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VAKGROEP ARBEIDSECONOMIE

"STATE BONUS"

or

BASIC INCOME IN THE AGE OF RECONSTRUCTION.

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An Unexpected Sequel to an Unexpected Tale,
featuring E. Mabel and Dennis Milner and lifting
partly the veil on the years b.C.

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ABSTRACT (°)

This paper is a sequel to "Who Framed 'Social Dividend'?" (SESO-rapport 89/230). It presents in detail Dennis Milner's "Scheme for a State Bonus", the first basic income proposal worked out in modern times. The writings produced by the co-founders of the State Bonus league is reviewed. A preliminary attempt is made at presenting the Scheme in its wider context and at capturing its social meaning.

(°) An earlier and much more limited version of this paper was presented at the Third International Conference on Basic Incomes, European University Institute, Florence september 1990. As with all scientific work, the information presented here would not be at my disposal without the help (and sustained encouragement, yes even pressure) of many colleagues and friends - for some of them with a capital F, indeed. I hope they will forgive me for not listing them all here - once I hope to have the opportunity to repay my debts. I would like to thank, though, the Librarian of the Friends' Meeting House, who very kindly guided me to the material you will find described in this paper. I also would like to thank Kevin Donnelly, who showed me the way to his Friends. As an outsider to the basic income debate, Philip Corrigan (P. Abrams Center for Historical Sociology, University of Exeter) commented very extensively on the paper presented at the Florence Conference. He will certainly recognize some of the things we talked about - but certainly not enough. Bill Jordan will be pleased to see this paper finally materialise. Our long talks provided me with more clues than he knows as did his occasional guidance in regions of British history which give a Belgian detective still a feeling of estrangement - one does say that in english, doesn't one.

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... a scheme that will make it impossible that distress, at any rate, and pain, and hunger and famine, shall haunt the homes of the honest people ... and make every one feel that when prosperity comes everyone will have a share in the increased production.

Mr. LLOYD-GEORGE, to the National Industrial Conference (1919)

I pondered all these things, and how men fight and lose the battle, and the thing that they fought for comes in spite of their defeat, and when it comes turns out not to be what they meant, and other men have to fight for what they meant under another name.

William MORRIS, A Dream of John Ball.

PROLOGUE

"State Bonus" or Basic Income in the Age of Reconstruction' - the paper you are about to read - is a sequel to 'Who Framed "Social Dividend"?' - an unexpected tale I wrote two years ago.

As it proved handy to line up the facts - as well as to pay tribute to my main character, who used to be (with his wife and amongst others) a well-known writer of detective stories - I, then, used the 'whodunit' format to map in reverse some parts of the road, travelled before the second World War, by the proposal to institute the unconditional payment of a minimum income to all and every citizen - a proposal for which at present the name 'basic income' has gained currency, but which is in the literature still remembered by some as formerly being named a 'social dividend'¹.

'Who Framed "Social Dividend"?' had its finale in 1929.

Yet, 1929 was not to become the terminal point of my quest for the origins of social dividends or basic incomes. The final pages of the paper confronted the reader with the prospect of even getting beyond the origins of 'social dividend'. Substituting a new question for the one stated in the title, reader and author alike were provided with the object of a new quest.

'"State Bonus" or Basic Income in the Age of Reconstruction.' results from my attempts to answer the newly arisen question: "Who was Dennis Milner?". As a sequel befits, it tells what happened afterwards - which in this case also means what happened before, as it covers the material I collected after writing 'Who framed "Social Dividend"?' and, thus, lifts part of the veil of what happened before 1929.

*

(1) The work of Guy Standing being the most notable example of still using the traditional term.

Let us, however, first look again at the surprise the finale of 'Who framed "Social Dividend"?' had in store and at why, from that moment on, it was unavoidable that a sequel once had to be written.

As you will remember, 'Who Framed Social Dividend' presented some new, even surprising facts about the history of social dividends or basic incomes.

The most important effect of 'Who Framed "Social Dividend"?' (and, to be sure, the main reason for writing it) was to remind the participants in the basic income debate that, somewhere in the beginning of the history of their pet idea, room had to be made for G.D.H. Cole - this massive character in the history of British Labour.

Although, strangely enough, none of the existing literature on basic incomes recorded the fact, the evidence I provided was conclusive.

At least from 1935 onwards, G.D.H. Cole used the name 'social dividend' for the idea of paying (in cash) each citizen part of his income unconditionally and as of right. I even established that, without yet naming it a social dividend, one could find the very idea in at least one of Cole's earlier books, more precisely in a book published in 1929.

The paper describes how I detected Cole's forging the concept: following the traces of 'social dividend' in the writings of several members of the Cambridge circus, confirming its importance even in the very first of James Meade's published works, revealing Abba Lerner's early advocacy of social dividends and the major role it played in his 'Economics of Control', discovering remnants of social dividend proposals in some well known writings by Joan Robinson.

Pointing out Cole's influence on these subsequent advocates of social dividend - James Meade, in particular, but also Abba Lerner - locked these writings into a long chain of discursive events, leading to the schemes presently discussed under the name 'basic incomes', 'universal grant' or 'social dividend' (and, maybe, even 'negative income tax' or 'tax credits')².

Thus, in several respects, 'Who Framed "Social Dividend"?' could rightly be called an unexpected tale.

(1) Although one could argue that there are slight differences between what is properly called 'basic incomes', 'social dividends' or 'universal grants', I will use these terms in this paper indiscriminately as referring to schemes or proposals which imply the granting of an unconditional and universal right to a minimum income for all individuals. For the technical distinctions between the different concepts I refer to VAN PARIJS (1988,1990) and PARKER (1990,1991).

Many of the facts it contained had been forgotten in the course of time or had stayed only vaguely present in the literature of today. At the same time, what it told ran counter to much conventional wisdom. For instance, placing social dividends in the orbit of early Keynesianism, surely, deconstructed the traditional view that this kind of policy proposal was of uniquely liberal vintage and, certainly in its modern version: the negative income tax, in essence part of the monetarist weaponry for attacking the welfare state. At last - and, indeed, as the saying goes - but not least, it presented one with an unexpected originator of the concept.

Yet, the final episode of my story was such that it did not bring real satisfaction. On the contrary, a feeling of uneasiness was still there.

Of course my detective story revealed pretty well who framed social dividends and, therefore, it had been a really rewarding quest, even if somewhat disturbing for some of us. Alas, its final pages and, even more, the post-scriptum gave the reader (and the author) the opportunity to catch a glimpse of an even more mysterious new quest to be undertaken - with the prospect of bringing one, as it were, beyond the origins of 'social dividend'.

*

The last pages of 'Who Framed "Social Dividend"?' witness that finding the spot where Cole, for the very first time in his published writings, produced the idea of an unconditional minimum income to be paid as of right, immediately confronted one with a new puzzle. A puzzle no less intriguing than the one tricking me into following the track of 'social dividend' in the first place.

The crucial fragment appears in Cole's 'The Next Ten Years in British Social and Economic Policy', more specifically in the chapter on 'Wages, Family Allowances and Population'.

Socialism, Cole says in the introductory parts of this chapter, "will not be worth a brass button to the ordinary man unless it can improve the standard of life" (1929:178). However, a very real and difficult dilemma confronts socialist politicians. Since raising wages may drive more workers into unemployment, the standard recipe to improve living standards has become difficult to use. For Cole, but one way allows to escape the dilemma. The only option left is advocating a policy of 'social redistribution'.

Some twenty pages further, Cole discusses the possible introduction of family allowances from this angle. He points out that such reforms could certainly lead to social redistribution, provided the principles involved were

the right ones and correctly stated: they should not have anything to do with wages, but ought to be based on the principle of need. On these conditions, Cole goes on, family allowances may even give way to a new form of social and economic organisation. Through family allowances "the principle of distribution according to need will ... begin to elbow the rival principle of payment for economic value received ..." (1929:198).

In a sense, one could say that for Cole the implementation of family allowances acts as an interface between his idealist views of a new society and his political aim to be practically relevant³. If based on sound principles, the new institution - family allowances - functions as a short term policy device in view of more social redistribution and expresses at the same time the nucleus of a new societal model one could aim for in the long run, i.e. a societal model based on the principle of distribution according to need.

When Cole elaborates on the possibility of extending this fundamental principle beyond the institution of family allowances and, therefore, when he spells out some basic features of this future societal model, he writes as follows:

"It seems probable that, on a somewhat longer view, this principle will be pushed a good deal further. This may be done by the complete communisation of certain services, as we have already communised elementary education. We may come to a **'State Bonus'**, or **'Dividends for All'** - to use **two names which have been adopted by advocates of giving every citizen, quite apart from his work, a certain minimum claim to a share in the annual social product.** Wages and earnings may come to be only supplementary payments for work, and not the main source of men's livelihood." (1929:199) (emphasis added, wvt.)

The fragment quoted is worth highlighting for several reasons.

First of all, as far as I know, one can consider this fragment to be the exact spot where Cole conceives of the idea of an unconditional income

(3) Providing a theoretically sound but nevertheless practical set of policy proposals is clearly Cole's first aim with this book. And commentators received it as such. Witness the following comment in 'The Economist' (10/08/1929), where the book in question was reviewed under the title 'Pragmatic Socialism': "With great skill in imagination and a fecundity of ideas for constructive State action he has planned a Socialist programme which is certainly not for ornamental purposes but is 'made to work'. The results of such a programme, if put into effect, might be less attractive than Mr. Cole would have us believe, but he has certainly succeeded in showing Mr. MacDonald's backbenchers 'how it could be done' and in furnishing them with what they badly needed - a clearly thought-out Left Wing policy."

guarantee - a 'universal grant' or 'basic income' as we would say now. Later, in 'Principles of Economic Planning' published in 1935, he will name the idea explicitly a social dividend.

But, and more importantly, the fragment also reveals that when contemplating this idea of an unconditional income for everyone Cole did not really make it up by himself or simply invented it out of the blue. On the contrary, some definite examples were available on which to mould the idea. In fact, as one sees, the fragment quoted contains an explicit reference to two possible candidates: 'Dividends for All' and 'State Bonus'.

Writing 'Who Framed "Social Dividend"?' I did not feel sure what all this really meant, especially since no real references to any published material could be found in Cole's book(s).

Should I conclude that Cole's 'social dividend' was not really his? Or, that in any case it was not really new? Was it (only) a renamed version of proposals existing already much longer? Was this kind of proposals quite common at the time of Cole's writing? Was my quest for the origins of 'social dividend', in fact, a quest for 'Dividends for All' or 'State Bonus'?

*

To judge adequately why these few lines were of a really puzzling nature, let us put them against the background of another narrative about the same historical period and featuring many of the characters appearing in my own unexpected tale. I mean Elizabeth Durbin's 'New Jerusalems' - a truly fascinating book on the history of Inter-War British Socialism and the early debate on market socialism.

In the early stages of my search for further evidence on the origins of social dividend, 'New Jerusalems' had given me some useful clues. For instance, it spelled out very clearly the importance of the 'Cole Group' at Oxford and informed me of James Meade being part of it - a fact I had not been aware of before reading 'New Jerusalems'.

For my quest, the most remarkable detail in the story the book offers is certainly that at some point - when discussing the importance of Cole's 'Principles of Economic Planning' (1935) - it features "Cole's social dividend". The fact itself was not really surprising. At that stage, I had looked through both relevant books and had already discovered Cole as a real advocate of social dividend. Yet, as I had not found any other book or article connecting Cole and social dividend, Durbin's referral to the concept was surprising - as was the fact that she seemed to accept, as it were

without any qualification, Cole's property rights on the name⁴. Still, it confirmed more or less my own conjecture based on finding the concept in Cole's work and strengthened my conviction that the concept of a social dividend, i.e. the name linked to the idea of an unconditional income for every individual, originated with Cole⁵.

However, tackling the question as to what may have inspired Cole on this topic, the matter starts to become much less clear.

Providing the reader with a possible explanation as to what Cole may have had in mind when forging 'his social dividend', Durbin refers to a stock of models available at the time of Cole's writing. Each of these models has the quality of needing only slight reconstruction in order to convert it into a really universal and unconditional grants or dividend system. Yet, neither 'State Bonus' nor 'Dividends for All' figure on the list of probable candidates.

I guess I need not stress my distress when reading the relevant lines in

(4) In this context it may be worthwhile to mention that 'Cole's social dividend' did certainly not go on unnoticed. Even if he treats the concept as a matter of course, at least one reviewer of the 1935 book commented on the proposal. Witness the following remarks taken from the review section of the *American Economic Review* (march 1936): "This book is a significant book ... Mr. Cole is strongly attracted to equalitarian democracy and he sees the primary objective of a planned economy as that of providing the requisites for the good life through the fullest possible utilization of resources. The arrangements for carrying on economic activity and dividing up the income should be democratic in both structure and purpose. ... In planning the division of income, Mr. Cole suggests an outright social dividend to all members of society to provide the requirements for a basic standard of life, a further social dividend to provide for consumption above the minimum, and additional and differential payments to workers as an incentive to personal efficiency. Despite his arguments this seems a fantastic scheme, not because such a social dividend is impossible, but because there is no adequate recognition of the necessary relationship between the resource cost of goods and their selling price. Such a relationship is necessary if production is to be socially efficient in any economy. Furthermore, an undue emphasis is placed upon the obviousness of needs and the freedom of planning authorities to ignore resource costs in providing goods to fill needs. He ignores the fact that choices between different sorts of commodities are possible throughout the whole range of basic necessities. It is regrettable that the principle of planning should receive such questionable treatment in this otherwise highly commendable book." In 1929, on the contrary the idea of an unconditional minimum income guarantee did stay (as far as I could find out) unnoticed. A review of Cole's 'The Next Ten Years ...' in the *Economic Journal* (december 1929) does not mention the relevant section of the book at all. Notwithstanding the fact that the reviewer was Barbara Wootton, who half-a-century later turns out to be herself advocating a "universal social wage" and points precisely at the example of the child benefit system to argue that the principle involved has already been conceded. (B. WOOTTON, 1985)

(5) When writing 'Who Framed "Social Dividend"?' the conjecture that Cole may have been the first to use the name 'social dividend' in this sense (of an unconditional income to be paid as of right to every citizen) did not seem too far fetched. But, alas. As I found out recently this conclusion was a bit premature. At least, one other person seems to have got there before Cole. But that story I will tell another time.

'New Jerusalems' and comparing them with what I found in Cole's 'The Next Ten Years ...'.

To make the puzzle appear in all clarity, let us have a closer look at what the difference between the two accounts in fact amounts to.

Commenting on the significance of Cole's 'The Principles of Economic Planning' (1935), Durbin describes the views held in the book in terms we - today - would probably call 'Gorz-like'⁶. Cole is said to advocate some form of a dual economy: 1) a planning system would cater for basic needs, and these goods or services would be distributed free or on communal basis, 2) a normal pricing mechanism of demand and supply would be used to allocate the goods and services produced in addition to the necessities. In this account of Cole's thinking, 'social dividend' seems to be equated with the whole of the basic needs sector.

A few lines further, Durbin uses the expression "Cole's social dividend" a second time when she writes:

"In one sense Cole's social dividend was an obvious descendant of the national minimum, which Sidney Webb had written into the Labour Party's constitution, of the 'Living Wage', and of Major Douglas's 'social credit', and a forerunner of the minimum incomes provided in most modern welfare states. Yet Cole's contribution was unique in its recognition of the need to synthesize social policy with economic planning of production and incomes." (Durbin: 182)

Some of the views contained in this statement are, I believe, rather inadequate and need to be challenged on several counts. To name only one: describing Cole's 'social dividend' as something akin to present minimum income schemes is largely inaccurate; in fact, even the quoted fragment from the 1929 book makes clear that Cole means something fundamentally different, i.e. a cash sum paid unconditionally to every citizen⁷.

What matters most for us, however, is the clear difference between the stock of models inspiring Cole according to Durbin (National Minimum,

(6) cfr. A. GORZ's 'Farewell to the Proletariat' or 'Pathways to Paradise'. Yet, the societal model discussed here is much more widespread. It is at the base of the writings of Popper-Lynkeus, C. Ballod and T. Hertzka - literature Cole must have known.

(7) It should be noted that, although she does not mention the appearance of the idea of a social dividend - even if it is not given the name yet - in Cole's 1929 book, E. Durbin does refer to 'The Next Ten Years ...' and actually quotes Cole as writing in it that "the development of production on the one hand, and the right distribution of income on the other, are the essential foundations of socialist economic policy" (Durbin:144). It makes the riddle of Durbin's neglect of the possible models for social dividend handed out by Cole himself even more intriguing.

Social Credit, Living Wage) and the stock of models mentioned by Cole himself (Dividends for All, State Bonus).

At that stage of writing 'Who Framed "Social Dividend"?' questions abounded.

Was 'social dividend', indeed, to be considered as the offspring of the three items on Durbin's list - the Webbs and the idea of a National Minimum, the 'Living Wage', and Major Douglas's social credit? Why did Cole himself mention two completely different models: 'Dividends for All' and 'State Bonus'? Was there any connection between the two lists? Did they overlap? Did Cole leave out the obvious references? Was I overlooking some (perhaps obvious) points that could clear up this whole matter?

One thing seemed sure, though. The matter was of significant importance. If Cole's own account really conflicted with Durbin's story, the fragment I quoted earlier might present us with a newly discovered link in the historical chain of 'basic incomes' or 'universal grants' proposals. 'Dividends for All' or 'State Bonus' may bring us beyond our quest for the origins of social dividend. In any case, what to Durbin seemed to be a case of obvious parenthood did not seem all that obvious to me.

Let us, therefore, look more in detail to the material I had available, at that stage, on 'Dividends for All' and 'State Bonus'. Was it possible to connect them somehow to the three items on the Durbin list?

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Although Cole does not mention where he got the model, does not explain what the name really means and does not refer to any writings of that sort, the origins of '**Dividends for All**' were not that difficult to trace.

As a matter of fact, 'Dividends for All' is the title of a small book, written by W. Allen Young and published in 1921. It explains very clearly the essentials of the Douglas Scheme and advocates it as the evident solution for the problems of the mining industry. The author was an early collaborator of Major Douglas and seems to have been considered by some to be his only close friend. (FINLAY:94)

'Dividends for All' may very well have been the first really accessible presentation of Social Credit Theory - accessible both in terms of easy to read or understand and in terms of being readily available outside the circles of the 'New Age' readership. Two facts warrant this conjecture: 1) W. Allen Young's is the first book on Social Credit to be mentioned in 'The Economist' (books received section on Sept. 3rd, 1921); and 2) when in

1922 the (later famous) Cambridge philosopher and mathematician Frank Ramsey publishes a critical (even devastating) examination of the Douglas theory in the 'University of Cambridge Magazine', he does not refer to Major Douglas' own writings, but to W. Allen Young's booklet.

So far, then, for the reference to 'Dividends for All'. It confirms Durbin's claim that Major Douglas's Social Credit may very well constitute one root of Cole's social dividend.

This finding is not particularly puzzling. Even modern literature on basic incomes mentions Major Douglas as an important figure on its pedigree (see: WALTER:1989 and PARKER:1989 amongst others). While some even see Major Douglas as the inventor of the name 'social dividend' (JORDAN:1981,182).

New is probably that instead of some form of general influence, Social Credit writing contained some definite model Cole could take from it and fit somewhere in his own thinking without taking on board the general flavour of the Douglas theory. With this last remark in mind, one could argue that even on this score Durbin's claim needs some qualification - and that it is not really 'Social Credit' which is at the roots of Cole's social dividend, but a rather limited element of its policy proposals. (Maybe one should recall here that when a special committee of the Labour Party examined the Douglas Scheme and found it wanting in 1921, Margaret Cole was one of its members.)

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Can the same kind of evidence be gathered about the second model: '**State Bonus**'?

In this case, the situation turned out to be quite different.

Recall, first of all, that 'State Bonus' does not appear on Durbin's list and, in fact, is completely absent from her story. (This is not really a big surprise. Only a few items in the secondary literature on the history of British social policy seem to have noticed the existence of State Bonus. And, as far as I know, none in the secondary literature related to Douglas Cole.)

At the time of finishing 'Who Framed "Social Dividend"?', and after a rather time-consuming and extensive glossing through many pages of journals and books of the period, I had stumbled onto two additional pieces of information:

- a) A pamphlet proposing a State Bonus Scheme, written by a certain Mrs. and Mr. Milner, got a - very negative - one page review in the **Economic Journal** (June, 1919) by C.E. Collett.
- b) An important book on income distribution by Hugh Dalton (1920) contained a section on 'incomes out of civil rights' in which reference was made to a scheme put forward by a Mr. Milner.

Judging on Dalton's very brief description of the scheme and on the portions of the pamphlet quoted in the review by Collett, State Bonus looked very much like a basic income scheme.

These few leads gave me at least some ground for starting a new quest. Yet, no clue was available as to whether the State Bonus Scheme could be catalogued under one of the respective headings: Webb, 'Living Wage', or Douglas. The few meagre references I found rather pointed in a different, but unknown direction. At least, no explicit connection was made with the three items on the Durbin list.

As a result, I ended "Who Framed Social Dividend?" the same way I started it, i.e. by asking a question - "Who is Dennis Milner?".

Since then, further research efforts made it clear that 'State Bonus' and Dennis Milner have, indeed, been virtually erased from our collective memory.

Extensive searching the readily available and more or less recent literature on the history of British social policy rewarded me with only two passing references to 'State Bonus'. Not surprisingly perhaps, one was contained in a book on the history of family allowances, the other in a book on the origins of Social Credit - I will comment on them more extensively later.

Yet, even these references and some additional older material provided only a few more details.

However, in the early stages of my searches, and before hitting on the two books I just mentioned, an important breakthrough was made with locating a copy of the pamphlet reviewed by C.E. Collett (in the LSE-library) and with the surprising finding that Dennis Milner produced a book on the same scheme in 1920.

These allowed me to get a much firmer view of the State Bonus Scheme itself. Reading the relevant material made sure that the proposal, indeed, contained, a basic income scheme - even a very detailed one.

Since then I was able to gather some more information on Dennis Milner

himself and on the prime receptors of his scheme. Admittedly, the story still shows a substantial amount of gaps. Yet, a more or less definite picture of what happened ten years before Cole is emerging.

*

This paper intends to lift at least part of the veil on what happened in the years before Cole - something which was still a very big unknown two years ago at the time of writing 'Who Framed Social Dividend'. It does so by turning the spotlights fully on the remarkable proposal for social reform published in 1918, by Dennis and E. Mabel Milner, and known as 'Scheme for a State Bonus'.

What I present this time is certainly as - if not more - unexpected a tale as the former one. 'State Bonus', really, turned out to be a remarkable, almost archetypical example of the class of schemes presently labelled 'basic incomes', 'social dividends' or 'universal grant'. As this prologue argued it may very well constitute (one of) the very root(s) of this kind of schemes in Britain.

Since the literature on the subject of basic incomes shows no trace of the proposal not even of the fact that it ever existed - and, as I said, only very, very little can be found in broader accounts of the history of British Social Policy - the main objective of this paper is very simple. It wants to rescue from complete oblivion Mrs. and Mr. Milner, their 'State Bonus Scheme' and the League advocating it.

Part 1 of this paper, consequently, is entirely devoted to a detailed and extensive summary of two texts, advocating the scheme in a more or less definitive form: a pamphlet putting the proposal to the public for the first time and a book developing the argument more in depth.

An intermezzo offers two tales the State Bonus League apparently used to make its case to a wider public.

Part 2 of the paper takes on the task of making clear what the background of its originators was and in what context the scheme was first proposed and received, and of lining up all the facts I have available to answer the intriguing question, which ended my earlier unexpected tale - 'Who was Mr. Dennis Milner?'. Yet, as one will see, a lot of work still needs to be done to fill in all the empty spaces in the story.

In the epilogue to this paper, I will take the liberty of pointing at some particular issues related to the historical meaning of the scheme and of discussing their relevance for the present day discussion on basic incomes.

So, after talking so much about the quest for the origins of 'social dividend', let us now give 'State Bonus' its due. Or, as Gertrude Stein would certainly agree, since 'social dividend' got fragments of his, let us now write fragments of the autobiography of 'State Bonus'.

PART I

ABOUT STATE BONUS AND WHAT IT IS?

The main objective of the first part of this paper is to present the State Bonus proposal as completely and as descriptively as possible, and to do so as much as possible in the words of the authors of the scheme.

The two following sections present the proposal and the arguments for it as given in two publications by Mr. (and Mrs.) Milner:

Scheme for a State Bonus - a 16 pages short pamphlet, written by E. Mabel MILNER and Dennis MILNER, published in (june?) 1918 and reviewed in the **Economic Journal** (june 1919), (quoted as: SB-II)

•
Higher Production by a Bonus on National Output. A Proposal for a Minimum Income for All varying with National Productivity - a 127 pages long book, written by Dennis MILNER and published in 1920 by George Allen & Unwin Ltd. (quoted as: HP)

Both texts can be considered as definitive, even if very different statements of the case for what is essentially the same State Bonus Proposal. Why these differences in presentation occur will become clear in due time. The main purpose of the next two sections is merely to give the reader an accurate view of what the Milners really say and how they build their case. To do so, I will stick as much as possible to their own wording of their case.

A warning is probably needed.

I know, of course, that innocent reading does not exist. Any description unavoidably implies interpretation and explanation. Yet, many and extensive quotes will, I hope, give the reader enough raw material to get a sufficient taste of the flavour of the argument and a firmer grasp on what the Milners intended to say. Nevertheless, I am aware of the fact that 'interpretative' comments are bound to occur, and the more so because - as soon will become clear - the argument for a State Bonus or a Minimum Income for All proved to be not an easy one for the authors to organise.

Moreover, the two texts presented below do not exhaust the written material on State Bonus. As the second part of this paper will reveal at least one more book and some more articles are available (and some more may exist as yet undiscovered). This additional material may shed some more light on our subject in as far as the interpretation of its meaning is concerned.

SECTION 1: "SCHEME FOR A STATE BONUS" - ESSENTIAL OUTLOOK

'Scheme for a State Bonus' is a 16 pages long pamphlet, written by Mrs. E. Mabel Milner and Mr. Dennis Milner and published in 1918, most likely in June of that year.

(Apparently, it was the reworked and final (?) version of a much shorter pamphlet, written by Dennis Milner in March 1918. I will come back to the earlier version later.)

The structure of the pamphlet appears to be classic.

It contains four distinctive parts - 'Object' (pp.3-6), 'Proposed State Bonus' (pp.7-9), 'Main Effects Claimed' (pp.10-15) and 'Conclusion' (p.16) - guiding the reader through the argument in what, judging on the titles of the respective parts, seems to be a quite natural and logical order. A statement of the problem to be solved is followed by a description of the intended policy measure(s). Next one analyses the different possible effects and ends with an overall evaluation of the scheme proposed.

Contemporary policy evaluation studies or modern textbooks on the subject could not improve on the Milners's manifest sequencing of the argument.

Yet, a closer look at the content of the different sections of the pamphlet reveals another picture. In fact, each part of the pamphlet treads very much the same ground. The same principles and considerations are worked over and over again, be it from different angles, accounting for a lot of side-tracks and many redundancies. In short, the argument does not at all develop along the neat, logical sequence of steps suggested by the headings of the four sections. One could even doubt whether one can speak meaningfully of development at all.

Before embarking on a close reading of the different parts of the pamphlet it is worthwhile to wonder about this discrepancy between the formal structure and the actual chain of arguments.

Why did the Milners choose to put their case the way they did?

The question is not unimportant. In a sense it bears heavily on the effectiveness of the whole argument.

Today's analytically or formally trained readers may, indeed, be inclined to put the pamphlet aside just because of its not living up to its manifest format and the implied standards of an evaluation study. For them, the Milners's argument could never be conclusive. If only because it does not allow to check the conclusions against any precise or concrete claims the Milners make.

Yet, this is precisely how one should not read the 'Scheme for a State Bonus'. Writing the pamphlet Mr. and Mrs. Milner do not aim at presenting a carefully weighted and balanced evaluation of the positive and negative effects of the introduction of a State Bonus. They do aim at making as forceful and powerful a case as they can for the introduction of their proposal.

This means, I believe, that a first and probably straightforward answer can be dismissed right from the start. It is not simply we - modern readers, being used to analytical and detached approaches of reform proposals - who put on the wrong glasses and find discrepancies between form and content that for the Milners simply did not exist.

To really understand the significance of the complexity of the Milners's argument, it is much more important, I would argue, to see it as a result of the very fundamental nature of the problem they want to tackle as well as of the way they propose to do this.

The discrepancy between the overtly scheduled logical sequence of steps and the cross-cutting way the argument in fact develops stems for a big part from the impossibility to contain their global(izing) problem in a partial(izing) and analytical framework. For another part it certainly results from a conscious effort to use many rethoric devices to link their proposal to the different metaphors present in the political and social debate of their time.

Both elements are clearly visible in the way the Milners start presenting their case.

They are clearly aware that the objective of their scheme is, indeed, unavoidably 'global'. What is at stake concerns the very foundations of society and, therefore, the proposed remedy is of interest to all classes, involves many different values and can be argued from many distinctive, even incompatible points of view.

The very first sentence of the pamphlet states the Milners's objective with a baffling simplicity: "To solve the Social Problem." By which they mean, as

explained in the following lines, "the widespread unhappiness of the poorer classes, seen most strikingly in the squalor and the wretchedness of the slums, and forced on our attention by the prevalence of industrial unrest, leading constantly to strikes and even violence." (SB-II:3)

This scope of their endeavour is bound to affect their argument in two ways: 1) the scheme to be proposed cannot be but comprehensive and fundamental, and as a result the argument needs to cover a whole range of angles, 2) the audience of the pamphlet is bound to comprise a very wide range of social groups and classes, so the argument needs to appeal (equally?) to many and very different sectional interests.

The introductory lines of the pamphlet's last section - titled 'Conclusion' - make clear that, again, the Milners are painfully conscious of all this.

"... the Scheme has not been worked out for the benefit of one class more than another, and it is hoped that enough has been said to indicate its value to all." (SB-II:16)

In fact, their 'Conclusion' consists only of a list, summarizing why the State Bonus Scheme may appeal for different reasons to different social groups or classes.

"To the economic failure it offers life and liberty. This means that for every man with a moderate income there will always be in the back of his mind a sense of security, which will make for greater stability throughout the whole of industry; and for the fallen there will be fresh hope. It removes from all the fear that Peace will bring dislocation accompanied by strikes and further restrictions on personal liberty, and ensures that no mistakes in demobilising will lead to the destitution of anyone. For the children it means more equal opportunities for development; to their parents, less anxiety and less difficulty in meeting the growing expenses. It removes, for all of us, the reproach of the existence in our midst of extreme and dire poverty. In short, it makes men and women, rather than materials, the basis of Reconstruction." (SB-II:16)

Thus, the final page of the pamphlet exemplifies why a straightforward development of one line of argument is unlikely to do the work. Not only because there are many different sides to the Social Problem, many partial social evils connected with it, but also - as the Milners (sadly?) note - because "... (it) is impossible to appeal to all shades of opinion by one line of argument ..." (SB-II:16)

Notice, however, that the Problem of Reconstruction and the Social Problem have very different connotations and are connected with different metaphors. Latching, as it were, on both allows the Milners to make slightly

noticeable shifts in their problematic and to turn partial social evils into fundamental menaces for civilized life as such.

Let us now turn, however, to the content of the three main parts of the 'Scheme for a State Bonus'. In order to get a firmer grasp of what the actual proposal implies, I start by presenting the second section, then turn to the third and will only at the end come back to the first section of the pamphlet.

1.1. "THE SCHEME PROPOSED"

To make sure that it is really a basic income scheme which is implied in the proposal for a State Bonus, let us now look at the **second part** of the pamphlet.

What scheme do the Milners present? What, actually, do they suggest should be done? How do they propose to solve the Social Problem and which device do they expect to do all the work summed up in the conclusion? How would they like to reconstruct the existing institutional framework?

"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 everyone is to get a share from this central fund, so everyone who has any income at all should contribute a share each in proportion to his capacity." (SB-II:7)

As a definition this is almost exactly similar to present day proposals to implement a basic income or universal grant system. As a policy proposal this would imply the implementation of only a limited institutional framework, administering the universal right to a minimum income and the parallel duty for every earner to contribute.

Both elements are qualified on pages 7 and 8 of the pamphlet, where the authors discuss eleven features of the scheme.

The Milners present these features as 'essential' to the scheme. But, in fact, the points listed concern mainly the practical workings of the scheme. In a sense, they transform the abstract right and duty into concrete working rules.

As we know from experience, mapping abstract principles onto the real world is not (always) a straightforward matter and, therefore, the scheme's concrete institutional form will be contingent on additional considerations. This, however, makes this section of the pamphlet particularly interesting. Besides being important for figuring out what the scheme will add up to in practice, it also reveals at least partly the underlying view of the world and the central assumptions on which the Milners operate.

Of the eleven items discussed, five concern the benefit itself, six the contribution to be paid.

1.1.1. "(a) The Allowance Received."

The *first point* concerns the level of the grant. The Bonus, we are told, must be just sufficient to maintain life and liberty. "It follows ... that it will have to be based on the primal needs of individuals (which are nearly the same for all), namely food, shelter, and a minimum of recreation, say, for instance, what could be bought before the War for 5/- a week." (SB-II:7) I will later comment on the actual amount the Milners come up with and explain why it is much less innocent than the quoted phrase suggests, but note already that the reference to allegedly equal 'primal needs' reveals an important feature of the Milners' theoretical framework.

As a *second point*, the Milners stress that, whatever the level decided on, the grant must be absolutely dependable. "Every man, every woman, and every child must have it in their own right; it must be theirs irrespective of the faults and errors of the past, making it possible for the fallen to start out on life again with a new hope; it must be clear of all taxes and legal obligations. It must be ours like the air and the sunshine." (SB-II:7)

Yet, a *third point* notes, the amount should not be too much. "... since some are lazy, and if luxury were possible without work, they would be glad of the opportunity to rest." (SB-II:7) The Milners note that if many were idle the central fund (and consequently the Bonus) would be reduced anyhow. Nevertheless, they do not expect the scheme to give any incentives in this direction, "because the idle would only get their Bonus, whereas those who work would get their earnings in addition." (SB-II:7)

As a *fourth point*, the authors point out that The Bonus is intended to replace all Poor Law relief. It must, therefore, be given at short intervals, so that "spendthrifts will not have to starve too long. There must be no more begging." (SB-II:7)

A *fifth point* notes that the distribution of the grants could be kept very simple. The proposal suggests payment through the Post Office - "like Old Age Pensions or separation allowances" - and need not involve inconveniences to individuals or expenses to the State. "Presumably mothers or guardians would receive the money for children under 14, the legal school-leaving age. Money not applied for could be automatically transferred to Post Office Savings Bank accounts." (SB-II:7/8)

1.1.2. "(b) The Contribution"

First of all, the Milners state the principle that contribution should be from everyone with any income at all. Yet, this somehow seems to make them feel compelled to elaborate somewhat more on the meaning of their State Bonus. And they explain: "While this would not in any way reduce the absolute guarantee of life and liberty, it means that the Bonus would not come as a sudden net addition to wages; also it means that the transfer of money from rich to poor would be reduced to a minimum. (...) It is, in short, a very comprehensive insurance scheme. Therefore, as with other insurance schemes, the contributions must be from all, while the benefit would be most felt by those in need." (SB-II:8) The Milners stress that the object of the Bonus is not to make an arbitrary addition to wages, but to introduce a feeling of security.

The *second point* regards the collection of the contributions. As a rule this should be kept simple, requiring if possible no new machinery.

The *third point* raised is that the practical arrangements of the scheme should secure that the fund automatically increases with the price level.

The *fourth point* ties the former three together. "All these points would be met by pooling a fixed percentage of income - earned and unearned - by deduction at source." (SB-II:8) And proceeds to find here a pragmatic ground for pointing at the State as the obvious organisation to raise and distribute such a pool on behalf of the Community.

A *fifth point* treats elaborately how the contributions would be collected in practice. The point of the matter obviously is showing that collecting would really be fairly simple. The Milners explain that one has to consider three different portions: a) the largest proportion of the fund would be raised on wages and salaries, "...the receipt ... being paid to the worker as a cancelled stamp", b) another large part would be raised by deduction at source of dividends and profits, as with the Income Tax, and c) a remaining part of the money from "small trades people, from farmers etc." Only the latter part creates some difficulties, they claim. Covering this category - estimated by

the authors to be about a million people in England and Wales - involves much careful assessment. Yet, as a great part of the people involved come already under review for Income Tax purposes, even this problem should not be exaggerated. Summing up: "The whole cost of this collection is not likely to be more than £2 million per annum - half the amount now spent on collecting the Health Insurance contributions." (SB-II:8)

The *sixth point* produces a rudimentary costing of the scheme. "In round numbers 5/- a week per head would mean £470 million per annum for England and Wales. This allowance would do away with the need for public charities (such as Old Age Pensions, Poor Law, Health Insurance, etc.) to the extent of over £70 million per annum. This leaves a net sum to be raised annually of £400 million, when all allowances for the cost of collection and distribution have been made: this is about one-fifth of the annual National Income or sum of all the incomes of persons in England and Wales before the War." (SB-II:9)

1.1.3. Summing Up

After having made all these qualifications, Mrs. and Mr. Milner restate the essentials of the scheme - the right and the duty, and the need to keep the bonus at a constant value - as follows:

"We have now arrived at an equal distribution of 5/- (pre-War) per head for all persons, to be provided from a pool maintained by everyone contributing 20% of their incomes. Moreover, it is essential that the purchasing value of the Bonus should be standardised without constant legislation. If prices rise 10% the pool must rise 10%, so that the Bonus may still buy the primal necessities of life. Therefore the 20% once arrived at should be a fixed percentage, so that the pool would vary with the National Income and thus with the fluctuations of the purchasing power of money." (SB-II:9)

So far for the scheme itself. But, how do Mrs. and Mr. Milner argue for it? What is its intended objective? Which are the effects they claim their scheme will have?

Later on it will become clear why the Milners can argue that the object of their simple scheme can be to tackle so immense and complex a problem as the Social Problem, but let's first look at the next section of their pamphlet. What do the Milners see as the main effects of their proposal?

1.2. "MAIN EFFECTS CLAIMED"

Under this heading, the Milners discuss, in the **third part** of the pamphlet, seven different topics.

Yet and again, as one will be able to judge, the title suggests something else than the discussion of these items actually offers. One could describe the real thing more adequately as 'elaborated restatements of the principles involved' or as 'attempts to counter critical arguments voiced against the scheme'.

Like I said before, the argument is heavily redundant and the *first point* on the list illustrates this very well.

As if to shield 'State Bonus' from being attacked as a policy of income redistribution, the Milners begin by reworking the argument that their proposal is really a simple and comprehensive insurance scheme with continuous benefit. The sum involved "will not be transferred from rich to poor, but will be taken from people with fluctuating incomes (all of us) and given back to everyone as a regular fixed weekly payment. Like all insurance schemes the contributions will be from all, and the benefits will be most felt by people when they are in need." (SB-II:10) This means, the Milners go on to say, that incomes will be divided into two portions: (a) a regular payment which will cover primal needs, such as food and clothing; (b) a variable payment which will be given, as at present, in return for the services sold in the open market. To this they add two remarks: 1) "Note that the immediate result of this guarantee of the primal necessities of life will be to abolish the chief excuses there may be for begging, petty theft, the under feeding of children, and all the minor deceits that are covered by such phrases as 'business is business' and 'a man must live'". 2) "Note also that to the 87% of the population who had incomes of less than 160£ per annum per average family of 5 before the War, the Community will be insuring the continuance during unemployment of £65 per annum, or 2/5th's of their normal incomes; and at death £52, or 1/3rd of their normal incomes." (SB-II:10)

The *second point* takes issue with the controversial question of Communism. The Scheme is "a frank recognition that there is an element of Communism underlying many of our existing social arrangements - such as the Poor Law, Health Insurance, Charities, etc.. It attempts to apply this moderate Communism more effectively, and should be contrasted with the suggestions which are being made for complete socialistic schemes to be arrived at by revolutionary methods." (SB-II:10) Russia - one should not forget that 1917 only happened recently and was an experiment much discussed at the time - provides us, the Milners argue, with a tragic example

of the results from attempting to readjust the Social Order by methods not sanctioned by public opinion. "The inevitable sequence following upon such revolutionary methods is - weakening of leadership, mob rule, chaos." (SB-II:10)

The *third point* starts with stating that taxation is heavy. A statement with which the Milners agree. They even predict that taxation will still grow heavier. Yet, for them, the real problem is not there. The real problem is that existing taxes are not raised with the object of solving industrial unrest. "... so that it is clear that if money is required in the removal of this unrest, it must be an additional charge upon the incomes that remain." (SB-II:10)

A closer look reveals, however, that the Milners are, in fact, as well in point three as in point four dealing with something quite different. What they really consider here is the problem of gainers and losers. The former point considering who will be gainers financially, the latter explaining what those who financially loose stand to gain.

Turning, to what they indicate as the "real cost of their scheme", the Milners present the example of a head of a family of five with a gross income of £500 per annum, who is calculated to benefit to the extend of £10 per annum. Other examples given are:

- 'single men or women' (gaining in cash if they earn less than £65, or financially up to an income of at least £110),
- 'couples' (gaining in cash if their joint income is less than £130, or financially up to an income of at least £220),
- 'an average family (of 5)' (gaining in cash if their income is less than £325, or financially up to an income of at least £550).(SB-II:11)

Even a family with an income of £1,000 per annum will only lose financially to the extent of £90. The Milners conclude: "About 90% of the people in England and Wales have incomes of less than £550 per annum for an average family of 5, and will therefore be in a better financial position as a result of the Bonus." (SB-II:12)

What then, one could ask, is in it for the 10% with incomes of more than £550 per annum - those who will lose financially in proportion to their incomes?

The answer is given in the *fourth point*: "... they are chiefly people who can appreciate the other advantages of the Scheme".(SB-II:12)

The Milners conceive of most people in this class as falling under one or more of the following headings: "Employers", "People with many Dependants" and "Humanitarians". What other advantages of the Scheme would they appreciate?

'Employers' would benefit from the scheme in many ways. It will increase general satisfaction of the workers and, consequently, reduce strikes and trade disputes "which now absorb so much time". Moreover, in the interest of the workers interference with the profits of industry (through minimum wages or other restrictions on competition) is bound to happen. "This Scheme in no way interferes with the right of employers and individuals to bargain about wages; it merely insures that the worker shall be in a fairer position for bargaining. This is what the worker wants." (SB-II:12) Moreover, better wages means greater demand for necessities, a steadier trade in all the staple industries, helps the small trader to sell his goods, absorb much of the over-production, and healthier workers in the future. And, the Bonus also implies what the Milners call "scientific wage paying" - as it should be different for married and single man, the inducement to work for a certain wage will be about the same for both. "The Scheme is also a simple yet complete profit-and-loss sharing system, giving all a direct interest in the efficiency and productivity of industry, and the abolition of restrictions on output, since 20% of the product is pooled for the benefit of all. Nor does it involve any disorganisation of existing systems." (SB-II:12)

'People with many Dependants' would benefit because many rich people help to maintain more than an average family of five, i.e. their own families, their relatives, friends, and old servants. In assessing the benefits of the Scheme one should properly account for these diminished demands on their incomes. The Milners stress again that even a minimum subsistence allowance of 5s. benefits all those who are in receipt of incomes of less than £550 per annum for an average family of five and that, therefore, it guarantees help to all those whose income falls below this standard. "The value of this is perhaps best understood by considering the help it will be to the children and grandchildren just beginning to set up for themselves, and indeed it would mean setting aside a large capital sum in order to provide even this small Bonus allowance for the grandchildren and great grandchildren of a large family." (SB-II:13)

As for the 'Humanitarians', it is idle to suppose, so the Milners say, that most persons would not willingly part with a fifth of their incomes if they could be assured that starvation would be abolished, that beggars would not exist, that the responsibility for the existence of slums was no longer theirs, and that the burden on large families would be relieved. "Note also that the cost of getting £470 million distributed by this method will only be, say, £2 million, or 50% of the fund, whereas in the case of the Poor Law something like 75% is absorbed in organisation and only 25% reaches the pauper! The Bonus will make it possible for children to stay longer at school and continuation classes. It will always give the fallen man a chance to rise. It will prevent married men from falling below their bachelor standard of living. Women will be freer to make proper choice about marriage, because they will be less economically dependent. Alfred Russell Wallace believed this to be of great importance in race development. They will also be freer

because of the assurance of help from the Community in maintaining their families. When everyone is secure at least of subsistence pay, we may surely hope to see people less engrossed in their material prosperity, thus the Bonus will release many of the higher and nobler aspirations, which cannot be valued in terms of money." (SB-II:13)

Point five confronts the argument that the scheme will result in increased "slacking". The Milners counter this argument in four rounds. They first point out that even in the present state of affairs people who do not work at all can get state or charitable assistance. "The workhouse attempts to enforce useful work, but does not press it to the point of starvation, nor is the work very useful; while most charities are even less successful." (SB-II:14) Their second argument is that "persuading people to work is an educational problem." As even a slave-owner knows, they say, using starvation as an educative force, only makes inefficient workers. As a further case in point for claiming "the wisdom of maintaining people in health by proper nourishment, before attempting to induce them to work", they stress that "every soldier is so maintained, in Peace and in War, in the sure knowledge that when the time comes he will do his best." With their third argument the Milners take a more theoretical stance. "This Scheme frankly acknowledge that in order to produce a healthy race everyone must have access to the primal necessities of life, namely, food, shelter, and liberty. Then, in order to encourage work it will be necessary to offer proper inducements, such as just pay, proper conditions of labour, public opinion, patriotism, and the common welfare. Of course, the best work will still be done by those actuated by high motives, among which must be included genius and a man's love for his family." (SB-II:14) Finally, they put forward an argument in terms of justice. It is agreed, they say, that everyone ought to have access to the land, but in our existing civilisation this right is clearly denied. "... so that it would seem only reasonable for Civilisation to give in exchange the cash equivalent of what a man could grow with very little effort. Obviously giving the equivalent in cash is a great deal simpler than reorganising our whole land system!" (SB-II:14)

Point six considers the claim that there is a moral value in poverty both to the poor and to those who assist them. "Yet there is abundant evidence that those who live in 'want and the fear of want' are cramped in their spiritual outlook, and the few who are virtuous would be so under any circumstances. On the other hand, those who minister to the needs of the poor will find ample scope for their efforts when the merely economic factor in destitution is removed. Surely this economic minimum is a first step to the realisation of any spiritual advance. 'Great are the uses of adversity' - but even the preacher has his breakfast." (SB-II:14)

The *seventh point* shows the Milners stressing, again, that since the pool is formed by 1/5th of all incomes, the more people contributing to it the better. "It is most important that this should be realised before the War ends, so

that there may be no suggestion of ill-feeling about: (a) Women who stay in industry, and thus are able to contribute to the pool; (b) The greater number of man who will be available for work, and thus be able to contribute to the pool; (c) Those people who will be doing their utmost to organise these men and women for greater production, and therefore for greater contribution to the pool. Without some such Scheme of National Profit-sharing these three classes will be the cause of serious disorganisation and ill-feeling. The distribution of this Bonus on National Production will help to maintain the unity of purpose which has been developed by the War, because it perpetuates the idea of 'each for all and all for each'".(SB-II:15)

1.3. "OBJECT OF THE SCHEME"

As mentioned before, the object of the Scheme is stated at the very beginning of the pamphlet in very clear and simple terms: "To solve the Social Problem."

One could wonder, however, why the Milners picked out this particular Scheme to do the job. As they note themselves, many people are expecting to see big reforms in housing, education, the organisation of industry and so on. So, why work out something else?

The Milners' argument seems to imply two different reasons for not relying on these big reforms:

1) a reason for not relying *only* on them:

"... the whole social question is now so complicated that we recognise that none of these reforms, nor all of them together, deal adequately with the difficulties and dangers of the immediate situation."

2) a reason for not relying on them *in the short term*:

"... the question is now so pressing that even were these reforms adequate in themselves, they could not be put into effective operation before the situation becomes unmanageable, or the dangers are increased by the outbreak of Peace."

It does seem fair, therefore, to describe their approach as one in which the State Bonus Scheme is put forward in first instance as a matter of urgency and as a scheme on which later reforms can eventually build. This explains

at least partly why they stress so much the psychological effects of the scheme and the necessity of keeping it simple.

To be adequate, they say, the solution must be:

- "1. So **comprehensive** that it will remove the widespread dissatisfaction. Therefore it must benefit everyone, in such a way that the most ignorant can understand and appreciate the benefit, at once. On the other hand, it must not dislocate the existing industrial organisation or endanger the good of all in the interest of any class, however large; this is the more important since urgency demands that it should be applied during the War.
2. So **simple** and require so little new machinery that it can be applied at once." (SB-II:3) (emphasis in text, wvt)

They point out - referring approvingly to a report of the Commission of Enquiry into Industrial Unrest - that the removal of widespread dissatisfaction involves: 1) *Money* (somehow incomes must be better proportioned to the expenditures they have to meet); 2) *Confidence* (the growing lack of confidence in Government methods would be most speedily allayed by a solution which affected personally each individual of the community, if possible by an appeal through the family unit); 3) *Industry* (better relations must be established between the various parties in industry, a more just method of money payment in all trades and in all classes is essential).

In order to illustrate the power of their simple Scheme, Mrs. and Mr. Milner discuss four examples demonstrating the extraordinary difficulties one encounters when trying to tackle the present problems. At the same time their examples are meant to indicate how money is related to personal and industrial problems. Because the actual problems discussed could certainly be tackled separately in other ways, the strength of the argument resides in that each of these examples points in one way or another to a State Bonus. In all four cases, the introduction of a State Bonus Scheme could offer the beginning of a solution.

The *first example* leads to the statement: "Children have the right to life irrespective of the earnings capacity of their parents." (SB-II:6)

Everybody is well aware that children cannot choose to whom they will be born, the Milners say, "so that we cannot hold them responsible for the success or failure of their fathers in earning money. Yet we know that the inequality of opportunity resulting from this cause is a grave menace to the health and development of the race, and leads directly to the suggestion that children are entitled to some 'pay', which is theirs, regardless of their parentage." (SB-II:4)

From the *second example* follows the claim: "Industry cannot equalise the burdens between single and married men, spinsters, widows, etc. Therefore, the Community must make some provision for everyone such as the soldier's separation allowance." (SB-II:6)

"It is customary for employers to pay the same wage for the same work, whether it is done by a single man or a married man, or, in the case of female workers, whether it is done by a single woman or a widow with many children. The mere statement of this fact is sufficient to remind us that the employer can do no other, but, obviously, it is not an equitable arrangement. If wages are to take account of a man's family, and if the employer cannot make this allowance, it is necessary for some independent agent to take action. Something, therefore, very like a soldier's separation allowance (which already applies to about half the population) is required for all families." (SB-II:4)

The *third example* expresses the idea that "The Community should help alike, not only those who have failed to help themselves." (SB-II:6)

"Civilisation has agreed that members of modern communities must not be allowed to starve, without a chance to earn at least food and shelter; thus we have in England a Poor Law system which guarantees physical life to all, though some die rather than accept the humiliating conditions which are imposed. In fact it is true that nearly all our charities, by insisting that those who receive help must first of all admit poverty, withhold help from the more deserving, who know they would not be benefitted, in the long run, by a dole which marks them out as paupers." (SB-II:5)

Thus, the Milners say, we give our help to the undeserving and to a few of the deserving, provided they are destitute, but deny it to all others. Consider a patiently saving man, putting his money into industry or the Post Office. He, therefore, gets no pension. Compare with a man spending recklessly. At 70 he is poor enough to qualify for a State Pension. The less he has saved, the more he gets.

"Yet the drunkard has no better right to a pension than the thrifty: if we give to the one we must give to both. The same applies to most charities: if we give to those who are so poor they must confess it or die, we must be willing to give to all those who are not prepared to beg or prove their need publicly; the idler must not get more from his fellows than he who works or saves. But if we want to give help to the latter we must do it without questions and without poverty tests, namely, give equally to all." (SB-II:5)

The *fourth example* is seen as illustrating that "No one should be driven by the threat of destitution into accepting work which is underpaid, unhealthy, or even dangerous. Therefore, destitution must not exist." (SB-II:6)

"Despite our belief that the competitive system rewards individuals in proportion to the services which they render, and presumably with some reference to the disagreeableness of the tasks undertaken, J.S. Mill had to admit, in 1852, that this principle only applied to the higher grades of employment, and that in the case of the very poor man the imminence of destitution caused him to accept exceedingly low wages for exceedingly disagreeable work. If the principle, of pay being proportional to the services rendered, broke down, it was because of the existence of classes of men who, when they sought employment, were either destitute or in immediate danger of destitution; they had therefore to accept what terms were offered them. In order to complete the working of this principle for everyone, it is only necessary to remove these classes, or, rather the destitution which they fear."
(SB:5/6)

The Milners concede that these four problems, as well as the many they did not treat, are not simply material problems or capable of being set right simply by material means. Nevertheless, they insist, in each case an economic factor is involved the removal of which would begin to change completely the existing system. A system they consider even more shameful because its faults react chiefly "upon the children of the poor, next upon all women, and last and least upon men. It is obviously wrong that men who control nearly all material wealth should suffer least from its bad distribution."
(SB-II:6)

Just before discussing these four examples, they already had summed up their argument as follows:

"The Scheme for a State Bonus is an attempt to outline a method of dealing with the problem in a simple, direct, and yet comprehensive way: suitable for immediate legislation, yet making a fundamental change in our social relationships. It appeals to the family unit by making for a juster proportioning of money payment to the needs of the family, and by doing so will re-establish confidence, not only in the State organisation but between all classes." (SB-II:4)

Afterwards the Milners extend this same argument, pointing out that all four cases, although not "capable of being set right suddenly by material means", have a common economic factor lying at their root. By setting right this economic factor, the Milners say, the State Bonus Scheme

"strikes at the root of all problems, and by so doing enables men and women to set themselves right. It also allows all those improvements

in housing, education and morals, which are so vitally important in their effect on the lives of those they benefit, to become permanent improvements. This scheme is not antagonistic to other methods of reform, but is essentially a first step: creating a new leaven of freedom and security which will permeate our whole social system, and thus give time for the proper consideration of detailed Reconstruction." (SB-II:4)

SECTION 2: THE WORLD OF STATE BONUS ACCORDING TO MILNER

Higher Production by a Bonus on National Output. A Proposal for a Minimum Income for All varying with National Productivity is a 127 pages long book, written by Dennis Milner and published in 1920.

Compared to the two year older pamphlet, four noticeable differences stand out.

1. 'State Bonus' is not used any more as a name for the scheme. The term disappears completely from the picture and no mention is made of the earlier pamphlet, even the index keeps silent on it. The proposal is now called 'A Minimum Income for All'. Yet, this change, as we will see, is of minor importance in as far as it does not affect the content of the proposal.

2. More importantly, the object of the Scheme shifts from the massive 'The Social Problem' and 'The Problem of Reconstruction' to the more mundane need for "higher production in order that a higher standard of living may be available for everyone" (HP:5). Milner avowedly states the problem in exactly the same terms the Prime Minister used to put the matter before the National Industrial Conference in 1919. A few pages later, he will actually quote the Prime Minister as asking for "a scheme that will make it impossible that distress, at any rate, and pain, and hunger and famine, shall haunt the homes of the honest people ... and makes every one feel that when prosperity comes everyone will have a share in the increased production".(HP:13) The Prime Minister correctly implies, Milner says, that this goal can only be attained if two essential conditions are satisfied: "(1) every person willing to work is secure against starvation during unemployment and (2) ... it is made absolutely clear, in some way that every one can appreciate, that higher production will be shared by all classes." (HP:5). For Milner, the Minimum Income for All is a device exactly fitting this description. It satisfies the two essential conditions considered to be necessary for getting higher production.

3. As foreshadowed by using the high authority of the Prime Minister to capture attention for the scheme, the book is targeted to a much narrower group of potential readers. It addresses itself to "those who already see the necessity of higher production, and who realise that this cannot be obtained without the cooperation of all classes." (HP:5)

4. The last noticeable shift concerns the treatment of the subject. Targeting on one group of readers apparently leads to narrowing the argument. We saw that the pamphlet looked at the State Bonus Scheme from almost every possible angle. The book does not. Milner warns the reader not to expect an exhaustive treatment of the subject. One considers the proposal solely on its merits as a business proposition, to elucidate a set of principles and to examine the probable effects of applying them in Great Britain now. All speculations on justice and ethics have been intentionally eliminated - "except where these directly affect the amount of energy to be expected from the Human element" (HP:9).

The structure of the book is very clear.

It starts with a chapter (pp.9-15) reviewing briefly the different variables to be considered when trying to increase production: capability to work efficiently, willingness to co-operate, number at work and state interference. Exception made for 'state interference', these topics are discussed more elaborately in chapters three, four and five (pp.34-48, pp.49-64, pp.65-79 respectively). Then follows one chapter (pp.80-99) on the dangers involved in implementing the scheme - slackers, wages, national finance, the economic motive - and another (pp.100-113) substantiating the development of production and productivity in the nineteenth century. The final chapter (pp.114-12) summarises the argument under the heading "A Business Proposition".

The actual description of the scheme put forward is to be found in the second chapter (pp.16-33) and we will look at that now.

2.1. "THE SCHEME PROPOSED: CHAPTER II"

The second chapter falls apart in two different sections.

After explaining what problems one faces when trying to devise a scheme "which fulfils the double function of increasing the capability and the willingness of persons to work" (HP:16) - something we will come back to at the end of this section - Dennis Milner presents the features of the Minimum Income proposal in two steps: first he discusses its three main features under the heading 'Broad Outline', then follows the treatment of a list of nine 'Smaller Points'.

Not surprisingly, most of the points raised in this chapter figure in one form or another in the corresponding section of the pamphlet Mrs. and Mr. Milner

published two years earlier. A feeling of déjà-vu cannot, therefore, be avoided.

2.1.1. "Broad Outline"

This section of the book treats the three essential features of the Minimum Income for All proposal. They parallel exactly the more concrete restatement of the Scheme for a State Bonus Scheme, i.e. after the Milners considered some of the working rules of the proposal.

1. The Minimum Income will be paid to everyone without any conditions, and it will not be subject to any deductions. The level of the grant is now fixed at 8s. - "for purposes of discussion". "Probably few persons consume less than 8s. worth per week of commodities and services at present values (July 1920), whether they assist the community in the production of these commodities and services or do not work at all." (HP:19)

2. Everyone with any income at all should contribute. "If ... an amount equal to about one-fifth of the total production of the nation is required to meet ... barest necessities, it must be levied on the producers by one channel or another." (HP:20) Milner proposes to levy a flat rate of 20%, deducted at source for "all these producers (and on all who have incomes but do not produce)". The contributions to the Minimum Income Pool are presumed to be collected by the Inland Revenue machinery. Nominally, this would mean an addition to existing taxation, but as Milner points out this needs to be qualified: 1) 87 per cent. of the population would receive more than they paid, 2) many savings in National Expenditure - mainly of benefit to the remaining 13 per cent - will be possible, 3) one has to take account of the insurance value of a small secure income to persons in any class, and 4) there will be gains for all classes by increased production.

3. Once decided upon the 20% - "or equivalent figure" - should be rigidly fixed. "In this way the central Pool, consisting of one-fifth of every one's income, will be a variable Pool - varying with the National Income." (HP:21) Thus, the Minimum Income will purchase a standardized amount of commodities without constant fresh legislation, and every individual in the country will get a share of increased national prosperity.

One could say that, compared to the State Bonus pamphlet, the presentation of the Scheme is now, indeed, stripped down to its bare essentials.

2.1.2. "Smaller Points"

The nine smaller points Milner discusses in the next section concern features which are "... inherent in the scheme, as a scheme, and apart from its main effects". (HP:22) Again, as in the earlier pamphlet, 'inherent' means something like 'working rules'.

First, Milner points out that there is some *indirect legislation involved*. As the Scheme covers the same purposes as many existing State activities, those will no longer be needed. "Most of these will atrophy without special legislation, e.g. very few persons would present themselves for workhouse relief, still fewer would be granted the relief." (HP:22)

Second, as for the *cost of administration*, the extreme simplicity of the Scheme guarantees the reduction of difficulties to a minimum. With regard to contributions, Milner explains the working of the system in the same way as it was done in the pamphlet for the three sectors of contributors concerned: a) dividend receivers (paying already a standard rate at source, so 4s. would be added, yielding half the money), b) salary and wage earners (tax deducted at source), c) the remainder of earners (with the known problem of assessment - if Inland Revenue Staff was to be doubled this would cost about £4,000,000).

With regard to the distribution of the benefit costs are more difficult to estimate. "Much will depend on whether everybody insists on calling for the Minimum Income at the Post Office or Employment Exchange in person and on Monday; ..." (HP:24) But, Milner reckons about £2,000,000 (which equals the cost of distributing Health Insurance Benefit to 14 million workers) to be an outside figure.

Third, the *selection of the Standard* is raised. As already mentioned, Milner proposed the 8s. a week - and consequently the 20% Pool - only for discussion, or "to give concrete shape to the proposal." (HP:25) He notes that this would be considered too small an amount for an Old Age Pension, that it is below unemployment pay (15s. per week), and that for a family of five it only represents 40s. per week, which is lower than the lowest minimum wage. "Thus the figure appears to be sufficiently moderate." (HP:25) Having been confronted with fears that the scheme may encourage large families - and doubtful whether the said effect would spring from the small amounts proposed - the author agrees that in such a case one may want to modify or grade the amounts for children.

Four, Milner elaborates on the *insurance value of the minimum income*. (HP:27)

Five, Asking the question "*Who would Receive the Money?*", Milner answers that, obviously, "the Scheme would only apply to British subjects whose permanent residence was in Britain. Foreigners would not be admitted until fully naturalised. Irishmen would only be admitted after a qualifying residence of, say, six months (i.e. the period qualifying for a vote). Women would be the legal receivers for all children under a given age (possibly the school-leaving age). In special cases this could be varied by a local magistrate. Sick persons could leave their money to accumulate in the Post Office Savings Bank, or could sign a form empowering some one else to call on their behalf. The same applies to any others who did not wish to call weekly." (HP:28) It is stressed that the Minimum Income would be absolutely inalienable and free from all legal obligations. Yet, for persons in a public institution providing free maintenance, the institution would be entitled to the money. "This applies to hospitals, workhouses, prisons, etc., but the individual would be entitled to the Minimum Income the instant he or she left the institution." (HP:28)

Six, then follows the, obvious question "*Why to All?*". The need for a subsistence income is a continuous need, Milner says, and it being met only discontinuously results in much injury to health and steadiness of habits. At present three provisions are supposed to meet this need: minimum wages, unemployment pay, and casual pay. But each of them has many drawbacks. Minimum Wages are economically unsound. Attempting to guarantee a living wage irrespective of earnings capacity they assess an economic unit of work in terms of humanitarian needs. Unemployment Pay is equally unsound, because it rewards unemployment: given only to persons wholly without work, wages near that level are of no inducement to the worker. As for casual pay, it makes distinguishing in practice between employed and unemployed very difficult. This, Milner says, is not all evil, since a great many unemployables are manufactured by social conditions against which it is not possible for every one to make full insurance. "In fact, modern ideas go so far that were the worst proved, and the man a reprobate or criminal, we should still feed him in goal - we no longer shoot such men." (HP:30) "..., any attempt to confine the allowance to those who are unemployed penalizes those who are employed. Secondly, any attempt to confine the amount to those who desire employment, penalizes those who are unwilling to feign inability to work or otherwise impose on the Tribunals which might be set up to discriminate." As a result, maintenance "is to-day provided for every one who proves himself in need, and the only new elements in the Minimum Income proposal are, firstly, the greater simplicity of method; secondly, the freedom allowed to the recipient; and, thirdly the universality - by which those who are not willing to prove need may yet receive help without welcome publicity." (HP:31)

Seven, "*Who should control the Pool?*" The Promoters of the idea, so it is said, always suggested the State should collect and distribute. They are open for suggestions of more convenient means and are aware of the

serious objections to any allowance being paid through the State. Yet, "as society is at present constituted we have no other suitable organisation which could conduct such a gigantic pool, which must be legally enforced, involves the knowledge of private incomes, knowledge of nationalities and other faculties, all of which are now vested in the State." (HP:31)

Eight, Milner, then, considers *the figures* on which his proposal is based and for which he refers to the work of Bowley on National Income. The most interesting point here is the estimated cost of running the scheme (£6,000,000) and the expected savings on Workhouses, Health Insurance, etc. (£200,000,000). The resulting economy would not be used to enlarge the cash benefit (with about 1s. 9d.) but to reduce taxation. (HP:31-33)

Nine, the last point Milner considers is whether *National Income* is a *sound basis* for his calculations - a question he dismisses as rather irrelevant. (HP:33)

Being aware of the details of the scheme, let us now turn back to the problems Milner answered in the first part of his second chapter.

2.1.3. The Problem Faced.

The Scheme Milner devises is meant to fulfil a double function:

"The Minimum Income is ... an attempt to secure capability for work by abolishing destitution (as to which it is new only to the extent of its simplicity) and an attempt to encourage willingness to work in an atmosphere devoid of Industrial Compulsion." (HP:19)

As such it takes into account the "physical and psychological aspects of the human problem in production" and is based on "the basic needs of our common humanity". "Despite the infinite complexity of the subject of human relationships", Milner is confident that some very simple factors can be singled out. Two such simple factors, upon which the Minimum Income is based, are: the need of all human beings for food and clothing, and the longing of all human beings for a free control of their own lives.

One may feel, Milner says, that these facts are too obvious to form the basis of a great social improvement. Yet, consider the existing institutions.

"... the multiplicity of existing devices for supplying food to unsuccessful or unfortunate persons are costly and subversive of freedom. ... Prevention is manifestly better than cure ... if we can do away with the whole idea of economic destitution, we ... render unnecessary more than half of the cures

offered now ... and do it in a way that gives a far greater sense of freedom." (HP:17) If, as is done, we advance food on condition of future work we use duress in determining the kind of work a person shall do. "Of course, this duress applies most correctly in the case of unorganized and destitute persons, but the conditions under which they can be forced to work have the effect of undercutting the position of those slightly better off, and in practice the economic insecurity of the wage-earner is a factor telling against him on every occasion when he is bargaining for a fair share of the product of industry." (HP:18)

As a final blow to the existing system Milner refers implicitly to the fact that it even positively fosters the Social Problem. A large number of persons being either underfed or having a sense of being underpaid and without any alternative is a condition which without doubt endangers society.

The conclusion is clear:

"The only possible way of eliminating economic destitution without putting any restrictions on the freedom of the unfortunate and unsuccessful is to ensure that every one has, independently of their earnings, a secure income - however small - and this is the Minimum Income proposal. It will extend to all classes a part of that sense of stability now enjoyed by all who have any 'invested' income, and so end our existing compulsory labour system and the unrest that always springs from the compulsion of a healthy being." (HP:18-19)

2.2. THE MINIMUM INCOME SCHEME AND HIGHER PRODUCTION.

How, then, and through which channels does the Minimum Income Scheme affect productivity? Why can Milner advocate it as positively altering the amount of production?

We touched already occasionally on some of the points bearing on this problem when discussing the important features of the Scheme. However, Dennis Milner devotes three different chapters to examine them in detail.

Each of the chapters deals with one of the dimensions mentioned in the introduction: the capability to work, the willingness to work, the number at work, - the last category, the freedom from restrictions of those at work, is not treated separately. Note, however, that in my presentation of Milner's argument I change the order they appear in the book, leaving the chapter on willingness to work to be treated last.

2.2.1. "Capability to Work Efficiently: Chapter III"

The chapter treating the capability to work efficiently begins with pointing out, again, that, for a start, the Minimum Income for All would make many of the existing relief schemes redundant. Providing a detailed list, Milner estimates the resulting savings to be £199,950,000, or nearly 30% of the estimated budget for 1920.

But, as becomes clear after some pages, the argument is targeted not only at the existing system of benefits but also at a Labour Party proposal to secure a Minimum Standard of Life "to every member of the community, in good times and bad alike (and not only to the strong and able, the well-born and the fortunate)." Although Milner does not refer to it, the said proposal apparently intends to implement the idea of National Minimum, as contained in the Webbs's Constitution for a Socialist Commonwealth, by reconstructing the existing benefit schemes. Milner considers this road a rather unpromising one and, although he does not say so, one can sense him thinking: Everything theirs can do, ours can do better - and it does even more.

What, then, makes the Minimum Income Proposal in Milner's eyes a superior way to secure for everyone a Minimum Standard of Life?

The argument develops in two directions: one side tackles the problem with regard to what one calls the "Unfit", another takes on the question of the labouring poor.

Let us, first, consider the effects on the 'Unfit'.

Existing benefits, like the Old Age Pension scheme and the Out-of-Work Donation, definitely encourage pauper tendencies by penalising independence, Milner says, and he illustrates this by exposing the 'unemployment' and 'poverty' trap inherent in them.

"The cure suggested in the Majority Report on Old Age Pensions may seem clumsy and far-fetched, but it is the only really effective one yet put forward. The benefit which is to maintain the aged poor, must be given irrespective of poverty, i.e. to all over seventy; then any who desire to work after seventy will be encouraged by the ordinary reward. Similarly, if it is desired that the unemployed poor shall be encouraged to find work, the payment that is sufficient to keep them alive must be a continuous payment, continuing when they are at work." (HP:37)

Milner realises very well that this will lead to an objection which seventy years later is still one of the first critiques to be voiced against any form of universal grant or basic income scheme.

The objection consists of the remark that this "involves the circulation of much money from the taxpayer, via the Treasury and back again into the pockets of those at work." Which by implication would prove that targeting of benefits on the really needy is by far more efficient.

Milner, however, counters this immediately and adequately by pointing implicitly at the conceptual difference between what is called in modern terms the gross and the net cost of the scheme, or the gross and net flows of money it would involve. He even takes advantage of the occasion to point at the many rationalisations the scheme would allow to be made in the existing system.

"... this circulation is an exceedingly simple one and ensures that there is no advantage to anyone ceasing work. It will be seen that while, as at present, the weak, sick, aged, or unemployed continue to be maintained at a level not much below the bottom wages (but by methods which make wages an alternative instead of an addition), the improvement in income by working is so small as to constitute a negligible inducement to become self-supporting. Whereas if all persons were in receipt of a basic existence income, to which wages were entirely additional, then the fact of these wages being a real addition would make them a real inducement to work." (HP:37-38)

This matter being settled, Milner turns to the other side of the problem and considers the relevance of the Scheme for those "who look more directly to Industry for their livelihood".

Two cases are distinguished: the inefficient worker and the worker with family responsibilities. Both illustrate the practice of charging industry for costs which break with the "basic principle that Industry cannot pay in wages to any worker an amount exceeding the actual product of that individual worker". (HP:38)

To be clear, Milner does not imply that workers who are, for whatever reason, less productive should not be maintained, or that one should not need to find maintenance for the worker's children if the next generation is to be healthy. But, he does question that these costs should lead to paying higher wages. The obviously better alternative, he claims, is to have them charged on the community as a whole.

Summarising one could say that with regard to the "capability to work efficiently" the Minimum Income Proposal is thought to be beneficial in first instance because it influences positively the mental and physical health of

the workers and the education of the future workers. Yet, many of these benefits will only materialise after years. "It is impossible with one stroke to revitalise the health of a nation ..."

2.2.2. "The Number at Work: Chapter V"

The next topic on Milner's list is the number of people working. This number is, of course, influenced by the capacity and the willingness to work. As a matter of fact, these problems are treated by Milner in two earlier chapters. For matters of convenience I reverse the order and will look at Milner's treatment of the 'willingness to work' item after 'the number at work'.

According to Dennis Milner, the greatest problem in this matter is one of co-ordination. "In last analysis it is a mechanical problem rather than a human one, since a shortage of commodities and a shortage of employment cannot exist in a society whose mechanism works freely." (HP:14) Two requirements for bringing about this optimal working of the social mechanism are a greater regularity of markets (or the creation of a steady, known demand) and the greater mobility of labour.

The fifth chapter intends to show how the Minimum Income Proposal influences both sides of the problem.

Consider first the problem of *irregular markets*. Milner points at three possible causes: a) trade-cycle phenomena, b) the existence of a dual home market, necessities versus luxuries, resulting from the extraordinary unequal distribution of wealth, c) the prospect of industrial conflict. Each of these introduces a certain amount of uncertainty into the mechanism and makes its working inefficient. The claim put forward is that the Minimum Income for All neutralises as it were considerably these three sources of uncertainty: a) it stabilises demand by preventing labour income to drop in times of recessions; b) by channelling more income to labour, it stabilises demand also in so far as it enlarges the part of national income flowing to the staple industries; c) it caters, partly, for the demand for a minimum standard of life and, thus, takes away some of the soil fostering extremism in the Labour Party and the Trade-Unions.

With regard to the *mobility of labour*, Milner distinguishes three different forms. The first category includes forms of re-employment and of employment of new workers. The second category is called seasonal unemployment, but is more generally about a massive transference of workers from one occupation to another. The third category is linked to regional - Milner says "geographical" - unemployment. Their common element is that in those cases one cannot expect employers to pay a "full"

wage, since the productivity of those workers will of necessity be less. Nevertheless, for Milner the principle of paying in wages no more than is earned by each individual is unescapable. And, therefore, a fundamental problem arises. Attempting to cure it by some form of guaranteed wage would induce rigidities in the working of the social mechanism. However, a secure Minimum Income for All could prevent rigidities to arise from this state of affairs.

"This system of guaranteeing existence maintains the family during the necessary transition, without wasting in the formalities of securing unemployment pay, time which would be better spent in finding work; it also enables a man to fix up with temporary work at once at a low rate, trusting to make good and get higher rate after trial. It observes the double function of permitting a firm to pay nothing more than the man earns, and of safeguarding the man against exploitation, since he is in no immediate danger of starvation." (HP:77)

And, Milner adds.

"The same argument applies to daily employment and casual employment of all sorts. The permanent cure is to decasualise, the immediate cure is to safeguard the unemployed and the under-employed against starvation, and thus enable them to accept new work at rates which pay to employ them. The maintenance helps to keep them fit for the next work and, because no deductions are made from this maintenance on account of employment, each job brings a return comparable with their effort, adds to their self-respect, and this in turn makes them more capable of doing useful work." (HP:78)

2.2.3. "Willingness to Co-operate: chapter IV"

Finally, we arrive at the long awaited fourth chapter. Its topic is the willingness to work, or willingness to co-operate as Milner says. I postponed its presentation because in a certain sense one can consider it to contain the most important part of the book. First, because it is from this variable that the author expects by far the biggest immediate results of his Scheme. But also, because his argument gives us a glimpse of a social practice which may have stood as (one of the) model(s) for the Minimum Income for All.

Let us, therefore, look at this chapter more extensively.

The very first lines of the chapter re-emphasise strongly one of the essential principles of the Scheme: "... every increase in national prosperity should be shared by all".

To make sure that everyone really understands what his scheme implies, Milner spells it out at length. Any increase in the total of production will result in an increase of the Pool in exactly the same proportion (because it takes exactly 1/5th of the total product) and will do the same for the Minimum Income for All (because it is the 45 millionth share of this Pool). As a result, Milner says, one can expect everyone to be personally interested "in removing all obstructions from the path of those who want to increase production". This is important, because at present such obstructions are many, and they exist for many different reasons - too much to deal with, he says.

Milner specifies not to be claiming that the system would induce all individuals to try and increase their personal share of the great Pool.

"Such a claim would be absurd, since if a man doubled his efforts, only one-fifth of the extra output would go to swell the Pool, and the Pool has to be shared with 45 million other persons. No. The claim is that many individuals do now wish to increase their output, so long as it brings proportionate gain, and that these persons will work harder for the four-fifths which they will keep out of any extra wages which they earn, while their friends will encourage them, instead of obstructing, because all of them, including their friends, will be sharing the one-fifth which goes to the Pool. In other words: most incentives are calculated to compensate individuals for their own exertion - we have plenty of those incentives; but the variable Minimum Income is calculated to give free play to those existing incentives by removing the obstructions which are now put in the path of those who want to work, by those who (at present) see no advantage to themselves in the work that others do." (HP:51)

Useful work done by anyone is obviously to the advantage of all, but Milner points out that unfortunately the contrary theory is so strongly held that the point needs to be made explicitly.

"... one might almost suppose, sometimes, that if nobody worked more than one hour per day, that all our unemployment troubles would be solved! Whereas it is patent that the more work means the more wages and more commodities to supply the needs of millions who want more clothes, food, and amusements than they now have." (HP:52)

The introduction of new machinery and economies of labour often result in disorganisation and temporary unemployment, but this is the fault of

organisation, not the fault of improvements. It is even a strong argument for securing persons against want during unemployment caused by faulty national organisation, but "it is no argument for relaxing our efforts to secure the maximum of commodities and services with the minimum expenditure of human effort." (HP:52)

According to Milner the chief obstacle to greater production, therefore, is not a lack of incentives to personal gain, nor failure of science or capacity of men, but "the peculiar class-conscious theory that more production by one man means less work for another." (HP:52) Two further fears add to this: that if the work is accomplished too soon the man himself may become unemployed, and that the advantage of harder work will all go to profits.

Then, Milner starts to evaluate the different forms of incentives worked out in the past: piece rates, time-rates, profit-sharing and collective payment systems. He concludes that they were mostly successful at the start. And although some of them have got a very positive evaluation by the Ministry of Reconstruction, he notes each of them inhabits a central weakness.

Milner ends his analyses of these incentive schemes with discussing a specimen originated at Priestman's of Hull and known as the Priestman Scheme. Milner obviously considers this scheme to be one of the most successful and points at recommendations made for it by the Higher Production Council.

At first sight - and taking only the book into account - one could very well conclude that this scheme is most likely the practical experience on which on which the proposal for a Minimum Income for All has been modelled. This conjecture, however, is not without problems and I will come back to them in the final part of this paper. For the time being one can at least say that it provides Milner with a welcome rhetorical device to advocate his scheme amongst his intended audience of industrialists.

Milner describes the Priestman Scheme as follows:

"It provides for complete output-sharing by all the workers in a firm, i.e. if the output of the firm is doubled as compared with the standard determined at the outset, then the wages and salaries of every person included in the scheme are doubled also." (HP:56)

An important feature of the scheme is that it is based on the growth of output. To determine the growth of output is much easier than to determine the growth of profits, and it can easily be done at shorter intervals. However, its most important elements are two other points:

"1. ... every worker is absolutely certain that greater output will increase his own earnings. This is much more secure than under the

piece rate, because the whole firm is publicly committed to an agreed standard output prior to the starting of the scheme.

2. ... every worker knows he stands to gain by the effort of every other worker and that inefficiency anywhere in the works is a drag on every income." (HP:57)

The importance of schemes like the one at Priestman's resides, according to Milner, foremost in that they help to remove the theoretical objections to greater output as such. Note also, he says, that the Priestman scheme does not in any way reduce the efficacy of existing "inducements to work" (such as the piece rate). It merely adds two further incentives: "the inducement of personal gain from harder work is slightly increased" and "there is the very real positive gain that all workers are jointly interested in joint efficiency."

"The varying Minimum Income or bonus on National Production follows on in logical sequence from these tendencies. The insecurity element is eliminated still further than by the Premium Bonus. At the same time the margin left for piece payments allows really steep scales to be used, because the provision for human needs is based on the exact number depending on each income, instead of an average to bachelors and families alike. Thus the inducements possible under a piece rate are actually increased. Secondly, while the sharing of national prosperity offers no direct inducement, it does, by the offer of personal gain to all classes, remove all those theoretical objections to greater output which are based on the idea that more output by each is an injury to the remainder." (HP:58)

The relation of the three types of schemes - Piece rate, Priestman scheme, and Minimum Income - is illustrated by Dennis Milner in the following table.

TABLE I

INDUCEMENTS TO WORK

	1	2
SCHEMES	HOPES OF DIRECT PERSONAL GAIN	REMOVAL OF OBJECTIONS TO OTHERS WORKING AND CO-OPERATIVE INTEREST IN EFFICIENCY
Piece Rates (premium bonus, e.a.)	strong	absent
Priestman Bonus (collective payment by results, e.a.)	weak	local
Bonus on National Output	negligible	national
If all three in operation, the effects would be additive, thus:	Personal Gain Strong	Co-operative Local and National

After having argued that the introduction of a Minimum Income for All would benefit greatly the willingness to work and to co-operate, Dennis Milner tries to work out, in the remainder of the chapter, a rough estimate of what the actual increase in output could amount to.

Milner knows this to be a rather difficult exercise and starts with pointing out that several individual firms gained much by introducing the Priestman scheme or something similar. In this respect one can refer, he says, to possible innovations in machinery, in standardizing components, in eliminating waste, etc. His conclusion is that if even individual firms experienced such an increase in their productivity much more could be done when applying a similar device on a national scale.

"... nationally there has been no unifying principle tending towards the elimination of national waste, overlapping, and non-productive work so that a bonus on National Efficiency such as is provided by a varying Minimum Income (which is one way of applying the principles of the Priestman scheme nationally) should induce a far greater improvement."

The war period provides Milner with a very good case in point. In that period a universal agreement existed. "Probably, we all worked harder than would be wise as a regular thing, but war-weariness was much more a result of worry than hard work, and if we could repeat even a part of that energy for peace purposes, National Output would increase much more than 50 per cent." (HP:61)

A 50% increase, if all classes pulled together - is this the figure Milner has in mind? He does not say so, but he does note explicitly that if national prosperity would only improve with 25%, it would completely repay every class its contribution. In such a case the Minimum Income would be left as a net benefit, to be added to incomes as they existed before the introduction of the scheme. And he specifies that this estimate does not even take account of the very important savings in national expenditure that will result from the scheme's implementation.

Moreover, one could still envisage some refinements to make the scheme even more efficient. To make participation a real force in the country, Milner considers monthly declarations of the amount to be paid as a bonus.

"Supposing, for instance, that after enjoying 8s. per week for two months, the exchequer found it necessary to reduce this amount to 7s.: the effect of this would be felt in every home, every newspaper would shout it aloud, every person would be talking about it, every slacker would be a marked man." (HP:63)

On the other hand, he says, all inventions and labour-saving devices now looked at suspiciously would be welcomed, and so would people with a desire to work hard.

Milner is well aware of the fact that big obstacles will have to be overcome. "Every etiquette of Trade Unionism, every attempt to prevent one man doing what is classified as being another man's job - all these things hamper and reduce production." (HP:64) These obstacles cannot be overcome all at once, Milner says, and most of them will go only when interest in production is effectively widened. But, the surest way to do so is to follow the argument set out above.

"The Priestman scheme gets past some of these difficulties, but give the workers, their wives, and their children, give them all an interest in

national production, however small so long as it is real and personal, and all these restrictions will tend to be removed. The most unpopular thing a Labour Leader can do at present is to advocate higher production; adopt such a scheme as the varying Minimum Income, and they can unhesitatingly support the very big efforts to increase production about which they are now, for the most part, silent."

2.3 "DANGERS: CHAPTER VI"

Although he acknowledges that more of them exist, Dennis Milner discusses in his book only four possible dangers attached to implementation of the scheme - "the four chief risks affecting production" (HP:80) - and attempts to answer the following corresponding questions.

1. Will the scheme increase the number of slackers?
2. Will it cause a further upset in wage levels?
3. Will it cripple national finance?
4. Will it destroy the economic motive?

Questions which seventy years later are still very much at the front-line of the debate about basic income.

How did Dennis Milner try to clear the job?

2.3.1. "Slackers"

Milner concedes right from the start the factual point that some "completely indolent persons" do exist in all classes, and agrees that "few of them will tend to slack when secure of a pittance, however small". Yet, and at the same time, he reminds his readers of the principle that "there is no way imaginable of compelling willing work, which is the only efficient work".

This leads to the view that the most important way of eliminating slackers is making sure that there is no advantage in being one. And, Milner adds, this is the more so, if one takes into consideration the pragmatic point that it is nearly impossible to select the deserving from the dishonest - as is shown, he claims, by the fact that even a carefully administered allowance as the Out-of-Work Donation is "admittedly paid to many who have no desire to work".

"The only way out of the difficulty that has no loopholes is to pay an existence allowance to every one, whether they are at work or not. Work must cease to be, as at present, a disqualification for relief." (HP:82)

In order to make his case, Milner mounts a wide range of arguments.

For instance, he finds ammunition in a pamphlet on Poor Law Reform issued by the Ministry of Reconstruction, in which one acknowledges that the distinction between deserving and dishonest is impossible to make in practice. He even turns the fundamental principle - of less eligibility - laid down by the Poor Law Commission of 1834 against its current use.

"... if the position of the lowest class of labourer is to be better than that of the pauper, he must have access to all relief available for the pauper, and must be allowed to add his earnings in full proportion to his activity..." (HP:83)

Further on, he writes that the "type of man who might be expected to cease work if he was receiving 8s. per week is a type of man who does exceedingly little now."

"In the interests of scientific production it would be advisable to remove them from industry, so that their feeble and unwilling efforts would no longer be a drag on the work of others." (HP:84)

"Somewhat the same applies, though with less force, to those who work 'to a standard' and reduce their efforts if the rate of remuneration is increased or subsidised. They are not attracted by high wages, therefore piece rates and premium bonus systems are useless with them. Thus the only cure would appear to be to let them drift into industries in which wages are low. The ideals of such persons are in any case incompatible with maximum production." (HP:84)

Milner seems to count, also, on the development of some forms of 'moral regulation'.

"The whole force of public opinion against general slacking is bound to increase when (1) slackers will be maintained by a Pool into which every one contributes, instead of (as at present) by a few charitable persons and the wealthier taxpayers, and when (2) it is known that the amount of the Pool is dependent on the hard work of every individual in the country." (HP:85)

Another of his arguments makes use of reports on the large number of unemployables, caused by periods of destitution in their life history. Proper life chances would reduce considerably these numbers, Milner says. But, "...

even while they refuse to work they must be kept fit if any desire to work is ever to be awakened, and, clearly, they must be allowed to feel the benefit of any feeble attempts which they make to better their position." (HP:86)

As a final argument, Milner notes that one no longer should expect to get men to work by compulsion or because employers say so. "... you cannot starve men to make them work; the only alternative is to educate them into a desire to work."

"Men will work for themselves and their families; they will possibly work for the community, and will certainly work harder if they know their fellow-workers will not raise objections; but they will absolutely refuse to work at dictation, or, as they conceive, for the sole profit of special individuals." (HP:86)

2.3.2. "Wages"

When considering the effects of the Minimum Income Proposal on wages, it is essential, Milner repeats, to start from the assumption that, in general, they cannot rise above the amount produced by each individual. Even on the aggregate level - Milner says "nationally" - wages cannot rise to any great extent without greater production or without troubling capital formation.

Nevertheless, the Minimum Income may well have different effects on different industrial sectors and so some wages will probably rise. For instance, labour will migrate from certain unpleasant and particularly arduous work to other and more congenial jobs.

"This is as it should be; it is wrong that work which is universally avoided as being the most unpleasant and the heaviest work, should usually be paid at correspondingly low rates. This is least true in the case of mining, where a very powerful development of unionism has enabled the workers to obtain higher rates than is ordinary for the class of skill involved. In many other trades, however, the work is equally undesirable, but, owing to lack of organisation, the rates are shockingly low." (HP:87)

In such cases, The Minimum Income would undoubtedly cause wages to rise and the community would really be stepping in on behalf of the "bottom dog".

Milner assures the reader that his point does not concern a claim about justice. To see this, one only needs to observe that higher wages in such

occupations would, if anything, assist production. He evidences this by referring to the effects of some forms of Trade-Unionism in "ill-organised trades": higher wages did not lead to higher prices of the goods, but to better methods. "It is claimed therefore that this scheme would force the introduction of machinery in any underpaid occupations and lead to more scientific methods of production." (HP:88)

There may also be cases where wages will fall, for instance in trades where they are higher than necessary to attract suitable labour. Milner seems to think that there are not many of these cases and that, anyhow, the fall in wages would be gradual and by agreement. "The Minimum Income is far too small in amount to cause a sudden upheaval..." (HP:88) But, if it occurs - or is thought to occur - it will certainly create tensions.

A possible objection to the scheme comes from the feeling that it will make striking financially easier. In Milner's judgement this prospect is not very likely. The availability of funds is becoming less and less a consideration when organising industrial upheaval. Large strike-funds do exist already and maybe the scheme would even make people less willing to subscribe to such funds.

"Moreover, if the choice is between bargaining with revolutionary leaders of a starving mob or, on the other hand, with men who know that they can wait their time, the choice lies with the latter every time." (HP:89)

2.3.3. "National Finance"

If one regards the scheme as a charge of £900,000,000 per year on the National Exchequer, it is certainly doomed before consideration. And, as some of his former arguments already suggest, Milner is very much aware of this fact. He even agrees. That amount of money simply is not there.

However, Milner argues that such is not the right way to look at the scheme. The correct way to look at it, is as money being reshuffled. And this implies that the scheme can only be judged appropriately against the background of its probable effects.

An important issue in this matter is the question whether the Minimum for All cares enough for the interests of production.

Indeed, one should not forget that the scheme raises nearly 6% of National Income from the rich and distributes it among the poor - Milner's benchmark being £160, the tax exemption level.

The argument that such a transfer results in less investment and more spending is probably true, he says. But, two points must be considered in qualifying this view. For one, meeting current needs better than is the case at present is not all bad; one must realise that until basic needs are sufficiently met the health of the community will suffer, and this is a bad thing. For another, the additional spending is almost entirely on goods manufactured in the staple industries of this country and will stabilise demand. In fact, this massive transfer simply means "that the money for capital purposes will be paid into industry through the proper medium of a demand for commodities, instead of through the speculative and undesirable channels of company promotion." (HP:92)

The only type of industry injured by creating a more regular demand is, according to Milner, the speculative type of industry. Good industry only thrives on regular demand. And as a point in case he refers to the example of the motor trade during 1919 and 1920.

"... every manufacturer has a long list of order, and is able to plan scientifically to meet that demand. A full and effective demand for commodities is even more dependable, since it will continue permanently and can be estimated with practical certainty." (HP:93)

2.3.4. "The Economic Motive"

The next and final objection Milner considers is that a Minimum Income for All, raised by a 20% deduction from all incomes, would weaken the Economic Motive.

"The suggestion is that the Minimum Income would represent such an appreciable proportion of the lower incomes that the attraction of wages will be less effective in producing work, and, secondly, that for the higher incomes (where the Minimum Income is a negligible proportion of the total personal income) the effect of the 20 per cent. deduction will leave such a margin to be retained out of the whole income earned that here also the profit may not seem worth the effort." (HP:93)

With the first part of this contention, Milner agrees, but thinks that one should not overestimate its importance. People with low wages will be more interested in comparing their income levels with others than in the absolute levels. And this may well apply to all income levels, "from the wage-earner to the man making half a million profit each year". Because of its proportionality, the scheme does not alter these relative distances between wages - something a progressive tax system would, indeed, do.

This 'relative income' argument plays, again, an important, but different role in Milner's reasoning when he considers the impact of the scheme on the rich.

In fact, he says the deduction for the Pool will only be felt seriously by a small amount of people - those 2% of heads of family with an income above £1,500. Their motives are by no means so 'economic' as is sometimes assumed.

"I refer to the fact that our present system of distributing incomes is based on the assumption that the amount of a man's income is the measure of his importance and value to the community. Now, without attempting to discuss the truth of that assumption, it may be safely said that men value larger incomes more because of the success which these incomes bespeak than for the increased spending power which they provide. When all necessities and most luxuries are within easy reach, the economic motive, simply as a desire for greater purchasing power, ceases to have the same attraction." (HP:97)

Yet, as will be noticed, Milner says, the Minimum Income Pool puts no obstacle in the way of a man earning everything he can. The Pool only demands for the general welfare a share of the purchasing power of these higher incomes. "The credit that is due to success will therefore remain, and will call forth the same energy as ever."

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The only thing left to do for Milner, in this chapter, is to summarise concisely the arguments he made to debunk the four most important criticisms voiced against his Minimum Income for All scheme.

2.4. MILNER CONCLUDES

After reviewing the different effects the Minimum Income to All may have, and which were argued in the different parts of the book, Milner devotes one full chapter to analyzing the development of productivity in the nineteenth century.

The purpose of the exercise is to make really stick his claim, that an increase in production through social reorganisation is possible. We will not

go into the facts he presents or the data he relies on. The only three points which need concern us, here, are:

1) A casual reference to Marx, Ruskin, Bellamy, Morris, Bakunin, Tolstoy, Shaw, The 'International, the Fabian society, Charles Booth, the Commission on Labour Conditions and Rowntree - all of them lined up in one sentence and one after the other - as important inputs in changing the modern way of thinking; maybe these reference, some of which are very well known in basic income pedigrees, contain Milner's own most important intellectual starting points.

2) The renewed emphasis on the (vital) need to undermine the fear of technological progress and social reorganisation, a fear which for Milner results from the prospect of unemployment, by securing that livelihood will not be endangered by unemployment. "... the Minimum Income proposal is the only way of accomplishing it without passing over into the worse terrors of pauperising the recipients and undermining existing incentives." (HP:112)

3) And, the remark, right at the end of the summary, that there will exist differences of opinion on the starting level of the scheme. A point finally to be settled by the House of Commons, Milner says, bearing in mind the two constraints: it should not be too high (in order not to tempt people to live on it), it should not be too small (if one wants to break sufficiently with present insecurity, fear, and suspicion).

Milner ends the chapter with stating what he considers to be the major problem: selecting a proportion of the National Income resulting in an upward bend of the productivity curve, without experiencing a temporary fall of the curve, due to applying the remedy too rapidly. "This happy medium should not be difficult to select." (HP:113)

His concluding chapter is titled a "Business Proposition".

After having highlighted briefly the positive results a Minimum Income for All would induce with respect to 'health', 'security', 'simplification of charities', 'breaking the Vicious Circle of Wages and Prices', 'a Better Distribution of Incomes', and 'The Conscious Corporate Aim' - a point at which the example of the war is again put forward and the claim made that a national share system could very well see this energetic and co-operative effort renewed - after all this the book ends on a section titled 'A Venture', which presents the Scheme once again, but now in a very stylised form.

The Cost.

To the Nation:

£6,000,000 per annum (for collection and distribution).

To Industry:

A small change in the cashier's office.

To Individuals:

A tax whose incidence is governed by three simple factors in such a way as to produce smooth graduations and a minimum of cost to all classes. These three factors are:

1. A nominal flat-rate tax of 20 per cent. on all incomes.
2. A uniform income of about £20 per head to every individual in every family. By this means 87 per cent. of the population will receive more than they pay under N° 1. above, and the tax on the rich 13 per cent. of the population will be smoothly graduated.
3. The consolidation of a hundred and one demands on income into one simple pooling device, whereby something like £2,000,000,000 per annum of the present taxes, subscriptions, etc., will be made unnecessary, and so further reduce the amount lost by the rich 13 per cent. of the population.

Thus the net financial cost will be small.

The Gains.

1. A very considerable reduction in industrial unrest.
2. An increase in production. If this reaches so little as 25 per cent. and if the advantages are distributed in proportion to present incomes, it will leave absolutely every individual better off than he or she is at the present moment.

Milner stresses that the "Minimum Income scheme offers no greater risk than every successful business man is bound to take from time to time. The risk may be great because the proposition is so vast; but the problems are also great and press for a solution." (HP:124)

One cannot advance without taking risks and if the prospect I outlined is a realistic one, is it then - one can feel Milner think - not worth to invest "so small an amount of money (not capital) with the chance of reaping such benefits?"

The proposal of a Minimum Income for All is "so simple and requires so little new legislation that if it fails it can be dropped after a brief trial, and it is not as though we could depend on the old system to produce slow, though steady progress. **The old system is bankrupt, and our future progress depends on the choice which we make from the many experiments in social change which are proposed.**" (emphasis in text, wvt.) (HP:126)

Experiments like Minimum Wages or Maximum Hours are too small to do much. Other, like complete Nationalisation or a Revolution on the Russian model, are by most considered too big. Between stagnation and revolution, the Minimum Income Proposal could be advanced as a compromise: bold enough to reach the roots, yet using all our existing capital of machinery, knowledge and initiative to the best advantage. Abolishing of extreme destitution does much to bring reason into industrial disputes.

"Some people glory in what they call 'a divine discontent', but, after a period of upheaval such as the war has meant, it is surely no heresy to plead for a scheme that will make the path of all classes smoother, surer, and more unified. Thus in this scheme we have an attempt to get rid of bitterness, fear, suspicion, and unrest; and with 45 million people receiving a bonus on National Output, we surely have the key to a national interest in National Welfare."

On these words, the book ends.

INTERMEZZO

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 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 baby, 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 beefsteak 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 around 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 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 tale you just read - as well as the one closing this intermezzo - can be found as an appendix in the first book about State Bonus: 'A Reasonable Revolution', published in 1919 and written by a certain Bertram Pickard.

I also found copies of both tales printed as separate leaflets, apparently used by members of the League to spread the message at meetings and in election campaigns, in an archive box at the library of the Friends' Meeting House in London.

Since - as you will remark - the material covered in the earlier sections did not seem to hold any clue as to how I could further my search after finding the initial pamphlet and the book Dennis Milner wrote two years later, you may wonder how I came to know about this additional material and how I was able to locate it.

Let us, therefore, return to the introductory chapter of this paper and rejoin the story of my quest for the origins of State Bonus at the point where we got off to enjoy reading a detailed account of the Scheme itself some sixty pages ago.

*

I already mentioned that the first clues I found on Milner and the State Bonus League - merely indicating that at one time such a State Bonus League existed and that the Scheme it advocated was even noticed by at least some in the political and social world - were a very negative review in the 'Economic Journal' and a passing remark in a book by Hugh Dalton. Since they helped me very much in tracing the pamphlet and the book we now have intimate knowledge of, one should not treat these clues with disrespect. After all, as the foregoing sections witness, the result was not that meagre.

Yet, for an embarrassing long time, that was it. No further hints appeared to be there. No more news about State Bonus was to be found. No progress was made.

I tried several routes. For instance, consulting encyclopedias or the Dictionary of National Biography, trying to find out whether 'Milners' had been prominent in English or British history. And, of course, there had been some - the most prominent being probably Viscount Alfred Milner, a contemporary of Dennis Milner - but no trace of any connections or family ties showed up. Or searching through detailed studies of the most commonly used bonus or profit-sharing systems, trying to find out more about Priestman's. The results were disappointing and my efforts wasted.

Nearly giving up my hopes ever to find out who Dennis Milner really was, I decided to alter my search strategy.

Taking to heart a Great Detective's Rule, I started to look for a line of investigation that eventually would touch, transversally as it were, a line leading directly to those who framed State Bonus - the point of the matter being, as the Great Detective sufficiently repeats, not to miss the sometimes hardly noticeable spot where the lines do cross or touch.

Two different tracks suggested themselves.

The first one started from E. Durbin's list of possible models for Cole's social dividend. Could it be possible that, though there was no apparent sign of Douglasism in Milner's writings, State Bonus, nevertheless, had a Social Credit background? Or, that it could be linked to the Webbs' 'National Minimum' or to the 'Living Wage' (and Hobson)?

The second one originated in Douglas Cole's own writings. Since in it, the reference to 'State Bonus' was made in the context of a discussion on family allowances, might it not be wise to look a bit more in that direction?

Both conjectures proved successful. Along each track, I found a book (but only one) - a history of the Family Allowance Movement by John Macnicol and a history of the (English) Social Credit Movement by John Finlay - with references to and further information on Milner and the State Bonus Scheme. Both books, and an article by Paul Douglas they referred to, not only rescued me from having to abandon my quest for the origins of social dividend, and certainly saved my prospect of ever getting beyond that, but they also contained enough details to give me the first stylized picture of Dennis Milner.

Putting the pieces together, how did he look like?

*

Dennis Milner was the son of an industrialist and a Quaker. As an

independent candidate he contested the seat of Barkston Ash in the 1918 election, polling slightly over 1000 votes. With his wife - E. Mabel - he wrote a pamphlet presenting and advocating the State Bonus Scheme. Later, he wrote a book elaborating the argument. His wife and himself were involved in actively advocating the Scheme through the foundation of a State Bonus League. One of the co-founders was named Bertram Pickard - also a Quaker. Pickard apparently wrote another book on the proposal. The League published at least one other pamphlet on the Scheme: 'State Bonus and the National Minimum'. At one stage, in the years 1920-1921, the State Bonus Scheme was examined by the Labour Party, and found wanting. Shortly after, the League quickly disintegrated.

Moreover, references given by Macnicol and Finlay prove that some important people did take notice of the Scheme. Hugh Dalton, for instance, (but that I knew already) and, also, Paul Douglas (the later famous labour economist and parent of the Cobb-Douglas function), who mentioned the Scheme in one of his articles on the British debate on Family Allowances. Or Eleanor Rathbone, the driving force behind the movement for Family Allowances, who refers to Milner in her 'The Disinherited Family'⁸.

Of the different tracks I had set out for myself, starting from the Durbin and Cole references, some at least seemed to be promising. There was a link to the Labour Party, even a reference to a pamphlet by the League on the National Minimum - which I failed, sadly enough, to locate until now. And, State Bonus could, although very slightly, be connected to the Family Allowances Movement. However, nothing indicated that Milner was ever involved with Social Credit or Major Douglas.

*

I will come back to some of these points later. Let us for now stick to what we learn from a first look at Milner's stylized picture and how some of its details enabled me to further my search substantially.

The two most important new details in the stylised picture composed out of information gathered by Macnicol and Finlay were certainly the appearance

(8) Reviewing, in the fifth chapter of her book (written in 1924) the 'experiments in family allowances' throughout the world, E. Rathbone, by way of introduction, briefly mentions three recently formulated schemes for Britain: 'Equal Pay and the Family' worked out on her instigation, the 'Report of the War Cabinet on Women in Industry' and the minority report drawn by Beatrice Webb, and the 'Scheme for a State Bonus'. Devoting some 15 lines to the pamphlet Mr. and Mrs. Dennis Milner wrote, Rathbone describes the essentials of the scheme and presents it as another scheme of national provision attaining considerable publicity. (RATHBONE, 1949:133)

of an additional character in the story and a hint of some kind of institutional setting in which it was to be located.

Indeed, for their biographical information both scholars relied at least partly on a book published in 1919 and written by a man, said to be a co-founder of the State Bonus League and a Quaker, named Bertram Pickard.

The name of another advocate of State Bonus, the title of a book on it, and the reference to Quakerism provided me with a sufficiently strong anchor point, a new base to start my search from.

To my satisfaction I was able to locate two copies of this book - one in the British Library, another in the Library of the Friends' Meeting House (London) - and made (as the future would show and you already know) the happy decision to consult not the former, but the latter.

For, consulting Pickard's book at the Library of the Friends' Meeting House (London) proved rewarding in several respects. It not only enabled me to consult Pickard's book. But, with the help of the Librarian of the Friend's Meeting House (London), I also located an earlier version of the pamphlet by Dennis Milner, a few articles on State Bonus in Quaker Journals, detailed information on the way the State Bonus Proposal was introduced to the (Quaker) public, even a circular letter of the State Bonus League asking for donations, and a copy of two leaflets with the tales opening and closing this intermezzo.

We will examine Pickard's book later and very carefully indeed. Let us concentrate for now on the question whether it contains some more information about Dennis Milner or his League.

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As could be expected from the use made of it by Macnicol and Finlay, Pickard's book, 'A Reasonable Revolution', contains a short biographical sketch of Dennis Milner as well as a description of the early history of the State Bonus.

The context is surprising, though, and so is the explicit purpose these biographical fragments serve in the book.

As a matter of fact, the biographical material is fitted into the very last chapter of the book, a chapter discussing the feasibility of the Scheme - at least that is what the title of the chapter wants us to believe.

For Pickard, 'Is it Feasible?' - the question the chapter explicitly puts on the agenda - relates to two different aspects: workability and acceptability. With the first item he deals very quickly, assuming that the earlier chapters of his book cover the matter abundantly. Acceptability, however, gets a more extensive treatment and it is at this point that both biographical accounts - one regarding Milner, another regarding the League - enter the argument.

The reason for offering the reader the biographical material is explicitly stated. According to Pickard, to argue the acceptability of the Scheme, it suffices simply to point at the growth of the State Bonus Movement. No better evidence is available to show that the Scheme proves acceptable and even attractive to many different people and organizations.

Yet, he does not quite leave it at that. After an introductory paragraph stating the reasons for including an account of the history of the League until the date of writing, the rest of the chapter consists of three clearly different fragments of more or less equal length.

Only the middle one deals with the activities of the State Bonus League. It is precluded by a short biographical sketch of Dennis Milner. A final fragment argues that State Bonus explicitly recognises and merely extends the communistic principle implicitly underpinning many of the already existing social institutions - a fragment relying, for its argument, completely on a long quote from J.A. Hobson, taken without further references from an article in **The Nation** titled 'A State Bonus for All'⁹.

(9) The quotation taken from Hobson's article is worth re-quoting. 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 fulfillment 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." Pickard adds that the 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-riding of school children." And comments that the realization of interdependence of all sections of society during the War has stimulated the communist idea. "Proof 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 suffers than all 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." (RR:71) (Since I did not yet locate the Hobson article, I cannot tell in what

Whereas the rethorical value of the first and the third fragment go without saying, the reasons to include Milner's biography are not that clear. Maybe it is primarily meant to pay tribute to the "originator of the Scheme" - a Scheme which (in Pickard's words) "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." (RR:72) Since the preface and the introduction of the book stress very strongly the author's debt towards Dennis Milner, this explanation is not all that unlikely.

I will have to say more about the central parts of Pickard's book later. Let us concentrate for now on what he has to tell us about Dennis Milner and the State Bonus League.

Who was Dennis Milner, according to Pickard?

*

Dennis Milner was born in 1892 at Hartford, Cheshire. His father, Edward Milner, was one of the original directors of Brunner, Mond & Co., the alkali manufacturers¹⁰. His mother is said to have devoted a great deal of her

degree Pickard's comments render something which is in Hobson or not.)

(10) Brunner, Mond & Co. were, indeed, one of the worlds greatest alkali producing firms at that time. This background reference gives way to processes of free association, connecting Dennis Milner, through his father, with two lines of thought of some relevance here - one fascinating, although I may be damned if I knew where it could lead us, the other frightening (or comforting) depending on the ideological view you take in these matters, to paraphrase an associate of my old amateur-detective friend, Kate Fansler. Let us take the fascinating one first. One of the original founders of the firm was Ludwig Mond (1839-1909), a British-German chemist born in Cassel, but with very wide international radius, and active amongst others in national and international Chemist Societies. In 1872, he made the acquaintance of the Belgian chemist Ernest Solvay and acquired an option to work with Solvay's patents in England. Solvay, as we know, established the Belgian Institute for Sociology at the University of Brussels and was very much interested in social problems. He tried to develop a kind of energy theory of value and worked out a new monetary system, 'le comptabilisme'. Solvay funded lots of international meetings with famous scientists to discuss also these aspects of his work. The (d)iscomforting flow of association, then. Ludwig Mond was the fater of Alfred Moritz Mond, the later Lord Melchett (1868-1930). He was a liberal Mp and served for six years in Lloyd-George's Government (1916-1922), but left the liberal party in 1926 objecting to Lloyd-George's land policy which he considered to be 'too socialist'. "... Mond made a deep mark on the industrial history of his time as an earnest exponent of the need for organisation and research, later as a successful champion of the process of rationalisation and amalgamation, and finally as a strenuous advocate of close co-operation between employers and employed. (...) Contemptuous of the doctrine

time and energy to work amongst the poor of Norwich, particularly since the death of her husband in 1902. At the time of Pickard's writing, she was aged sixty and actively engaged in helping her son with the work of propaganda.

(Apparently, helping means in this case also or even mainly giving substantial financial help. The cash balance of the State Bonus League, as made public in a circular letter I found in the archives of the Society of Friends, shows the old Mrs. Milner to be the most, if not the only important donator. Of the 1301 pounds received by the League in 1918, she donated 500 pounds - and 728 pounds were payed by Dennis Milner to balance the account.)

Of the young Dennis Milner, Pickard mentions that he had a natural bent for engineering. "... he spent many very happy hours both as a boy and as a 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." (RR:65-66)

(An interesting point, considering the fact that numerous other people who once thought they invented basic incomes seem to have had some connection to engineering, including Major Douglas.)

In 1904, Dennis Milner went to Bootham School, York - "... where John Bright had spent some of the most profitable years of his school life". He took an Honours Degree and the Diploma of the City and Guilds Institute and, afterwards, went to work for a short period for an engineering firm near Wolverhampton.

(What period or what firm, Pickard does not bother to tell. The mention of John Bright - Cobden's ally in the Anti-Corn Laws League - is telling. Not only because he was a Quaker, but also because Pickard wrote a biography of John Bright.)

of *laisser-faire* and of all that it implied, he was convinced that the planning of great enterprise, to be carried out by big industrial battalions, was the only line of future development; and that the competition of a number of small units was less effective, even from the point of view of the consumer, than co-operative effort which aimed at procuring cheap supplies of materials by large-scale buying and at providing cheap articles by large-scale distribution. (...) While thus eagerly advocating combination rather than competition as the basis of industrial enterprise, Mond was equally emphatic on the need for the abolition of the lock-out and strike as methods for settling disputes between capital and labour, and for the development of measures, such as profit-sharing and employee-shareholding, by which the essential partnership between proprietors and workers might be made more apparent and binding and the divergence of their interests less wide." (information from NDB) Interestingly, Alfred Mond's book 'Industry and Politics' contains the only explicit description of the Priestman's Scheme I could find until now.

Milner married in 1914. Shortly after the outbreak of the War he took on Voluntary Work in connection with a War Relief Agency. Later, he joined the engineering staff of a large firm in the North of England (again without specification of the firm involved). "... 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." (RR:66)

This interest in social and economic questions was of long standing, Pickard notes and, as if he feels the need to adduce additional evidence for it, he refers to the deep interest Dennis Milner took in his mother's work with the poor, to the strong tradition of social service fostered at Bootham, and to many extensive discussions on the problems of life general and of poverty in particular Milner had with his friends.

So, the biographer arrives at the point where the Scheme for a State Bonus enters the story. Since it is the only account we have of the event, I will quote the fragment almost completely.

"Some three and a half years ago (remember that Pickard writes in december 1918, wvt) ... 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." (RR:67)

According to Pickard, Milner felt impelled to make his idea public for the first time in February 1918. He wrote a first version of the pamphlet and left business on March the 9th "in order that he might give his whole time and energy to the work of propaganda".

Apparently, at that stage, Milner carried 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." (RR:67)

The experience of the interviews, however, gave Milner sufficient material to help him to "a more adequate expression of his proposal" and during May he drafted, in collaboration with his wife, a new and final version of the pamphlet - (the one examined in detail in a former section of this paper).

Pickard ends his biography of Milner with stressing that it had always been Milner's policy to approach all sides. "He is most insistent that his Scheme is not primarily aimed to benefit any one section of the community, but all sections." (RR:67)

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Having told who was Dennis Milner, Pickard goes on to tell the story of the State Bonus League.

The biography of the State Bonus League opens with the remark that he - Pickard - joined forces with the Milners in July 1918. Realizing "the need for organized public opinion", they made together the necessary arrangements for setting up a State Bonus League.

A first branch of it started at Castleford, and was soon followed by several other branches in the Mansfield area. At the time of writing, Pickard counts twenty-two branches in existence.

In August 1918, the decision was made to move the headquarters of the League to London (Victoria street) - a decision materialising in September. Since it was agreed to maintain the work in the provinces a national organiser - a Mr. W. Miles, "with a long experience of the Workers' Educational Association and of the Labour Movement" - was appointed to begin his work in the Midlands.

During October, the propaganda continued. And although the announcement of a General Election found the State Bonus League unprepared, it was decided - after consultation with the branches at York and Castleford - that Dennis Milner would stand at Barkston Ash.

The events of the election are reported by Pickard as follows:

"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 1030 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." (RR:69-70)

After the Election the work of propaganda became even more difficult, Pickard says. Nevertheless, he sees evidence that "the knowledge of and the interest in the Scheme is 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." (RR:70) Apart from the existence of twenty-two branches of the State Bonus League, Bertram Pickard is sure that the idea in the future will spread, because some other organizations make it their aim to forward the scheme by giving their members the opportunity to discuss its merits.

Pickard's final comments illustrate this mood of optimism very well.

"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." (RR:70)

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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 Clark's 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 the 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 blackcoated 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 his 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?

PART II

ABOUT STATE BONUS AND ITS RECEPTION.

The first part of this paper gave of a detailed account of the State Bonus Scheme - the device E. Mabel and Dennis Milners put forward as ideally suited to tackle the Social Problem. Its two sections described in detail the different features of the Scheme and covered extensively the multiple argument as made for it in two of their publications.

Notwithstanding the wealth of information revealed, many intriguing and important questions were left unanswered.

Who were the Milners? What background did they have? How did they come to develop the scheme? What prompted its conception? Did it come out of the blue or was there some example inspiring them? To whom did they eventually present it for consideration and how was it received? Did they eventually drop advocating the Scheme and, if so, why?

During the intermezzo some of these questions were at least partially answered.

Admittedly, many loose ends are still to be tied up and a lot of gaps need to be filled before one will get a reasonably complete story. Yet, even if not completely satisfying, the material presented allows one to put the State Bonus Scheme much more in perspective. And, you never know, its presentation may solicit additional clues, useful in furthering my quest for the origins of State Bonus.

The second part of this paper treats some of these element more in depth.

Section 3 follows closely the argument for State Bonus as presented in the first book ever written about it (by a co-founder of the League). Section 4 looks at some more specific questions related to the League's organisational structure, and the Scheme's reception and conception.

To draw this more elaborated picture I rely mostly on the sources I found at the library of the Friends' Meeting House. They consist of the following six published items:

Dennis MILNER, **Scheme for a State Bonus. Economic Security for All.** (an 8 pages long pamphlet written in March 1918)

Bertram PICKARD, **A Reasonable Revolution. Being a Discussion of the State Bonus Scheme - A Proposal for a National Minimum Income.**, London: George Allen & Unwin, 1919, 78 p.

Bertram PICKARD, A Scheme for a State Bonus, in: **Friends' Quarterly Examiner**, vol.LII (january 1919), pp.36-42

W.S. ROWNTREE, A Note on the Scheme for a State Bonus, in: **Friends' Quarterly Examiner**, vol.LII (april 1919), pp.203-204

Bertram PICKARD, A Note on the Scheme for a State Bonus, in: **Friends' Quarterly Examiner**, vol.LII (july 1919), pp.258-259

Dennis MILNER, The State Bonus Scheme. Arguments for a Simple Step Forward., in: **The Ploughshare**, july 1919, pp.155-157

In addition to these published items, I make use of a circular letter by the State Bonus League and of the minutes of the 'War and Social Order Committee of the Yearly Meeting of the Society of Friends'.

SECTION 3: THE WORLD OF STATE BONUS ACCORDING TO PICKARD.

'**A Reasonable Revolution**' is a booklet of 78 pages written by Bertram Pickard, a co-founder of the State Bonus League.

Published in 1919, some details suggest that he wrote it, most probably, in december 1918. Its subtitle, "Being a discussion of the State Bonus Scheme - A proposal for a National Minimum Income.", reveals clearly the actual content of the book. Both the date of writing and the subtitle square with the author's professed intention. 'A Reasonable Revolution' should fill the need for a more elaborate explanation of the State Bonus Scheme¹¹.

The booklet is well worth looking at in depth. And, not only because it contains - as we saw - some detailed biographical information on Dennis Milner or valuable facts on the early development of the State Bonus League, information which, of course, will prove helpful when searching further in the past.

Since he was involved in organising the State Bonus League from very early on - July 1918 - and may have been one of Milner's earliest converts, Pickard's interpretation of the Milner Scheme may give us some additional material on how the Scheme was received by its first audiences and how it was looked at by his earliest advocates.

Moreover, Pickard may well have been more than simply an early convert and a co-founder of the League. Of course, Milner is, as Pickard repeatedly says, the 'originator' of the Scheme. But, it seems justified to call himself the first and the most important - maybe even the only - 'amplifier' of the Scheme. First of all, Pickard was instrumental in putting the Scheme before a wider public by writing 'A Reasonable Revolution'. But, for all I know, it is equally possible that it was Pickard who provided Milner with his first organized audience by directing the attention of the Quaker Movement to the Scheme - a point to be elaborated further in the next section.

(11) One should, indeed, remember that the only published material on it, available at that time, was the pamphlet written by Dennis and E. Mabel Milner. Milner's book - a more elaborate but at the same time more narrowly focused treatment of the subject - only appeared in 1920. The articles listed in the introduction to the second part of this paper were published, without exception in 1919.

How, then did Pickard put his case before a wider public?

A quick glance at the table of contents confirms that what awaits the reader of 'A Reasonable Revolution' is a very clear and concise presentation of the State Bonus Scheme, of the arguments for and against it, and of its wider implications and significance.

The author states the problem to be tackled in Chapter I, presents the State Bonus Solution in Chapter II, examines in Chapter III three of its most important effects (on status, on the distribution of wealth, and on the problem of production). Chapter IV covers 'doubts and difficulties'. A discussion of two possible alternatives (a National Minimum Wage and The National Endowment of Motherhood) follows in Chapter V. In Chapter VI the author asks whether the proposal is only a palliative - a mere rethorical question as we will see. Finally, Chapter VII asks whether the scheme is feasible and contains the biographical information on Milner. The book ends with an appendix containing the two tales - "Is it Reasonable?" and "The Wolf at the Door" - told during the intermezzo.

As one would expect, the book reads as the combination of an elaborated version of the pamphlet and a review of the debate it has aroused.

Yet, if one would have to assign it to one single genre one would be hard pressed. It is indeed rather difficult to see it as a 'pure commentary' or as a 'pure advocacy'.

In some parts, Pickard acts really as a commentator, reporting what Milner really said or how Milner would put the argument, or how critics have expressed their negative feelings and how they have been countered. However, many fragments make it abundantly clear that the author is a stern advocate of the State Bonus Scheme and is vehemently putting it forward as the only solution possible.

One thing is clear, though. In contrast with the pamphlet we examined in the first section, Pickard's treatment does not allow for the major discrepancies between the overtly stated and the actually followed line of argument we found in the original pamphlet. The argument develops logically, no side-tracks or loops in this case.

Reading the book closely will, of course, unavoidably and once again bring about a feeling of *déjà-vu*.

A major difference, however, with what we read until now, is the tone in which the argument is set. As an amplifier should do, Pickard tries to make use of the acoustics available, mixing his own story with what resonates already in society at large.

Conveying this difference in tone, rather than repeating arguments we are familiar with, is the object of the next pages. And, the way Pickard begins his book is a very good example of what I mean.

3.1. "OUR PROBLEM" AND ITS CONTEXT.

Compared with Milner's book to be published one year later, Pickard's argument is intended to speak to a much wider public, not only to industrialists or to those convinced of the need for higher production. 'A Reasonable Revolution' is definitely written for the general public.

As a consequence, the introduction of both books differs markedly.

Milner's introduction is a sober one: pointing at the problems of industry and the need for higher production, promising to keep to his point and to cut out the humanitarian and ethical stuff except where it would bear directly on the worker's efficiency.

Pickard approaches his audience in a completely different way. He places the argument against the background of the steady advance of Socialism and the immediate danger of a breakdown of society.

Postponing to confront his readership with the State Bonus Solution, Pickard only mentions the Scheme at very end of the first chapter - and even then only indirectly.

'A Reasonable Revolution' starts with an introduction and a first chapter meant to put it in a wider perspective. Although their content is quite different they serve a somewhat similar purpose. Both argue the essential importance of the solution Pickard will unfold in the rest of the book by placing it within its socio-historic context. The introduction caters for the wider historical background. The first chapter takes care of the picture of the Post-War period and its urgently pressing for a solution to the Social Problem.

The first four lines of the book's introduction read as follows:

"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."
(RR:11)

Extending this gloomy entrée, Pickard warns the reader "that we shall do well to take stock of the position in this country" (RR:11) in the light of a double revelation due to the War: the unexpected power of the Socialist Idea and the unexpected weakness of the forces (Czarism and Kaiserism) one had deemed invincible for many years to come.

Then, Pickard surveys the demands for reform over the past hundred years in Britain, distinguishing two different phases.

Characteristic for the first phase is the political nature of its Movements: the agitation culminating in the Reform Bill of 1832, Chartism, the Anti-Corn Law struggle, the granting of franchise after the stormy period 1866-1867. They had one thing in common, he says. "... they strove for their goal ... through political machinery" (RR:12).

A second phase - situated by Pickard in the latter part of the century - witnessed the upspring and developments of three new movements: the Co-operative and the Trade Union Movements, and the Labour Party. Whereas the latter still strove to achieve reform by political methods, the former ones did not. As a result, this "... 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." (RR:12) According to Pickard, this is especially due to the success of the Trade Union Movement. Without wanting to deny the constitutionalism of the strike, Pickard feels that in the present absence of unity and organisation such method would achieve only national disaster.

The final alinea of the introduction states explicitly the purpose of the book.

"... 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." (RR:12)

'This way', apparently, refers to the political nature of the activity of the State Bonus League. Pickard's manifest aim is to place State Bonus in the orbit of the social movements characterising the first period of the former century. And to stress the democratic method needed to implement the Scheme as being a strong point in its favour. Yet, 'this way' also prefigures as it were the State Bonus Scheme itself and not only its democratic way of implementation - although, as I said, the Scheme itself is not mentioned in the introduction.

What, then, is the problem the State Bonus Scheme is supposed to tackle?

How is it expected to detonate the explosive situation existent?

The first chapter of the book is meant to clarify this matter.

What Pickard refers to as "our Problem" - with capital P, indeed, but without the predicate 'Social' - concerns the discrepancy between the actual state of the world and what he considers to be held up as an ideal:

"...the fullest opportunity of development, physical, moral and spiritual should be assured to every member of the community, men, women, and children." (RR:13)

Though Pickard does not explicitly say who upholds this ideal - as a matter of fact, he does not even literally say that the ideal is his own professed belief, but simply makes a note of its being upheld, putting the sentence between quotation marks - these words have a sufficient ring of J.S. Mill, 'new liberalism', Ruskin, Morris and several others to make the ideal appeal to a much wider public. Yet, they also could contain a typical Quaker view of the world and constitute maybe the only instance in which Quakerism 'intrudes', as it were, in the explicit text of Pickard's book.

The different sections of the chapter examine the evidence related to each of the three dimensions mentioned - physical, moral, spiritual - and aim at indicating the common factor which blocks the road from the actual to the ideal state of the world. Pickard's explicitly stated aim being 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." (RR:13)

What does the evidence reveal?

'*Life Physical*' covers health (including the housing problem) and education. In both cases, Pickard detects signs of "how futile is the present wage system in meeting the question of family responsibilities." (RR:16) and concludes that some form of family endowment is the only solution - a model positively referred to is the 'family separation allowance'.

'*Life Moral*' is more difficult to deal with, since a thousand and one influences could interfere with the growth of character. Yet, Pickard is convinced, even here an economic factor operates adversely. He calls upon Victor Hugo's 'Les Misérables' as a reminder of how "the moral fibre" is negatively effected by destitution and the fear of destitution, and explains that on the soil of absolute economic dependence very easily develops a

species of will-slavery or subjection of personality. The example, Pickard confronts us with, is the case of a woman not able to support herself, and, thus, almost compelled to marry the first man who offers her marriage. Independence of spirit is a quality that we shall do well to cultivate in our national life, he says, and before we can do this efficiently, we must remove the economic stumbling-block that stands across the way. (RR:17)

'*Life Spiritual*', then. Some may question whether a relation between economic problems and spiritual development exist, but not so Bertram Pickard. In his view, two essential conditions make possible the growth of "our higher nature": opportunity for inspiration and opportunity for service.

"... 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 is 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 ... " (RR:17-18)

After this short visit to the three important domains of life, the case, for Pickard, is crystal clear. In each field, an economic factor of greater or less importance obstruct the road to the ideal of full development. This obstacle - i.e. the existence of economic dependence - needs to be removed. Only one qualification is added. From our evidence we also learn, Pickard says, that any solution must take into account "the needs of the family as well as the needs of the individual" (RR:18).

Only then - apart from the preface with its obligatory acknowledgments to the State Bonus League and its founders - the first reference to the proposed solution is introduced:

"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." (RR:18)

3.2. STATE BONUS: A SOLUTION AND ITS ACTION.

'The State Bonus Solution' (Chapter II) and 'State Bonus in Action' (Chapter III) describe the State Bonus proposal and examine its effects on three types of questions, considered to be of prime interest to social reformers. The description of the Scheme and of its effects follow quite closely the Milners's pamphlet. Mr. Milner is a much quoted figure in both chapters. Pickard is, surely, determined to stick as much as possible to presenting the Scheme as formulated by its 'originator', to act as a commentator.

3.2.1. The Scheme

The description of State Bonus begins with the almost obligatory claim that it is "so simple that, in general terms, it can be outlined in a few sentences ...". As a matter of fact, Pickard simply limits himself to quoting the pamphlet:

"(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." (RR:19)

After this statement of the principle, the chapter divides into five sections: 'You Get', 'You Give', 'A Brilliant Device', 'The Net Effect', and 'Insurance Value of the Bonus'.

As I said, Pickard follows rather closely the way the Scheme is presented in the Milner pamphlet. Leaving aside the explicit treatment of the insurance value of the bonus - a point not raised in the pamphlet, although taken up extensively in Milner's book in 1920 - two main difference can be noted. Firstly, some of the features are treated more elaborately - but one should expect that from a book. Secondly, and more importantly, in presenting the Scheme and some of its features Pickard sometimes links them to different metaphors or uses other rethorical devices.

But let us look at the actual content of these five sections.

'*You Get*'. Although one would expect something of that kind, this section does not offer elaborate calculations with regard to how much the Bonus would amount to - much less even than the pamphlet. Pickard mentions in

passing that - "for purposes of illustration" - Milner assumed it to be five shilling (before the War), but that is it. The matter is clearly handled as a technical or practical question. The amount would depend on the cost of living and should be fixed so that it does not tempt "those of lazy temperament ... to take advantage of the Bonus" (RR:21).

Pickard's main aim seems to explain what kind of system one will get and this from two very different perspectives: the principles involved and the administration implied.

With regard to the administration of the Bonus, Pickard retells the story appearing in the pamphlet and reappearing in Milner's book: the Post Office handling the distribution of the money, the Bonus payed upon sight of signature and so on. At first, this would necessitate each individual to register, leaving behind a permanent record of signature, but on the whole it makes procedures less complicated, and involves less bureaucracy and less expenses.

"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 signature." (RR:22)

As we know most of these details already, let us not dwell any longer on this subject and turn to the way the principles behind the Scheme are presented.

For starters, Pickard forges a link between State Bonus and "the idea that every human being has a moral right to the bare necessities of life". This idea(l) often found expression, he says and he refers explicitly to the American Declaration of Independence as a case in point. Moreover, he goes on, most civilized communities have tried to put something of the idea in practice, even if only in a partial and very unsatisfactory way or leading to hopeless failure (like in the Poor Law system).

"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." (RR:20)

And Pickard repeats that Milner's plan implies that

"that every man, woman, and child in Britain, 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." (RR:20)

At this point in the text the 'five shilling used for purposes of illustration' is mentioned in passing, adding that the actual level of the Bonus is not that important. For Mr. Milner, Pickard says, it is far more important 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." (RR:21)

These remarks close the first section of the second chapter. The following sections do not contain anything really new.

'*You give*' describes the financing mechanism of the Scheme, emphasising its simplicity and practical feasibility. Invoking Milner, Pickard stresses that the aim is not merely arbitrarily increasing wages, but 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." (RR:22)

'*A Brilliant Device*' explains that the method of financing guarantees automatic reflection of changes in nominal and real increases of the national income - that's precisely what makes it 'brilliant'. For nominal increases the economics involved are complex, Pickard concedes. The matter is not easy to demonstrate. "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." (No hint of who these economists are, of course.) As for real increases, their automatic incorporation means, in fact, that State Bonus is a Scheme for national Production-sharing.

'*The Net Effect*' demonstrates the effects on the income distribution and depicts for six different family types the situation before and after introduction of the Bonus. The cases are more or less similar to those

staged in the pamphlet and are supposed to sustain the claim that results will prove beneficial.

'Insurance Value of the Bonus,' a point treated in Milner's book, but not in the pamphlet, closes the chapter. Pickard stresses very strongly the importance of the Bonus as a permanent and constant income stream - "bringing ... a sense of security and peace of mind so essential to a man or woman who is bearing the frowns of Fortune." (RR:28) To get similar benefits from an insurance company, he says, would necessitate to pay an annual premium far out of the reach of the average working man. Perhaps this benefit is "less tangible, but no less real than the net cash benefit." And, some have, indeed, found it difficult to see the point, because they are so used 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." (RR:29)

3.2.2. The Action

When examining the possible results of a State Bonus Scheme, Pickard concentrates on three items.

The Social Problem - now, indeed, with the predicate - is many sided, he agrees. Yet, he says, it is generally agreed that reformers should concentrate their forces on two points of attack : 1) "the need for a greater equality of status as between different classes of the community" and 2) "the need for a more equitable distribution of the products of industry." (RR:31) However, a third point is deemed sufficiently important to be urgently tackled as well, and is added to the list on Pickard's own initiative: 3) 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." (RR:31) The three sections of the third chapter look into these items in detail.

Before embarking, though, Pickard takes issue with two views on increased production - prevalent, indeed, but considered anti-social and futile by Pickard - i.e. that increased production only results in increased private profits or in increased economic 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 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. 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." (RR:31-32)

After this long expression of his fundamental creed, Pickard tackles the three different questions he has raised.

In the examination of the *relation between the Bonus and the Problem of Status* one can detect five different aspects.

First, "... the frank recognition of the right to life, together with the truly democratic method of translating this principle into practice, ..." represents "... 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 to the dissolution of social barriers?" (RR:33)

Secondly, "... there is the certain and immediate abolition of dire or 'Primary' 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." (RR:33)

Thirdly, "... 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", 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." (RR:33)

Fourthly, "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 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." (RR:33-34)

Fifthly, "... educational aspects of the Bonus. ... firstly the effect upon the problem of Education in the narrower sense of the term, and secondly, the effect of 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 ... bars the way to the higher education of the people. The effects 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." (RR:34)

So far for the problem of Status. What about the *relation between the Bonus and the Problem of the Distribution of Wealth?*

With respect to this problem, Pickard devotes most of his attention to what he considers to be "perhaps the most original and far-reaching aspect of Mr. Milner's Scheme".

Basically, he explains, the Scheme aims at raising permanently the economic status of "the Bottom Man" by simply increasing his bargaining power. Giving every one a minimum subsistence allowance means in practice that the Bottom Man would receive "as a right about the same amount as he previously received for wages." Nor does the benefit seize there for the Bottom Man 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." (RR:35)

Yet, it has to be recognized, Pickard agrees, that in the years immediately preceding the War when Labour's struggle for a greater share resulted in a rise in wages this forced betterment of conditions was easily

counterbalanced by the depreciation of money, due to a rise in prices. Therefore, giving the Bottom Man economic security is not enough. Necessary "... 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." (RR:36) It is in this respect that Milner's proposal shows its brilliance. Taking a fixed percentage of the national income to finance the Bonus is of vital importance. Only "... a reduction in national productivity could then reduce the spending power of the Bonus."

The remark that all this does not seem right to the point, because there is not really very much talk about the effects of the Bonus on the distribution of Wealth, would be shortcut by Pickard immediately.

"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." (RR:36)

The final section returns to the *Bonus in relation to the problem of Production*, and, more specifically, to the twofold criticism advocates of State Bonus - or, for that matter, their modern heirs, the advocates of basic income - so frequently are exposed to: "... first ... that the Scheme would encourage idleness, and ... second ... that it would cripple those who largely control the machinery of Production, thus crippling Production itself." (RR:36)

How does Pickard counter these charges?

To be valid, he says, the first charge must demonstrate that under the Bonus System many more persons would be idle than at present.

"Even the cynic will probably admit 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." (RR:36-37)

How, then, would the Bonus operate?

"The Bonus 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 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." (RR:37)

This "saving grace of common sense" is the Scheme's strongest ally in overcoming the second charge, Pickard claims - the charge 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." (RR:37-38)

So far for the negative effects of the Bonus in relation to Production. Which positive effects is Pickard able to adduce?

Three dynamics inherent in the scheme must "inevitably" tend towards increased Production, he says:

"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 of 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." (RR:38).

3.3. "DOUBTS AND DIFFICULTIES."

Chapter IV of 'A Reasonable Revolution' faces head on the chief doubts and difficulties that have been raised by critics of the State Bonus Scheme.

Pickard distinguishes between two categories of negative reactions: "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." (RR:39) The first category contains five, the second six questions to be answered. As one will see. The points raised or the questions asked are not that different from the ones the basic income literature is still returning to in present discussions. Did Pickard provide his critics with the same answers we would be likely to come up with today.

3.3.1. First Group.

What **critical remarks** could come from people who would financially **gain** when a State Bonus Scheme was to be introduced? What questions would they ask according to Bertram Pickard?

A *first* question to be answered by advocates of State Bonus is *whether*, as a result of its introduction, *wages will fall*. The question is a quite natural one and Pickard acknowledges it to be of such a fundamental importance that, although feeling he answered it already when examining the effect of the Bonus on the Distribution of Wealth, he is prepared to go over the argument once again, and in more detail.

Why should critics believe that a State Bonus would depress wages? For Pickard two arguments stand out:

"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." (RR:40)

To counter the first critique - i.e. that the Bonus would induce employers to reduce wages - Pickard, again, calls on stage the "Bottom Man" - "the man who is exploited because of his fear of starvation". He asks his readers to think of this character as having a wife and three children and earning twenty-five shillings a week in wages. Altering the scene by introducing a State Bonus secures the Bottom Man and his family forty-five shillings a week whether he worked or not, i.e. a standard of living twice as high as at present. The central question, then, becomes:

"... 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?" (RR:40)

For Pickard the case is quite clear. In all likelihood, the Bottom Man will refuse to work for the old rates - let alone for lower rates. Yet, the work has to be done and as a result employers "will be compelled to offer much higher rates of pay in order to get the work done at all". If this reasoning applies to the Bottom Man on whose position all wages are dependent, then, Pickard says, "obviously wages must rise rather than fall, everywhere". A general statement of the argument would be, Pickard concludes, "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". (RR:40)

Pickard, then, turns to the second line of critique, i.e. the possibility of 'pocket-workers' undercutting wages.

"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." (RR:41)

After introducing the Bonus both classes would tend to reduce in numbers, Pickard feels - because it provides most if not all of what they previously sought in Industry.

"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." (RR:41)

A *second* question which advocates of State Bonus will be confronted with - even by people who are expected to benefit by the scheme - is "*Will Prices Rise?*". "Will the benefits of the Bonus be robbed by rising prices as have been the benefits from increased wages in the past?"

Pickard claims that sufficient reasons can be given for believing that manipulations in the prices of goods could not cancel the benefits brought by the Bonus. Even discounting the financing mechanism protecting the 'real value' of the Bonus against a rise in prices, Pickard seems very confident. One can count on public opinion (because the Bonus being deducted from profits would not be considered an extra charge upon the cost of production), internal competition (since it would not advance their member, Co-operative Societies would have no reasons to charge higher prices and their steadying effect on the price level is known) and international competition (preventing employers to raise prices but forcing them to more efficient production) to keep prices at their prior level, he says.

A *third* question is "*What about Pensions?*". Again a natural and important question, Pickard agrees. Many people concerned might, indeed, wonder whether the Bonus is additional to their present pension or not.

Pickard's stance seems to imply that a pension is not a pension is not a pension. Its meaning changes with the justification on which it rests, and, therefore, differential treatment of different categories may be in order.

For instance, if amounts would level, the Bonus could very well supersede Old Age Pensions, since their purpose is parallel. The pension of a disabled soldier, on the contrary, 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." (RR:43) The pension of a widow (or dependents) of "a man who has fallen" is, again, a different case. It is not a recognition of service done so much as a recognition of the right to life - the very principle the Bonus aims at extending to all.

"... it is suggested therefore that the Bonus should take the place of such a 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." (RR:43)

Fourthly, Pickard asks "*What about Control?*", a question voiced by critics from the more advanced wing of the Labour Movement and suggesting that the question of money is not so important as the question of the control of Industry. As an answer, he merely refers to Chapter III and repeats that self-

government in Industry cannot come in a night, that State Bonus is not a panacea, but does confer new power of economic independence and once applied would hasten, not retard, the democratization of Industry.

A *fifth* question, "*Is it a Palliative?*", again coming from Labour Circles, is added for the sake of completeness, as it were, because Pickard devotes his complete chapter VI to the question.

3.3.2. Second Group.

A second class of **questions** contains those coming **from people who would be expected to financially lose** by the introduction of a State Bonus.

"*What of the Slacker?*" is the *first* and commonest criticism Pickard has to tackle.

"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." (RR:44)

However, Pickard, willing to leave speculations about human nature aside, enters the more down-to-earth discussion. After reminding the reader of the effect of the Bonus upon Production as demonstrated in Chapter III, he adds some more reasons for supposing that "the problem of the slacker is by no means insuperable".

A first argument rests on the conviction that "if there are to be slackers they must come from those who are living either at subsistence level or below it" and that giving people a better standard of living would increase vastly their efficiency. Even if a great proportion of this section of the community (estimated by Pickard as being four million people) was not to work again - a contingency he does not find very likely - their lost output would be balanced by the increased efficiency of the other part.

Moreover, Pickard counts on the effects of an enlarged aggregate demand to absorb the unemployed seeking for 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." (RR:45)

Yet, Pickard announces, even if all this is the case, there will still be critics who mourn the thought of an idle million -"which, as we said, includes dependents, and is, we are confident, a big overestimate" (RR:45). They should realise, however, he says, that under Bonus conditions we would at least know who the slackers are.

"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." (RR:45)

And, if even that would leave them unsatisfied, Pickard proposes to confront them with the following pressing 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?" (RR:45)

"*And of the Blackguard?*" echoes the *second* criticism, expressed by those, Pickard says, who hesitate

"... 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."(RR:45)

Nevertheless, Pickard grant the essence of the point: "everything must be done to safeguard, as far as possible, the rights of the children" (RR:46).

In one sense, Pickard points out, the Bonus in itself takes care of this, since children's money would be paid to the mother until they were old enough to draw it in their own right. ("... 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, this would still leave cases where the money would be misapplied, and in such cases action could be taken on behalf of the community - in the last resort, children could be removed from their

parents.

"We feel 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." (RR:46)

"*Is it Pauperizing?*" is the *third* critical question, sustained by references to the Old Poor Law and the system of free-bread instituted in Rome as proof of the demoralizing effect of 'doles'¹².

Pickard vehemently disclaims that the Bonus in itself will have a pauperizing effect. He even admits finding this charge hard to understand, since any resemblance between the Bonus and a 'dole' should be denied right from the start.

"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." (RR:47)

As for the examples the critics come up with, their similarity with State Bonus is very limited, indeed.

"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 Caesar 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." (RR:47)

(12) Better than any other this question proves that in these matters nothing really new is entering the ideological debate. It anticipates a critique which will become very fashionable, again, in the 1980's in the work of Lawrence Mead and Charles Murray and will lead, then, straight to the idea of workfare.

"*How about the Birth-rate?*" is the *fourth* question on the list.

Two different (even seemingly contradictory¹³) points are raised in this respect: the anxiety about the falling birth-rate (and the high infant mortality rate as one of its most serious aspects), and the claim that "the Bonus would encourage larger families amongst the less desirable sections of the community". (RR:47)

The first point is considered to be sufficiently dealt with in earlier chapters, where it is demonstrated how a family endowment system would be a powerful instrument to attack the problem of infant mortality.

The second point rests on an entirely mistaken view Pickard claims. Statistics show that family size is inversely related to social status. It follows, therefore, that the Bonus, by raising the living standard, would have the opposite effect and that it would give the children born a much better chance to become healthy citizens. Only in the lower-middle class, where economic considerations have a deterrent effect on the birth-rate, would the Bonus be likely to encourage larger families. But this, Pickard feels, would only benefit to the Nation.

"*Would Illegitimacy Increase?*" is the *fifth* question to be dealt with.

Critics sometimes ask whether providing for the children would not result in an increase in illegitimate children born. For Pickard, this question can only be answered correctly, if looked at from the right perspective - 'the right perspective' being, in this case, that of the child.

"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 sorely needed." (RR:48)

So, why should this common justice tend to increase the evil? Pickard asks. The married mother would be helped just as well. If anything, one can believe the Bonus to have a positive effect, since the security it brings would make possible earlier marriages and stimulate self-respect for those at the

(13) The connection element being, of course, the eugenicist's concern with the quality of the human race.

bottom of the social scale.

Some critics urge that the Bonus would heavily penalize the lonely spinster, like the widow. So, the *sixth* and last question Pickard is bound to ask is "*What of 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." (RR:49)

Pickard distinguishes between two classes of single individuals: those living on earned income and those living on unearned income. He admits that there may be some problems here, but feels that in both cases the single individual would be very equitable dealt with under the State Bonus Scheme.

For those earning, his case rests partly on the additional value the Bonus gets from its 'insurance value' and on the fact that the real benefit of the Bonus would be such that only 13% of families of five earned such an income before the War. "Surely, then it is not too much to ask that single individuals with potential incomes of over 160£ should contribute something towards the guarantee of life and liberty for their less fortunate countrymen." (RR:48-49)

For those with an unearned income the burden is admittedly heavier, since they forego the insurance value of the bonus. "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." (RR:49) Two other considerations bear on this judgement: for the first time this class would be protected, in some extent at least, against rising prices, and when production rises they will participate in the surplus even if they did not work for its creation.

3.4. "WHICH ALTERNATIVES"

After reviewing the many different and difficult questions one could ask about the State Bonus Scheme, Pickard turns to examining, in Chapter V, two possible alternatives: a National Minimum Wage and the National Endowment of Motherhood.

3.4.1. A National Minimum Wage.

Pickard, first of all, reminds his readers that many industries already adopted a minimum wage, that there exists a growing desire to extend the principle to the whole of industry and to bring the less organised trades into line with the better organised ones, and that the Labour Party considers the principle so vital that it is given a prominent place upon their programme. All this expresses, Pickard comments, that 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." (RR:51)

Yet, Pickard claims, while it would indeed "ensure much fairer conditions in Industry than prevail to-day", a national minimum wage would in several respects "fail in its purpose" and, moreover, "compares unfavourably with the State Bonus Method".

To make his case, the co-founder of the State Bonus League does not want even to consider the difficulties of instituting and enforcing the device - "serious though they be". Instead, assuming that a statutory minimum has been achieved, he proposes to examine its probable operation in relation to two problems: family needs and exploitation. As will become clear, those two problems function as vital criteria for Pickard's judging any solution to the Social Problem.

With regard to *the problem of family needs*, the gist of Pickard's argument is that in order to make any sense a minimum wage has to take into account the needs of the man for whom the wage is intended. If so, however, it is not sufficient to consider only the needs of the man himself, since he may very well have dependents. This poses a difficult problem for the minimum wage. At what level does it have to be set?

Because of the very big differences in family composition, the most practical solution - fixing the minimum at a level deemed reasonable for an 'average family of four' - is rather unsatisfactory.

"The anomaly is seen at its worst in the case of the widow with a large family, for here 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." (RR:52)

The essence of the point Pickard wants to make should be clear by now.

"... the remedy of these grotesque anomalies does not lie with Industry ... 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." (RR:52-53)

Here, the advantages of a State Bonus system can be clearly appreciated.

"The State Bonus Scheme recognizes that payment in the 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 today, because of the new power that would be theirs." (RR:53)

After this main critique, two other weaknesses of the national minimum wage are noted: firstly, that it does not provide for contingencies as illness or unemployment, secondly, that it does not from itself guarantee its spending power to be maintained. Pickard agrees that one could possibly argue that these are separate matters - to be dealt with by National Insurance and by instituting a system of sliding scales, respectively. Yet, he says, we are still justified to see this as a 'weakness', since the State Bonus would achieve these things in one comprehensive measure.

With regard to *the problem of exploitation*, the first aim of a national minimum wage is, obviously, to abolish "sweated labour". And while Pickard agrees that it would indeed secure that no individual would be 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." (RR:54)

Why does Pickard think that this would be the result of a minimum wage? Two arguments are developed.

"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." (RR:54)

"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." (RR:54)

With a State Bonus Scheme, again, the scene would be completely different.

"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." (RR:55)

Pickard ends this section of his book with the remark that the term 'bargaining power' does not mean '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." (RR:55)

3.4.2. The Endowment of Motherhood.

With regard to the **National Endowment of Motherhood** Pickard refers explicitly to the proposal outlined by "a small group of feminists" in a booklet entitled 'Equal Pay and the Family'¹⁴.

(14) 'Equality of Pay and the Family' was the report of a small Committee formed in 1917, at the suggestion of E. Rathbone, to draw a scheme for the national endowment of motherhood - a name forged by H.G. Wells in his *New Machiavelli*. The report was published in 1918 and written by K.D. Courtney, N. Noël Brailsford, E.F. Rathbone, A.

As Pickard reads it, the main contention of this proposal is that mothers should be remunerated for the service they render the community. It puts forward that "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". As a first measure the booklet proposes to introduce a scheme covering all mothers and dependents while these dependents are under five. The suggested rates of endowment are, then, "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". The total cost of the scheme would be £144,000,000 per annum.

Comparing this proposal with the State Bonus Scheme, Pickard expresses "general agreement with the arguments used and the suggestions made, and believe that the scheme would achieve a very real measure of reform".

Leaving aside the "nebulous" aspects of the scheme - how is the money collected? - Pickard's main criticism is that "the national endowment of motherhood would be entirely inadequate to meet the urgent demands of the present situation." (RR:56)

The reason for this harsh criticism is evident remembering Pickard's double cutting criterium used to judge solutions for the social problem. Though the endowment of motherhood does meet to some extent the problem of family responsibilities, it fails to tackle the general problem of distribution of wealth - especially since it does only affect a proportion of the wage-earners and does not alter their bargaining position at 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

Maude Royden, Mary Stocks, Elinor Burns and Emil Burns (who did the principal compiling work). Rathbone mentions that the experience with the separation allowances during the war was one element which led her to form the committee. As for the results of its work, she writes: "Its report ... attracted little attention; public criticism concentrated itself chiefly on the statement that to provide for all mothers and children up to fourteen on approximately the scale of separation allowances would cost something like £240 million per annum. The mere mention of such a sum proved sufficient to prevent serious consideration of the scheme on the part of the ordinary reader, who persisted in regarding the costs as though it implied a wholly new burden on national resources instead of a new way of meeting an existing charge." (RATHBONE: 132)

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." (RR:57)

"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." (RR:57)

The feasibility of the Scheme will be taken up again and treated in full in Chapter VII of the book. At least, that's what the title makes us expect. But, as you already learned during the intermezzo, that chapter's main content is a biographical story about Dennis Milner and the State Bonus League. We will not enter that story again but only quote, later, its conclusion, which is at the same time the general conclusion of the book.

Let us look now, however, at the only chapter we did not yet cover - Chapter VI: 'Is it a Palliative?'

3.5. IS IT A PALLIATIVE?

Any reform proposal will have to answer the question whether it is not a mere palliative, Pickard says.

A palliative, as we know, 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." (RR:58)

For Pickard, the needs to examine the State Bonus Scheme from this angle is obvious. Indeed, some dismiss it offhand as a palliative, only seeing in it a superficial resemblance with a pension scheme and not taking the trouble to look below the surface. The task Pickard sets himself is, therefore, 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." (RR:58)

Yet, one to think - "as some extremists do" - that the old system can be overturned and a new set up in a night is folly. "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." (RR:58-59)

Against those who think that nothing than a great upheaval can possibly shake the foundations of the present system, Pickard insists that it is precisely the purpose of his book to show that there is a method of transition which, when rightly understood, offers a basis for co-operation between the conflicting parties.

To make his case he first proceeds to clear the confusion existing around the question "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?" he asks. The question leaves scope for two different approaches: a 'personal' and a 'systemic'. An answer in terms of persons - the capitalist(s) - does not convince Pickard. First of all, because it omits some necessary distinctions as between the 'employer' and the 'investor'. Secondly, because under both headings a lot of different positions are confused.

Trying to establish a sensible meaning of term 'capitalist', he writes as follows:

"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 the advantage is gained by the one and lost by the other." (RR:60)

Thus, what started as an answer in terms of persons - who is the cause? - turns into an answer in terms of systems - what causes it? Indeed, this shows "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." (RR:60-61) The solution, then, is straightforward¹⁵.

"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." (RR:61)

To make people realise how deep State Bonus cuts, despite its moderate appearance, Pickard points at the £23 8s. guaranteed yearly income it would bring. It may seem a small amount of money, he agrees, but think of it as equivalent to the interest on a sum of rather less than £500 invested in bed-rock securities at 5 per cent - and it will start to look something completely different.

"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 newfound power would be very considerable." (RR:61)

In fact, Pickard says, it means that a man could withdraw completely from any wage-labour at all.

"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

(15) It should be noted, however, that the history of economic heretics contains many examples of theories offering a similar diagnosis of capitalism's weak spot without necessarily jumping to the same medicine. A famous example is the work of the Belgian-Argentinian money reformer Silvio Gesell. He also put a lot of stress on money as conferring power by its 'capacity to wait', but his solution was to introduce organised inflation by issuing 'melting money'.

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 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.¹⁶" (RR:62)

All this assumes national Production to remain at the same level. Suppose, however, introducing the Bonus increases productivity, in the course of a few years, with 25% - a very reasonable assumption according to Pickard. Then, it would rise to £146, which capitalized is about £3,000 for the average family.

"Thus would 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." (RR:62)

All this makes absolutely clear, Pickard says, that State Bonus is not a palliative, but constitutes a real revolution. And, he adds, if there are still some who are unsatisfied by this argument, there is yet another way of looking at the proposal.

Introducing State Bonus means starting a new system of payment - "payment proportional to need rather than to work." Many reformers, Bellamy and Morris amongst them, have felt the importance of divorcing work from the idea of reward to free the highest and truest incentives, Pickard says. Admitting that disinterested motives makes for the finest work in any sphere, he confesses that for the majority this 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

(16) This claim is not as farfetched as it may sound. Recent experience from the Great-Alaskan-Give-Away-Money Program shows that something of this nature may happen. In his paper presented at the most recent BIRG-conference (July 1991), Patrick O'Brien mentioned capital markets adjusting themselves to the dividend system in such a way that it now becomes possible for Alaskans to borrow against their forthcoming dividends.

character." (RR:62-63)

If successful, proving the critics of human nature that their pessimism was ill-founded, this first step could bolster the necessary confidence to move forwards rapidly towards that social harmony which, as yet, is only the dream of visionaries.

3.6. PICKARD CONCLUDES

"In conclusion we would make a personal appeal. We stand to-day upon the threshold of revolution. Whether it is 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 no 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 their best, whether their influence be great or small. A victory for constructive revolution may yet be won, but there must be no delay or it may be too late." (RR:72)

With this long plea, Pickard's 'A Reasonable Revolution' ends.

SECTION 4: "SCHEME FOR A STATE BONUS" - SELECTED TOPICS.

'Scheme for a State Bonus', 'A Reasonable Revolution', and 'Higher Production by a Bonus on National Output' - the writings we examined in the former three section - do certainly not exhaust the literature produced by members of the State Bonus League. Yet, as a whole they represent a fairly complete set of the kind of arguments backing the proposal.

A feeling of déjà-vu crept up repeatedly in the former pages and it is hard to believe that something new could still be found in their other writings concerning the actual proposal or the way it is argued. The marginal utility of another close reading of yet another article or pamphlet by a co-founder of the State Bonus League is, therefore, negligible indeed.

However, there are at least three points on which something more can be said without entering trodden ground. Three points which did not enter the story yet and on which additional material is available.

The items involved do not so much concern the State Bonus Scheme itself, but relate to three questions which one may legitimately ask about the significance of the Bonus Scheme and the League advocating it. Who, if anyone, was involved in the State Bonus League besides the Milners and Pickard? What about the links with Quakerism? Is there some indication to be found of how Milner came to conceive of State Bonus?

It is this set of items which will be the subject of the last section of this paper.

4.1. A LEAGUE ORGANISED.

Although Pickard's 'A Reasonable Revolution' gave us some more material on the early life of the State Bonus League, it does not give us much insight in its organisational structure or even in who was involved in it besides the (co-)founders.

Pickard dates the birth of the League in July 1918 or shortly after, in any case around the time he joined forces with the Milners. He mentions the appointment of a 'national organiser' - Mr. William Miles, with a long experience of the Workers' Educational Association and of the Labour Movement - in August 1918. And he tells us about the major effort of propaganda on the occasion of the Election Campaign in December 1918.

Maybe, when Pickard wrote his book, there was not very much more to tell. Maybe, the real structuring of the League happened only in the course of the election campaign in december 1918. Whatever the reason, other than these few facts Pickard does not reveal.

Yet, and although not very much, a bit more can be gathered from the copy of a letter I found in Box 233 at the Library of the Friends' Meeting House in London.

The letter is send by Dennis Milner, on behalf of the State Bonus League. It is undated, but references are made to donators for february 1919, so we may assume that it dates from early march 1919 - some three months after Pickard wrote his book and some ten months after the League was set up. It is typed (or multiplied by stencil¹⁷) on paper with a special 'State Bonus League' letterhead.

The letterhead gives us a glimpse of the organisational structure of the League. It mentions an Executive Committee (Dennis Milner, Bertram Pickard and E. Mabel Milner), an organiser (Wm. Miles), a 'Treasurer' and an 'Acting Treasurer' (Sir G.B. Hunter and Chas.J. Dymond, respectively, who are both listed - with Mrs. Milner and J.S. Rowntree - as donators in 1918), and a 'Secretary' (Mrs. E. Mabel Milner).

As a matter of fact, the letter is a circular letter containing an explicitly formulated "Appeal for £10,000".

Its first paragraphs read as follows:

"This appeal is issued now because our work has reached a new phase. With the ending of hostilities, this country was at once faced with the problem of demobilisation & and with all of the dangers inherent in such a big task - dangers which it has been our chief work to study & combat. We have always seen that widespread strikes would at once begin to demonstrate on the surface the discontent which has been growing in secret, but which was largely held in by the pressure of our National Emergency. Departments, organisations &

(17) Not Thomas Pynchon's character of course, but the device people used to duplicate papers before the xerox or copy machine existed.

individuals have assured us that they are busy on work of urgent importance: yet all alike admit that the particular work on which they are engaged will not prevent this unrest from spreading. Meanwhile this tide of feeling does not wait: from a National point of view someone must act, something must be done. We claim to be the one organisation whose aim is to prevent chaos, we claim to have proofs that ours is the key: the first criticism of extremists is that it would cause so much general satisfaction & confidence in Government that it would be impossible to organise further demands. We have spent most of what we had quickly, because success must be achieved this year if it is to be certain of stemming the tide. Next year the taste of blood or starvation may have taken us beyond the hope of a settlement by so moderate & reasonable a plan. We have now established interest in the scheme in all kinds of directions & the one thing hampering our movements is the need for greater funds."

Then follows an account of expenditures - showing that nearly three quarters of the League's money went to financing the election campaign - and receipts in 1918. For 1919, the account refers to Mrs. Milner (sen.) as the only donator (of 500 pounds), but at the end the letter mentions a second donator - sir G.B. Hunter K.B.E., D.Sc. (£250).

Finally, Dennis Milner reports on the activities of the League.

"Nowhere do we find opposition of any fundamental character: individuals are sometimes opposed, though generally only until they have spared time for a proper discussion. Also we have found some who agree strongly in each movement so that the objection is shown to be more than ever of an individual character. It is not to be expected that you will agree that the scheme is good as viewed from every point of view, but you must surely admit that it meets more points than any other scheme now before the country & that it is the only scheme which in any way aims to undermine the whole field of unrest & so lead us to a better state of society at once. It is surely worthy of publicity - must it be left to our private resources to achieve this when the issues are so great? The principles of the scheme have proved to have such a wide appeal that our campaign simply consists in the widest possible publicity on the ordinary lines of business advertising combined with conferences of those who wish to go further into the matter. For these purposes we require many helpers travelling, a full staff in London to meet the demands for information etc. & to keep in constant touch with developments, advertisements in newspapers, etc., etc."

With this the letter ends. But, as a kind of annex, a page is added which "will give a rough idea of the wide appeal which the scheme has already made."

Most probably, this annex gives us a fair view of what kind of audiences Milner addressed earlier when conducting his first series of interviews and/or of what kind of groups showed interest during the election period.

Listed are four categories of names.

The *first category*, mentioning those who *showed sympathetic interest*, refers to branches of different organisations and movements (apparently the same set on which Bertram Pickard relied for his optimism concerning the future of State bonds) and contains the names of J.A. Hobson, Sidney Webb, Henry Clay and Bruce Glasier.

The *third category* lists *newspapers having referred to the scheme*.

The *fourth category* names *those who will or did consider the scheme*, mentioning amongst others Lord Milner and Ernest Bevin.

The *second category* is the most important one. It presents a list of *people who* are said to have *definitely agreed to the principles of the Scheme*. On it we find: "Joseph S. Rowntree, Sir G.B. Hunter K.B.E., Miss Llewelyn Davies, Edward Watkins, Major Vernon, Frederick Pickard, C.J. Dymond J.P., W. Carter M.P., J.E. Hodgkin, C.M. Doncaster, Frank Griffiths, Counc. George Goodenough, D.T. Holmes, O.G. Willey" and - a name I left out to make the surprise a bit bigger - G.D.H. Cole M.A.¹⁸.

(18) Leaving aside G.D.H. Cole, of course, I could track only two of the names listed. Yet, both of them indicate that at least some of the characters giving the State Bonus League their support have some stature. Two of them have their entry in the National Dictionary of Biography. Sir George Burton Hunter (1845-1937), born at Sunderland - a seat he contested in 1900 unsuccessfully as a liberal - was made K.B.E. in 1918. He was a shipbuilder and engineer, who established fame as the builder of the *Mauretania*. Until 1928 he was chairman of Swan, Hunter & Wigham Richardson, "one of the most important shipbuilding undertakings on the north-east coast, possessing also extensive interests in the Clyde area". "Habitually dressed in a blue reefer suit and often wearing a yachting cap, Hunter was a familiar figure on Tyneside. Regarded as a fair and just employer, he set an example of hard work, being in his office every day from 10 am. to 6 pm. except on Saturdays, when his hour of departure was 4 pm.; and besides taking a keen interest in industrial questions relating to the payment and training of workmen was president of the National Temperance Federation, treasurer of the United Kingdom Alliance, and chairman of the Simplified Spelling Society." Of the second name I am not absolutely sure: no Joseph S. is to be found in the National Dictionary of Biography, but the coordinates of the famous cocoa manufacturer and philanthropist Joseph Rowntree are so fitting that there is hardly any mistake possible. Joseph Rowntree (1836-1925) was born at York and educated at Bootham School - as was Milner, remember. His father was a quaker educationist and in his later years Joseph did much to promote adult education, especially within the Society of Friends. He was also a strong supporter of the League of Nations - one of Pickard's main interest in his later life - and an ardent temperance reformer. Joseph Rowntree, however, is most famous as an industrial and social reformer. "Brought up as an earnest quaker, he was deeply conscious of the unhappy conditions imposed by the industrial revolution on many

4.2. A QUAKER CONNECTION?

You will remember that when searching for further information about State Bonus one of my important clues was the fact that both Milner and Pickard were said to be Quakers. That is why I visited the Library and Archives of the Friends' Meeting House in London and, as you know, this visit proved very successful.

It is quite remarkable, therefore, that Quakerism nowhere enters the story of State Bonus as told until now. None of the writings by one of the founders of the State Bonus League refers to it in any way. Not even Pickard's biographical sketch makes mention of Milner being a Quaker or of Quaker descent¹⁹.

Only the ideal view of full and free personal development could have been a hint that a Quaker view of the world lay behind Pickard's and Milner's proposal. Yet, even that you only had to accept on my authority. No real reference to it was to be found in the text.

Yet, the material I gathered suggests that the first real audience to receive the message of State Bonus was the Society of Friends (or, at least, some of its committees). And that the phrasing of the arguments, as found in the books and the pamphlet we scrutinized, was very much moulded by the way the Scheme was received within Quaker circles and discussed in some of their meetings. It may even be through this channel that the proposal reached other audiences like the Labour Party or the Social Credit

of his fellow countrymen, and he became convinced that such conditions were the result of improvised development and where not by any means a necessary accompaniment of industrial progress. He determined that his employees should work for reasonable hours and receive adequate wages, that they should be consulted about working conditions, and that provision should be made for periods of unemployment and for old age and for widow's pensions. In 1891 he introduced social workers into his factory, and from that time onwards he gradually built up the welfare organizations associated with his name." - the Joseph Rowntree Social Service Trust, the Joseph Rowntree Charitable Trust, and the Joseph Rowntree Village Trust, under whom's management the New Earswick model village was founded in 1904. The famous poverty researcher Seebohm Rowntree - several times referred to by Milner - was his brother.

(19) Pickard, himself, is certainly a Quaker of some repute, involved in his later years more specifically in problems of international peace and the League of Nations. Yet, even in 1920, at that the age of 28, he must have been known in wider circles. If only as the editor of the 'Report of the International Conference of Young Friends. (1920)'

Movement²⁰.

What material do I have on this Quaker connection? What evidence corroborates this conjecture?

Let us first look at whether and how the State Bonus Scheme came to be presented to the Quaker Movement.

4.2.1. The 'War and Social Order Committee'.

Whether Milner was a Quaker himself I do not know. My hunch is that he was not from Quaker descent, certainly not from a family that belonged traditionally or for generations to the Society of Friends. Maybe, he got acquainted with Friends during his Voluntary Service in the early period of the War - which is not unlikely considering that many Friends were conscientious objectors or did Voluntary Work. Maybe, Milner got Friends interested in his Scheme on the occasion of his series of interviews after writing a first version of the pamphlet - again, a not to be discounted possibility given the amount of Friends among progressive industrialists at the time. Maybe, he simply got in contact with them through his marrying E. Mabel. Who will tell?

What really happened is still to be found out, but the fact remains that Milner somehow got in contact with the "War and Social Order Committee of the Yearly Meeting of the Society of Friends", the successor of the "Friends Social Union".

This body had regular - Quarterly? - meetings of seminar-like format, discussing papers presented to them on topics related to the problem of Reconstruction. Minutes of these meetings were drafted and published in a (monthly) 'Circular Letter and News Sheet'. Some of these minutes attained a more 'official' status - although this is not really a proper word to

(20) I will come back to the latter point later, but let me give, for the time being, one example of this possibility. A fact which puzzled me for a long time was how the American labour economist Paul Douglas came to know about State Bonus. His article, reviewing the British debate on family endowment in the American 'Journal of Social Forces' (1924), not only lists State Bonus as one of the five schemes having entered the debate, but also contains a lot of information about Milner and the State Bonus League - the fact that Milner was a Quaker amongst others. Knowing that Paul Douglas published around the same time a similar article in 'The American Friend' (1925) - and that therefore he had at least Quaker connections, if not being a Quaker himself - could explain this puzzle.

use in the context of the Society of Friends - as they were published in a book (titled 'The Next Step') or were presented for approval to the Yearly Meeting of the Society of Friends.

Milner appears on four occasions in the 'Circular Letter and News Sheet'.

Milner's name is connected with the "War and Social Order Committee" for the *first time* in January 1918. The 'Circular Letter and News Sheet' of that month lists him as one of the 'correspondents in particular meetings, appointed by the Propaganda Sub-Committee' - "York: Dennis Milner, New Earswick"²¹.

More importantly, however, is the *second appearance*. The 'Circular Letter and News Sheet' of May 1918 contains a report of Dennis Milner presenting his Scheme to the meeting of the 'War and Social Order Committee', held at Jordan's Hostel (3-6th May 1918). The report states that 32 members were present and gives the main subject of the meeting: 'Property and Usury'.

Apparently, the presentation of the 'Scheme for a State Bonus for All' was scheduled for an earlier time - "... at an adjourned Committee Meeting held in London". One should remember that, according to Pickard, Milner decided to make his scheme public for the first time in February 1918. This may mean that what Pickard refers to and the adjourned meeting of the War and Social Order Committee are one and the same event. In any case, in May 1918, State Bonus was brought up for discussion a second time.

The report of the meeting states that the Chairman introduced Milner by saying that what he brought before the Committee was a real concern of his and not "a sop to Labour or anything of that kind". Dennis Milner is reported to say that he thought his Scheme embodied in practical form the principles of the Society of Friends and of the Committee. "He had wished to bring his concern before Friends in the first instance from a feeling of loyalty." The underlying principle was, the minutes say, "that everyone has the right to life, and the object of the scheme was to secure bare existence to every member of the community. The scheme was not a mere palliative."

(21) The reference to New Earswick may give an interesting lead for further research. As it stands it may be a bit cryptic. But, New Earswick was a most famous model village, near York, set up in the beginning of the century by Joseph Rowntree and modelled on Bournville, near Birmingham, a model village set up by the Cadbury brothers, another Quaker and cocoa producing family. How Milner was connected to New Earswick, I do not know. At first sight the reference would, obviously, imply that he lived there. An interesting account of the role these model villages and the Garden City Movement in general played in setting up the Post-War Housing Programmes can be found in Mark Swenarton's 'Homes fit for Heroes'.

According to the minutes the subsequent discussion centred around four issues:

1. Is it bare existence with or without service one is talking about? Should labour and pay be separated? As a reply was brought up: "The fact that the finest work has often no economic value, and that many whose work was of value had gone under because they had not economic security ..."

2. Was the scheme too palliative or not? Was it not sufficiently drastic towards the abolition of the wage system?

3. What would be the effect of the scheme on wages? Is it good to give security without responsibility? "Some thought that the sense of security increases the feeling of responsibility, and in that way would be a good thing."

4. What about slacking? What causes slacking? "... protest against the use of the term as reproach against those who were often the victims of disease or other causes beyond their own control."

The report notes that a minute was drawn, to be published in 'The Next Step', and closes with the following general appraisal:

"On the whole it was felt that there were comparatively few whom such a scheme would harm; whilst the number of those who suffered under the present system was very much larger in proportion. In the majority of cases the relief from the fear of economic failure would be an incentive to a better life and would fill them with new hope. If there were no other improvements than in giving better economic conditions, that alone should provide the basis for higher things. The effect of the removal of the economic barriers to spiritual and mental development would be to release the spiritual and mental forces for higher things. Alternative schemes for attaining the same end were mentioned, such as the minimum wage, and the grant to mothers for their children; but Dennis Milner suggested that his scheme had the advantage of covering the whole ground at one step, whilst all other schemes were limited in application to certain classes only."

A third time, Milner is mentioned in the next 'Circular Letter and News Sheet' (June 1918), more specifically in the report of the 'Yearly Meeting Discussion' of May 27th 1918. When reporting on the 'War and Social Order Committee' Mary King Emmott is said to have referred to Dennis Milner's 'Scheme for a State Bonus for All' and to the question of a Capital Levy. However, the Committee wanted to submit only one minute for the approval of the yearly meeting - a minute dealing with the question of Economic Self-Government.

The *fourth mention* is in the 'Circular Letter and News Sheet' of August 1918. The 'War and Social Order Committee' asks his representatives on the 'Committee of the Interdenominational Conference of Social Service Unions'²² to put forward the "Eight Foundations", containing the points accepted by the Society of Friends as indicating an ideal, the minute on Economic-Self Government, approved by the Yearly Meeting earlier that year, and, also, the 'Quakers Employers Report' and Dennis Milner's 'Scheme for a State Bonus for All'.

As far as the 'War and Social Order Committee' is concerned no further references to Milner can be found.

However, at least, two further attempts to present State Bonus to the Quaker Community were made by the co-founders of the League.

4.2.2. A Further Attempt at Dissemination.

In January 1919, Bertram Pickard published an article, presenting the Scheme, in the 'Friends' Quarterly Examiner' (vol.LII, pp.36-42). Six months later, Milner published a similar article in 'The Ploughshare' (July 1919,

(22) Earlier - in June 1917 - the 'Circular Letter and News Sheet' had reported on a 'Scheme of Christian Reconstruction' put forward by the Interdenominational Conference of Social Service Unions. Apparently, it was an eight pages pamphlet drawn up by representatives (mostly clergymen) of different denominations and sent to the 'War and Social Order Committee' with a covering letter from the Bishop of Oxford. "It set out from a Christian point of view the rights, claims and duties of the family and the State and the evils with which these were afflicted, and went on to suggest remedies. The upshot of it was a series of proposals for better housing, for the endowment of motherhood and for educational reforms and italicised insistence on '*a decent standard of living*', the payment of a '*living wage*' '*as a matter of strict justice*'." The 'Circular Letter' reports the bias of the scheme to be challenged: "It was seen as to assume the continuance of the existing class division into employers and employed, to be founded on the dangerous doctrine of the stewardship of wealth and to offer a penniless man nothing more than the right to work for an employer." Criticism was especially raised at the educational proposals and the attitude to women. "But the main objection was that the intention of the document was not sufficiently radical to merit its description as a 'scheme of reconstruction', the writers had not really envisaged the whole problem: the failure of the present system and its consequence was international and industrial." As a result: "A sympathetic minute was drawn for dispatch to the Interdenominational Conference expressing the hope that the Churches would not commit themselves to any proposals which would stand in the way of ultimate reconstruction on ideal lines."

pp.155-157)²³.

Milner's article contains a straightforward and down-to-earth condensed presentation of the State Bonus Scheme. It states the actual proposal, explains why cash is preferable to kind - because "distribution in kind is not elastic and therefore involves much waste" (P:156), counters the argument that slacking will be a major problem, details the effects on prices and production, and describes the practical details of the Scheme's administration. Nothing in the article shows that it is written for a specific audience. It could have been published in any other journal interested in social reform.

Pickard's article is different stuff. It is explicitly directed at a Quaker audience and argues forcefully why Friends should be interested in the Scheme. In order to do so Pickard uses the rethorical devices necessary and, as we will see, the arguments and justifications mirror very much the way the Proposal is presented in his book, more specifically in the chapter answering the question "Is it a Palliative?".

His first move consists in presenting the State Bonus Scheme as a ground on which evolutionists and revolutionists can meet.

Apparently, the 1918 Yearly Meeting of the Society of Friends was characterised by a heated discussion between evolutionists, holding the view that "... our Present Social Order can be christianised by gradual processes ..." and revolutionists, considering "... the present order to be so fundamentally unchristian that only by the rapid substitution of a new Order will the Social Problem be solved ...".

Pickard refers to this debate at the very beginning of his article admitting that it would be foolish to deny that the gulf between both methods is very real. Yet, he goes on, it would be equally foolish to deny the possibility of common ground for action. Practical unanimity is possible in the belief that the Social Problem is upon us: that a part solution is imperative if catastrophe is to be averted. The difference between the two views is merely that the revolutionist is determined that any part solution shall not take the form of a palliative, whereas the evolutionist is determined that reforms shall proceed sufficiently slowly to avoid serious disorganisation of the present social and industrial machinery.

"If, then, a part solution is forthcoming which, whilst abolishing many

(23) 'The Ploughshare' was Quaker monthly, linked for a time of its existence to the Socialist Quaker Society. From the second to the ninth issue of the fourth volume (1919, its subtitle was "A Quaker Organ for Social Revolution". Then, William Loftus Hare, the new editor changed the subtitle in: "A Journal of Hope", and cut the journal loose from the Socialist Quaker Society and even from the Society of Friends.

of the admitted evils of the Present Social Order, is fundamentally sound and at the same time sufficiently partial to avoid dislocation of Industry, there is surely no obstacle to a union of effort." (FQE:36)

The scheme put forward by Mr. Dennis Milner fulfils this need, Pickard submits. "Here is a Scheme where Evolutionist and Revolutionist can Meet." (FQE:36)

Pickard's second move is a strategic reference to the Ideal upheld by the Society of Friends.

Points of reform suggested by those principles are many, he says, e.g. sex laws, slums, drink, criminal system, sweating, destitution and the fear of destitution, strikes, lock-outs, or simple living, corporate worship, public service, equality of opportunity.

Most, if not all of these needed reforms can be reached, according to Pickard, by going one or more of the following directions:

1. a modicum of economic security achieved for all
2. a more equitable security achieved for all
3. a greater equality of status
4. an increased national productivity
5. an improved education
6. a more faithful example both personal and corporate.

In all of them a similar economic factor blocks the path of Progress, Pickard says, and points "... to the State Bonus as an necessary first step in the right direction." (FQE:39)

Then, Pickard examines what the Bonus would achieve in each of the six domains mentioned. He concludes as follows:

"The Scheme for a State Bonus does not offer a final solution. It does offer a part solution, which will remove the economic barriers standing in the way of so many reforms; and will it in such a way as to bring the maximum benefit to all with the minimum hardship to any particular section of the community. Many times in the past our Society has been united by a common inspiration and has thrown its combined weight into the scale of Right. As a body we have acknowledged the injustice of the present Social Order and have acclaimed the ideal of full and free development for all. May it not be that this practical yet far reaching Scheme for securing to all the primal needs of life, points the way to a step along the path of Progress which we may take together." (FQE:42)

Pickard's attempt to gain the attention of his Friends seems to have been

successful. At least, it solicited a critical note on the subject of the State Bonus Scheme by one W.S. Rowntree - not J.S. who backed as we know the State Bonus League - published in the next issue of the "Friends' Quarterly Examiner", and is followed by Pickard's answer in the then next issue.

For late twentieth century ears, W.S. Rowntree's critique sounds very familiar. Why, he wonders, do the advocates of Mr. Milner's scheme continue "to handicap it by two suggested methods - one of collection and one of distribution which are easily altered, and by no means essential to its principle, but which I am sure will not be adopted in practice." (FQE:203)

The proposed way of collecting the money seems to Rowntree "...a most difficult, harassing and costly undertaking."

"It also seems unnecessary, when it is admitted that most of this class will receive back more than they pay. It would be much simpler to take the money, like Old Age Pensions out of the general Taxation of the country raised in any way considered the fairest, out of *surplus of wealth*, which is as sound an economic principle as *an equal percentage of all incomes from the poor widow to the millionaire*." (emphasis in text, wvt.) (FQE:203)

With regard to distribution, he says:

"... I do not believe that the country will recognise the necessity, at any rate in the first instance, of paying to single men and women a small grant totally insufficient to keep them, and which in most cases they could very well do without, though of course they could be included later if thought well. A much stronger appeal could, I think, be made to the nation if it were proposed to make a weekly family income under the scheme payable to, and at the disposal of the wife or mother for the family needs on similar lines to the separation allowances, which, notwithstanding some abuses, have been the economic salvation of the country, as we shall soon realise as and when they are discontinued." (FQE:203)

Rowntree is confident that these modifications would leave the scheme's advantages intact. Only the Profit-Sharing element would be lost, whereas the "... great additional advantages of the modified scheme are that it would largely solve for the present such urgent problems as the endowment of motherhood, the economic position of women and a maintenance allowance for children during an extended school life." (FQE:203)

Pickard replies coolly.

Rowntree's three urgent needs are met very well by the original scheme, he says. State bonus empowers mothers to draw and spend the Bonus for her and her children under school-leaving age and although it is not paid for services rendered the financial effect is much the same. On top of this, State Bonus secures a minimum of liberty for single women. And, it helps the problem of maintenance. So, why alter the scheme if it brings no gains. Moreover, losses would certainly follow.

The suggestion of exemption of taxation (under certain income levels) makes it into a "class measure ... rather than a measure which aims by its universality to foster the communal sense." Moreover, the danger exists that the new economic power conferred by the family endowment is too limited to effect the chief aim of the State Bonus: revolution in the distribution of wealth. Failing in this respect means naturally failing in gaining support of Labour and is inadequate to meet the needs of the day. Finally, today, the world is really looking for some fundamental change in economic organisation, Milner says.

"The competitive basis must yield place to a co-operative, and the initial state of true co-operation is surely that men and women shall be relieved of the fierce struggle for bare existence so that their minds and spirits may be free for nobler exercise. We may not be ready for a total divorcement of income from work; we almost certainly are not. But we are ready for a partial separation of income from ideas of work and worth. Ultimately the idea of service must replace the idea of reward, whilst need rather than work or worth must be the determining factor in income; and it is because the State Bonus Scheme would bring these principles to bear in a limited form upon the present order of things that it is truly in line with the evolution of modern thought, and thus able to satisfy those forces which if balked of their rightful expression will certainly produce chaos." (FQE:259)

4.3. WHERE DID THE SPARKLING LIGHT COME FROM?

"... it has been left to Mr. Milner to embody these ideas in a universal plan and suggest a minimum income, based upon primal needs, for every member of the community." (RR:20)

These lines close the section of 'A Reasonable Revolution', in which Bertram Pickard presents the State Bonus Scheme as expressing the fundamental principle that every human being has a moral right to the bare necessities of life. Next to forging this link, their rethorical value is clear. They claim

originality for the Scheme.

For Pickard, Milner is the 'originator' of State Bonus in the most literal sense of the word. Notwithstanding the many attempts made in practice and the many schemes drawn by social reformers, no one before Milner ever came up with a Scheme comparable to his - not even Wallace or Shaw, although they presented some very interesting alternatives to the Poor Law.

Whether Pickard's claim is correct, and in what sense and to what extent, cannot really be judged²⁴. One simply does not know enough about the history of this kind of proposals²⁵. Yet, there is nothing that definitely proves him wrong either. Most names on the pedigree of basic income and prior to 1918 did certainly not produce this kind of elaborated and practicable scheme. (Thinking that Major Douglas might be an exception is not all that unreasonable, but I come back to him later.) Moreover, it is not necessarily so that even if some such proposal existed prior to State Bonus, Milner would have known it. Examples of independent discovery - or claims to them, anyhow - are rather classic in the history of basic incomes, so why not grant one to Dennis Milner.

However, and even if, for the time being, we can go on considering Mr. Milner as the 'originator' of the scheme, we might legitimately wonder about the kind of experience triggering of its conception.

Was it a generally disposition of Milner's view of the world which logically led to filling the last empty slot by an institution called 'State Bonus' - as the finishing touch, as it were? Was it, like in the case of Eleanor Rathbone's 'Equal Pay and the Family', the experience of the separation allowances or something like it - the Priestman's Scheme for instance? Or was it probably the inspiration gained from reading, say, Thomas Paine? (A mere guess, I

(24) In all fairness, one should note, however, that although Dennis Milner himself also claims a certain primacy for his scheme it is of a rather limited form. At the end of the sixth chapter of 'Higher Production by a bonus on National Output - in which he dismantles the dangers involved in his proposal - he starts the summary of his argument as follows: "... the Minimum Income is the first scheme to be proposed in which there is no advantage to the idler (there will be nothing to be gained by laziness, everything to be gained by working), because earnings will be entirely additional. Even the rate of taxation is fixed, so that double earnings mean double takings, whereas under a graduated tax double earnings do not bring a proportionate increase." (HP:98)

(25) It would necessitate for instance the rereading from this specific angle the wealth of material collected by W.H.G. Armytage in 'Heavens Below', a magnificent review of the utopian experiments in England between 1590 and 1960.

admit, since I do not have any indication at all that Milner ever read his work²⁶. But as we know, Paine constructed an argument for a universal grant based on the claim that justice required everyone to be compensated for the existence of private property in land, and Paine was of Quaker descent - two features which could connect him with two lines of thought inspiring the case for a State Bonus.)

As long as one cannot consult more direct sources bearing light on this question, the puzzle will surely remain. However, and for the time being, Pickard's biographical story contains a most surprising account of the event giving birth to the idea of a State Bonus.

As a matter of fact, I could have handed you this piece of information already much earlier, during the intermezzo to be correct. But, I must confess, to put a bit more suspense in my own story I, rather cunningly, cut the relevant sentence out of the lengthy quote I offered you there.

Therefore, let's have it appear now in all its glory to refresh at the same time our memories.

Writing in December 1918, Pickard situates Milner's conception of State Bonus three and a half years back in time, which places the event somewhere in the middle of the year 1915 - the year after Milner married and at a time when he was most likely involved in Voluntary Service. Milner, then was twenty-five or twenty-six years of age.

The sentence I left out runs as follows:

"... some three and a half years ago, **after reading Bellamy's 'Looking Backward', Dennis Milner first conceived of the germs of his Scheme for a State Bonus.** He himself now finds it difficult to say exactly how the idea came and expanded." (RR:66) (emphasis added, wvt.)

What? Who is Bellamy? Why 'Looking Backward'?

Yet another series of mysterious questions coming up? one could be inclined to wonder. But, luckily, in this case the questions as to what or who are rather easy to answer. (Why, however, will prove a different matter.)

Bellamy's 'Looking Backward' is a utopian novel published in 1888.

The book had a remarkable success, selling within the year a quarter of a

(26) Recall that Milner, in his book, listed a series of names one could consider as his intellectual sources. Paine does not figure on this list. Neither does Thomas Spence, another land reformer, whose 'Constitution of Spensonia' contains elements of a social dividend.

million copies in the United States alone and becoming the best-selling novel of its time after 'Uncle Tom's Cabin' and 'Ben-Hur'. Moreover, the book was not only a literary success. It gave rise to an important social movement in the United States - 'Nationalism' - and the formation of Bellamy-clubs all over the world. Erich Fromm once described it as one of the most remarkable books ever published in America and John Dewey listed it in 1935 as the second most influential book published since 1885 (after Marx's 'Das Kapital')²⁷. A sequel - 'Equality' - was published in 1897.

'Looking Backward' is the story of Bostonian Julian West, falling into a hypnotic sleep in 1887 and waking up only 123 years later.

What he sees is most astonishing. People not using money anymore but carrying credit cards, listening to music through a centrally organised system of pipes, selecting their consumer goods in big shopping malls, functioning as catalogues, and getting them home delivered by central distribution agencies, using electric lighting - and many other things which one century later have become, indeed, matters of course.

More fundamentally, the structure of society and industry have changed dramatically. Production and distribution are centrally organised. Social reorganisation rather than industrial development has made for a life of abundance, eradicating all forms of waste. Equality of Status is a fact. Everyone gets an equal (and generous) yearly income credited to his or her bank account, regardless of occupation or the amount of work he or she does. Women work and have an equal share in national product (and a personal credit card). Work organisation is very hierarchical and bureaucratic. The labour force is organised in an army-like structure with conscription for everyone between 21 and 45 - the first three years of working life to be served in an unclassified labour army performing the rough and menial tasks, afterwards free choice of occupation is guaranteed²⁸. A possibility of 'pre-pension' on a half-income at the age of thirty-three exists. Voting is a right reserved for those with experience, i.e. those older than 45. Competition and social struggle are replaced by social harmony and the religion of solidarity.

This summary does not, by far, match the real thing - and you should read

(27) I will not detail the long and impressive list of people influenced by 'Looking Backward'. For a good and recent review of these matters, one can consult the relevant chapter in Krishan Kumar's 'Utopia & Anti-Utopia in Modern Times'. Worth reading is also Lewis Mumford's negatively inclined treatment of Bellamy in 'The Story of Utopias'.

(28) Some of the features of Boston 2000, especially its straightforward equality of income, may seem to question its efficient working as an economic system. For a treatment of Bellamy's economic system, see: Franco CUGNO, Mario FERRERO (1984)

'Looking Backward' to get a real feeling of Boston 2000. But it may make clear that Bellamy's picture of the future contains, indeed, a very powerful, because positive, industrial and urban, utopia.

It is beyond doubt that reading a book showing forcefully the gains of a thoroughgoing industrial efficiency in combination with an ethos of solidarity may have deeply influenced Dennis Milner. Reading 'Looking Backward' and the writings of the co-founders of the State Bonus League, one can point at many mirroring features: a social reorganisation based on reason, the position of women gaining full citizenship²⁹, the positive appreciation of industrial development, the stress on equality and social harmony - to name only a few.

Yet, Pickard's reference keeps being very surprising because the societal model pictured in Bellamy's "Looking Backward" has also features which, at least in the present debate about basic incomes, are absent of the societal model linked to the idea of a universal grant and are even in many aspects the exact opposite of it.

Using red, blue and green as metaphors for political views, one could say that 'Looking Backward' has nothing greenish about it. It is much more of the red-blue variety, stressing the need for more efficiency through very well-organised mass production, hierarchical labour organisation, state organised public goods and so on - and it has been noted that this variety does not leave much scope for a basic income³⁰.

And, it has at least one central feature, which, judging on the writings of Pickard and Milner, can certainly not have appealed to the co-founders of the State Bonus League.

The central difference between Bellamy's utopia and Milner's resides in their

(29) The status of women as well in Bellamy's Boston 2000 as in the State Bonus writings is rather ambiguous, though. Even if in both views equality of status as between the sexes is preached, the old role models and sexual division of labour seem to be staying intact. The most typical example is Bellamy's female leading character, Dr. Leete's daughter Edith, who throughout the novel does nothing else than nursing, mothering ... in short being there for Julian West. However, it can be noted that, again, this view of women as equal citizens in the case of Pickard and Milner may be credited to their Quaker outlook. When one of their contemporaries, Victor Branford - Patrick Geddes's collaborator - in a series of lectures titled 'Civics and Eugenics' asked rethorically where to look to find women, "if not in control of the city, yet in a position of relative ascendancy", the answer was: "In our own contemporary English cities, I suppose, it would be admitted that the society in which women traditionally counts for most is that of the Quakers." After this he went on to refer to modern American women, typified by the women from Bostonian. (BRANFORD:113-114)

(30) For the use of these categories in relation to the basic income discussion, I refer to: J.O. Andersson (1988)

respective views on social control or in what we could call the specific regimes of discipline they envisage their respective societies to be endowed with.

Although Milner and Pickard embrace the State as the administrator of their Bonus, they do so reluctantly. They even mention that if someone could come up with something better they would gladly accept it. They, also, try avoid as much as possible major forms of control or centralisation. Many of their arguments for the superiority of the State Bonus Scheme as compared to other possible instruments of social reform are precisely directed against the fact that State Bonus will needs much less control, much less administration, much less centralisation. Their Scheme is constructed to give the most effective incentives in order for workers to do the best they can. Guaranteeing the right to life and securing the basis for a free personal development by the institution of a State Bonus, the working of the economy and industrial development are left to the discipline of the market. At least, on the macro-level no other center of economic control or industrial planning is envisaged, and on the micro-level not one formal rule compelling one to work accompanies the guaranteed income.

Not so with Bellamy. It suffices to point at the army-like structure of his labour force and at the conscription element to mark the difference. A telling detail in this respect is that in 'Boston 2000', far from giving incentives to make people working better, one is punished if not doing one's best.

The difference between the world according to Bellamy and the world according to Milner, thus stands out clearly. Characterising the regime of discipline or social control in Bellamy's 'Looking Backward' with one metaphor the most apt word to use would be 'coercion'. In the case of the Milners and Pickard, the word would be, I believe, 'incentives'³¹. Or, even more apt could be the the distinction made by André Gorz in his latest work between 'regulation by prescription' and 'regulation by incentives'.

Most importantly, it is a difference definitely noticed by Milner himself. This becomes clear when reading closely the first version of the pamphlet on State Bonus, written in March 1918.

The point is important not only because in a sense it corroborates the fact that Bellamy played some role in Milner's intellectual development and had probably some bearing on the conception of the idea of a State Bonus, but even more so because it shows that Pickard's reference to Bellamy as the inspirator of State Bonus can easily be misunderstood.

(31) It also exemplifies why 'incentives' is a catchword belonging intimately to the basic income tradition. Think of 'Taxation and Incentives' by Lady Rhys-Williams or Meade's claim that markets are superior not only because they are more efficient, but also because they use incentives not coercion.

Let us look at what Milner exactly said about Bellamy in the first version of the pamphlet - a statement he left out three months later in the final version.

Claiming that the principles on which State Bonus rests are fundamentally new and that, therefore, it will have far-reaching effects, Milner adds the following qualification: "although readers of Edward Bellamy's 'Looking Backward' will be interested to find that many of his claims are obtained without the revolution he foresaw, and without his elaborate organisation." (SB-MARCH:7)

It could not be made more clear. Milner's reference to Bellamy specifically and only intends to mark the difference between them.

If, as Pickard suggests, it is Bellamy, or reading 'Looking Backward', who prompted Milner to conceive of State Bonus, one can safely hold that the intention of the Scheme is to go for something different - different not necessarily as to (parts of) their basic vision of what the good life is about, but certainly with regard to the methods involved to get there.

What Milner extracts from 'Looking Backward' is maybe the fundamental importance of economic security, as Pickard claims, but certainly not the device to provide this or the social organisation in which it is for Bellamy to be embedded. On that their views are, indeed, completely different.

As we saw already and as will become even more apparent, neither the idea of revolutionary transformation nor the idea of an elaborate framework of social control appeal to Milner.

On top of that, Milner - and the same goes for Pickard - is very conscious not to present his State Bonus as a definite all-in solution, or a global societal model, or a new utopia. State Bonus is not a panacea, the co-founders of the State Bonusone keep on repeating, it is a first step.

Much more than in the final version, this message comes through in the initial lines of the first version of the pamphlet. In March 1918, Milner did not begin his pamphlet by bluntly stating that its objective was: "To Solve the Social Problem." Then, he presented it as

"... a first step, in which all may unite at once, in the solution of the Social Problem, whereby may be avoided on the one hand the need for strong repressive measures, and on the other hand coercion by strikes or violence." (SB-I:1)

In a certain sense, the slightly more ideological or campaigning tone of the final version of the pamphlet seems out of line with the rest of Milner's writings.

In July 1919, when Milner presents his case to the readers of **The Ploughshare**, the journal of the Socialist Quaker Society, in phrases which remind much more of the first than of the final version of the pamphlet, he describes the State Bonus Scheme as a "simple step in the application of human principles to the social problem". And, when he acknowledges that his scheme may come as a shock to many readers, the shocking element in it appears to be that "it frankly accepts the fact that the millenium when it comes will comme an inch at a time." And he goes on:

"Shall we welcome or reject this particular inch? The problems confronting us are so immense that men's minds ask time to consider the deeper implications of social change. This scheme is not shown in its ultimate relation to life: it is argued rather as a temporary expedient while we refresh ourselves for another and deeper attack. Nor is there any attempt here to prove that the scheme really goes very far: time will show! Meanwhile some of us believe in our ignorance that it goes very far indeed and that when the theorists at last agree as to our ultimate aim in social change, they will emerge from their Conference room to find that the bonus has quietly eaten away the foundations of what is wrong in our present system and they must return to their Conference to lead us, as now, to an appreciation of distant ideals on which alone practical schemes may be founded."
(PS:155)

After this, as I said earlier, follows a sober description of the actual proposal the State Bonus League puts forward and a down-to-earth discussion of the problems and principles involved.

The message one gets from all this could be put as follows. Although drastic and fundamental social change makes far-reaching social reform urgent, Milner conceives of State Bonus as something moderate enough to unite people, as something to gain time in order for big reforms to be put in place and more fundamental proposals to be put forward, as a practical scheme which does not depend on agreement about long-term ideal aims, as a first step underwriting many other badly needed reforms.

Again, the point is made explicitly in the first version of the pamphlet. Remarking that the present tendency among reformers is to aim at a total Reorganisation of Industry, Milner makes the following observation:

"This has always attracted idealists, but owing to the vastness of the problem they are not yet agreed on the goal. They, however, at least seek fundamentals (contrary to those who have tried to solve the problems by religious influences, legal measures of suppression or education and example, methods that according to Milner go neither deep enough nor work quick enough, wvt.), and the practical reformer is well advised to consider the points on which they agree. This

method is still no cure for the immediate situation, since it is obvious that changes which involve total reorganisation must come by gradual steps, each step needing much time and experiment. Meanwhile people are starving, and demobilisation may soon be upon us. The Proposal outlined below is an attempt to provide something quicker, simpler, and more direct; something the most ignorant can appreciate at once, yet fundamentally sound, namely, by abolishing extreme poverty to create a new leaven of freedom permeating our social system. Although this new force will have certain far-reaching effects of its own, it must be clearly understood that this proposal is in no way antagonistic to other methods of reform. It is essentially a first step capable of immediate adoption, yet so designed as to relieve the tension of existing conditions sufficiently to give time for proper consideration of the more comprehensive schemes of reconstruction." (SB-I:4)

Certainly, also on this score there is a world of difference between Milner and Bellamy.

There is one last point of importance to be noted here. A point which may even be at the root of the difference just referred to. It concerns the value of spiritual and mental development and the value of personal choice and liberty as elements which seem to be part of Milner's conception of a good society - and which may make him look for something quite different than Bellamy³².

The first version of the pamphlet makes clear that Milner's argument rest on the assumption of considerable agreement about two points: a) the Social Problem is finally a psychological problem, although material changes may assist in its solution, b) we have a moral obligation, as a community, to improve our social relationships. From this follows "that where man's economic need interferes with his spiritual or mental development the State must act." (SB-I:2)

"(a) Dealing first with our present social system leaves most of us sufficiently insecure economically to make us centre our attention rather on the material than the spiritual side of life. (...) Physical life is now assured by the Poor Law. Freedom to develop spiritually is not assured - many die rather than submit to the humiliation of this form of relief. The effects of all this insecurity are felt worst by the children of the poor, next by all women, last and least by men. It is clearly wrong that men who control nearly all material wealth should suffer from its bad distribution. All of us suffer morally by acquiescing in this

(32) One should not forget that William Morris's 'News from Nowhere' was written as a direct response to Bellamy's 'Looking Backward' and its "soulless mechanical socialism".

neglect of our social obligation and its effects. The above is an outline proof that the assurance of economic security is a necessary first step to the spiritual development of the race. (b) Therefore it is submitted that it is the duty of the State to abolish this economic bar to spiritual and mental development by establishing, for all alike, sufficient economic security to remove the plea of necessity, which is now used to excuse so much that is evil." (SB-I:2-3)

When, at the end of the pamphlet and just after warning the Bellamy readers, Milner points out the "later effects" of the Scheme, the two items on top of the list - and before the more material advantages - are: 1) "the release and growing expression of the higher and more spiritual forces hitherto cramped by 'want and the fear of want'", and 2) "a gradual education in the principle, so essential to production as well as to spiritual development, of Each for All" stemming from the principle of State Profit-Sharing. (SB-I:6)

That is why Bellamy could not possibly be the real inspirator of State Bonus (or, for that matter, social dividend)³³. Taking his view as the original scene no State Bonus Scheme with its stress on full personal freedom and development could readily enter. The imaginary state of the world allowing the a univiversal grant or a State Bonus to enter this primal scene needs to be quite different.

This is not to say that Bellamy does not deserve an important place in any account of the history of basic incomes. As a negative role-model, for instance, or even as the writer of a book converting a lot of people to

(33) Whether the difference between both views of the world can in last resort be traced to the difference between Milner's Quakerism and Bellamy's kind of Christianity is a matter for further debate. For an illustration that there may be something there, read the following lines from relating to a discussion between Kenneth Boulding - a Quaker - and Reinhold Niebuhr: "I cannot help feeling that Professor Niebuhr has rather missed the point of my attack on coercion. I am not, of course, an anarchist, though I must confess that anarchism strikes me as being a much more appealing ideal than socialism, and the anarchists as much more agreeable people than socialists. One must recognize that there are elements of coercion in any human relationship and in any society, and that it is extremely unlikely that a purely non-coercive society can be established among men. Nevertheless, I regard the lessening of coercion as one of the most fundamental long-run objectives of human organisation and one of the most profound moral tests by which any social movement is to be judged. No doubt I am prejudiced in this direction by my Quaker principles; but it seems to me also that this is a conclusion which necessarily follows from the theory of organisation and the ecological view of society, and that in this regard the insights of social science and of radical Christianity are in remarkable accord." (BOULDING: 1953:251) Niebuhr had taken issue with Boulding's contention that "One of the greatest obstacles to progress is the coercive nature of political organisations." and the underlying assumption that self-interest is more congenial to the Christian ideal of love than coercion.

socialism, amongst others one Alfred Russell Wallace³⁴ - a recurrent reference in Pickard's and Milner's writings - whose view of the world seems to have been much more parallel to that of the co-founders of the State Bonus League.

All this, however, lead us far too far. It is a matter for further research and the object of a next unexpected tale.

(34) Alfred Russell Wallace (1823-1913) will probably be remembered for havin evolved a theory of the origin of species through natural selection independently and at the same time as Darwin. He coined the phrases 'survival of the fittest' and 'equality of opportuniy'. He was also very much interested in social problems and supported enthusiastically land nationalisation and women's suffrage.

EPILOGUE

'Who was Dennis Milner?'

This is the question that got our detective's mind moving in the first place - after finding out "Who Framed 'Social Dividend'?", that is. As things stand now, and if we are really after answering the question satisfactorily, it may well keep moving the little grey cells for quite a while still.

Of course, with regard to the State Bonus Scheme itself, i.e. its format and the arguments for and against it, we may nearly have reached a point of saturation. It does not seem very likely that there is much more to be told about it - or to be told in such a way that it would dramatically change the picture of it we have now.

But Mr. Dennis Milner himself is another matter.

We know his year and place of birth, his father's occupation and his mother's preoccupations, the school where he was educated, his wife's Christian name and the year of their marriage. We know that he had a bent for engineering, entered some Voluntary Service Scheme during the war, lived at one time presumably in the model village 'New Earswick' and was somehow connected to the Society of Friends. We may even assume that his father was most probably a very charitable man³⁵.

Useful and interesting as all this may be, it does not give us, however, a picture of who Dennis Milner really was as a person. We do not really know what influenced him or what moved him. Moreover, all evidence on which I tried to base some of the attempts at interpretation was purely circumstantial.

(35) Box 229 at the Library of the Friends' Meeting House contains a circular letter, date February 25th 1901, asking for financial support for one John Spence Hodgson, said to be an elocutionist and a teacher of reading and writing, experiencing more and more problems in finding schools willing to employ his skills. The letter mentions as one of the early contributors: Edward Milner - was it Dennis Milner's father?

It comes mostly from a very hagiographic account by Bertram Pickard. As a consequence, a lot of detection work lays still ahead and hopefully its results will prove substantive enough to write yet another tale - a very much expected one in that case.

For the time being let us make some last remarks and tie some of the loose ends together.

After all, the material I gathered is certainly not disappointing - at the very least, we found material establishing that Douglas Cole was known by the State Bonus League, that maybe Dennis Milner personally contacted Cole for one of his interviews, and that the co-founders of the State Bonus League considered Cole to be a supporter of their cause and fully accepting the principle of the State Bonus Scheme. We can definitely add a fourth model to the set presented by Elizabeth Durbin. Not only the concept of a 'National Minimum', the idea of a 'Living Wage' or Major Douglas's Social Credit provided Cole with a probable model for his 'social dividend', there was also the State Bonus Proposal. And, thus, one of the prime objectives of our quest for the origins of State Bonus was reached.

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Before really going for the finish let us look once again at how 'State Bonus' took form as a discursive event in the domain of British social policy.

Somewhere around June 1915, Milner conceives of the State Bonus Scheme in its embryonic state (after reading Bellamy, Pickard says). Only in February 1918, however, he presents the now more mature Scheme to the public for the first time. (The date, again, is Pickard's and we may assume that 'the public' means, in this case, the War and Social Order Committee.) A first version of the pamphlet is written. On March 9th 1918, Milner leaves business to devote himself completely to the State Bonus cause. In May 1918, the Scheme for a State Bonus is discussed a second time at a meeting from the War and Social Order Committee and is mentioned at the Yearly Meeting of the Society of Friends. A second version of the pamphlet is drafted by Dennis Milner and E. Mabel Milner. Pickard joins forces with the Milners in July 1918. We may assume that the League was formed around this time. In August 1918, the organisational structure of the League was taking shape. Its headquarters was moved to 1 Victoria Street, London, and an organizer appointed. October and November 1918 were devoted to works of propaganda. In December 1918, Dennis Milner stood as an independent candidate in the General Elections at Barkston Ash and Bertram Pickard writes 'A Reasonable Revolution'. Early 1919, the State

Bonus League sends a circular letter asking for financial support. Later that year the articles in the Quaker journals presenting State Bonus are published. In 1920, Milner writes 'Higher Production ...' (in July) and with his wife writes a pamphlet (which I did not see yet) on 'Labour and the National Minimum' - apparently updating also some of the figures as Macnicol quotes the pamphlet as putting the Bonus at 9s.

After this series of events the activity of the League apparently ends and no further writings by its co-founders came to my attention. Only its traces in subsequent writings by Hugh Dalton, Paul Douglas or Eleanor Rathbone kept its memory alive or made it possible to recall it.

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One of the prime features of the writings of the State Bonus advocates is, certainly, their claim at universal appeal. They want to speak to as many different audiences as possible. They want to contact all shades of opinion. They stand, as it were, above party lines and sectional interests. Their cause is one which makes it possible for all to unite, to militate for the good of all. What is at stake is the very existence of civilized life. For them the choice already was "no longer between Utopia and the pleasant ordered world of our fathers knew. The choice is between Utopia and Hell." - as Beveridge would phrase his own creed 20 years later.

As we have seen, this makes their argument sometimes quite complicated and recursive, having to develop many lines of thought at (nearly) the same time.

This many-sidedness of the State Bonus Scheme - in the mind of its advocates evidently connected to the many-sidedness of the Social Problem - is also visible in the way the League and its founders are somehow linked to many different political or social pressure groups - to the Labour Party of which Milner is said to have been a member and its platform he endorsed when standing as an independent candidate, to the Liberal Party through G.B. Hunter who once, in 1902, stood as a liberal candidate and through the explicit references to Lloyd-George who provides Milner's book even with its central problematic), to the Quakers who as we have seen were Milner's first audience, to the Guild Socialists through the Socialist Quaker Society, ...

Yet, in none of these movements, Milner really seems to have been embedded. In none of these cases one can really say that Milner spoke from within.

The fact that in each of these movements individuals were inclined to accept the arguments for a State Bonus proved for Milner that it stood above party lines or sectional interests and that its acceptance was a matter of individual 'conversion', not a really political matter.

In a sense, universal appeal leads in this case to being disembedded, to unite a bunch of individuals, not to playing the role of an organic intellectual in the sense Gramsci would give to the term.

Moreover, for several reasons none of the available audiences really captured the message.

First of all, the Scheme got a very negative reception from the Labour Party at its annual conference in 1920.

The Committee investigating the plan "declared it to be a scheme 'attempting to do the right thing in the wrong way' and condemned it on six grounds: (1) that the scheme was already covered by various measures; (2) that it would be politically inexpedient; (3) that it would cause great industrial disturbances; (4) that its finance, collection and distribution would be almost unmanageable; (5) that it would establish a low standard of life; (6) that it would conflict with the Labour Party's principles of graduation and discrimination in taxation, since it would take no account of the ability to pay nor the need to receive." (DOUGLAS, 1924) On top of this the committee qualified the level of the proposed benefit as "an amount barely sufficient to provide a physical minimum".

Secondly, potential allies of State Bonus developed into 'sectional' movements. Supporters of the 'Living Wage' and the movement for a 'Family Endowment' could, indeed, have lined up with advocates of State Bonus in many respects. As it was, shortly after 1920 both topics created very important audiences, but at the same time took some of the possible social energy away from State Bonus.

Nevertheless, since, as Paul Douglas's article and Eleanor Rathbone's reference witness, State Bonus did not go by wholly undetected, it may have influenced, even if only subconsciously, those active in one of these two movements. As an aside, we should note, for instance, that someone who was also involved in the Family Allowances debate, taking part in some of Rathbone's later working groups and through her research on diets, was the young Juliet Rhys-Williams. As we know, the basic income literature remembers her very well. Near the Second War, she will start working on proposals first made public in 'Something to Look forward Too' and later in 'Taxation and Incentives' - books one still considers to contain the first modern and costed proposal for a basic income scheme, and which as we know were the real impetus behind Mimi Parkers' painstaking work.

The Family Allowances Movement may for all we know be the one domain in which State Bonus had some kind of latent influence. Even as late as 1954, Douglas Cole considered his 'social dividend' to be partially realised by the implementation of the child benefit part of the Beveridge proposals. And, Beveridge himself judged the child benefit to be the only really new and revolutionary element of his proposal, precisely because of its being given as of right to each and every children.

Finally, State Bonus may just have had bad luck, because of the appearance on the public scene of Major Douglas. By its massive publicity, Social Credit certainly must have taken over many who otherwise could have been available to be interested in State Bonus. After all, State Bonus and Social Credit may easily have been confused. Douglas's stress on the financial system as the root of all evil and the proposal of a national dividend are not that different from putting the blame on money - as Pickard does - and proposing a State Bonus. In both cases the diagnosis was that money conferred power, and not for instance private property in the means of production. In both cases the idea of society was that of a co-operative venture.

So, maybe, indeed, State Bonus was a kind of prelude, signalling the debates to come but not strong or timely enough to survive itself.

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Now that we mentioned Major Douglas, let us take the opportunity to come back to a question we asked ourselves earlier on in our quest.

Did State Bonus eventually originate in the orbit of Social Credit - and was, therefore, 'State Bonus' and 'Dividends for All' from the same stock.

In his history of the English origins of Social Credit, Finley describes State Bonus, indeed, as playing a part in paving the way for the influence of Social Credit on segments of the Labour Party. Yet, no direct relation between Social Credit and State Bonus, or between Douglas and the co-founders of the League, is indicated³⁶.

(36) Accidentally, another interesting reference is made to the early Sociological Society, in particular to the work of Patrick Geddes - giving us a probable clue as to why Lewis Mumford hit on basic income and advocated it in his *Technics and Civilisation*. This may cross-connect with Solvay and with the Garden City Movement, both of whom we met earlier in this story.

If influence there was, I would even conjecture that Milner, eventually indirectly, influenced Social Credit, not the other way around.

Two arguments sustain this conjecture.

First, there is the simple fact of timing. The Milners' Pamphlet appeared in 1918, probably June 1918, and as we know it was already a rewritten version, the origin of the idea being three years old. The first two articles by Douglas, in the English Weekly, date from 1918. The 'New Age', Douglas' most important theoretical vehicle, only acknowledged the importance of his writings in an editorial at the end of 1918 - and one knows that it took Douglas one year (1918) to convince Orage, the editor of the 'New Age', of the soundness (sic!) of his ideas. The first Douglas article in the journal appeared in 1919 and was a reprint of an earlier New English Weekly article. Moreover, Douglas seems to have come somewhat out of the blue. Nobody really knows much about what he did before. He certainly was not a public figure. Therefore, it seems unlikely that the Milners took their State Bonus out of Douglas' writings. Yet, this does not imply that the reverse influence was really there.

Here, a second cluster of facts is important. Milner, as I said, was a Quaker, and, as we know, presented his Scheme (probably first of all) the **War and Social Order Committee**. Well, from 1921 onwards, the War and Social Order Committee was very much interested in monetary theories and influenced by Douglas ideas. For instance, a lecture school on Finance, organized by the Committee in November 1924, had as lecturers: C. Marshall Hattersley, Frederick Soddy, and Major Douglas. Even more, from the important leaders of the early Social Credit Movement many were Quakers or had Quaker background. So, it is not unlikely - although I have to stress that I do not have any direct evidence for this conjecture - that in its early development the (maybe rather undefined) Douglas national dividend was modelled on the rather technical (but very clearly worked out) Milner State Bonus.

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There is, however, one other remarkable aspect of the State Bonus Scheme to be noted.

It is not much of an exaggeration to say that one of the most striking features - if the most striking feature - of the Milner proposal is its 'actuality'. With only very minor editing, one could pull off the trick and present it as something being written quite recently. Many of its arguments, its metaphors and its analogies are recurrent features of many texts on basic income,

even till today. In some sense, the State Bonus Scheme, alias the Minimum Income for All, sets the tone for much what comes after it. It very well function as the archetypical image of basic income and could provide a very useful model to determine the stylistic features of writings by the dedicated followers of (basic income) fashion³⁷.

For more than one reason, this seems rather troubling. How is it possible that these old arguments, very practical arguments even and sometimes meant to address urgent problems, can still be present in very much the same form after seventy years? Did the debate not make any progress at all? Did the context not change? Are problems at present the same as those at the beginning of the century? Can the same kind of arguments and the same kind of proposals be applied to something which shifted quite drastically? Is the format of a universal grant really universal, also in the sense that its meaning is not altered by the different contexts in which it is

(37) I will suffice with giving two examples. As a first example, remember that Dennis Milner mentions as a possible objection to his scheme that, because it makes workers secure anyhow, it is likely to provoke more strikes. Milner does not seem to be too worried by the argument. At another spot, he even indicates that a State Bonus will make the wage bargain more fair, precisely because it takes workers out of their dependent position. The point is an important one, I think. (One could indeed fear that implemented in segmented labour markets, with for instance differences in the availability of badly needed skills, a basic income may in the short run make bargaining power between occupations more uneven - triggering of some forms of 'corporatist' behaviour.) And, although it is not a lively issue in the present debate, it does occur in the basic income literature after Milner. In fact, a similar point will be discussed in *Planning and the Price Mechanism*, one of the Meade's earlier books. He, however, notes that in order not to disturb the balance of power - which a social dividend redresses, according to Meade, in as far as it puts the worker in a more secure position - social dividends should not be paid to people on strike. A second example relates to the, again, recurrent phrase that basic income should secure people's existence by catering for their primary - or primal, as Milner said - needs. For Milner this implies, apparently, incentives to earn additional income can be related sufficiently well to what we could call 'relative income'. We get a picture in which an individual's income utility function breaks down into two very different segments: a lower part, stretching to the point where basic needs are covered, in which absolute income is important, a higher part where only comparisons with others are relevant. Again, this metaphor can be found in different places throughout the basic income history. A prime example is the work of Douglas Cole. It is still structuring his argument for social dividends - and more precisely its effects on labour supply - in 1935 and forces him (and the reader) to go through some very hard and difficult paragraphs. Of course, these points are up for more thorough research, and I will not say more of it here. But, following these and similar figures in their different appearances in the literature and trying to account for the differences in shape and judgement is one of the things which could make our understanding of the basic income debate far more better. I would also like to take this opportunity to refer to Edwin Morley-Fletcher's work, more specifically to his paper on James Meade's 'Agathotopians' - in many respects his analysis of Meade's work parallels my efforts concerning 'social dividend' and 'state bonus'. And as we know, these two parallels do cross.

applied³⁸?

In a sense, here, we strike on the question of disembeddedness, again. Could it not be that this timelessness is precisely what makes the proposal fail in the political debate? Is it not again a problem we could link to the claim of universality mentioned earlier?

What I mean is that this fundamental claim for universality cannot but produce a conflict as between the 'formal properties' of the scheme and its 'substantive effects' and that arguments based solely or most importantly on the formal properties may well fail to attract the interest necessary to link the proposal firmly and intimately to really existing social movements.

Let me illustrate the problem with one example - the way the Milners (and I believe many of the basic income proposals after them) try to argue about the amount of the Bonus.

A major problem confronting every one working at a practicable scheme to implement a basic income is deciding on the level of the grant or benefit. How exactly one proceeds in this matter is not very clear in most proposals. At best, one links the decision on the amount to some costings in order to prove that the scheme can be financed.

And so do the Milners.

As well in 1918 as in 1920, one takes the whole of national income, puts aside 20% for the Pool, divides this sum by the amount of people getting the grant and ends up with 5s. and 8s. respectively. But is it really so simple?

For the Milners, in a sense, it is. As Pickard says at one spot in his book: for Mr. Milner the actual amount is a second order question, the central issue is making sure that the Bonus in no way loses its characteristic of being secured as of right. This kind of argument implies that the format of the Bonus - being a right - dominates its substance - the actual amount. Yet, there is something odd about this. One of the arguments Pickard uses rests very heavily on the fact that the Bonus will result in doubling the living

(38) Of course, one should beware of giving similar linguistic fragments similar meanings when appearing in different texts or transferred to different contexts. For instance, in the second volume of his history of sexuality, Michel Foucault points at the recurrent phrase - found in the literature on the subject in those days - that elephants are very chaste animals (because they do it in private, once in the two years, and bathe afterwards), but the 'argumentative value' of which can differ quite substantially. Another example is J. Donzelot's analysis of the French family policy in the late 18th and early 20th century and which shows that for instance the 'eugenic' argument experiences rather serious political shifts.

standard of the worker, even if not earning in addition to the Bonus. That is why the worker will refuse to accept lower wages and why his bargaining position is much stronger with a State Bonus than without. However, this is, surely, an argument in terms of substance.

What I mean is that the Milners, probably because of their stressing the neutrality of the Bonus - being for the Good of all and not giving the advantages to one side, do not seem to see that the figures they put forwards certainly have also a symbolic meaning.

For the Milner's audience, 5 s. (or 8s.) was not only the result of some simple calculation. Or, even if it was, its reception was certainly 'coloured' by the many other, more prominent, texts in which the same or analogous figures appeared.

For instance, 5s. was the amount of the full pension received by persons with an income of less than £21 per year (approximately 8s. per week) under the Old Age Pension Act of 1908. And although he will propose the amount of 7s. in later writings (1899), it also appears in a famous scheme worked out by Charles Booth in 1891. According to Clapham, this scheme may be regarded as the start to the final movement towards state pensions. In this first version, to ensure and perpetuate the honourable character of the provision (CLAPHAM: 418), Booth proposed to pay out of taxation at 65 a pension of 5s. to everyone (and not only to the poor as was decided subsequently in 1908) without any means test or restrictions on working.

So, as far as the debate on Pensions was concerned 5s. was a highly 'loaded' figure.

The same can be said with regard to the debate on poverty. For a family of five - the standard case the Milners put forward - 5s. per week per person means 25s. for the household. This is exactly the figure Bowley used in 1911 as a benchmark for deciding whether wages were adequate for average living costs - estimating that 32% of all adult males earned less. In 1913, Rowntree produced a figure of 21s. a week as an amount covering subsistence costs (housing, clothing, food) for a family of five.

These poverty lines, however, were really controversial stuff - and virtually implied taking political sides. Consider the following story, retold by Tony Atkinson in one of his lectures.

During an inquiry into dock workers' pay in 1920, Bowley gave evidence for the employers as to what constituted a minimum basket of goods. He was cross-examined by Ernest Bevin, the union leader and later Foreign Secretary. Bevin had gone out, bought the recommended diet and showed it on a plate to the court, asking Bowley whether he judged a few scraps of bacon, fish and bread a sufficient breakfast for a docker.

For the matter we deal with, the point of the story is that Bowley, actually, had tried out the food budget on his own family of 5 the previous three weeks - a food budget, that is, of 47 s. or approximately 8s. a person.

The lesson from this, for the present day, is that picking a level of the grant is not only a pragmatic or a mechanical gesture. It is a highly political matter and is very much linked - just like most other institutional features of a practicable scheme - to the context of the scheme (the metaphors which prevail, the schemes which are already produced, the existing benefit levels) the goals of those who produce it or have to accept it (do we only want to eradicate destitution, or do we want to reduce poverty? is our aim the reduction of unemployment?) and the way one thinks the world works (is merely securing basic needs enough to create feelings of security of existence?).

None of these is a really straightforward matter one can decide on without having to make hard choices. And the meaning of these hard choices will depend on the society in which the institutions to be reconstructed are embedded. Not realising this will make the argument for basic income much harder.

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I started this epilogue with saying that taking everything into accounts, we still do not know very much about Mr. Milner. So, finding out where the State Bonus scheme, really, originated or what it developed in, will not be easy. The more so, because Mr. Milner himself claims in his book that his scheme is the first of his kind, that it is a real novelty.

If this would be true, the task becomes even more hazardous. What we need to explain, then, is how Mr. Milner came to think of this kind of scheme. In a sense, we are asking which (undefined) spot on his view of the world was available as a slot in which fitted a slightly adjusted existing scheme - adjusted in such a way as to turn it into a basic income proposal - or what feature of his view of the world was needed the idea of a State Bonus to make it really complete.

As for the general view of the world, we may limit ourselves with referring to the general Quaker background as providing him with the black spot - one should not forget that even the first recorded universal grant proposal came from someone, Thomas Paine, with a Quaker background - or to the prevailing New Liberalism of his times - which as we should not forget also the intellectual background for Beveridge's Social Security Report.

With regard to the scheme to fit in, several candidates are available: Booth's Old Age Pension proposal, the Priestman Bonus scheme, the soldier's separation allowance (which, accidentally, amounted to 25s. for a family of five). Slightly adjusted, i.e. applied to the whole population, they all turn into something like the State Bonus or the Minimum Income for All. But I cannot keep away the odd feeling that Dennis Milner used these examples more as an illustration - as argumentative device - than as concrete examples he started to work on and developed into a State Bonus. After all, his mind was bent for engineering as Pickard says, and this may make him go first for the blueprint and only afterwards, when the central deficiency of the social machinery had been detected, confronting it with really existing proposals for reform.

*

As for the question whether E. Mabel and Dennis Milner, with a little help from Bertram Pickard and other Friends, were successful or not? It depends very much, I would say, on the view you take on societal reconstruction and how it develops. (Judging on the quote accompanying this paper, William Morris would be inclined to answer the question with a qualified yes, I guess.)

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