some other loophole for economy; but wherever she looked she was reminded of some sacrifice or other which had been made so that the prime necessities of life should be secured to her children, or that the breadwinner might be kept well and strong. "Poor boy, poor boy!" she whispered at last, striving to keep back her tears and passing her fingers the while through Tommy's curly hair.

Tommy, of course, did not fully grasp the situation, but he knew his parents were in trouble, so he kissed his mother, thrust his hands deep into his pockets, and put on an air of being ready for anything at any time.

After various possibilities of work for Tommy had been discussed, he was left in charge of the younger children while Mr. and Mrs. Home went out shopping.

Shopping was a vitally serious matter to the Homes. It was essential that every penny should be adequately spent, if the full efficiency of the family was to be maintained. Long experience had taught Mrs. Home when and where to get food and clothing at the lowest prices.

And so it came about that as John Single and his friend entered the brilliantly lighted Picture House, Thomas Home and his wife were just embarking upon their shopping expedition, which was not satisfactorily completed until the programme at the Picture House had run its course. John Single went to bed with pleasant thoughts of an evening's enjoyment and hopes of others to follow, while Thomas Home lay awake long into the night wondering how Tommy would find the new life upon which he must shortly embark. He wondered, too, in a vague sort of way, how it happened that the man who shouldered responsibilities was so little helped to bear the added burden. It was a puzzle—but then life *was* a puzzle from beginning to end. With which reflection he fell asleep.

Next morning Single and Home arrived punctually at their work, and laboured for the same time, at the same job, for equal pay. But does this still seem to you an equitable and reasonable arrangement?

THE WOLF AT THE DOOR

It was a raw, foggy day in mid-November. The fog was everywhere. It even penetrated the room where young Mrs. Clark sat sewing amidst a litter of garments at every conceivable stage of development. Sewing, except of course for the family, was not Mrs. Clark's rightful occupation. Her true function was evidenced by the continuous demands made upon her by the three children playing upon the hearthrug before an economical fire—demands which could not be met as she would like to have met them had not her work been of such moment.

Mrs. Clark had taken up the needle as a weapon of defence against the wolf at the door, and just as a needle would prove a slender weapon with which to meet a wolf in the flesh, so it was proving an inadequate defence against the wolf in the metaphor.

Let me tell you briefly how the wolf came to the door of the Clarks' home.

Three months before the day of which I have been speaking, Mr. Clark returned from the office looking very tired and troubled. He had been feeling ill for some time, but had grimly stuck to his ledgers because he simply could not afford to be ill. This very anxiety about consequences, however, had weakened his resistance, till at last he had been forced to give in. Accordingly he had gone to bed, and had remained there ever since.

It had not been long before the menace of the wolf had become a reality. Mr. Clark, being a member of the black-coated fraternity, had always been obliged to keep up appearances, and thus had been unable to save much against a possible rainy day. When therefore Mr. Clark's employer, after having paid half his employee's wages for a week or two, had decided that he could do so no longer (and who shall condemn him in this?), the financial problem had rapidly become acute, nor had the meagre benefits of Health Insurance brought more than a partial alleviation. It was then that

Mrs. Clark had taken up the needle with which she fought bravely to keep the wolf at bay. It was a hard struggle for the little woman. There was the husband to nurse, the house to keep, the children to tend, and, last but not least, the family resources to marshal so that ends might meet, if only precariously. It was comparatively easy to stint herself in order that her man might be properly cared for, but it was heartbreaking to see the children go hungry to bed and be unable to satisfy them. The neighbours were very kind, but pride forbade that they should be allowed to see the fierceness of the struggle.

And so it was a pale but determined little face that bent so assiduously over the needle this foggy day in mid-November.

Presently a motor drew up at the door, and a moment later the doctor entered, bringing with him a rush of fog-laden air. Mrs. Clark at once led him upstairs to the patient.

Mr. Clark was not asleep when they entered the bedroom, but lay with eyes closed and features drawn into an expression of deep dejection. The eyes opened when the doctor spoke, but there was no change of expression whilst the patient submitted to the doctor's examination.

"You are going on well, Mr. Clark," said the doctor, when the examination was over. "All you need now is rest and peace of mind, and we'll soon have you at work again."

The patient laughed bitterly. "Peace of mind!" he cried, the colour surging into his pallid face. "Peace of mind—when you know there's little money coming in and a lot going out! Peace of mind—when you know your wife and children are going short so that you may have plenty; when you know that cold charity and the colder Workhouse are all that the world will offer to a man who has worked and worked till he can work no longer!" He had half raised himself in bed during this passionate speech, but now fell back exhausted. A moment later his eyes sought the doctor's appealingly. "I'm sorry," he said, controlling his emotion with difficulty. "I'm very sorry; but if you only knew how the thought of a long illness haunts me night and day, and still worse the thought of dying and leaving the wife and children to get along as best they can, with no sure help to fall back on only that of the Workhouse—if you only knew what a nightmare all this is to me, doctor, you wouldn't talk

about peace of mind as though it were the easiest thing on earth to lay hold of "

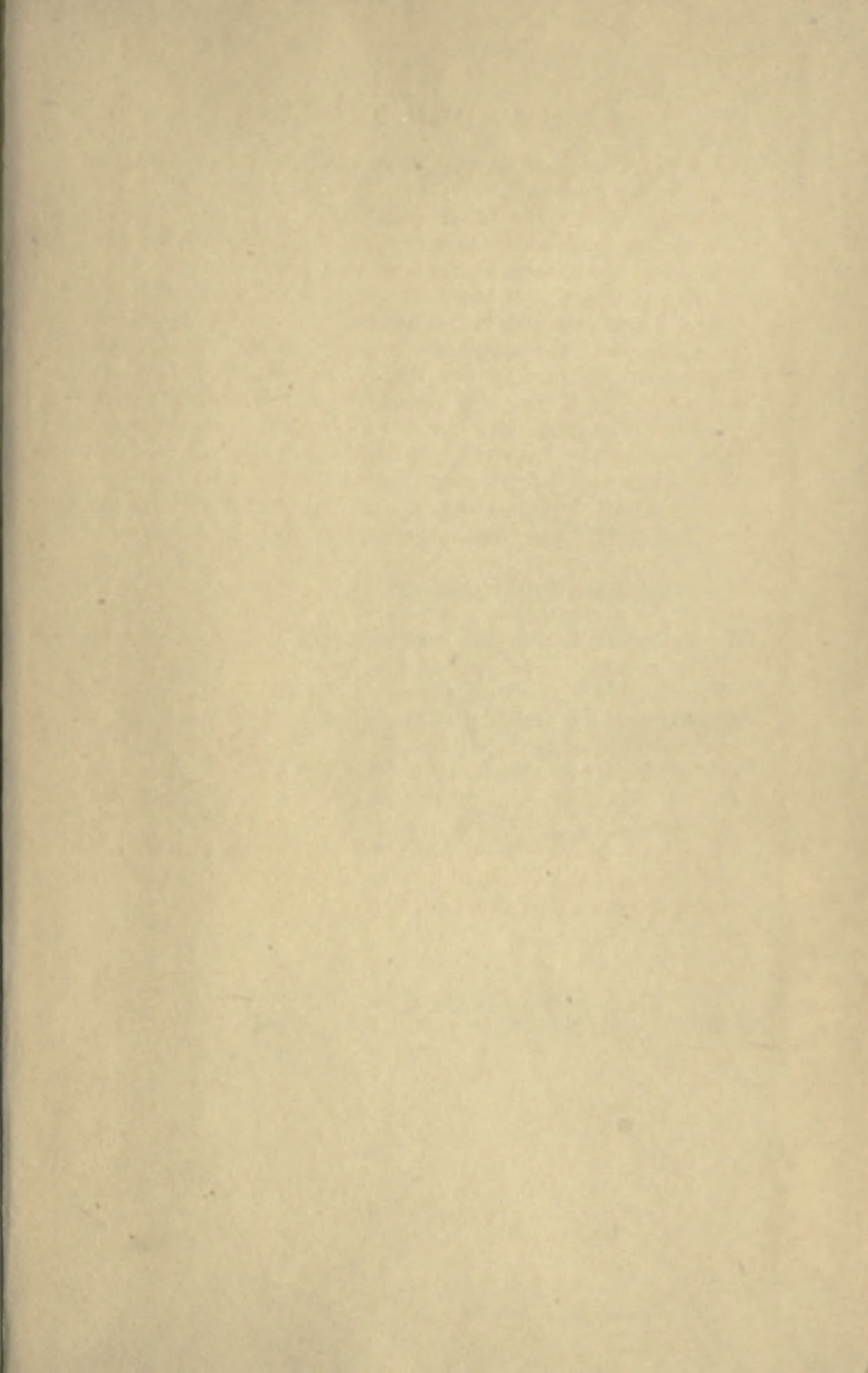
The doctor left the house with an uneasy sense of being face to face with a situation beyond his powers. There was something wrong somewhere, he felt assured, but the needs of other patients soon banished the problem from his mind.

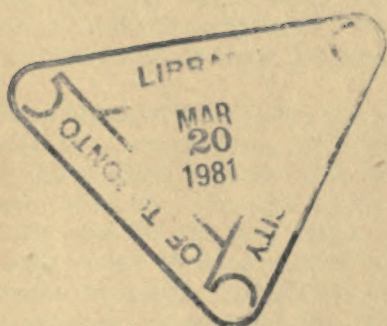
Mrs. Clark returned to her sewing, and whilst she busied her fingers with the needle she busied her active little brains with plans for turning the family belongings into money. Anything was better, she deemed, than submitting to the humiliation of Poor Law relief. Perhaps she was wrong in this, perhaps she was right ; but right or wrong she was only doing what nine out of every ten of her fellows would have done in similar circumstances ; which would seem to suggest, wouldn't it, that the Poor Law system is woefully inadequate ?

I am thankful to say that the brave little woman won her battle, for a month later, Mr. Clark was able to take up his pen again, which, together with the needle, slowly raised the family fortunes. The wolf at the door was thus beaten off, at any rate for the time being. Its presence, however, by making peace of mind almost impossible where it was so essential to health, had greatly increased the seriousness of the situation not only for the Clarks but also for the community, which could ill spare the useful services of a keeper of books.

Surely if through co-operation this peace of mind could be secured to the individual by the community, it would be worth a tremendous effort to do so, don't you think ?

RMB.





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