The ethics and economics of family endowment : the Social Service Lecture, 1927 / By Eleanor R. [sic] Rathbone.

THE ETHICS AND ECONOMICS OF FAMILY ENDOWMENT

THE BECKLY SOCIAL SERVICE LECTURE

THE Social Service Lectureship was established in 1925 by a benefaction of Mr. John Henry Beckly, J.P., of Plymouth, the first Lecture being delivered in 1926. The purpose of the Lectures, of which one is delivered each year, is to set forth the social implications of Christianity and to further the development of a Christian sociology. The Lectureship is under the control of a Board of Trustees, appointed by the Wesleyan Methodist Conference, and each year's Lecture is delivered at the place where the Conference meets. The Lecturers need not belong to any particular Christian Church, but the Trust Deed provides that they shall take 'the Christian point of view.'

The Ethics and Economics of Family Endowment

The Social Service Lecture, 1927

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PUBLISHED FOR THE SOCIAL
SERVICE LECTURE TRUST

LONDON
THE EPWORTH PRESS
J. ALFRED SHARP

First Edition 1927

Made and Printed in Great Britain by
The Camelot Press Limited,
London and Southampton

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'For the body is not one member, but many. If the foot shall say, Because I am not the hand, I am not of the body; is it therefore not of the body?

'And if the ear shall say, Because I am not the eye, I am not of the body; is it therefore not of the body?

'But now hath God set the members every one of them in the body, as it hath pleased him.

'And if they were all one member, where were the body?

'But now are they many members, yet but one body.

'And the eye cannot say unto the hand, I have no need of thee; nor again the head to the feet, I have no need of you.

'Nay, much more those members of the body, which seem to be more feeble are necessary: . . .

'That there should be no schism in the body; but that the members should have the same care one for another.

'And whether one member suffer, all the members suffer with it; or one member be honoured, all the members rejoice with it.'

—1 Cor. xii., 14-26.

'Everybody to count for one; nobody for more than one.'

—*Saying of J. Bentham*, quoted by J. S. Mill.

'One is one and all alone and ever more shall be so.'

—From *Green Grow the Rushes, oh!*
Old English folk-song.

INTRODUCTION

SIR JOSIAH STAMP, who last year gave the inaugural lecture of this finely conceived series, did a service to those who have the responsibility of following him. He made it impossible for us to make the mistake of supposing that, in order to apply Christian principles to the complicated conditions of a Society so vastly different to that in which they were first enunciated, all that is needed is a facile goodwill. He reminded us that of these principles, as of the Jewish doctrine they superseded, it is true that the letter may kill ; it is the spirit that gives life.

But this truth is too often made an excuse for a failure to face squarely up to the question : do the structure and arrangements of our Society reflect the spirit—let alone the letter—of Christian principles ? Might not the effort to make them do so more nearly reveal that, while economic and social conditions have changed immensely in the past two thousand years, human nature has changed very little. Might it not show that Christian principles—even the extremest expression of them in the Sermon on the Mount—are based on a profounder knowledge of human nature and of its reactions on human well-being than those of Mr. Wordly Wiseman ; so that it might conceivably turn out (I do not say it would) that the children of light were proved wiser even in their generation than the children of this world. But to say this is merely to endorse last year's plea for hard thinking and study. It is obviously much more difficult to transmute Christian principles into practical applications to a changed environment than either to keep repeating them in abstract form or to transfer the practical applications made in past centuries bodily to the conditions of to-day.

One of Sir Josiah's illustrations of his main thesis was to show the immense difficulty of getting rid of poverty and raising the standard of living of the mass of the people, and the futility of supposing that we could achieve this by a literal obedience to the principle, even in a generalized and modern form, of selling (e.g. by redistributing) everything and giving it to the poor.

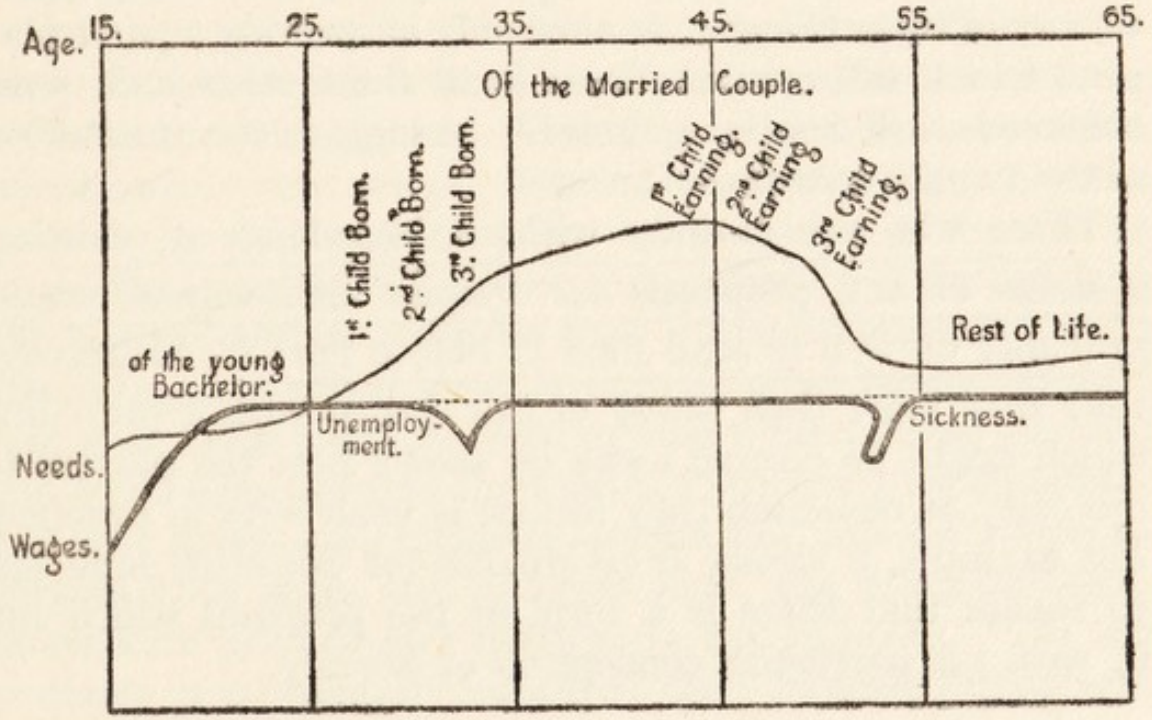
I am venturing to pick up this particular challenge and—basing my arguments largely on his own facts and figures so as to make up for my very inferior equipment of economic knowledge—to point out one way (I do not suggest it is the only one) in which the standard of life might be raised, not only for the very poor, but for every grade of Society where there is real economic hardship, without injuring and (if my argument is correct) even improving the efficiency of the economic system. In maintaining that Family Endowment would do this, I maintain also that it would bring Society into closer conformity with the Christian principles which require us to recognize each member of the body politic as having a claim on the whole body, not merely the claim of a beggar on an almsgiver, but a claim based on the truth that ' even those parts which seem to be feeble are necessary,' and again, that every human being, while in one sense a part of the organic whole, is in another sense an inevitably separate and even lonely individuality, to be counted as an end in itself and not merely as a means to the ends of others.

If throughout the greater part of my argument I seem to be talking in the terms of economics much more than of ethics, it is because the subject matter I am placing before you may be new to many—though less so than to most audiences, because in this field the Wesleyan community have been pioneers—while the bearing on it of Christian doctrine is a question on which it would be an impertinence for me to enlarge ; you are so infinitely better able to judge of it than I am.

For the sake of those to whom my subject is unfamiliar I will begin with a definition and a caution :

The term Family Endowment—one of unknown parentage, and not, it must be confessed, particularly felicitous—does not stand for any one concrete scheme. It stands for a principle, viz. that the economic structure of Society should include some kind of direct provision for the financial cost of rearing children, instead of leaving it to be met through the ordinary wage-system on the assumption that normal wages either are, or should be and can be made to be, sufficient to cover the cost of child-rearing.

Or, put in another way, the aim of Family Endowment is to bring about a closer correspondence or parallelism between the income achievable by ordinary people and their normal, necessary needs, by making it possible for such persons to obtain additional temporary resources to meet the heavy temporary strain of child dependency. As we shall see under the present system the income level of the worker's household tends to be horizontal, except when cut off by exceptional misfortune, while its needs are subject to marked fluctuations ; thus :



Society has only recently made provision for the failure of income through unemployment, sickness, death of the wage-earner, or old age. Now we ask it to complete the structure by providing for increase of need caused by child dependency.

This general principle or aim has been embodied in a number of concrete schemes, defining the source, method, and conditions under which the provision should be made. Some of these have a great deal of experience behind them, while some exist as yet only in theory. Other and better schemes may yet be devised. Each believer in the principle will naturally prefer the scheme which fits in best with his general political and moral objective. He may even, while strenuously advocating the scheme of his choice, passionately repudiate all others. But fruitful discussion of the subject is only possible if the question of the principle is not confused with that of the particular method, and, further, if the student will remember that Family Endowment is not a sort of Morrison's pill, warranted to cure all the ills of Society. It is not a substitute for greater productivity, or more goodwill, or workers' control, or Socialism, or any other 'ism.' It is neither dependent on, nor antagonistic to, any of these things. It aims only at meeting a particular need which will continue even if all these other ends were achieved—will continue, indeed, so long as the institution of the Family continues.

Those who are entirely without knowledge of existing systems of and proposals for Family Endowment would probably do well to read Part II before Part I. Otherwise they may start their study of the theory with a prejudice which might be cleared away by seeing how the particular difficulty or objection they foresee is dealt with in practice. For example, a strong Individualist (or Socialist) may fail to realize that there is a form of the proposal which fits in with his particular conception of Society.

THE ETHICS AND ECONOMICS OF FAMILY ENDOWMENT

PART I

The Theory of Family Endowment

Chapter I

THE ECONOMIC CASE FOR FAMILY ENDOWMENT

To dilate on the value of the Family as a social institution would be to utter commonplaces. Not that there are no doubters. In every age there have been thinkers and their followers who held that family ties hindered rather than helped ' the good life ' because they required a loyalty which conflicted with, or at least distracted, men's minds from their loyalty to God or to the State. Thus Plato wanted his guardians of the State to have their wives and children in common, subject to elaborate eugenic safeguards, and the early Christian Saints from St. Paul onwards thought the celibate life the highest. But these thinkers have never commanded—few even demanded—the assent of the majority to their opinion. For a few leaders of thought or of political or religious movements it may be conceded that the intense concentration on their purpose necessary for its effectiveness required freedom from all other entanglements. But even these thinkers were probably bred up in families, and owed something to the kind of experience which family life best gives—the intimate association and interdependence of both sexes and different ages, the discipline combined with privacy and freedom in leisure hours. For the majority it is generally admitted that, in maturity as well

as in childhood, the individual home affords a better setting than either solitude or communal life. Most people would also agree that the Family as an institution has a special value at the present time as a bulwark against certain explosive and disrupting forces. A man with a wife and family may talk revolution, but he is much less likely to act it than one who has given Society no such hostages.

Apart from these social and political uses, the spiritual relations of the Family are a theme so well worn that it is scarcely possible to move a step in it without treading on a platitude. These relations give to human life, not only half its 'pathos and sublime,' but half its strongest emotions, most enduring motives, most accessible sources of happiness.

It follows that any proposal which concerns the Family, and might conceivably charge its external or internal relationships, will and ought to be closely scrutinized before it is accepted, lest it should be likely in effect—whatever its intention—to damage the structure.

On the other hand—as with a building—the fact that an institution is immensely valuable is an additional reason for subjecting, not itself, but its setting in Society to periodic examination. It may need underpinning, cleansing of accretions, adapting to a changed environment.

The object of this Lecture is to challenge nothing and change nothing that the Family does for Society ; merely to ask whether Society at present makes to the Family quite a fair return for what it gets from it—a return, I mean, in material goods. It honours the Family as an institution, it protects the lives and liberties of its members, it guarantees them education for their children, relief in destitution, and insurance against some of the emergencies which would otherwise lead to destitution. But what share does it give to the normal family unit in what is known as the national income or dividend? And what effect does its economic treatment have on the well-being of the family itself and of the community?

1. The Dependent Family

Let us first look at the answer to the question as from a height, in the broadest possible outline :

The population of Great Britain and Northern Ireland in 1921 was made up as follows :

Occupied Population	(000's)	
	Men and Boys.	Women and Girls.
Wage-earners	10,526	4,182
Salaried	1,637	1,071
Independent workers	841	366
Employers, farmers, professional ..	652	83
	13,656	5,702
Total occupied	19,358,000	
Unoccupied	(000's)	
	Men and Boys.	Women and Girls.
Under fourteen years	5,563	5,480
Over 14 and under 20 years	384	873
Others :		
Single	—	1,247
Married, or widowed	828	9,035
	6,775	16,635
Total unoccupied	23,410,000	
Total population	20,431	22,337

' Occupied ' in the sense used here signifies ' engaged in work of some kind for which a money return is made.' As practically everything—food, drink, clothing, houses, books, &c.—that is consumed in this country has to be paid for in money, it would appear that roughly 23½ million unoccupied persons are living on the labour of roughly 19½ million occupied persons, who have to keep the ' unoccupied ' as well as themselves. This looks at first sight as though we were a lazy people, and as though some injustice was being done to the occupied—the smaller half of the population who have to carry the larger half on their backs. The thesis I

want to maintain is that, on the contrary, some injustice is being done to the unoccupied, at least to many of them. For who are these 23 million unoccupied? Eleven million of them are children under 14. These are not idle. The infants are learning to walk and to talk and to know the chief properties of time, space, and matter[1]; the rest are at school.

A million and a quarter are between 14 and 20, most of them no doubt at Secondary schools or Universities or helping their mothers at home, the rest 'having a good time.' Nine million are wives or widows. A small proportion of them—say one-sixth, probably—belong to the middle and upper classes and keep one or more servants. Not all even of these, 'as every woman knows,' deserved to be called idle. The remainder are working housewives, many of them occupied, in their own picturesque phrase, pretty nearly 'all the hours God sends' with cooking, cleaning, sewing, nursing, and otherwise tending the home, husband and children. There remains roughly $1\frac{1}{4}$ million 'unoccupied' single women and under a million 'unoccupied' men—single, married or widowers. These include the old and invalids of all classes, as well as the *rentiers* living on their dividends.

After this analysis, the 'parasitic' portion of the community does not seem so very large after all, though probably a little larger than it reveals, because some people return themselves as members of callings which they have, in fact, ceased to practise or never more than played at.

But our concern is with the mothers and children. How are they maintained? The answer is, of course, broadly speaking, by their husbands and fathers. Neither group, as such, has any part or lot in the general scheme of wealth

[1] It has been said that a man who could discover in twelve years as many useful things as a child discovers in twelve months would be not human, but divine. 'Don't keep throwing Teddy out of the pram. He'll break,' said I once to an infant of two. 'Soft things don't break,' was the crushing reply. How many similar inductions that creature must have made in its short life!

distribution, which shares out the national income among those who lend their land or capital, and those who give their labour of brain or hand, in any one of the services which have established their right to remuneration. It is assumed that the wives and children will be kept out of the share of those who have taken on themselves the responsibilities of marriage and fatherhood, and that somehow or other—through the inter-play of economic forces or the rough and tumble of wage negotiations—the level of men's remuneration will be high enough to make this possible. The consequence that follows—that men without families should draw sufficient for the maintenance of a family—is also assumed as a matter of course, without much argument, but with some natural complacency on the part of those who will profit by the arrangement.

All of us, men and women, and our parents and grandparents before us, have grown up under this system, and it seems to us part of the order of nature. So indeed, in a rudimentary form, it is. In the nesting season the male bird feeds his mate and their young. But the period of immaturity among humans—always much longer than among animals—has under civilization been greatly prolonged by the double action of changes in methods of production and the steadily rising standards for the education and protection of children. 'When Adam delved and Eve span' who was then the dependent? No doubt Cain and Abel at a very early age helped their parents to produce everything that the family consumed. Through the ages much the same division of labour continued, the husband's work being mainly outside the home, the wife's inside it—spinning, weaving, sewing, baking, brewing, compounding medicines and preserves, the children helping generally. No doubt the large number of children born—about half of whom died 'before the age of manhood'—kept the mother pretty busy. Cantillon—a French writer of the early eighteenth century, described by Jevons as the founder of

modern political economy—estimated that on this account ' the poorest labourers must, one with another, attempt to rear at least four children, in order that two may have an equal chance of living till that age,' and that the labourers ought to earn at least double their own maintenance in order to provide for those two—' the labour of the wife, on account of her necessary attendance on the children, being supposed to be no more than sufficient to provide for herself.'[1]

Sir William Petty, another very early writer, suggests seven as the age below which children, generally speaking, might be expected to be maintained by their parents. But Defoe waxed enthusiastic over the conditions he found in 1724 in the homes of the Yorkshire cloth-makers—one of the country's most important industries—where ' scarcely anything above four years old but its hands were sufficient for its own support.'[2]

The industrial revolution gradually changed the manufacturing population from country dwellers into town dwellers, from producers for consumption into producers for exchange, from home workers into factory workers. All through the nineteenth century the struggle went on which gradually drove children out of the factories into the schools, until at last one of the principal reformers, Lord Shaftesbury, thought that the matter was going too far and—pleading with the House of Lords to reduce the age proposed by the Education Act of 1870 from thirteen to ten—declared that ' the extent to which persons in London depended on the labour of their children, Your Lordships could hardly be aware of.'

Meantime the mothers too, by the changes in processes and customs which had substituted factory-made for home-made

[1] Quoted and endorsed by Adam Smith, *Wealth of Nations*, Book I., chap. viii. We shall see later that the advocates of Family Endowment also suggest, but for a different reason, ' that at least double his own maintenance ' should be the basis of the minimum wage.

[2] For numerous instances of very early wage-earning see my *Disinherited Family*, chap. i. ; Harrison and Hutchins's *History of Factory Legislation*, or almost any book on that subject.

goods, had been relieved one by one of their services to production, without perhaps—owing to the greater complexities of town life and the rising standard of living—feeling their work much lightened. Their own view of the matter is illustrated by the remark made to Miss Anna Martin by one of her guild members at Rotherhithe :[1]

> When I was ten years old I was helping my parents by gathering stones for the farmers ; now I send four girls to school every day with starched pinafores and blackened boots. Except on Sundays, my father never had anything but bread and cold bacon, or cheese, for his dinner ; now I have to cook a hot dinner every day for the children and a hot supper every evening for my man.

There was one fact about the double change which seems to have escaped the observations of the reformers, and even of the economists who looked on, viz. the immense increase in the productivity of labour which it postulated. If the wives and children who were relieved of their services to production were to be kept out of men's wages at a satisfactory level, not only must the man earn as much as the whole labouring unit of the family earned before, but also—as wages themselves clearly cannot vary with the number of a man's dependants—a man without wife and children must earn enough for an imaginary family. That the wages of the fathers would adjust themselves somehow to their increased burden was indeed assumed by the reformers. It was justified to some extent by the current doctrine of the economists, that the lowest level of wages was determined by the amount necessary to enable labourers ' to keep up the population.' The economists were vague as to the size of family needed for this purpose, and did not attempt to explain with any precision by what force labourers of one generation are compelled to ask, or employers to concede, the rate of wages needed by the very small minority of

[1] ' The Married Working-Woman,' *Nineteenth Century*, December 1910, pp. 1105–6.

labourers who are responsible, at any one time, for the size of family necessary to keep up the population of the next. They seem to have thought of family dependency—as indeed many of them and the public with them have gone on doing ever since—as though it was a universal static condition, instead of a moving cycle of conditions, and never even asked themselves whether there is not, perhaps, a more efficient and less wasteful way of providing for the rearing of future generations than one which involves budgeting for millions of phantom children, while making no provision for a large proportion of those which really exist. Nor apparently was there any attempt to measure the web of production and ask whether it could conceivably furnish cloth enough to cover all these ghostly backs.

2. Should Wages be Based on the Needs of 'a Normal Family'?

The difficulties of the problem were veiled from the nineteenth century by the fact that the period was one of rapidly increasing wealth, due to scientific progress, and also of a growing assertiveness on the part of the wage-earners, so that they were able to keep their footing on the slope of distribution.[1] Real wages rose until about 1898 and then became stationary.

During the early years of the twentieth century the public conscience was stirred by the inquiries of several sociologists into the actual conditions of life in wage-earners' families, which revealed that very many of them were not in fact receiving a 'living wage,' in the sense of a family wage.

The most direct treatment of the problem is that of

[1] But not to improve it. See Stamp's *Wealth and Taxable Capacity*, pp. 78. seq. It seems to follow from his argument that the earnings of the wives and children were really lost to the workers, though this was veiled by their increase in real wages due to increased wealth.

Mr. Rowntree's famous books—*Poverty : a Study of Town Life* (1901) and the *Human Needs of Labour* (1918). Mr. Rowntree argues that, because nearly all men marry and have children some time, the wages of even unskilled labour should be sufficient to cover the minimum needs of healthy physical maintenance for a normal family, which he fixes as man, wife, and three children. Using the best material then available as to physiological food needs, he calculates the cost of diet for such a family, and adds estimates for clothing, fuel, rents, &c., based on actual working-class expenditure in York. The cost of the resultant household budget worked out at 21*s.* 8*d.*—equivalent roughly in 1914 to 24*s.*, in 1925 to 50*s.*

The kind of existence possible on this standard is thus described by Mr. Rowntree :

> A family living upon the scale allowed for in this estimate must never spend a penny on railway fare or omnibus. They must never go into the country unless they walk. They must never purchase a halfpenny newspaper or spend a penny to buy a ticket for a popular concert. They must write no letters to absent children, for they cannot afford to pay the postage. They must never contribute anything to their church or chapel, or give any help to a neighbour which costs them money. They cannot save, nor can they join sick club or trade union, because they cannot pay the necessary subscriptions. The children must have no pocket-money for dolls, marbles, or sweets. The father must smoke no tobacco nor drink beer. The mother must never buy any pretty clothes for herself or for her children, the character of the family wardrobe, as for the family diet, being governed by the regulation. 'Nothing must be bought but that which is absolutely necessary for the maintenance of physical health, and what is bought must be of the plainest and most economical description.' Should a child fall ill, it must be attended by the parish doctor ; should it die, it must be buried by the parish. Finally the wage-earner must never be absent from his work for one day.

Of course the inhuman sort of existence which this demands is not that actually lived by workmen's families

living at the post-war equivalent of ' round about a pound a week.' This is seen by comparing Mr. Rowntree's model budget with those collected by Mrs. Pember Reeves from families of labourers in South London—men of good habits in regular but low-paid work.

Actual Budgets

	s. d. Mr. Rowntree's Model Budget for family of 5	s. d. Family of 5 with income of 21s.	s. d. Family of 8 with income of 20s. to 26s.	s. d. Family of 6 with income of 22s.	s. d. Family of 8 with income of 25s.	s. d. Family of 4 with income of 14s. (evening work).
Food ..	12 9 (say 11½d. per head per day)	8 1 (less than 3d. per head per day)	7 0½ (1½d. per head per day)	9 9½ (2¾d. per head per day)	10 6½ (2¼d. per head per day)	4 11½ (1½d. per head per day)
Rent	4 0	7 0	8 0	6 0	7 3	6 0
Clothing ..	2 3	1 2	1 0	nil	6	nil
Fuel	1 10	1 10	1 3	1 5	1 8	11½
Household sundries, gas, cleaning materials, &c.	10	1 5	1 0½	1 7½	1 2	6
Insurance ..	nil	1 6	1 8	1 2	1 10½	7
Retained by husband ..	nil	nil	nil to 6 0	2 0	2 0	1 0
	21 8	21 0	20s. to 26s.	22 0	25 0	14 0

In Rowntree's later book, when the war had influenced men's ideas as to the ' human needs ' of the working class, he worked out his budget afresh on a basis which assumes the strictest economy, but allows for a modest expenditure on meat, insurance, and personal and household sundries. The sum reached, at 1914 price-levels, was 35*s.* 3*d.*—equivalent in 1926 to 61*s.* 8*d.*

How far do wages actually paid satisfy these standards? According to the best available statistics for the pre-war

decade in 1911, approximately 32 per cent. of men earned less than 25*s.* when in full work, and 74 per cent. less than 35*s.*[1]

No figures for the post-war period exactly comparable to these are available, but those which exist show some improvement. According to the latest and most authoritative estimate :

> Within the wage-earning classes women and unskilled workers have received a substantial real advance in wages ; the great majority of skilled workers made at least as much (after allowing for the rise of prices) in 1924 as in 1911.

The rise in the wages of unskilled labourers has probably sufficed to raise the great majority of them above Rowntree's poverty standard for a family of five.

But the same authorities make it clear that the nation as a whole was no better off, but rather worse off, in 1924 than 1911.

> The real home-produced income per head (when duplication is eliminated) was very nearly the same in 1911 and 1924 ; it is improbable that it was any greater in the latter year, and it may have been 4 per cent. less. Owing to the fall in the value of income from abroad, and the excess of payments to the United States over Reparation payments, received, the income available for spending or saving was approximately the same in the aggregate and 5 to 10 per cent. less per head.[2]

And elsewhere :

> The estimates indicate that wage-earners obtained 43 per cent. of the whole of income originating at home in 1911 and 44 per cent. in 1924 ; that is the same proportion within the limits of error of

[1] The table from which these figures were taken (see my *Disinherited Family*, p. 25) was published by Mr. Sidney Webb in 1911, but tallies with Dr. Bowley's estimates. He gives the average wage for all men as 29*s.* See *Division of the Product of Industry*, 1919.

[2] *National Income* : A comparative study of the income of the United Kingdom in 1911 and 1924, by A. L. Bowley and Sir Josiah Stamp, Clarendon Press, 1927.

the figures. This result has been reached in spite of a reduction of the working-week by about 10 per cent., and in spite of an increase of unemployment by one-twentieth of the normally occupied population.

But if wealth is no greater than before and the workers' share in it about the same, it seems to follow that the advance made by the lower-paid workers must have been to some extent at the expense of the higher paid.

Evidently, therefore, the assumption that the general level of men's wages should be—and somehow or other will be in any properly ordered Society—enough for the maintenance of a moderate family at a standard of frugal comfort, is very far from having been realized yet. A still more serious fact is that there seems no possibility of its realization, unless the wealth of the community is increased to an extent of which there is no immediate or assured—most economists would say no probable—prospect.

Those who come freshly to the problem are seldom able to credit this statement until they have examined the evidence. But no competent observer of any party has, so far as I know, denied it after examination. So much attention has rightly been directed to the immense inequalities in the distribution of wealth between the richer and poorer classes, that it seems at first sight as though a rectification of the excesses in that respect would surely suffice to ensure a reasonable competence to all workers. Perhaps the shortest effective statement of the extent to which this fails to be true is contained in Sir Josiah Stamp's Lecture in this series last year. It will bear repetition :

For 1919–20, if all individual income in excess of £250 per annum were put into a pool, and from the pool was first taken the taxation being borne by individuals (out of the income so pooled) and also the amount necessary to the community for savings on the pre-war scale, and the balance left in the pool were shared out to all as an addition to spendable income, the addition would not exceed

5*s*. per week to be added to each family for the first occasion, and probably less afterwards. Some of you may have read that the effect of spreading the Alps, with all their majestic mass and volume, over the whole of Europe, would be to affect the level of Europe by a few inches only. Similarly, the effect of spreading such a mass as the Himalayas over Asia would be to raise the plains very slightly.

Sir Josiah also quotes Dr. Bowley's calculations, based on 1914 figures, that even if the confiscation of wealth were carried so far as to leave no one with a higher income than £160 per annum, the sum so obtained would, after subtracting from it the proportion previously saved or paid in taxes

. . . have little more than sufficed to bring wages of adult men and women up to the minimum of 35*s*. 3*d*. weekly for a man and 20*s*. for a woman, which Mr. Rowntree, in *The Human Needs of Labour*, estimates as reasonable.

And finally (lest there should be any hearer or reader who distrusts evidence from authorities suspected of pro-capitalist bias) he quotes the admission of Sir Leo Chiozza Money :

The national income is not large enough, even if better distributed, to confer the conditions of a comfortable and cultured life upon the whole community.

More unexpected still is the fact that, even in countries regarded as wealthier than our own, exactly the same conclusion has been reached, though by different methods, as to the sheer impossibility of securing as a general minimum ' a living wage ' based on the reasonable needs of ' a normal family.'

Thus we shall see later[1] that in Australia a Royal Commission, equally representative of employers and trade

[1] See chap. iii., p. 78.

unions, was able to agree on the standard of comfort which the Australian workman's family reasonably required. But unfortunately it turned out that 'the whole produced wealth of the country' was insufficient to pay every workman a wage based on such a standard.

Even in the United States, to maintain a family of five at a 'health-and-decency or subsistence plus' standard is reckoned to cost $1,700 a year. But to pay all men that wage, and women and young persons enough to keep themselves, would swallow up 82 per cent. of the whole income of the U.S.A., the remaining 18 per cent. being insufficient to cover wages and salaries above the minimum, interest, profits, rent, savings for future development, and cost of government, even if these were reduced to the lowest possible figure.[1]

Is there, then, no way of escape from this depressing conclusion, except to await the time when—by some as yet unknown or at least untested change in scientific processes or in the political and economic structure of Society—wealth has so multiplied that the impossible has become possible? And what, in the meantime, is becoming of the millions of children who are growing up to manhood and womanhood at a standard below that necessary to satisfy their human needs?

Let us get back to the hypothesis from which we started and ask: is the only possible or even the best way of securing a high standard of material well-being for the family one which assumes that every man has a family, and that all families are of the same size, or at least that they should be assumed to be so for purposes of wage-fixing? How, first of all, does this hypothesis fit the facts?

The following table gives the distribution of child dependency in England and Wales at the 1921 census for the population as a whole, and also for certain selected occupations which have been separately calculated:

[1] *Wages and the Family*, Professor Paul Douglas, of Chicago University.

Of Men Over 20 Years of Age

	General population	Agricultural workers	Chemical workers	Miners	Railway workers	Teachers
Single ..	26.6	34.7	19.3	25.4	32.1	25.7
Married or widowers with no children or children 'not stated' ..	34	30.3	30.2	23	27.6	37
Married or widowers with :						
1 child ..	16	12.6	18.1	17	17.2	19.6
2 children ..	10.5	8.6	13.4	13	11.1	11
3 ,, ..	6.2	5.7	8.6	9	6.1	4.2
4 or more ..	6.7	8.1	10.4	12.6	5.9	2.3
Children per man	.88	.9	1.2	1.3	.85	.6
Percentage of children in families of 4 or more	37%	45%	41.2%	46.7%	32.69%	16.7%

'Children' denotes those under 16 years of age, including step-children.

Per 100 agricultural labourers	80	children
,, workers in manufacturing chemical industry	106	,,
,, coal-miners	110	,,
,, railway workers	83	,,
,, teachers	59	,,

It will be noted that only just 6 per cent. of the men, *taken at one time*, are responsible for a household of the supposed 'normal' type. On the other hand, the large families, though a small percentage of families, yet cover a considerable percentage of the children. In the pre-war figures of Mr. Rowntree's, he calculated that, even if a universal minimum wage based on the needs of a five-member family were in fact paid here and now the result would be to leave 62 per cent. of the children inadequately provided

for, while 54 per cent. would remain in that condition for five years or more of their childhood. At the same time, we may add, provision would have been made for 3 million fictitious wives and for 16 million fictitious children. The corresponding calculations as to the effect of the five-member wage basis in Australia and U.S.A. showed that in the former country it meant provision for 450,000 imaginary wives and 2,100,000 imaginary children, in the latter for 45 million imaginary wives and children.

Regarding, then, the doctrine of the ' living wage ' based on family needs as a device for securing a higher standard of social well-being, what are we to say of a device which has never been realized, either in this or any other country, which could not be realized out of existing resources even if they were redistributed as between classes more drastically than the most extreme Socialists think practical, and which if realized would result in making provision for vast cohorts of phantoms, while leaving the majority of the flesh and blood children still lacking the requisites for full development ?

3. How Far do Actual Wages Meet the Needs of Existent Families ?

Let us then drop for the present that misbegotten fruit of muddled thinking—' the living wage ' based on the needs of the ' normal family '—and ask ourselves, how far do wage-rates as actually paid meet the needs of families as actually constituted ? So far as I know, the figures do not exist for an up-to-date and comprehensive answer. The pre-war investigations of Dr. Bowley in selected industrial towns[1] showed considerable variation in the proportion of families living ' in primary poverty,' i.e. on incomes insufficient,

[1] Northampton, Warrington, Stanley, Reading, and Bolton. See *Livelihood and Poverty* (Bell & Sons, 1915).

however carefully expended, to meet the needs of healthy physical existence.[1] But taking the five towns together, 13½ per cent. of the working-class households, containing 16 per cent. of the working-class population and 27 per cent. of their children, were living 'in poverty.' Most people, if asked to make a guess at the causes (other than personal defects) that had brought these households into that condition, would probably suggest unemployment, sickness, accident, old age, widowhood. But in fact all these together only accounted for 26 per cent. of the cases, the remaining 74 per cent. being due to the sheer insufficiency of the man's wife and all other sources of family income to meet the bare physical needs of the number of persons actually dependent on it.[2]

A re-survey in 1924 of the same towns showed considerable changes. Unemployment had enormously increased and was the chief cause of poverty. But owing to the fact that insurance and poor relief are adjusted to the size of families, the effect of this on the number of families was much smaller than might be expected—the total number in primary poverty being actually only half that of 1913. Owing to the double action of the rise in the wages of unskilled labour and the steadily falling birth-rate, the proportion of families found in poverty where the man was normally earning, *assuming him to have been in full employment*, was only one-fifth of that in 1913.[3]

These figures, however, are likely to give a too optimistic impression if we forget the incredibly low and—I venture to say—excessively artificial, standard of life which this investigation assumed. In reckoning the minimum income which lifts a family above the poverty level, the investigators made the following assumptions :

[1] Dr. Bowley's standard is equivalent to that of Rowntree's *Poverty* (p. 19), but allows for some butchers' meat at the expense of other items.

[2] Mr. Rowntree's study of York ten years earlier yielded practically the same result.

[3] *Has Poverty Diminished?* by Dr. Bowley and Miss M. Hogg (P. S. King, 1925).

1. That the whole income of every member of the family was available for bare housekeeping, *nothing whatever* being allowed for pocket-money to husband or wage-earning children, or spent on beer, tobacco, tram fares, postage, trade-union or burial clubs, chapel subscriptions, newspapers, or education or recreation of any kind.

2. That every lodger (and owing to the excessive overcrowding in some of the towns investigated the number of these was abnormal and injurious) paid one-third of the rent, and, in addition, his board yielded a clear profit of 5*s*. a week. For lodgers boarding with the very poor this estimate seems high.

3. That every penny of food money was spent and consumed to the best possible advantage—the sole concession to the weakness of the flesh being represented by 2 lbs. of butcher's meat per family of five and 2 ozs. of tea per week for each adult.

It would seem that families actually conforming to these conditions must practise the virtues of saints while living the lives of ill-housed animals. For the contrast afforded by the reality, see the actual budgets on p. 20. It may be said that Society has done its part in securing to such families incomes sufficient for the necessities of healthy living; if they choose to spend part of their resources on unnecessary things, that is their affair. But the fault—if it be a fault to insist on some of the amenities of civilized existence even at the expense of bodily needs—is that of the parents or parent; the penalty falls on the children. To approve that may be in accordance with the ethics of the Old Testament, but hardly with those of the New.

But comparing the earlier period with the later, the diminution in extreme poverty to-day may be regarded with some complacency by those of us who remember the huge mass of abject destitution in the great towns when we were young. Our memories are apt to be optimistically selective when lives other than our own are in question. We are in danger of forgetting, as the Great War recedes into the background, the irrevocable difference which the higher standards of life enjoyed while it lasted, the great expectations held out, the heightened sense of their own

value to the community, has made to the manual workers. Never again—at least while the contrasts of wealth and luxuries are before their eyes—will they be satisfied with the conditions which kept them acquiescent if not content before.

They regard themselves as living ' in poverty ' not only when they are below ' fodder basis ' of physical subsistence, but when they are deprived of the ' comforts and decencies promotive of better habits ' (to quote a phrase from the report of the Dockers Court of Inquiry of 1920). Hence the significance of the second set of figures to which I would direct your attention. They refer to the mining industry. In preparing the evidence given on behalf of the Family Endowment Society before the Coal Commission in 1925, we estimated[1] the wages per shift actually paid to each of the various grades of miners during the first half of that year. We also examined the actual distribution of child dependency among miners as revealed by the 1921 census (see Table, p. 25). We then showed that even if every man had worked a five-shift week, the wages earned would have left almost one-third of the households, covering over two-thirds of all the miners' children, below the ' human needs ' level postulated by Mr. Rowntree. It would have left 4.6 of the households, covering 17.7 of the children, actually below his and Dr. Bowley's ' poverty level.' But in fact there were many districts—those with half-exhausted mines or subject to severe foreign competition—where short time had prevailed for several years. In these the proportion in poverty must have been far higher. Since that time these rates of wages have of course been substantially reduced in most areas.

Do not these figures throw some light on the bitterness

[1] With highly expert assistance which we are not at liberty to acknowledge. The Commission's Report said, referring to our evidence, ' The figures used were admittedly rough estimates for illustrative purposes, though, as it happens, the estimates correspond closely with returns subsequently received by us, as to the average earnings of different classes of workpeople.'

which marked the conflict and on the fact that resistance was most tenacious just in those districts where it was apparently most hopeless? Remember that the miners are perhaps the most highly organized and class-conscious of any group of workers; that they know their occupation to be at once one of the most arduous and dangerous and the most essential of our staple industries; that all the figures regarding the unequal class distribution of wealth are incessantly pressed upon them by their leaders and their press; while the figures showing the limitations of national wealth are little known and less believed.

Those who would ascribe what they regard as malign in the coal strike and other industrial conflicts—the rancour and the unwillingness to face facts—wholly to the perversity of individual leaders, forget that the greatest response to extremist teaching came during the coal strike and is coming still from areas and occupations where conditions are actually bad, where there is poverty, unemployment, overcrowding, ugliness.[1] The forms in which discontent manifests itself, the remedies it asks for, may be unjustified, but the discontent itself is seldom unjustified. Further, the chief victims of bad conditions are usually the families, the parents of young children and the children themselves.

4. The Standard of Living

Here the sociologist steps in and reminds us, as Sir Josiah Stamp did last year, that there are two difficulties in the way of satisfying these insistent demands for a higher standard of living. First, once we have got away from the bare physiological needs of the body (which are at least something definite), these higher standards vary infinitely, in different countries and at different periods. Why select one more than another? Secondly, whatever your standard,

[1] Such as the Clyde district, the South Wales and northern English coalfields. In Glasgow 62 per cent. of the entire population live in dwellings consisting of a single room.

'you cannot get more than a pint out of a pint pot; nor, indeed, more than you have put into it.'

I suggest that Family Endowment provides part (it does not pretend to do more) of the answer to both difficulties.

First, are the variations in the won't-be-happy-till-he-gets-it standard of comfort of the working-man so arbitrary as they seem? Does nothing determine them except the universal propensity of human nature to want more than it possesses and claim more than it deserves? If so, what impelled not only the labour representatives on the Australian Royal Commission on the Basic Wage, but also those representing the three federations of employers, to sign a report laying down a standard as fair and reasonable for the Australian workman considerably higher than would be supported by any similar body of public opinion in this country?[1] What again induces American sociologists such as Professor Paul Douglas (judging from his writings, obviously no Socialist) to accept a yet higher standard as the minimum which can be expected to content the American worker? If the figures are examined, I believe it will be found approximately true that the standard insistently demanded by any section of workers, and conceded as reasonable by their fellow-countrymen, is not arbitrary; it is usually that actually attained by those without dependent children, or with perhaps one such child. I have no space to justify this generalization here; it can easily be tested by anyone interested. It holds good, for example, of the standard of comfort laid down by the Australian Royal Commission of 1920 and the New South Wales Industrial Commission of 1926. Those familiar with the conditions of workers in various industries in this country will, I think, find that in each[2] the wages about suffice to keep the childless couples, or those with one child, at a level

[1] See chap. iii., pp. 76 seq.

[2] There may be exceptions, due to the exceptional prosperity or depression of an industry in comparison to others of analogous standing.

of comfort judged fairly satisfactory by the workers themselves. The pinch comes when there are several children.[1]

It is easy to see how this comes about. We all build castles in the air, but we do not usually become angry or miserable because we cannot live in them. There is a sense of rough justice in most of us (helped perhaps by a dullness of imagination), which prevents us from feeling acutely the lack of comforts or pleasures to which we have no special claim and which we have never enjoyed, unless we are surrounded by neighbours who are enjoying them and have apparently done no more to deserve them than ourselves. But this is exactly the position of the wage-earners with young families. They are in the very prime of their life and powers. They have become accustomed during their carefree bachelor days to the satisfactions of a full life; they see these being enjoyed by those younger and older than themselves, of actually less value to the community as workers and as citizens. They do not grudge these others their comforts; they do feel a grudge against an economic system which compels them, their wives, and families to live overcrowded, uncomfortable, pinched lives.

But they are like sufferers from an internal malady which the doctors have failed to locate. They attribute their economic *malaise* entirely to the lowness of wages generally, not realizing that, even supposing a substantial general rise to be practicable under the conditions of British competitive industry, it would leave the same disparity as before between the standard of comfort acquired by themselves in youth and enjoyed by their neighbours and their capacity for realizing the same standard during the period of child dependency. A series of articles on 'The Family' which appeared in the *Spectator* during 1925 set forth the grievances of professional men with incomes of £600 or £800 a year (i.e. four or five times the cost of Rowntree's 'human needs' standard for a family of five) who felt obliged to

[1] To the obvious retort, why, then, have more than one child? I will reply later.

deny themselves the satisfactions of fatherhood. The standards of such men may be conventional and possibly self-indulgent. But dare any of us say that of the wage-earners who complain of the conditions under which the present system condemns them to bring up their families?

In the next chapter, we shall study in detail these conditions and their social and moral consequences. These, again, have economic consequences—the economic and ethical factors so acting and reacting on each other that it is impossible to really separate them. But first let us make certain reflections which seem to belong to this chapter.

5. The Reactions of the Present System on Production

'You cannot get more than a pint out of a pint pot, no more, indeed, than you put into it.' Hence the great importance of increased production, on which all economists insist. But here the advocates of Family Endowment ask certain questions:

1. If the content of the pot is limited, is not that a reason for getting the maximum use out of every drop of it? Would not that be better achieved if those who have contributed equally to the pot were equally able to satisfy their legitimate thirst? And the thirst of the family unit must be greater than that of the single individual, however indulgently we may look on his desire for 'the satisfactions of a full life.'

2. Is not the family's unslaked thirst partly the cause of the smallness of the pot's content? The discontent of the workers—manifesting itself in strikes, restriction of output, &c.—may be attributed by themselves entirely to perpendicular mal-distribution of wealth, i.e. as between the richer and the poorer classes. But has not horizontal mal-distribution—i.e. as between those with and without families—also something to do with it? We have seen the unexpectedly small result which could be achieved by

the re-distribution of existing wealth between the classes. But might not the effect of redistribution—of both kinds—on the product itself be unexpectedly great, if it resulted in removing the psychological causes—the mutual distrust and fear—which are now limiting it?

3. Since increased production is so important, should it not be possible to select workers for each kind of work solely with regard to their fitness for it? But it is scarcely possible to do that, so long as wages are the only source for the maintenance of the children. Sentiment weighs, even with many private employers; certainly with public employing bodies. In hard times there is inevitably a feeling, when either promotion or reduction of staff are considered, that preference should be given to the men with family responsibilities rather than to the fittest men.

This factor tells much more substantially when the employment of women is in question. During the War we heard much of their splendid services to production, even in industries before regarded as exclusively men's province. Thus a Committee of the British Association reported in 1919 that

> There are few processes in industry on which women have not been employed, and few in which some women have not proved successful.

The manager of a great ammunition factory said:

> Shops where women work are really quite models compared to those where men work. They are very adaptable, and train more quickly than men.[1]

The reports of one witness after another before Government Committees echoed the verdict of the foreman who told one inspector:

> The women are doing very well indeed, much better than I ever thought they could, and, there is more in this than people think; *women have been too much kept back.*

[1] Report of War Cabinet Committee on Women in Industry (Cmd. 135).

Where are these women now? With very few exceptions they have been swept back behind the barriers which limited their industrial opportunities before the War. Nor does it seem probable that, even when trade has become prosperous again, anything less than another Great War will break down the opposition of men trade unionists to the free competition of women's labour with men's, so long as men's wages have to bear nearly the whole burden of the maintenance of the children. This almost inevitably results in different rates of pay for the two sexes, even when the value of their work is admitted to be equal. Or if equal pay is theoretically conceded, it is accompanied by a steady pressure to limit the opportunities of the women workers to the lowest-paid jobs.

Yet the usual arguments in favour of Free Trade in commodities apply in this respect to labour. Just as in the long run it is best for the prosperity of the world as a whole, and of the individual nations composing it, that the channels in which a country's trade flows should be determined by its natural aptitudes and not by political considerations; so the prosperity of the community will be best served if the productive capacities of its citizens are allowed to find their natural level, uninfluenced by the question of sex or family responsibilities.

4. Assuming that not only the quantity, but the kind of production is important—i.e. that some industries are more vitally necessary to this country than others—what effect does the present method of providing for children have on this matter? Sir Josiah Stamp told you last year that

> Regarding labour as a continuous flow of one agent, the provision of children to grow up and replace the worn-out units is an economic necessity, to be included in full current 'cost of production' just as surely as a fund for replacement of other producing agents.

But on which industries does this burden fall? Obviously mainly on those industries which employ chiefly adult male

labour. These happen to include most of the great reproductive industries, such as mining, engineering, chemicals, agriculture, and all the transport trades. The industries which use chiefly women and young persons are domestic and hotel service, the clothing trades, retail distribution, including catering, tobacco, confectionery. The rearing of the labour engaged in these is, in effect, included not in their production costs, but in those of the great male industries. Mr. Herbert Smith told the 1924 Court of Inquiry that the cost of rearing the future labour supply was 'as much a necessary cost of production as the price of pit-props or depreciation or renewal of plant.' But both he and Sir Josiah Stamp omitted to note that, as the daughters of miners and railway workers do not join the industries they respectively represent, these are bearing an unfair share of a burden which could be more economically and equitably met by Family Endowment.

Several years ago a writer in the *Times Financial Supplement* compared those industries which were depressed with those which were making large profits. The depressed group included every one of the industries I have called male. The prosperous were all female industries, except brewing. The writer's explanation of the contrast was that we are an extravagant nation, producing luxuries for consumption rather than necessaries for reproduction. Has not the above factor also something to do with it? Is it really 'good for trade' that we should all be able to buy our frocks, cigarettes, chocolates, &c., artificially cheap at the cost of keeping the country's coal, wheat, chemicals, machinery, &c., artificially dear? In the next chapter we shall see that there is also a possible connexion between the prosperity of the brewing industry and the present method of providing for children.

Chapter II

THE ETHICAL CASE FOR FAMILY ENDOWMENT

I

The Effect of the Present System on Character and Well-being

> . . . that our guardians may not be reared amongst images of vice, as upon unwholesome pastures, culling much every day by little and little from many places, and feeding upon it, until they insensibly accumulate a large mass of evil in their inmost souls. Ought we not, on the contrary, to seek out artists of another stamp, who by the power of genius can trace out the nature of the fair and the graceful, that our young men, dwelling as it were in a healthful region, may drink in good from every quarter, whence any emanation from noble works may strike upon their eye or their ear, like a gale wafting health from salubrious lands, and win them imperceptibly from their earliest childhood into resemblance, love, and harmony with the true beauty of reason ?
>
> *The Republic of Plato*, Book III. (Jowett's translation.)

Most Englishmen have a rooted distrust of reasoning, and believe that what they call their instincts and intuitions—usually, in fact, prejudices based on custom or self-interest—are a safer guide to conduct. Even when they have learnt to consult reason in matters of business or politics, they generally warn her off the doorstep if she approaches the region of personal relationships.

Thus there are professional thinkers, men who are spending their lives in persuading society to act reasonably in international or industrial matters, who after admitting that the case for Family Endowment is ' unanswerable,'

declare that they dislike it; it is too mechanical—and so turn their backs irritably on the whole subject. Just so the prosperous motorist is annoyed at the suggestion that the picturesque creeper-covered cottages he passes in the country are going to be replaced with new houses equipped with three bedrooms, a bathroom, and all modern conveniences. He admits that the picturesque cottage is probably cramped, dark, and insanitary, but he prefers it. He has never spent a day in such a place, nor troubled to think what a lifetime spent in it must be like. But he prefers it, 'and that's that.'

The cramped cottage sheltering the labourer's family is at once the result and the symbol of the part of the social structure which Family Endowment aims at rebuilding. But is it really a beautiful part to those whose minds have eyes as well as their bodies? Remembering that the economic factor in life is not the only, nor even the most important, factor, but that it does react on all the others, let us ask ourselves how the system of the uniform wage—varying not at all with the workers' needs, but corresponding roughly with the average of his customary requirements throughout his working life—works out in practice. Does it help or hinder 'the good life'—make it harder or easier for the man, his wife, and each of his children to attain the full measure of the stature—physical, mental, and moral—which Nature intended for him or her?

The man first! By our hypothesis (and economists say it is usually so) our typical rank-and-file workman has adopted an occupation of about the same grade as his father's, and is earning nearly or quite as much as he will ever earn for several years at least before he marries.[1]

[1] In Marshall's *Principles of Economics* (Book III., chap. iv.), he estimates that the unskilled workman usually attains his full wage-earning capacity at eighteen; the skilled at twenty-one. Dr. Bowley in *Nature and Purpose of the Measurement of Social Phenomena* shows that the son of the unskilled/skilled workman usually becomes an unskilled/skilled workman.

The sum probably is more than his mother kept the whole family on during his childhood. He pays her what she asks for his keep (and many mothers, in their anxiety to keep their boys at home, ask absurdly little), and has the rest to spend on his personal habits and interests.

As he is, by our assumption, not a paragon, but a rank-and-file young man, a not very large proportion probably goes on education, politics, and saving for a future home, the rest on cigarettes, beer, football, cinemas. If he values leisure more than these luxuries he probably 'plays a bit' more frequently than is convenient to his employer in busy times, or at any time if the occupation is one in which the absence of some members of a shift upsets the work of the rest. In most controversies about wages the complaint of the trade unions that their members cannot 'keep their families' on what they are getting, are met by the retort of the employers that there is, nevertheless, considerable absenteeism. Inquiries as to who are the offenders would probably reveal the fact that they are either the young single men, or those who having formed in youth the habit of taking Mondays off, find it too difficult to break even when its consequences are inconvenient to their families as well as their employers.[1] The same thing is true of the habits of excessive working-class expenditure on alcohol, tobacco, betting, which provides the consciences of the well-to-do with such a comfortable narcotic when they are troubled by the complaints of their employees or the revelations of sociologists and Royal Commissions as to the proportion of workers earning less than 'a living wage.' They are able to point, for example, to the fact that in 1926 (a year

[1] This fact was first brought home to me in the early 'nineties, through an elaborate investigation into the conditions of Liverpool dock labour. The reports of the various Coal Commissions and Inquiries also afford evidence of it. Two of the best-known miners' leaders remarked to me once that there was more correspondence between wages and needs than appeared on the surface, because the married men work harder. Probably most employers and workmen can supply other instances from personal experience.

of exceptional unemployment owing to the coal strike) the drink bill of the United Kingdom was over £301, 250,000, or, after deducting taxation, nearly £172,500,000, the former sum representing an expenditure of £6 17*s.* 10*d.* per man, woman, and child of the population ; further, that of this expenditure £191,500,000 went in beer, the working-man's drink.

Nothing so pleases the middle-class opponents of Family Endowment, or so annoys its Labour critics, as this part of our case. The arm-chair group like it because it gives them a chance of denouncing us as sour-faced Pharisees, who grudge the young bachelor the satisfactions of a full life and want to deprive him of his surplus. They are usually to be found, a few minutes later, pointing themselves to the same facts of working-class luxury expenditure as proofs that Family Endowment (and incidentally that higher wages) are quite unnecessary.

Exponents of the case for Labour are sorely aware that these facts seem to tell against their claims, and, while unable to refute, they hate to be reminded of them. But is it ever well to try to hide the truth, especially when indeed it is only their heads that, ostrich-like, they are hiding? Do these facts, in reality, weaken the case against poverty? Surely the saying holds good of poverty as of other forms of evil : ' Fear not that which slays the body ; fear rather that which has the power to send both body and soul into hell.' The worst and ugliest thing about this kind of poverty we are discussing, poverty as it exists not in the sayings of St. Francis, but in the slums of Liverpool or the sordid little towns of many manufacturing and mining areas, is that it does debase the minds and characters as well as the bodies of many of those men and women brought up in it, so that when circumstances place in their hands a margin above the bare needs of physical existence it is spent not on lecture fees, books, concerts, days in the real country, but on all the things that make ' 'Arry on an

'oliday ' the butt of his betters.[1] It is a poor sort of loyalty to the working classes that compels its champions to pretend that every young workman is like a young god, incorruptible, instead of like the rest of us, a creature who finds it easy to form habits, especially in childhood and youth, and terribly hard to break them.

Let us suppose, however, that our typical youth, when at twenty-seven or so he marries and settles down with the girl of his choice, does do this difficult thing ; that he turns up the whole of his wages except quite reasonable pocket-money to his wife. Since she also is assumed to be a typical member of the rank and file, we need not perhaps travel so far from probability as to suppose that she finds time, in the intervals of nursing her babies, doing all the cooking, cleaning, sewing for the household, to study food values, buy in the cheapest market, and make the most scientific use of her materials ; nor need we assume the whole family to be vegetarians, non-smokers, and teetotallers, who spend not a farthing on anything but bare necessities. They will certainly contrive to satisfy some of their ' human needs,' even if their income is considerably below that theoretically necessary for the purpose. They will do it by economizing on some of the things necessary to physical health and perhaps to mental and moral health as well.

Their first economy will be on rent. If they began life, as they probably did, in a couple of rooms or a four-roomed cottage, they will find it impossible to move, as the family grows bigger, into one of the new ' Ministry ' houses.[2] These will be left to the aristocracy of labour or perhaps the childless couples. The results of this tell on the whole family. The man finds his home increasingly uncomfortable

[1] At the beginning of the War, some people found it very funny that soldiers' wives, living in horrid little court dwellings, would often spend the arrears of their separation allowance, when it reached them in a large lump, on perfectly useless and unlovely things, such as gaudy vases and pictures, clumsy bits of furniture which yet expressed their blind craving for the something beautiful. The same people would doubtless think ' the desire of the moth for the star ' very funny, if they had not been taught to find it touching.

[2] See p. 111.

with the racket of children, the smell of cooking, the steam of drying clothes; the cheap furniture, generally bought on the hire system, and not, as in theory it should be, out of the bachelor's surplus, wears out and cannot be replaced; there is no quiet corner where he can enjoy his pipe and a book or a talk on politics or football with a friend; so he seeks these things outside, and where can he so easily and conveniently find them as in the public-house? The wife, who possibly began her married life with post-war ideas of what the comradeship of married life should be, finds herself left alone, and becomes more and more absorbed in the difficulties of housework in a confined space, with no bathroom and probably no boiler or drying ground, with an old-fashioned stove (if any) that wastes the coal and needs continual black-leading; insufficient storage for food and coal, so that they must be wastefully bought in tiny quantities; no place for the perambulator (if she is lucky enough to have one) except in the living-room; pans, brushes, cleaning materials all insufficient, because necessary replacements make too serious inroads on the weekly food-money. Child-bearing under these conditions makes a heavy drain on her strength. She cannot afford the necessary rests or the nourishing food she and her babies need during and after pregnancies. She loses her looks. If pregnancies come in quick succession, possibly her nerves and temper give way and she becomes a nag or a scold; more often she merely becomes devitalized and rather silent and listless. One may see crowds of such women in the poorer shopping centres, or sitting on the free seats in the parks while their children play—round-shouldered, shabby figures, so uninteresting that few people look closely enough at their faces to note the lines of permanent, patient endurance in which they are set: symptoms of a physical discomfort and moral discouragement so habitual that they have become subconscious. Many of them have never since they first married ten or twenty years ago spent even a

week in the country, or been relieved for more than a rare day of the routine of housework and child-minding.[1] There are no official records of the health of these women, as there are of the men and the children. Not being in the eyes of the law 'employed persons,' they have no panel doctor and can seldom afford the luxury of medical attendance unless they become seriously ill. One can only judge of it by appearances, and by the vital statistics which show that a married woman's chance of life is rather less than that of a spinster, in spite of the fact that invalids do not usually marry (with the men it is decidedly the other way), and that maternal mortality is one of the few causes of death that has decreased not at all during the past quarter of a century. I annoyed the officers of the Miners' Federation considerably, I understand, by pointing out to the Royal Commission that though the production of coal is unquestionably a dangerous occupation, the production of human life is yet more dangerous. Of about one million coal-miners each year about 1,300, or 1.3 per thousand, meet with fatal accidents. Of about 700,000 mothers in England and Wales who give birth to children in any one year, roughly 3,000, or 4.3 per thousand, die in child-birth. The maternity mortality is considerably higher in mining and rural areas.[2]

Of course there are women—many of them—so strong

[1] Any of the funds which provide holidays for poor women (they are few and small compared to those which cater for children and youths) can testify to this.

[2] The Ministry of Health's *Report on Maternity Mortality* (1924) gives an explanation which might, with variations, be applied to the poorer classes generally :

> 'Miners' wives, besides giving birth to an unusually large number of children, have exceptionally difficult home conditions to contend with. The constant struggle with dirt inseparable from the occupation, and the arrangement with the work in shifts, which often multiplies the labours of the housewife, added to the cheerless and frequently insanitary dwellings, would seem to explain some, at least, of the high maternal death-rate often associated with the mining communities.'

And again :

> 'On account of poverty or insufficient wages the standard of living may be so low as to affect the general nutrition and growth in a way which reacts unfavourably upon the woman's subsequent capacity to bear, nurse, and rear children.'

in mind and character that they manage to keep their homes and themselves comfortable and cheerful on incredibly small incomes. From such women keepers of budgets and audiences at women's meetings are largely recruited. But there are also many submerged in such deep seas of poverty and misery that few penetrate to the secrets of their lives. Most of us are too far removed from the reality ever to imagine vividly what life must be like when the husband has not managed to give up the habits begun in bachelor days—habits which probably have their roots in his childhood and their seeds in his parentage—so that he has indeed ' insensibly accumulated a large mass of evil in his inmost soul.' Of his wages—inadequate at best, and probably broken by frequent spells of unemployment—he hands over a preposterously small proportion to his wife. On this she has to ' make do,' seeing her children, born at such risk and suffering, steadily deteriorating in health and character (most of the babies, we are told, even of underfed and sickly women are born healthy) ; liable to be blamed by school teachers, inspectors, neighbours, for their ill-fed and ill-clad appearance, yet without money even for enough soap to keep them clean ; her home, in which her whole life is centred, gradually stripped of the few plenishings collected in her early married days, till not a thing is left in it that can bring comfort to the body or pride to the eye. No wonder she often becomes a slattern and (when she gets the chance) a drunkard herself. Yet these abjectly poor women when one sees them—as one can, even now, every day in scores in the poorest streets of every industrial town—are as often as not dandling and hugging their puny, unsavoury, unwanted children with as unashamed an abandonment as any mother in any nursery. And their peccant husbands, if they happen to be at home, are probably sharing in these orgies of parental fondness.

In the better homes—and in many indeed of the worse, thanks to the strength of this ineradicable parental instinct—

the children are usually guarded from actual hunger. The best of the food, it is true, even in the good homes, has to go to the breadwinner, for the quite sound reason that his health must be maintained.[1] But the children come next, and often, when the father's affections are stronger than reason, first. The various official reports on the health of the people, during the difficult years of the War when food was scarce and very dear, and during the past six years of exceptional unemployment, contain a mass of testimony as to the way in which the health of the children has been sustained and (during the War) even improved. For example :

> With few exceptions there is a clear statement on the part of School Medical Officers that war conditions resulted in substantial improvement in the physique of the children, e.g. in London, Birmingham, Bradford, Sheffield, Swansea, Newcastle-on-Tyne, Cornwall.[2]

> The broad conclusion at which School Medical Officers arrive is that the general health and physique of school children is at least as good now as it was before the War.[3]

No doubt this is so also to some extent in cases of poverty due to low wages. But there is one difference between the conditions there and those of the families living on separation allowances or unemployment relief. The report of a committee of economic experts on 'the Third Winter of Unemployment'[4] notes that

> The unemployment insurance benefit, *especially since it was proportionate to need by allowances for dependents* . . . and the more generous scale of relief awarded (by the Poor Law) have ensured a

[1] See the table on p. 20 and the evidence of most other budget inquiries such as Mr. Rowntree's.

[2] In Cambridgeshire the percentage of underfed children actually fell from 19.4 in 1914 to 4.1 in 1919, rising again to 12 in 1923.

[3] Report of the Chief Medical Officer of the Board of Education, 1922. See also many passages in the reports of 1923.

[4] P. S. King, 1923.

regular supply of good food in many homes that were not too well fed when trade was good. . . . *Relief allowances are usually proportioned to size of family, which wages are not* . . . &c.

After all, the working-class mother, however devoted, is not a miracle-worker, though she often seems so to those who see her results and know her resources. Her miracles are those of appearances rather than realities. A few scraps of meat to several pounds of potatoes can be made to look and smell like an Irish stew, but its nourishing and warming qualities are not as they might be if the proportions were different. Flannelette looks like flannel and margarine like butter. But the stage is soon reached—much sooner, it must be confessed, than if the family income were expended as the arm-chair theorists would have it—when every new arrival simply means pinching a bit off the share of each of its predecessor's already all too meagre share of food, air, bedding, soap, and mother's care.[1]

They grow up huddled together, their bodies, minds, and characters jostling each other like young chickens in an overstocked poultry run. Victorian ideas of modesty and reticence may have been prudish, but the early familiarity of the poor with all the physical side of life at its barest and ugliest outstrips the wishes of even the ultra-modern.[2] As individualities develop, there is no quiet corner of the house where the scientifically-minded child can experiment with wood or metal or clay, or the studious child read for a scholarship. The ordinary child fares the best, for it can enjoy the communist training of the streets and public playgrounds, where the staking out of private property

[1] Some people will say that the difficulty can be easily met by ceasing to add to the family immediately its needs over-top the available income—even when this means stopping after the first child. I have shown in chap. v. that this is not in fact how poverty affects its victims.

[2] Not always, judging from the remarks recently overheard from a small girl at the door of a four-roomed Westminster cottage, sheltering a family of eleven. 'My mother got a new biby.' 'Where did she get it?' 'At the shop. It cost an awful lot. I'm saving up to buy one, but the shop lidy says I haven't got not nearly enough.'

claims and the kind of individualism that requires to send down its roots are discouraged by representatives of Sir W. Joynson-Hicks.

The effects of all this on the physical and mental development of children have been brought out by various sets of figures comparing, for example, the relative infantile mortality, the proportion of children suffering from specified defects, the relative heights and weights, the response to intelligence tests of children in well-to-do and poor neighbourhoods or schools. The results nearly all tell heavily in favour of the well-to-do.[1]

So do the reports of individual investigators ; for example, Mr. Llewellyn Lewis in his study of *The Children of the Unskilled* (P. S. King), based on 450 families (204 in Glasgow, 160 in Middlesborough, 86 in a Welsh quarrying district), found that

> Out of 2,439 children, 255 had died in infancy, 106 were quite incapable, owing to serious physical or mental inferiority, of undertaking even very light occupations ; nearly 30 per cent. were in very poor health and 12 of those apprenticed were too weak to continue training. Thirty of them threw up apprenticeship in favour of more highly paid work.
>
> As to housing, of the 450 families, 254 inhabited one or two rooms, almost all these being incommodious and insanitary. Of the remaining 196 families nearly 20 per cent. were living in poorly situated and dilapidated houses. The rate of mortality among children in one or two apartment houses occupied by unskilled families of the better type in Glasgow was six times higher than among those in three-apartment dwellings.
>
> The character of many of the schoolchildren and those just above the age was rather low. They were demoralized by the conditions in which they lived. They often showed an abnormal and perverted development of mind, and possessed an insight into the shady aspects of life that was far in advance of their age.

[1] Opinions of experts differ as to how far these differences are due to environment and how far to heredity. Mr. Cyril Burt, one of the chief English experimenters in these regions, says of ' hereditary differences of race, sex, and social class,' ' The main conclusion that can be drawn from experimental work is, I think, the following : innate group differences exist, but they are small.'

Most comfortably-off people are very little impressed by facts and figures of this kind. They are so used to class differences of every kind that it seems to them perfectly natural and right that their own children should have greater opportunities of making the best of themselves than those of the wage-earners. What does impress them is the immense improvement that has taken place in the condition of the latter. Remembering the bare-footed, ragged, dirty children who used to swarm in the streets of big cities, they contrast the children they see pouring out of the gates of Council schools in the suburbs, and even in fairly poor neighbourhoods, with their clean faces, gay knitted suits, and hair ribbons. Thinking of the burden of their own rates and taxes, they are on the defensive against every suggestion that seems to threaten an increase and declare that 'the poor have already too much done for them.'[1]

Yet these comfortable people could not endure that their own children should live for a week under the conditions even of a well-to-do artisan's family, to say nothing of the home of our typical unskilled labourer. There is more meat, milk, green vegetables, fruit—more of everything except bread, margarine, and tea—consumed in their households in a week than the workman with a corresponding family can afford in a month or more.[2] However roomy and airy their houses, they think it essential that the whole family should spend several weeks at least every year in the country or by the sea. The mother would fret herself into a nervous breakdown if compelled to see some adored child, threatened with serious illness, go without the expensive treatment ordered by the doctor. The father has a

[1] I have rarely spoken on Family Endowment at meetings of middle-class people without having this remark hurled at me by someone, every line of whose body and raiment testified to generous living. The economic arguments of the last chapter and facts about foreign experiments fall fruitlessly on minds of their calibre.

[2] Compare Professor Mottram's *Food and the Family*, suggesting reasonable dietaries for ordinary middle-class families with any collection of actual working-class budgets.

bitter grudge against ' those agitators ' whose unreasonable demands have so lowered his profits and increased his burdens that instead of sending his sons to Eton, he has to send them to a secondary school, where association with the scholars from elementary schools will, he anticipates, ruin their accents, roughen their manners, and teach them ' nasty tricks.' His fears may be unjustified. But even the most enthusiastic member of the Labour Party, himself of the professional classes, would probably hesitate to send his children to an ordinary Council school, especially in a poor neighbourhood. He knows that neither the education nor the companionship they would get there would help to develop the finer qualities of mind and character which should be the natural heritage of all the children of an old and ripe civilization.

Of course there are exceptions. Men of genius (though not many) have emerged from very poor homes ; probably many more saints, canonized or otherwise, and ordinary gentlemen and women. The power, whatever we call it, that pulls camels through the eyes of needles, manifests itself among the poor as well as the rich. Let us grant not only that human virtue can ' smell sweet and blossom in the dust,' but that from the most difficult conditions, as from manure, the fairest lives often spring. Does that justify those whose own environment makes the elementary virtues of chastity, temperance, decency, order, good manners, so easy that they cease to be virtues and become instinctive habits, in acquiescing for others in conditions which make these things so difficult that the frequency of their achievement seems a miracle? ' Lead us not into temptation, but deliver us from evil ' is a petition which every member of a Society—especially of one which thinks and calls itself Christian—has surely a right to address to all those who share the responsibility of governing or influencing its government.

There are some honest critics who fear that Family

Endowment would itself place a temptation in the way of fathers of families by making it too easy for them to be idle. But those who believe in this new way do not propose that parents should be relieved of responsibilty for the maintenance of their children; merely that it should be made possible for them to discharge that responsibility efficiently. As we shall see later, of the three main alternative schemes of children's allowances, two make the payment contingent on the employment of one or other parent. Even if it were not contingent, there are few parents who would be satisfied for their children with the bare minimum of healthy subsistence which is the most that any non-contributory scheme would be likely to ensure.

It may be conceded that under the present system there are some wage-earners whose standard of life is so low, their vitality so small that even a few shillings a week for each child, paid to the mother on its behalf, might cause them to relax still further their already feeble hold on the labour market. But even of these it may be claimed that Family Endowment would make it easier rather than harder to enforce their parental responsibility. There exists already ample legal provision for protecting children against neglect. The chief difficulty in the way of enforcing this legislation is that those who as teachers, inspectors, &c., are brought into touch with the ill-fed, ill-clad, unhealthy child can seldom distinguish between the consequences of poverty and those of negligence. The drunken father or slatternly mother can always plead 'My poverty, but not my will, consents.' But if it were a matter of common knowledge that for every child the parents received at least enough for its elementary needs, it would seldom be necessary to invoke the law; public opinion would suffice to shame the parents into a better discharge of their obligations.

The argument that the State must not step in between parent and child has in fact been used against every past measure for safeguarding the welfare of children. Yet few

will deny that the standard of parental care has never been higher than at present, and that it has been strengthened rather than weakened by the long series of reforms which have compelled even the most selfish parent to recognize that his child is not merely his creature, but a human being with its own rights and its own value to the community.

2

The Argument from Justice

> All persons are deemed to have a right to equality of treatment, except when some recognized social expediency requires the reverse. And hence all social inequalities which have ceased to be considered expedient assume the character, not of simple inexpediency, but of injustice, and appear so tyrannical that people are apt to wonder how they ever could have been tolerated; forgetful that they themselves perhaps tolerate other inequalities under an equally mistaken notion of expediency, the correction of which would make that which they approve seem quite as monstrous as what they have at last learnt to condemn. The entire history of social improvement has been a series of transitions, by which one custom or institution after another, from being a supposed primary necessity of social existence, has passed into the rank of an universally stigmatized injustice and tyranny.
>
> J. S. MILL'S *Utilitarianism*, p. 93.

So far we have discussed chiefly that part of the case for Family Endowment which rests on the fact that the national income, however divided, is an unpleasantly tight fit, and that it would be well therefore to measure the backs it has to cover a little more precisely before cutting up the cloth. We have also argued that as all workers, whatever their standing on the slope of distribution, are creatures of custom and fashion, the efforts of the master-cutter would fail to give satisfaction, even if the cloth at his disposal were considerably increased, so long as he persists in so dividing it that men and women with families are compelled

to be habited in a mode markedly inferior to that of their younger and older fellows.

But that does not end the case. To many of us it seems that the present method of providing for children is fundamentally unjust, quite apart from its economic consequences and their moral reactions. We have seen that wives and dependent children together constitute nearly one-half the entire population, and that such typical representatives of capital and labour as Sir Josiah Stamp and Mr. Herbert Smith regard the rearing of the future workers and citizens as 'an economic necessity, to be included in full current costs of production.' Phrases about the value of the family as an institution, the dangers of a C 3 population, the importance of the functions of motherhood, have become such generally accepted truisms that the very sound of them is irritating to the fastidious ear.

Yet by refusing to make any special provision for this colossal and necessary charge, Society in fact treats it as though marrying and having children were merely one of a number of alternative amenities on which the worker is free, if he chooses, to spend part of the remuneration earned by his hand or brain in the labour market. This point of view is indeed implicit in most modern discussions of the wage problem, whether by economists or between employers and employed. Usually it is shown merely by grouping the desire to 'keep a family' with the British workman's insistence on a meat diet as contrasted with the Oriental's contentment with rice. Sometimes it is more crudely explicit, as in a letter to the Press from a Liverpool schoolmaster who, after declaring that teachers' salaries are adequate for women and bachelors, continues:

> But for a man, who wishes to keep pace with his friends and relatives who get on in the world, who wishes to live comfortably, keep a wife and family, and perhaps a little car, and not be beaten by his contemporaries in the game of life, teaching offers no opportunities, no attractions, no satisfaction.

But nothing so brings home the blatant egotism of this attitude as the way in which the case for Family Endowment is met by its critics and opponents. To every description of privations endured by parents and their children, to every comparison with the easier lot of the childless, the retort is that parenthood has its own satisfactions and that a bachelor or spinster may have legitimate reasons for preferring the satisfactions of single life. The reply is usually couched 'in terms of men,' as though the advocate of Family Endowment, even when pleading the sufferings of the children, did so merely in order that the father may be saved the pain of seeing them suffer. We are reminded that he took this responsibility voluntarily upon himself and should not have done so if not prepared to pay the price. The fact that the children themselves are separate human beings, each with an individuality of his own and a potential value for Society, is coolly set aside. As for the wife, any suggestions that her services in bearing and rearing the children give her any claim of her own on the community is either ignored or met with the academic equivalent of the wink and dig in the ribs of the nearest male with which the hundred-per-cent. he-man of 'the lower orders' habitually greets every allusion to sex or maternity.

Or we are told that men and women do not in fact enter upon matrimony in order to recruit Society or the labour market, but to satisfy their own instincts and affections, and that the children they produce are often rather a burden than an asset to the community. The bearing of our question on population—its quantity and quality—will be discussed later. Here we need only say that if parenthood is often irresponsibly undertaken and its offspring unsatisfactory, the very attitude we are discussing is largely to blame. Society in this mood speaks and acts as though children were no one's affair but their parents. But humanity forbids it to carry this to its logical conclusion. Hence it is perpetually rushing in to avert the harshest

consequences of its failure to make systematic provision in its structure for children, by doing just enough to enable them to grow up and perpetuate their kind, not enough to secure them the chance to be well born and well reared.

In truth, however, I believe the better sort of parents do regard their parenthood as a service and see in their children not only what they are, but what they might be. Hence their bitter grudge against a Society that has failed to give them their chance of realizing the full measure of their human stature.

When the opponent of Family Endowment is made conscious of this, or when he is anxious to make some concession to the assumed sentimentalism of his women hearers, he changes his tone. Parenthood is then represented not merely as a service, but as a service so sacred that to talk of paying for it is an insult. Parents are asked whether they grudge making sacrifices for their children. No doubt there are some who use this argument sincerely, misled by an ambiguous use of the word ' payment.' We who believe in this new principle do not ask that parenthood should be paid for in the sense of rewarded. All we ask is that the labourer who performs it—and, in respect of the task of caring for the child's daily needs, that is the mother—shall be enabled to procure the materials and tools (food, clothing, house-room, &c.) necessary for its efficient discharge.

Similarly there have been genuine enthusiasts in the past who sneered at ' a hireling priesthood ' and demanded that the ministry of religion should be carried on without payment. But the only sect—the Society of Friends—that has consistently acted up to this conviction has been obliged to accept its inevitable consequence, that its ministers will be amateurs or part-timers, usually without special training and maintaining themselves by some other occupation. Even so the analogy is incomplete, since the minister is not required to feed the bodies of his flock. Other sects have either accepted the brusque common sense of St. Paul's

view—'the labourer is worthy of his hire'—or like the Wesleyan have made 'allowances' to their ministers proportioned to their needs.[1]

Some advocates of Family Endowment claim an allowance for the mother herself, regarding her attendance on the children as part of their 'production costs.' Others feel that this can be better met by giving her a more assured claim than at present on the husband's wage, since her maternal services are usually combined with those of housewifery and the latter services are needed also by bachelors and childless men, and indeed by women wage-earners. Hence it is suggested that the minimum wage for an adult should be enough for two persons.

In which of these two ways the need is met is a point of expediency rather than of principle. But it does seem, at least to many of us, an important principle that the endowment should be paid to the mother rather than the father. The reasons for this are well expressed in a document likely to become historic, viz. the declaration of Mr. A. B. Piddington, the Industrial Commissioner of New South Wales, which heralded the first State scheme of Family Endowment to be adopted on a considerable scale by any nation.[2]

It is of vital importance that the family allowances, so far as children are concerned, should be paid to the mother. She is the natural, and, in practice, the actual trustee for the nurture and maintenance of the children, and it is into her hands as trust money, that motherhood endowment ought to be paid. Moreover, to do this emphasizes the social character of the endowment, and thus connects it with what I said in the opening, that the whole living-wage law is designed not upon the footing of a return for the economic services given to the employer by the employee, but as a recognition of the social value to the community of those who live by industry. The greatest contributors to that social value, so far as children are concerned, are the mothers, who both produce and maintain the young of the race, till these become first, the cadets, and then the

[1] See p. 90. [2] See p. 83.

rank and file of the citizen forces of industry. Even if reward for actual service rendered were to be the footing of the revised system of the living-wage law, it would be the mother who earns this reward. But, in point of fact, no family allowance such as is at all likely to be proposed in any way operates as a wage. It does nothing but supply the mother with the necessary means of training and maintaining the children of the family.

To the credit of British Overseas it may be said that, throughout the discussions of the various schemes of child endowment in several Australian States, payment to the mother seems everywhere to have been taken almost for granted. In the French system, where the custom began otherwise, payment to the mother is becoming increasingly common, because experience has shown that the allowance is more certain so to reach the children and less likely to arouse the jealousy of the single man.[1]

The latter fact is a symptom of the present ' sickness of an acquisitive Society,' whose tenacious hold on every form of property and power takes subtle forms. I have speculated elsewhere[2] as to whether the hydra-like vitality of the uniform-family-wage fiction, which is no sooner decapitated than it rears another foolish face, may not perhaps be due to a ' Turk complex.' This disposes the father of a family, even while suffering from the failure of wages to meet its ever-changing needs, to look tolerantly on a system which not only makes his wife and children literally his dependants or hangers-on, without a foothold of their own on the economic surface of the world, but actually fuses their personalities (economically speaking) with his, so that he acquires a kind of quintuple or multiple personality. It is not suggested that the root-motives of this complex are entirely base or ridiculous. If a man likes the power over his family which the present system gives him, it is not usually (though it may be in a small minority of cases) because he wishes to oppress them. Much oftener probably

[1] See chap. iii., p. 67. [2] In my *Disinherited Family*.

it is because he craves, in this one relation of an otherwise perhaps obscure and non-potent existence, to feel himself a protector of the weak and dispenser of good things to the needy. The instinct of chivalry or benevolence, like an intellectual aptitude, desires an opportunity on which to exercise itself. But care is necessary lest the seeming beneficiaries become its victims.

> Pity would be no more, if we did not keep somebody poor.

That would not justify us in preserving paupers like pheasants, in order to provide a sphere for Lady Bountiful. And, in the case we are discussing, the instinct is doubly perverted, because the man himself, as well as his wife and children, is its victim and because it is so unnecessary. With or without Family Endowment he can find in his family all the scope he needs for his protective and benevolent instincts. A few shillings a week for each child are not going to do away with the need for paternal or maternal self-sacrifice. In the daily life of the family there will still be 'ample room and verge enough, the characters of [Heaven or] Hell to trace.'

Meantime, any psychological satisfaction which man derives from the present system is dearly bought. Let us add a couple to the ill results already enumerated.

Suppose a husband to have really tyrannical and selfish instincts (and what human being has not, at least in embryo?), these are surely fostered by a system which enables him, while imperiously demanding a family 'living wage' from his employer, to meet every request from his wife for more housekeeping money by the reminder that he alone is the bread-winner, 'and may a man not do what he likes with his own?' and, while insisting on a seven- or eight-hour day for himself, to demand of her a degree of attention to his creature-comforts that compels her to work twelve hours a day—365 days in the year!

Even in ordinary homes, unreckoned and unpaid labour is apt to be ill-appreciated and wasted. Let us imagine that

the work of each of the roughly eight million working-class households in Great Britain is at present done by the wife. Now suppose that the wives conspire to change places, all the Mrs. A's working for the Mr. B's and the Mrs. B's for the Mrs. A's, &c., and being paid at the charwoman's rate of sixpence per hour for ten hours every day. What would be the consequences? First, Sir Josiah Stamp would have to add no less than £728,000,000 to his invaluable estimate of the nation's home-produced income. Secondly, realizing that the labour cost of these services (though counter-balanced by the wives' earnings) was really excessive in proportion to the mediocre results achieved, Mr. and Mrs. A would reorganize the work so as to occupy less time, sally forth to buy, if not costly labour-saving devices, at least a decent equipment of pans and brushes, and move at the first opportunity into a better-planned house. At present, Mrs. A, never having been taught to think that her work has a money value, is as profligate with it as with the water in the cold tap, and puts up with worse tools than ever provided the world's worst workman with an excuse for his inefficiency. Immeasurable indeed are the results of this oversight on the bodies and minds of her children, on the temper and outlook of herself and her husband, and, through them, on the present and future of Society.

It is true that Family Endowment, including or not an allowance for the mother, would not suffice to change her position into that of a wage-earner with regulated hours and conditions of labour, and that there are in practice excellent reasons against such a change. But it would at least be a symbol that Society had at last recognized, by something more substantial than empty phrases, that its child supply has an economic value and that the mother herself, when she gave up moulding cigarettes in a factory and turned instead to moulding the bodies and minds of future men and women, had not really ceased to be an 'occupied person' and a producer.

PART II

The Practice of Family Endowment

Chapter III

EXISTING SCHEMES

On the principle that 'an ounce of experience is worth a ton of theory,' we should perhaps study first the schemes of family allowances already in operation on the Continent and in Australasia. Nearly all these have been born during the past ten years, though even before the War there were fragmentary beginnings.

1. The Public Services

The widest extension is found in the public services. Family Allowances of some kind are paid by the State to its employees in Australia, Austria, Czecho-Slovakia, Belgium, Denmark, Finland, France, Germany, Greece, Holland, the Irish Free State, Italy, Norway, Poland, Serbia, Sweden, Switzerland. Thus Great Britain finds herself in the unwonted companionship of Russia, Spain, Portugal, and Turkey in making no such provision, except for the fighting services. The following are some typical schemes:

In France, every State employee, without distinction of rank, salary, or sex (about 780,000), and those of many municipalities, receives a yearly allowance for each child under sixteen, or eighteen if apprenticed, or twenty-one if continuing education. The 1927 scale is: for the first child, 604 francs; second child, 806 francs; third child, 1,209 francs; fourth and each subsequent child, 1,411

francs. There is equal pay for equal work in the teaching profession.

In Germany, the allowance varies from 8 marks a month upwards, with the status of the officer and the age of the child, and is continued up till twenty-one if being educated. There is also a wife's allowance.

In Holland, the allowance for each child equals 2½ per cent. of the salary, with a minimum of 50 and a maximum of 200 florins per annum, and is paid to about 30,000 officials for 75,000 children. There is equal pay in the teaching profession.

In Norway, the Government, during the summer of 1927, bent on an economy campaign, has effected a considerable increase in the very small allowances paid, as a compensation for a reduction of salaries ranging from 10 to 20 per cent.

In the Irish Free State, an Act of 1925 provides a marriage bonus, and child's allowance up to sixteen (or twenty-one if an invalid or being educated), coupled with equal pay for men and women in all services except the Post Office. This scheme is to cover new entrants only.

2. The Mining Industry and Other Large-Scale Corporations

Next in order of extension comes the mining industry. The custom here is practically universal throughout the mines of France, Belgium, Austria, and Jugo-Slavia; it prevails in some areas of Germany, Holland, Czecho-Slovakia, and Poland. Everywhere here the allowances are paid directly by the employers. Yet no evidence has so far reached us that the employment of miners with large families is in fact avoided for the sake of economy. The fear that this would be so has been especially vocal in Germany. Yet figures supplied by the employers' federation in the Ruhr show that, during the period when French pressure was causing diminished employment, the proportion of married

employees actually rose. The explanation is probably that this arduous occupation requires the strength, skill, and stability of men in their prime, who are usually those with families. The cost of the allowances—estimated in France and Germany at about 6 per cent. of the wage-bill, in Belgium at about 2 per cent.—is relatively a small item in production. Nevertheless, in Germany the proportion of new collective agreements which embody family allowance schemes has fallen considerably from 1924 to 1927, this being part of a general decline in the system during these years. We shall examine the causes of this later.

The following quotations throw some light on the attitude towards the system of those engaged in the industry :

According to the *Labour Gazette* of March 1923, the Belgian employers were induced to apply the system to the mines

> to counteract the attraction of Belgian labour into France by the higher wages obtained in undertakings where family allowances are paid in that country.

A letter from the German Employers' Federation states that :

> The allowances have had the psychological effect that the increase of income allows the married hewer to perform his task in greater peace and happiness. . . . The levelling of wage-rates which took place after the War, and which put the twenty-one-year-olds in the same position as the married men, has been compensated by the allowances.

M. Déthier, Joint Secretary of the Belgian Miners' Federation, wrote in 1924 :

> Do you mean to ask whether the allowances have a favourable influence on the private life of the worker ? If so, my reply is in the affirmative. I find the proof of this in the fact that the allowances are everywhere accepted, and, more important still, that, being paid direct to the mothers of the family, the latter find in them

a valuable aid towards balancing their household budget; hence less anxiety for them and, as a result, a more joyous family life.

In a letter dated October 29, 1925, M. Déthier says:

The allowances have had no effect on basic wages, or, as we call them, minimum wages. Nor have they injured trade union solidarity. On the contrary, they have actually in one way assisted trade union influence. When a workman thinks himself injured by the suppression or diminution of the allowances due to him, he appeals to his trade union delegate to secure the fulfilment by the owner of the rules regulating the allowances.

An article in *The Times* of November 25, 1925, on the recovery in French coal-mining, reckons, among the advantages which has enabled French coal to compete successfully with British, that:

not a day has been lost in strikes during the past two years . . . it is cheering to find a coal-mining area which shows that harmony within that industry is not impossible, given goodwill on both sides.

The author does not directly attribute this fact to family allowances, but describes the scale paid (first child 1 franc per day, second child 1.50 francs per day, &c.), and mentions other social advantages enjoyed by the French miners' households:

a brand-new house, containing six rooms, fitted with electric light, and with water laid on up to a generous maximum, a large vegetable plot, and up to 7 tons of coal a year, all for 1*s.* 4*d.* a month.

We are left to draw the obvious inference that the privileges thus enjoyed by the married men have some connexion with lack of strikes.

A good many other large-scale enterprises, such as railways and banks, especially in France and Germany, pay allowances directly to their workers. A much-advertised instance, with a specially high scale, is the French Michelin

Tyre Company, which pays for one child, 75 francs a month ; for two, 150 francs ; for three, 300 francs ; and 100 francs for each subsequent child.

3. Family Allowances in the Private Enterprise of European Countries : the Equalization Fund

Outside the public services and large-scale enterprise already noted, family allowance schemes in Europe have taken root and spread widely only through the channel of Equalization Funds, and these exist principally, though not solely, in France and Belgium. The Caisse de Compensation pour Allocations Familiales (literally, office for the equalization of family allowances) is usually supposed to be of French origin, but members of the Wesleyan Connexion may fairly claim that it was anticipated over a century ago by the method of its Children's Fund. The object of the Caisse, as of the earlier institution, is chiefly to distribute the cost of the allowances among the bodies joining in the arrangement on the basis of capacity to pay, in order to avoid the obvious risk that these bodies, if asked to pay allowances individually, may be tempted to avoid men with families. The principle is quite simple, though it admits of many variations in method. A number of firms agree to form a fund for the payment of allowances on behalf of the children —rarely, also the wives and other adult dependants—of their workers. The scale having been agreed on, the number of children entitled to benefit is periodically computed, and each employer is assessed by the fund for his share of the cost. The basis of the assessment may be the total number of his employees, whether married or single, or the total number of hours worked, or the total amount of his wage-bill. Sometimes the fund pays the allowance itself monthly, and collects the employers' contributions afterwards. In other schemes, the employer pays

the allowance to his workers. If the cost has exceeded the amount of his assessment, he recovers the balance from the fund; if it falls below the amount due, he pays the balance into the fund. This elementary device has apparently proved perfectly effective in averting discrimination against married men. Although the system is now widely extended both in France and Belgium, although the literature dealing with it is considerable, although trade union opinion in both countries was at first hostile to the system and is still opposed to some of its features, I have not seen it ever asserted anywhere, by any employer or trade unionist official in either country, that discrimination against married men has, in fact, taken place. On the contrary, the secretaries of two of the most important trade union organizations have explicitly assured us that this has not happened.[1] In spite of this, British critics of the system have repeatedly asserted, without argument or proof, that this danger adheres to the continental system of pools.

France

The initiator of the system in France was M. Romanet, a Roman Catholic employer of fervent piety and wide vision, belonging to the engineering firm of Joya et Cie in Grenoble. About 1916, M. Romanet became deeply impressed with the difficulties under which workers with families laboured, owing to the steadily rising cost of living. He made calculations which convinced him that, even if industry could afford to raise wages sufficiently to meet all existent needs, the effect on prices would leave the families no better off than before, though childless men, whose need for staple commodities was small, would profit. He persuaded first his own firm, afterwards all the engineering firms of Grenoble, to pay allowances for their workers' children under thirteen,

[1] Verbally, and also see quotations on p. 69.

at first at a very low scale, which was afterwards increased. The fear of discrimination against married men quickly made itself felt, and in 1918 the Caisse de Compensation was devised to meet it. The idea spread rapidly and steadily throughout France. By the end of 1920, thirty funds were in existence. A conference was called, and a central office for study and propaganda was established in Paris. The report, issued by its director, M. Bonvoisin, to the annual congress of this body, shows the extension of the movement up to June 1927.

Number of Equalization Funds	210
,, ,, ,, ,, in agriculture	27
,, ,, firms belonging to funds	14,000
,, ,, workers employed by these firms	1,420,000
,, ,, ,, covered by all family allowance schemes, including those in the public services, railway companies, mines, and other firms paying allowances directly	3,600,000
Annual expenditure on family allowances	1,152 million francs

The methods and scales adopted under the various schemes vary considerably, according to the circumstances of the locality or industry affected. Some funds were started by federations of employers, and are confined to a single industry, profession, &c. Others originated with the Chamber of Commerce, and are open to all employing firms within a given town or province. The latter type—usually called regional or inter-professional—tends to predominate, and to be preferred by French opinion, on the grounds that it

is more adaptable to local variations in cost of living and in custom; ensures local responsibility for the future local labour supply; entails lower administrative expenses; and emphasizes the separation of allowances from wages proper.[1]

[1] *Foreign and Colonial Experiments in Family Allowances*, O. Vlasto.

The cost of the allowances to the employers, expressed as a percentage of their wage-bills, ranges in different funds from about 7 to 1 per cent. ; for the total number of funds it averages about 2 per cent. of the total wage-bills of the firms covered. The administrative expenses are trifling—from 1.25 to 1.75 francs per 1,000 francs of wage-bill. Each employer's share is added to his monthly contribution towards the fund. The scales adopted vary greatly, and, owing to changes in currency values, alterations are frequent. The following table shows the average of the rates paid by thirty of the principal firms in May 1926, with their purchasing power at about the same date, expressed in English money. The calculation has been worked out by Mr. J. H. Richardson, of the International Labour Office, on the basis of the cost of a basket of food commodities in London and Paris at the date in question. The commodities chosen were those principally used in workers' households, the quantity of each being based on the average consumption of British and French workers.

	Amount of Allowances.	Approximate British Equivalent based on Rates of Exchange.	Approximate British Equivalent based on Relative Purchasing Power.
	francs.	*s. d.*	*s. d.*
1 child . .	25	3 6	5 0
2 children .	63	8 6	12 6
3 ,, . .	109	15 0	22 0
4 ,, . .	173	24 0	34 6
5 ,, . .	240	33 0	48 0
6 ,, . .	318	44 0	63 6

As this table is based on Parisian prices, it probably under-estimates somewhat the value of the allowances in other parts of France. The allowances paid in the public services, mines, and other large undertakings (see pp. 59, 60) are higher than in nearly all funds. So far the rates tend to steadily increase—not only nominally, to meet the depreciation of the franc, but in real value. Nowhere, however, do they as yet constitute more than a contribution towards

the cost of child maintenance. They are very far from relieving the parents of the whole burden. The French advocates of the system maintain that this is as it should be. The well-being of children concerns their parents, industry, and the State, and under this system all three in fact contribute towards their maintenance, though in very unequal proportions.

In most, though not in all, funds, the allowances are graded upwards according to the number of children, and a few pay no allowance for the first child. This reflects, of course, the prevalent desire to encourage large families, but is also defended on the ground that in these the mother is least capable of earning.

The allowances usually cease when the child is thirteen or fourteen ; a few funds fix a higher age where the child is apprenticed or continuing his education.

Funds vary in their treatment of the illegitimate child. Many recognize the claim of such a child, provided it is dependent on the wage-earner, whether father or mother, in respect of whom payment is claimed. Orphan children dependent on a brother or other relative are usually recognized. A few funds pay allowances for wives, and fewer still for other adult dependants.

Many funds require a certain qualifying period before the workers become entitled to the allowance. Many continue payment during a limited period of sickness or involuntary unemployment, or after the death of the wage-earner.

Payments are made monthly, and, in an increasing number of funds, to the wage-earner's wife. The reasons given for this are important. Not only is the chance of leakage lessened, since the wife is, in any case, the natural administrator of the allowance ; payment to her emphasizes the point—to which French opinion attaches great importance—that the allowance is not part of the remuneration of labour, but a recognition of the value of parenthood. It thus avoids exciting the jealousy of the childless man.

In addition to the monthly allowances, many of the funds pay either, or both, a bonus at birth—usually from 50 to 400 francs (*prime de naissance*), and an extra allowance during the period of breast feeding of 10 to 75 francs monthly (*prime d'allaitement*).

The French system bids fair shortly to cover the whole field of industry. Its growth has undoubtedly been favoured by the circumstances of its inception—immediately before and after the end of the War. Gratitude to the returning soldiers, anxiety about the declining birth-rate, fear of foreign competition and of Socialism, all helped to convert employers to a system which enabled them to secure a higher standard of well-being and contentment than could have been achieved through the ordinary wage-system with the same expenditure. Owing to the depreciation of the currency, they were able in nearly all cases to offer the allowances as a clear addition to existing wage-rates, and often even to raise the latter, without imposing much extra burden on industry. Whether, if the system had never been invented, they would have found themselves compelled to concede more in wages than they in fact conceded in wages plus family allowances, is a question to which no dogmatic answer is possible. In some instances it may have been so ; in others, the genuine enthusiasm felt by the better employers for the family allowance system—an enthusiasm partly patriotic and humane and partly self-interested—may have led to greater concessions than could have been extracted from them by purely economic pressure. Similarly, in Great Britain, welfare schemes have been used by some employers as a dope for their workers and their own consciences. Others have been brought by such schemes into more humane and friendly relations with their workers than ever before, and a more liberal attitude towards wage-problems has resulted.

The leading French trade unionists do not themselves assert that the position of the workers, either in respect of

economic well-being or of trade union solidarity and fighting strength, has in fact been worsened by the family allowance system, though at first fears were often expressed that this would happen. Most of them were, at the beginning, decidedly, though passively, hostile to the system, and they still resent its exclusive control by the employers and certain features in the administration which they consider intrusive and objectionable. But their attitude towards the principle has become steadily more favourable, and the demand of all the chief federations of trade unions is, now, that the payment of family allowances through Equalization Funds shall be made universal and compulsory, and that the funds shall be placed under committees, on which the State and the workers, as well as the employers, shall be represented.

The Confédération Générale du Travail—by far the most important of these bodies, representing the Socialist trade unions, with about one million members—passed a resolution to this effect in 1923. In 1924 the Secretary of the C.G.T., replying to a letter from the Family Endowment Society inviting opinions upon the charges usually levelled against the French system, wrote :

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

The secretary of the Federation of Catholic Trade Unions, a more Conservative body than the C.G.T., and from the first decidedly favourable to the system, wrote :

> The system of pools avoids preferential employment of single men, or reduction of their wages.

Even the Federation of Communist Trade Unions (C.G.T.U.), while not disguising its dislike of the system, found it necessary in 1926 to pass a resolution adopting much the same policy as the other bodies, on the ground that

> the majority of the proletariat who benefit from the allowances believe the system to be a good one. We cannot run our heads against this conception.

When, in 1924, decrees were promulgated making the payment of family allowances through a fund compulsory on Government contracts, the C.G.T. declared :

> Now that the decree has been issued, employers will not be able to withhold family allowances on any pretext ; the workers' right to them has been admitted, and the trade unions will see that it is respected.

So far these decrees have been the only concession to the union's demand for compulsion. A Bill was introduced as early as 1920 by M. Bokanowski, but its only effect was to stimulate the employers' zeal for the voluntary system, which they maintain can alone secure the necessary flexibility to suit varying conditions. An increasing number of employers, however, favour compulsion without control, so as to escape the unfair competition of firms which economize by standing out of the system.

Belgium

The history of methods and motives of the system in Belgium resemble those of France so closely that description here is unnecessary. Except for a few schemes of small magnitude, the movement began later, but it equally promises to become a regular feature of the social system.

Its extent up to June 1927 is represented by the following figures :

Number of Equalization Funds	19
,, ,, firms belonging to funds	1,150
,, ,, workers covered by these funds . . .	250,000
,, ,, ,, ,, in firms paying allowances directly . . .	176,000
,, ,, ,, ,, in Government employ .	230,000
Total number of workers covered	630,000
Cost of allowances paid under private enterprise	60 million francs

As in France, the chief bodies of employers and the Christian Trade Unions (Catholic and Protestant) have from the first warmly favoured the system. The Confederation of Catholic Trade Unions has established a fund for the payment of allowances to permanent members of its affiliated unions. The Socialist Trade Unions have been gradually converted from hostility to acceptance of the principle, coupled with a demand for collective control. Thus :

> The Commission Syndicale de Belgique [Trade Union Committee or Congress] regard the system as a fulfilment of the principle, ' To each according to his needs,' but hold that it should be collective and completely independent of industry.

The Confederation of Christian Trade Unions of Belgium writes :

> The existing system is not satisfactory, but we do not want a State system. We consider that contributions should be levied on the product of industry, and paid into a national industrial pool, administered by a joint committee, and subsidized by the State. The trade unions can resist any reduction of the single man's wage that might result from the system. Their solidarity has not been impaired by the allowances. A greater stability of employment is reported, but statistics are lacking.

The General Council of the Belgian Socialist Workers' Party pronounced in favour of the principle at their

Congress in 1923, but 'hold that the system should be collective.'

The Commercial Secretary to the British Legation in Brussels reported in 1925:

> It is almost generally admitted now that the family bonus system is of real economic value, and that by improving the present and future conditions of the workers it is capable of exerting a direct and beneficial influence on the prosperity of the country. Another feature in the economic strength of Belgium is the absence of strikes and the spirit of understanding and common sense which characterizes the settlement of the wages questions which have inevitably arisen. The comprehension of the fact that the interest of employers and employed are ultimately common is being fostered by the system of family allowances which has, within two years of its inception, made extraordinary progress.

Holland

The Equalization Fund system exists on a small scale in Holland, but does not appear to be growing. The allowances are usually extremely small, and often begin with the third child. The attitude of the Christian Trade Unions, which here cover nearly as large a membership as the Socialist bodies, is, as elsewhere, sympathetic. The Socialists are definitely hostile. The prosperity of Holland, and the relatively high rate of wages, has strengthened the demand for 'the absolute family wage,' viz. one based on the needs of the supposed normal family; feminist opinion has added its voice to this demand, coupled with that for 'equal pay for equal work.'

Germany

The history of the movement in Germany has been chequered, and is frequently quoted by opponents of Family Endowment as proof that the system has been tried there and failed. The facts do not justify this conclusion. Only a very brief summary is possible here.

Family allowances were frequently paid during the War. As everywhere, they were favoured by those trade unions which had a definitely Christian basis, whether Catholic or Protestant, but were disliked by the Socialist trade unions, and during the Revolution they were nominally abolished. Economic difficulties speedily led to their reintroduction, and in a large number of industries the great majority of agreements between employers and trade unions from 1920 to 1924 included provision for the payment of allowances. These were nearly always paid directly, the number of Equalization Funds never exceeding eleven, mostly small. The allowances, called *Soziallohn* (social wage) were regarded as part of the wage, and paid with it. With the stabilization of the mark, prosperity increased, but so also did unemployment. The married workers, unprotected by Equalization Funds, feared discrimination against them; the single men, misled by the close identification of the allowance with the wage, regarded it with jealousy as an infraction of the principle of equal pay for equal effort; the employers, anxious to economize, found it less unpopular to do so by dropping the allowances than by cutting wages. Thus, by common consent, the allowances have tended to disappear from collective agreements during the past two years. But the following testimony as to its success during its prevalence is significant. A representative of the British Federation of Chemical Manufacturers was sent in 1924 to study the working of the system in France, Belgium, *and Germany*, with 'specific instructions to search for objections to the system, either on points of principle or administration.' He writes:

> So far as the principle is concerned, I entirely failed to find any. The one man, Dr. Meisinger, who was not in favour took the view that employers were under no obligation to take into account the responsibilities of their workers; that a workman who undertook family responsibilities should meet them by working harder. This, however, was a personal opinion not based on any difficulties

experienced in connexion with the scheme, nor supported by any evidence of harmful results from its operation. On the other hand, those who favoured the scheme were perfectly satisfied with the evidence they had of its good results.

The only reasoned objections I heard were in centres, chiefly in Germany, where the employer himself pays the allowances, without any pooling system. The objection in such cases is that there exists too much temptation to the employer to economize by discharging married men.

Other European Countries

Scattered instances of Equalization Funds and of allowances paid by individual firms are found in most countries, already enumerated, which pay such allowances in the public services. A fuller account of the whole system will be found in Mr. Vibart's book, *Family Allowances in Practice.* (P. S. King & Son, 1926.)

4. Family Allowances in Australia and New Zealand

Although the economic conditions of Great Britain in many respects resemble those of France and Belgium more nearly than of our colonies, the experiments and theories of the latter will probably carry greater weight with the British working man. He naturally prefers to take a lead from countries where standards of living are higher than his own. His imagination can more easily cross the Pacific Ocean than the sundering seas of race and temperament.

Yet it is a curious fact about the movement we are studying that it seems to have begun, spiritually if not in material results, almost simultaneously and quite independently in several countries, and in several minds in each country. The earliest French Caisses were started, as we have seen, in 1918. But two other towns dispute with

Grenoble the honour of priority. In our own country, Mrs Sidney Webb told the War Cabinet on Industry of a plan suggested—she did not say by whom—for providing allowances for wage-earners' children through a stamp duty on their employers. She herself preferred a national scheme, and such a scheme was, as it happened, then being drafted by the newly-formed Family Endowment Council. In 1916, while M. Romanet was persuading the engineering industry of Grenoble to pay children's allowances, Dr. Richard Arthur was proposing to the Legislative Assembly of New South Wales a resolution favouring child endowment through an *ad hoc* income tax. The Bill introduced into the same body three years later, proposing, in effect, children's allowances through a State Equalization Fund, about synchronized with the Bokanowski Bill in the French Parliament. I cannot discover that any of these or other pioneers of family allowances knew anything of the thoughts of the others. Truly, the human spirit bloweth where it listeth, and who can say whence the first inspiration comes?

In Australia, the soil for the new seed had been fertilized long before by the accumulated failures of that country's gallant efforts to provide adequately for children through wages based on the fiction of the normal family. In 1907, the Commonwealth Arbitration Court, set up under an Act of 1900, had to adjudicate on a case brought by a manufacturer of reaping-machines to prove that his wage-rates were 'fair and reasonable,' as the law required. Its President—Mr. Justice H. B. Higgins—laid it down in his judgement that by a 'fair and reasonable' wage Parliament must have meant one which would secure 'a condition of frugal comfort estimated by current human standards' for 'an average labourer with normal wants and under normal conditions.' He calculated the cost of living at such a standard for a family of five, partly on the basis of nine actual budgets of working housewives, but largely on the rates actually paid

for unskilled labour by municipal councils and other bodies not working for profit in the several States. The figure arrived at was 7*s*. a day.

This 'Harvester Judgement' has remained, ever since, the basis of the awards of the Commonwealth Court, the 7*s*. a day being adjusted periodically to meet changes in the cost of living. For workers who do not come under federal awards, the several states provide a machinery of wage-regulations under varying forms and names. All these, with the exception of Victoria, have followed the precedent of the Harvester Judgement in adopting the needs of the supposed normal family as the nominal basis of their decisions when laying down minimum rates.

But economic facts are stronger than judges. The Arbitration Courts were doubtless also influenced by the necessity of keeping down production costs, and the trade unions of Australia have never admitted that the rates they laid down were sufficient for family needs. During the War dissatisfaction increased with rising prices. In 1919, the Federal Government appointed a Royal Commission on the Basic Wage, consisting of one representative of each of the three chief organizations of employers and three representatives of the federal trade unions. These agreed to appoint as chairman, Mr. A. B. Piddington, K.C., a distinguished lawyer

The chief point in the reference to the Commission was to determine :

> The actual cost of living at the present time, according to reasonable standards of comfort, including all matters comprised in the ordinary expenditure of a household, for a man with a wife and three children under fourteen years of age, and the several items and amounts which make up that cost.

It may seem strange that a body entrusted with such a task should have included no women members, but certainly no woman can complain of the thoroughness and attention

to detail with which the Commission carried out their task. They held 184 sittings, examined 769 witnesses, inspected 580 exhibits. A separate inquiry was held, and finding made, in the capital city of each of the six states. The imaginary family being assumed to include a boy of 10½, girl of 7, boy of 3½, the cost of every item in the household budget considered necessary to secure ' a reasonable standard of comfort ' for such a family was estimated at current prices.

Exhaustive discussion took place on such questions as whether the Australian workman's supposititious wife would require five blouses a year (two silk, two voile, and two cambric or winceyette), as claimed by the federal unions, or only three (one silk, one voile, one cambric or winceyette), as estimated by the employers, and the compromise eventually decided on allowed to the garment of each material its appropriate length of service. We even find them collecting statistics as to the proportion of clothing bought at sale times, and allowing a reduction of 3 per cent. on ordinary prices to cover the economy of such purchases, while a further 5 per cent. reduction is allowed for the saving made by thrifty housewives in cutting down the garments of the older member of the family to fit the younger. As to this, the report pathetically remarks :

> With regard to infants' clothing, the difficulty arises that, while the typical family maintains its structure (i.e. contains three children and no more, under fourteen), the question of carry-over or replacement of infants' clothing is almost an insoluble one.

Precisely ; but if only all workmen had families, and all families had always three children (boy 10½, girl 7, boy 3½), how much easier of solution the problem of the living wage would be !

The cost of the model budget which emerged varied from £5 17*s.* in Sydney to £5 6*s.* 2*d.* in Brisbane. The

items which made it up were as follows, the figures given being those for Melbourne :

	£	s.	d.
Rent	1	0	0
Clothing, Man		8	5
,, Woman		10	9
,, Boy (10½)		4	6
,, Girl (7)		3	5
,, Boy (3½)		1	11
Food	2	6	1½
Fuel and light		4	9
Groceries (not food)		1	6
Renewal of household utensils, drapery, and crockery		2	7½
Union and Lodge dues		1	9
Medicine, dentist, &c.			9
Domestic assistance		1	6
Newspapers, stationery, and stamps		1	0
Recreation, amusements, and library		2	0
Smoking		2	6
Barber			3
Fares		2	6
School requisites			3
	£5	16	6[1]

The Commission's report, so far as it concerned the cost of living, was a unanimous one. But its findings were never carried into effect. It was referred by the Prime Minister to the Commonwealth statistician, who promptly declared that :

> Such a wage cannot be paid to all adult employees, because the whole produced wealth of the country, including that portion of produced wealth which now goes in the shape of profits to employers, would not, if divided up equally amongst employees, yield the necessary weekly amount.[1]

But the work of the Commission was not wasted. Its meticulous calculations served to bring home, at least to

[1] *The Next Step*, by A. B. Piddington, p. 22.

the thinkers of Australia, the artificiality and futility of the conception of a ' living wage,' based on the needs of an imaginary static family, as compared with the ever-changing actuality of the workers' needs and the limitations of the nation's resources for meeting them. One suspects that the chairman, Mr. Piddington, realized from the first that he was engaged on a devastating *reductio ad absurdum*. Anyhow, he has lost no opportunity, then or since, of pointing the moral. Invited by the Prime Minister to comment on the statistician's findings, he promptly sent in a memorandum showing that, if a living wage based on the standard set up by his own report was enforced throughout Australia, the effect would be :

(*a*) To provide for 2,100,000 non-existent children and for 450,000 non-existent wives.

(*b*) To leave all families with more than three children to suffer privation.

(*c*) So to increase labour costs that the industries manufacturing for export would probably be ruined.

(*d*) So to increase prices that the basic wage would have to be again raised within a few months in order to maintain the decreed level of comfort. He showed by the following table the course of the resultant race between wages and prices, on the assumption that wages average 50 per cent. of production costs, and that employers succeeded in transferring the whole extra charge to the consumer :

	Rise in Money Wages. From			To			Percentage Increase.	Resulting Effect on Prices. Percentage.
	£	*s.*	*d.*	£	*s.*	*d.*		
November 1920 .	4	0	0	5	16	6	45	22½
February 1921 .	5	16	6	7	3	0	22½	11½
May 1921 . .	7	3	0	7	19	0	11¼	5½
August 1921 .	7	19	0	8	7	9	5½	2¾
November 1921 .	8	7	9	8	12	4	2¾	1⅜[1]

[1] Continuable indefinitely.

He then proposed as the true solution that :

1. The fiction of the typical family should be abolished.

2. The basis of the minimum wage should be the needs of a man and wife. Continued provision for the 450,000 non-existent wives he justified on the grounds that ' ample opportunity should be provided to save up for equipping the home,' and that ' a man should be able to marry and support a wife at an early age.'

3. The man and wife's share of the Commission's finding of £5 16*s*., including the whole sum allotted to rent and miscellaneous requirements, should be estimated as £4, the share of the three children as £1 16*s*.

4. The Commonwealth should pay an endowment of 12*s*. a week to the mother for each dependent child, and should raise the cost (estimated at £27,000,000 a year for 900,000 children) by a tax on employers of 10*s*. 9*d*. a week per employee. He estimated the resultant rise in prices at 6½ per cent., instead of 22½, as under the former plan.

No immediate result followed, except a rise in the basic wage of employees in the public services of the Commonwealth from £3 8*s*. to £4, with a child allowance of 5*s*. a week.

But, even before the Royal Commission had reported, the first attempt to secure child endowment through industry had already been made in New South Wales. In 1919, the Government of that State belonged to the National Party, which had already been persuaded by Dr. Arthur to commit itself to the principle. It was the duty of the Board of Trade to fix the cost-of-living figure (there based on the needs of man, wife, and *two* children) which determined minimum wages. The Board announced its intention of raising the figure from £3 to £3 17*s*. There was a loud outcry from employers. The Prime Minister, Mr. Holman, hastily introduced a Maintenance of Children's Bill. This, broadly speaking, anticipated the proposals of Mr. Piddington's memorandum, except that the full child's

allowance, annually calculated to cover its cost of maintenance, would only be paid to parents earning less than the minimum wage (based on the needs of man and wife), plus 5*s*., the allowance for others being diminished on a sliding scale. It was calculated that this would cost £5,500,000 less than the increase in the basic wage proposed by the Board of Trade. The Bill, however, pleased neither the trade unions, who were counting confidently on the promised increase, nor the employers, not yet converted to the new principle; and, after struggling through the Lower House, it perished in the Upper. The basic wage of £3 17*s*. came into effect, and was followed by a rise in prices so considerable that it had to be increased to £4 a year later.

Meantime the Labour Party had come into power. Having made great play at the polls with promises of child endowment without any decrease in the basic wage, the Government made a half-hearted attempt with a Bill to provide an allowance of 6*s*. a week for each child in excess of two, in families where the income did not exceed the basic wage by more than the amount that would be payable. But the Bill was introduced late in the session. The Government were mysterious as to where the money was to come from, and were obviously, in fact, baffled by the difficulty of providing it. Early in the next session they went out of office.

Several years went by. One after another, those who have the chief responsibility in Australia of carrying out the legislation affecting the minimum wage added their testimony to that of Mr. Piddington. Thus Mr. Justice Powers, President of the Commonwealth Arbitration Court, in giving his first decision on the basic wage after the report of the Royal Commission, said:

> I am satisfied, from inquiries I have myself made, that it [i.e. a scheme of living wage, with child endowment, presented to Mr. Hughes in 1920, and in operation now in the Commonwealth public

services] is practicable, and that it would do more to make the people who are now in an intolerable position satisfied than would any other method that has been suggested. . . . The more children a man on the basic wage has after three, the more degraded the standard of life must be for the whole family. . . . No wonder the workers and their wives and children in that position feel the existing conditions are intolerable, and are prepared to agree to adopt any means to try to improve their conditions by revolutionary methods if necessary ; nor is it any wonder that the children go to Communist Sunday schools, or any other schools which can give them some hope of better days in this life.

So, too, the late Chief Justice McCawley, President of the Arbitration Court of Queensland, in delivering the judgement of the full Board, said :

If justice to the workers require that regard should be had to the greater social needs of the average married man, . . . and if justice is the price of industrial peace, it is obvious that we are not paying the price, and also obvious that in this respect the Court has not the power to do such justice.

And elsewhere :

What should be the next step ? It seems to me that it should be the institution of child endowment on a national scale. I can see no other way of substantially raising the standard of living of those who are at present the most unfairly treated—the married men with young children who now receive the basic wage or a little more.

The opinion of Labour became also steadily more favourable. The National Congress of Trade Unions endorsed the principle of Family Endowment—' such payment to be a charge on the community.' The Federation of Public Servants of the Commonwealth, having experienced the benefits of children's allowances themselves, recommended the extension of the system to industry.

Two more abortive Bills were introduced into State legislatures in 1925, one by the Government of Queensland, abandoned owing to change of government ; one by the

Government of South Australia, dropped because the railway workers insisted on an increase in their basic wage-rates, which absorbed all the surplus revenue.

During the federal elections of 1926, Mr. Bruce, the Commonwealth Premier, said :

> The question of child endowment is one of vital importance. It could not, under the constitution, be dealt with by the Commonwealth alone, nor can it be dealt with by the states without dislocating the basis of inter-state trade. It can only be dealt with nationally. It is proposed to refer the question to the Commonwealth and State Arbitration Judges, with a view to their recommendations being considered at a Conference of Commonwealth and State Governments in the hope of evolving a national policy.

The leader of the Federal Opposition capped by this saying :

> The question of motherhood endowment is one of vital importance. . . . The Labour Party will make provision for motherhood endowment, and will not submit the matter to a conference.

The conference has been summoned for June 1927.[1] But meantime New South Wales has given a lead to the Commonwealth, and perhaps to the world. In 1926 the State altered somewhat its machinery of wage regulation by an Act setting up an Industrial Commission, one of its functions being ' to determine a standard of living, and to declare what shall . . . be the living wage based upon such standard for adult male and adult female employees in the state.' The Industrial Commissioner appointed by the Government—a Labour Government, with Mr. Lang as Prime Minister—was Mr. A. B. Piddington, and, with his record on the Basic Wage Commission and his ceaseless advocacy of Family Endowment before them, it is obvious that the Government must have guessed the kind of report that would follow. Nevertheless, the newspapers, almost

[1] It has since met and committed the subject to a Royal Commission for investigation.

without exception hostile to Labour, either from ignorance or some other reason predicted with confidence a substantial increase in the basic wage. When the judgement was delivered, it indeed determined a standard of living which, if enforced through the medium of the four-member family wage, would have involved a rise in the basic rate from £4 4*s*. to £4 15*s*. a week. But this was accompanied by a scathing exposure of the delusive conception which had led the workers into 'the fruitless adventures of the past six years.' The economic argument is that which we have already traced, adapted to the New South Wales of to-day, but the comments are almost startingly outspoken. As, for example :

> It is time that the workers, after fruitless adventures into which they have been led during the last six years, should realize that no splendour of assertion and no cunning in advocacy can get over the fundamental obstacles to their getting a decent standard of living out of the flat-rate system of wage. It helps nothing to claim a large domestic unit, or a high standard of expenditure, or a resounding living wage. Courts and Parliaments and the public are adamant in rejecting 'tricks of the trade' where the stern facts of life come in. The workers can get justice by asking for it ; they cannot get it by the casuistical course of claiming high wages under the excuse of providing for children, though it is known the children have been cheated out of their social rights in just that way. . . .
>
> The mendicant who hires a child to beg for him, and neglects it so that it may look more appealing, is honester than this. He at any rate does not claim as a right ; he begs for charity. . . .
>
> I forbear to say more as to this mistake in our social order than that my experience in the past six years convinces me that the plight of employees with children, on or near the basic wage, is the most poignantly felt of all social grievances. It is the unanswerable text of the agitator, and not only to the timid or the selfish, but to the prudent, it is a fertile sermon preached on behalf of sterility—self-inflicted and nation-wide. . . .
>
> From the moment that this new basis was announced, making human needs the touchstone of the worker's share in productive wealth, it became inevitable that sooner or later, and in one way or another, recognition would need to be given to the outstanding fact, as to all human needs, that the cost of supplying them must of

necessity vary according to the number of persons whose needs are to be satisfied. . . . It is impossible to satisfy human needs by giving to each family the average for all. . . .

The conjugal status of employees is a variable, not a constant, one. For example, single male employees are not concerned with any separate provision that may be made for the sustentation of children. They will be, and, in most cases, soon. Though single, they are always moving towards the status of fatherhood. Half of them are married before the age of twenty-seven is reached, and most of them have children. The most popular age for marriage of males is in their twenty-fifth year. Single women employees stand in the same position. The living wage law deals, therefore, not with one bay or inlet of the national life, but with all its breadth and its depth. . . .

On a like footing of social rights stands provision for employees who have to support dependents other than children, such as an invalid parent or crippled relative. This is more frequently done by single and married employees, both male and female, than is commonly supposed. Such cases should be included in the scheme of family allowances to be attached to the living wage.

The Commissioner finally declared that the living wage for men should remain unchanged ; but

that it is essential, in order that the standard of living now determined may be made attainable for all those for whom it is intended, that a system of motherhood endowment should be made an adjunct to the living wage.

He recommended immediate legislation for this purpose. The amount suggested for the allowance was 6*s*. a week.

The Government—long committed, as was also the Opposition party, to child endowment—adopted the Commissioner's proposal in its entirety, and the caucus of the Labour Party also endorsed it. The trade unions, having expected a rise in the basic wage, were at first deeply disappointed. The employers were divided between dislike of any increase in their burdens and relief that the amount proposed was not greater, coupled with anticipations of

increased trade in staple commodities owing to the increased purchasing power of families.

But, as the economic truths exposed by the Commissioner sank irresistibly into the public consciousness, opinion became steadily more favourable. The Family Endowment Bill, introduced soon after, had a stormy passage through the Legislature. Acute differences of opinion manifested themselves as to the scale of the allowances, the income limit of the workers entitled to them, and the inclusion or otherwise of 'workers on own account.' The Legislative Council (i.e. the Upper House), with a Conservative majority, though declaring themselves in favour of the principle, endeavoured to shelve the Bill on the plea that the question should be dealt with by the Federal Parliament.

After much manœuvring, substantial concessions were made to the Opposition, and the Bill passed into law in March 1927. It provides for an allowance of 5*s*., payable to the mother, for every Australian born and actually dependent child under fourteen (or sixteen if incapacitated) of any person in New South Wales, whether an employee or not, provided that the income of his or her household during the previous year has not exceeded the amount of the basic male wage, plus £13 for each child. To the extent that the income exceeds this sum, the amount of the allowance tapers off till it vanishes. It is estimated that the measure will cover 396,000 children, and cost about £5,000,000, to be met by a levy on employers calculated as a percentage of their wage-bills—at present 3 per cent. The basic man's wage, under another Act, passed simultaneously, will in future be based on the needs of a childless couple.

Though the income limit is far lower than most of its advocates desired, they declare that the Act will at least 'practically abolish undeserved poverty in New South Wales.'

New Zealand

In New Zealand the Arbitration Court, while taking the economic and financial conditions of industry into account in its awards, is pledged in no case to ' reduce wages below a fair standard-of-living wage.' The difficulty of always reconciling these two factors doubtless helped to convert the court to the need for family allowances, for in 1923 these were described, in a judgement of the full court, as ' the one remedy for the injustice of taking account only of the average family.' After two Bills had been introduced into the legislature by the Labour Party, the Conservative Government apparently decided to ' get in first,' and in 1926 passed into law rapidly and with very little opposition a Family Allowances Act. This confers an allowance of 2*s*., payable to the mother, for each child from the third onwards, in households where the average income, including the allowance, does not exceed £4, this being the amount of the basic wage declared by the Arbitration Court. The cost, estimated at £250,000, is to be met out of the Consolidated Fund.

Those who remember how many of the reforms now adopted in this country—manhood suffrage, women's suffrage, trade boards, arbitration courts, widows' pensions, &c.—were first tried out in Britain overseas, will see a significance in these beginnings, and, if they are believers in Family Endowment, will take fresh courage.

IV

THE FUTURE OF FAMILY ENDOWMENT IN GREAT BRITAIN

In Great Britain, where if Family Endowment is less practised than anywhere else, there is probably more theorizing about it, three possible lines of advance have been advocated.

First, the initiative might come from the occupations which most feel the need, each developing its own scheme with or without State intervention. For one reason or another, certain occupations seem specially suited to lead the way, viz. the teaching profession, the ministry of religion, mining, agriculture. The chemical, metal, and textile industries are also indicated by the fact that these are 'unsheltered' and that family allowances are especially flourishing in the corresponding industries of some of our keenest competitors.

1. The Teaching Profession

We might begin, as Australia and nearly all Europe did, with the public services, and, among these, with the teachers of all grades. It seems natural to look to these for a lead in a movement of which the tap-root motive is the better rearing of future generations. Further, Family Allowances offer the natural solution of the controversy as to 'equal pay' which among elementary teachers has become so acute as to cause a split in the national organization.

On the one hand, it is claimed that, on grounds of justice, work of equal value should be equally remunerated; on grounds of expediency, it is undesirable that appointing bodies should either prefer women for the sake of economy, or men because of their greater needs, instead of selecting for each post the candidate best qualified for the work. On the other hand, it is pointed out that the present difference in the salary scales is quite inadequate to meet the cost of family maintenance. Both claims might be met by remunerating the whole profession on a scale adequate to the needs of a 'typical family.' But it is doubtful if this would please the tax- and rate-payer when he realized that the actual proportion of children under sixteen per teacher is only about ·2, or per man teacher ·6.

If we believe in recruiting the nation's children from among its brain-workers, this is a deplorably low proportion. Family Allowances might possibly raise it as well as satisfying all the above claims. A very rough calculation on the basis of the Burnham scale previous to 1925 indicated that, if men had been paid on the same scale as women, the saving would have been somewhere about sufficient to provide an allowance of £1 a week for each teacher's wife and 10*s*. for each child.

For University teachers, a good example has been set by the only body in the country entirely devoted to the ascertaining and communicating of economic truth—the London School of Economics—which supplements the 'equal pay' of its men and women lecturers by an allowance for each child during the period of education up to the age of twenty-two, at the rate of £30 a year from 6 to 13, after that £60 a year.

It has been suggested that the Universities might start an equalization fund of their own on the lines of the federated superannuation system: the allowance for each professor's or lecturer's child to be calculated as a percentage (say 10 per cent.) of his or her salary; the total cost of allowances

payable throughout the Universities to be ascertained annually and reckoned as a percentage of the total of salaries plus allowances ; the percentage thus arrived at for all the Universities to be deducted by each from the salary and allowances payable to each teacher and paid into the pool. Thus, if the amount to be deducted was 12 per cent., the teacher with five children earning a salary of £500 would receive £500 + £250 — £90 = £660. The same teacher if childless would receive £500 — £60 = £440.[1] But for reasons which appear elsewhere it might be preferable to let the allowance be on a flat rate, rather than a percentage of salary, and the allowance should be paid to the teacher's wife rather than to himself. A scheme which is to set a standard for the lowlier occupations should bear their needs in mind, so far as is possible without doing injustice to its immediate beneficiaries.

2. The Ministry of Religion

To the ministers of religion as to the teachers, one naturally turns for sympathy with any project destined to improve the well-being—material and moral—of children and the status and stability of the family. Here, as elsewhere, example is the best propaganda. Most wage-earners, like most women, still suffer from an inferiority complex, the inheritance of generations of subjection, which makes them suspicious of all schemes, however ostensibly beneficent, designed exclusively for themselves.

Hence the immense value of the example set so long ago by the Wesleyan Methodist Connexion. The misfortune is that it is not more widely known. In the words of Mr. J. H. Beckly, the founder of this course of Lectures, John Wesley

[1] This is a slight variation on a suggestion made by Mr. R. A. Fisher, of the Rothamsted Experimental Station.

gave practical expression to the idea of justice tempered with mercy a hundred years ago and more by establishing 'remuneration according to needs,' and when the Methodist Church calls a man to the Christian ministry—or, if I may put it so, to the production and distribution of religion—in effect it demands from each minister a service according to his ability, and in return the reward or allowance is according to his need. That at least is the principle which is acted upon with as near an approach in actuality as the circumstances and conditions will admit. If his needs are for himself and his wife, his stipend is accordingly. If he has one child, he receives an allowance for that child until he is eighteen years of age. If he has seven children, he receives seven times as much for them as the minister who has only one.[1]

The method by which this system is worked is in effect an anticipation of the French Equalization Funds: The Connexion (i.e. the whole Church or Denomination) ascertains through a special Committee the total amount required to pay the allowances for the children of its ministers. The Committee then assesses each of the Districts into which the Connexion is divided for their share of the total sum, the assessment being based on (*a*) the number of ministers labouring in the District; (*b*) the financial ability of the District. Each District through its Synod in its turn apportions the amount to be raised by each Circuit on the same basis of the above (*a*) and (*b*). The sum allocated to each Circuit is a recognized charge upon the common fund of the Circuit from which all ministerial payments are made.

The official of the Circuit pays the minister his stipend and children's allowances, the amounts being at present eight guineas per annum for each child up to eighteen, and an additional twelve pounds per annum for each of its six last years of schooling, unless the child is receiving equivalent advantages in one of the schools of the Connexion. Circuits may at their discretion increase these amounts out of their own funds.

[1] 'The Endowment of the Family,' reprinted from the *Methodist Recorder*, September 10, 1925.

If this fine example were followed by other denominations of the Christian Church, it would not only appease the 'inferiority complex' of the wage-earners, but might also increase the flow of able recruits to the ministry. Even in the comparatively wealthy Established Church, much has been heard lately of the difficulty of securing the right type of candidate for ordination, owing to the insufficiency of stipends. As in the teaching profession, the birth-rate in the families of clergy and Nonconformist ministers is startlingly low.[1] Yet great numbers in this profession are notoriously opposed on conscientious grounds to artificial limitation of the birth-rate. May not these again address to the governing bodies of their Churches the petition 'lead us not into temptation'? In Mr. Vibart's words, 'it is at least possible to remove economic obstacles lying in the path of conscience.' Further, even those who most fear an increase of population will admit that here is a profession from which the nation would gladly recruit more of its children.

3. The Mining Industry

We have seen already that (in the words of the Coal Commission) 'Family Allowances are practically universal throughout the mining industry of those countries which compete most actively with our own.' Mr. Frank Hodges, coming before the Commission as Secretary of the International Miners' Federation, gave evidence 'as to the growing disposition of the miners who had experience of it (i.e. the system) to approve it.'[2]

We have also seen that, even before the reduction of wages which followed the strike of 1926, at least two-thirds of the miners' children (and probably more owing to the prevalence of short time) must have been living below Mr. Rowntree's very modest 'human needs' standard. As a rough

[1] See my *Disinherited Family*, 1927 Edition, p. 238. [2] Coal Commission Report, p. 160. See also chap. iii.

illustration of the effect on the standard of living that might be secured if a portion of any wage-bill were redistributed in the form of children's allowances; we showed that if the wages of each grade of miners had been reduced by 5*s.* 10*d.* per week, and the sum used to pay a weekly allowance of 5*s.* 7*d.* to each miner's child under fourteen and a half, the result would have been to raise all the miners and their children not less than 33 per cent. above 'poverty level,' while only one-third would have been left below 'human needs' level. Or, preferably, the sum required might have been raised by a levy of about 1*s.* 4*d.* on every ton of coal raised.

No doubt these facts and figures influenced the Commission in arriving at their well-known recommendation—probably the most notable endorsement that the principle has yet received in this country:

> Fifth, irrespective of the level of wages, we regard the introduction of a system of children's allowances—to be paid out of a single pool, either for the whole industry or for each district that adopts it—as one of the most valuable measures that can be adopted for adding to the well-being and contentment of the mining population. If the total sum available for workers' remuneration can be kept at the present level, the allocation of a small part of this to children's allowances will raise materially the general level of comfort; if the full remuneration cannot be maintained, the harmful effects of any reasonable reduction can be largely mitigated.

The reply of the Miners' Federation to this recommendation was that they were

> prepared to consider the question of Family Allowances, subject to a guaranteed weekly minimum wage being established, but hold that the funds necessary to provide such allowances should be raised by means of a properly graduated system of taxation.

The recommendation was afterwards submerged with the rest of the Commission's Report, in the general welter of the strike. But one at least of the miners' most respected

leaders, Mr. W. Straker of the Northumberland Federation, and many of the branch secretaries and rank and file, have shown a keen sympathy with the proposal, which augurs well for its future development. As Mr. Straker has pointed out, the system of coal allowances and free houses existing in some districts does constitute an instalment of the same principle, 'Yet the young unmarried men support the system, because of the married man's extra responsibility.'[1]

4. Agriculture

Another lost opportunity of introducing children's allowances into an industry sorely needing such provision occurred during the passing of the Agricultural Wages Act, 1924. This Act requires the County Wage Committees

> in fixing minimum rates, so far as practicable to secure for all able-bodied men such wages as in the opinion of the Committee are adequate to promote efficiency and to enable a man in an ordinary course to maintain himself and his family in accordance with such standard of comfort as may be reasonable in relation to the nature of his occupation.

'To maintain himself and his family!' Evidently Parliament had in mind that old impostor 'the normal family of five,' a particularly impudent and cruel impostor when the actual facts both as to child dependence and economic conditions in this industry are borne in mind. The five-member family is possessed by only $5\frac{3}{4}$ per cent. of the adult male labourers; the number of children to be provided for is less than one per labourer; yet 45 per cent. of the children at any one time (and, of course, a much larger proportion for part of their childhood) belong to families with four or more children. Hence the five-member family wage if achieved would stint the majority of the children while providing for 976,000 phantoms.

[1] See *Memorandum of Evidence before the Coal Commission* and *The Coal Commission on Family Allowances*, both published by the Family Endowment Society.

The cost of such a wage for bare necessities ' according to the standard of efficiency and health ' is estimated in a Report by Mr. Ashley, of the Ministry of Health, at 46*s*. The minimum actually fixed by the County Committees for ordinary labourers averaged, in 1926, 31*s*. 8*d*. Meantime, with war-time experience of the dangers of too exclusive dependency on foreign food supplies before us, land is going out of cultivation; the abler and more energetic labourers are pouring into the towns, to displace city-bred labour and swell the volume of unemployment; the country children, on whom we used to depend to recruit the devitalized town population are not only diminishing in number, but are officially reported to be inferior in physique to town children.[1]

An amendment was moved before the Wages Act became law to permit any County Committee, at its discretion and with the sanction of the Minister of Agriculture, to establish an Equalization Fund out of which children's allowances should be paid, employers contributing on some agreed basis, such as the number of labourers, amount of the wage-bill, acreage or/and value of product. The last-named kind of basis is usually preferred in the Agricultural *Caisses* of France. In this way it might have been possible to secure, even under the present depressed condition of the industry, and at no greater cost to it than under the present system, at least an approximation to the professed intention of the Act. But public opinion was not then sufficiently informed to secure even consideration of the proposal.

It is possible to imagine a series of separate schemes such as these—each adapted to the special needs of an occupation. Or again, schemes might be started on the regional basis,

[1] The routine inspection of nearly one and a half million children in Elementary schools generally showed about 20 per cent. to need medical treatment. But in some rural districts the proportion rose to 39, 47, 54, and in some rural schools to 62, 67, even 80 per cent. The School Medical Inspector for Devon wrote: ' Many of the children in country schools (excepting the children of farmers) are pale-faced, anaemic-looking, with eyes lacking lustre, undersized, underfed, and sad-faced ' (Ministry of Health's *Report on Health of the School Child*, 1923).

open to all employers within a town or county, and in this way the system become generalized. But the process would be slow and the difficulties great. The special post-war conditions which favoured the beginnings in France are lacking. The opportunity may come again—probably when it becomes easier owing to improving trade, or more necessary owing to industrial discontent—for employing bodies to make concessions to their workers. It may by that time have dawned either on employers or workers or both that Family Allowances will yield better value for a given expenditure than a rise in wages. Or the impetus might come from the opposite cause—still worse trade leading to falling wages partly compensated by Family Allowances. But this would be unfortunate as likely to prejudice the workers against the system. Sick-room food may have helped the patient's cure, but it has unpleasant associations and is apt to be discarded on recovery.

5. Alternatives to the Equalization Fund

While some advocates of Family Endowment regard the slow building up of the system through voluntary effort as the only healthy method, others believe it to be neither necessary or desirable. Assuming preliminary experiments to be wanted, they have been carried out by other countries and need not be repeated here. They point to the history of Health Insurance as showing that private enterprise may create great vested interests which prove an obstacle to a general scheme. They argue that, as the children of parents belonging to one occupation or locality do not necessarily remain in it themselves, it is unfair to make their maintenance a charge upon it. The present system in effect[1] does this, but it is unnecessary to repeat the error in the system of Family Allowances. Its cost should rather be borne by

[1] See p. 36.

the whole community. Hence they would reject not only the existing Continental system, but also any modification of it, such as a multiplicity of equalization funds, but under State supervision and with compulsory payment by employers (as suggested by some French trade unions), or the New South Wales method of (in effect) a single Equalization Fund, controlled by the State but at the cost of industry.

Two alternative schemes have been definitely put forward in this country, viz. :

(*a*) The Contributory Insurance method or Family Income Insurance ;

(*b*) Family Endowment by the State.

(a) Family Income Insurance

The system of contributory insurance has been so widely developed in Great Britain that it seems to many the most natural line of advance. By using, with the necessary extensions, the existing machinery of Unemployment Insurance, it would be possible to collect the contributions of employers and workers, add that of the State, and distribute the allowances to the mothers of the children. The cost would then be shared by the three parties actually interested in the children's well-being—the workers as actual or potential parents, the employers, and the State.

Mr. J. L. Cohen, the well-known expert on social insurance, has described in detail how such a scheme might be worked out.[1] He assumes that the beneficiaries would be the children of all workers now included under Health Insurance (i.e. all employed manual workers and non-manual workers with incomes under £250 per annum) and that the weekly cost per insured person would be divided equally between the State, the employer, and the workmen, women and youths under eighteen paying half-rate. He estimates—on

[1] *Family Income Insurance*, P. & S. King, 1926, 1*s*.

figures drawn from the 1921 Census (with allowance for the higher birth-rate of wage-earning grades)—that the number of child beneficiaries would be 10,264,000 if the age-limit were 16, or 9,605,000 if it were 15. He calculates the approximate cost with both these age-limits, at six different scales—three flat rates and three decreasing with size of family. Two examples may be quoted: An allowance of 6*s*. (the costing of a child on Rowntree's human needs standard) up to 15 would cost £152,000,000, and require a weekly contribution from each of the three parties of 1*s*. 7d.; if the scale were 5*s*. for the first child, 3*s*. each subsequent child under 15 (i.e. the present rates under the Widows' Pension scheme) the cost would be £98,000,000, or 1*s*. 0½*d*. from each full contributor.

Such a scheme has certain obvious drawbacks. It makes no provision for the children of persons who are their own employers, though these include many—such as crofters, hawkers, small shopkeepers—who equally need provision, nor for those professional workers with incomes over £250 whose lamentably small contribution to the birth-rate reveals their sense of economic stringency. This might be got over by allowing any voluntary scheme for the benefit of the exempted classes to claim the same measure of State aid as that promised to the compulsorily insured. Another immediate difficulty is that the burden of insurance contributions is already felt to be heavy by workers and employers and has been recently increased through the Widows, Orphans, and Old Age Pensions Act of 1925. But those to whom an added charge of 1*s*. or 1*s*. 7*d*. a week seems an impossible imposition forget that Family Income Insurance would differ from the existing insurance schemes in two respects:

Before the employer was obliged to pay insurance for unemployment and sickness, he did not usually support his workers during these misfortunes. But he does already provide after a fashion for his workers' children through the

wage-bill, and secures in return neither well-being nor contentment. He may realize in time, as his fellows in New South Wales have done, that it is more satisfactory to provide for real children than for hordes of phantoms. Similarly the workers pay now throughout their working lives for unemployment and sickness benefits which, if they are lucky, they may never need to draw. But nearly all working men marry and have children some time. So long as he had even one child dependant, the worker under Mr. Cohen's scheme would be drawing a benefit at least three times as great as he contributed. As for the young men, always ' moving towards fatherhood ' (in Commissioner Piddington's phrase), and the couples whose sons and daughters are all earning, the required contribution would hardly be an excessive payment for its prospective or retrospective benefits. It would be essential, however, for the successful initiation of such a scheme that those who had already brought up their children, or had passed the age of probable fatherhood, should be exempted from contributing. The State might well shoulder this rapidly dwindling liability.

(b) National Family Endowment

Without doubt the objections to the present system set forth in my earlier chapters, and most of the difficulties in the alternative schemes we have discussed, could be most simply and completely met by a scheme of National Family Endowment, extended to and paid for by the whole community. But this raises difficulties of its own.

In 1918, a Committee of the Family Endowment Council put forward such a scheme, based on the system of separation allowances in the fighting services, and proposing an allowance for the mother and for each of her children on a descending scale.[1] But the great cost of the proposal was

[1] *Equal Pay and the Family* (Headley Bros., 1925).

its only feature that attracted much attention. Seven years later, the Continental experiments and Australian schemes having brought the subject nearer the sphere of practical politics, the Independent Labour Party appointed a committee of investigation. Its report was unanimously adopted by the Annual Conference of the I.L.P. in 1926, as part of its policy of an immediate living income. The substance of the proposal is that there shall be a State endowment of children, at a scale (to begin with) of 5*s*. a week for each child under fourteen, payable to the mother; the benefits to be limited to the children of persons covered by the National Health Insurance Acts, or of equivalent economic status; the funds to be provided by an increase in super-tax and death duties; this to be accompanied by the enactment of a Minimum Wage, based on the needs of two adults. This proposal was brought by the I.L.P. before the Annual Conference of the Labour Party, and there relegated, practically without discussion, to a committee of inquiry.

The scheme has one indefensible feature—its proposed limitation to a particular class. The effect of this on those round about the income limit would inevitably encourage fraud and discourage merit. The man who has earned promotion would find that the extra pay it put into his pocket was immediately taken out of his wife's by the withdrawal of her child's allowance, though less scrupulous parents would manage to keep both by 'wangling' their income return. The limitation would prejudice the wage-earners against the system, by arousing their inferiority complex. It would antagonize the eugenist, disappointing his hopes and confirming his fears as to the probable effect of the system on the quality of the birth-rate. Its object and sole merit is to lessen the cost of the scheme, estimated by its promoters at £125,000,000 per annum. To extend it to the whole child population would cost an additional £30,000,000—a considerable sum, but scarcely

worth the drawbacks. If the whole burden of the cost is to be laid on the well-to-do classes, there seems little hardship in making it a little heavier in order that the benefits may be shared by their own children and those of the ranks immediately below them, with whom they have usually stronger bonds of sympathy than with the manual workers. The system might thus become truly national, freed from any taint of almsgiving or patronage.

But the difficulty of cost is formidable. Since the children are maintained already, after a fashion, it is true that the charge would not be mainly a new one. But it would involve the redistribution of a considerable slice of the nation's income, not only horizontally (as between those with and without children), but also perpendicularly (as between rich and poor). This, of course, seems one of its merits to many others beside those officially enrolled in the Labour Party. We are utterly convinced that ' the rich are too rich and the poor too poor,' and that the acute sickness of its extremities has infected the whole body politic with a kind of chronic low fever. The claim for child endowment is essentially a claim for horizontal redistribution, i.e. for the family as against the individual. But if it can be made a channel for the other reform as well, so much the better. And if in his propaganda the perpendicular redistributionist steals some of our wind to fill his own sails, he is welcome to it, since it is fortunately true of the wind of the spirit that it can be in two or indeed a million places at once. But that, alas, cannot be said of any material thing, least of all of money.

Let us face facts. Suppose that Mr. Snowden, or any other Labour statesman, were to become to-morrow Chancellor of the Exchequer in a Labour Government with a majority behind it. Would he have the courage to plump the whole burden of a Children's Allowance scheme, costing £155,000,000 or even £125,000,000, into his Budget at once? The larger sum would represent about 3⅔ per cent. of the

national income,[1] not perhaps an extravagant sum to spend on the maintenance of 26 per cent. of the population, and far less than would be needed to raise the minimum of men's wages to Rowntree's frugal comfort level. Nevertheless, the transfer of so large a sum to the backs of the employing classes in a single load would give a shock to the industrial and financial system which might be, and certainly would be feared to be, too severe. A more gradual shifting of burdens, so that backs may be adjusted to fit them, might be a sounder method, and in any case one more in accord with the habits and traditions of this nation, which seldom commits itself to any great reform without first sampling and experimenting with it. Even the wage-earners inherit this tradition, the British working man being, as Mr. W. Straker says, 'probably the most conservative of men among the nations of Europe.'[2]

One curious evidence of this conservatism is the strong predilection shewn by some who have been driven by our economic arguments to accept our main principle for an extension of 'communal services,' i.e., school meals, &c., rather than money allowances. There is something to be said for this where women's labour is much in demand. But those who advocate it as the sole form of provision never explain how it would meet the needs of children under school age, of all children on holidays, or of exceptional children unsuited to the methods of 'mass production.' Nor do they recognize that, when service and buildings are taken into account, school meals cost much more than those provided by an efficient mother. Beneath their preference is usually a distrust of the mother and reluctance to see her recognized by the payment of allowances, or/and a feeling that provision ought to be coupled with a 'deterrent' poverty qualification. The

[1] The taxable income of Great Britain and Northern Ireland is estimated by Dr. Bowley and Sir Josiah Stamp for 1924 as £4,230,000,000. See the *National Income*, 1924.

[2] *Family Allowance in the Mining Industry* (Family Endowment Society, 1925).

same prejudice long helped to keep Widows' Pensions off the Statute Book, in spite of demonstrations that it cost several times as much to keep a fatherless child in an Institution as under its mother's care.

6. The Effect of Child Endowment on Wages and Prices

The foregoing considerations lead some of us who prefer the State scheme as a final objective to believe that one of the others must, and probably will, precede it.

What are the objections to these? As set forth in the aforesaid Report of the I.L.P. Committee of Investigation they amount to this: that if employers were required to pay children's allowances through Equalization Funds, they would either throw the cost on to the consumer by increasing prices, or on to the wage-earner by lowering wages. The same argument is held to apply to the contributory insurance method, with the addition that the workers' contribution would be an oppressive burden. We have already dealt with the last point.[1] As to the effect of either scheme on prices, does it not apply equally to any rise in wages? Yet this Committee, in common with the whole Trade Union Movement, demands higher wages all round, and points out that the increased 'effective demand' of the workers for commodities would give a needed stimulus to trade, increase its capacity to pay wages, and reduce unemployment.

Surely this, if true, is also true of children's allowances, however paid for. A wage-rise, substantial enough to increase well-being to the same extent as allowances, would increase production costs—and so prices—much more; and less of it would be spent on the necessaries of life.

As for the other alternative, that the employers might meet the cost of the scheme by lowering wages, the Report

[1] See p. 98.

says merely that in that case ' it would be difficult to impose it on the older men and the unmarried men.' In truth, nearly every Labour advocate shows signs of embarrassment when he glances at this side of the question. That the Socialist maxim ' to each according to his need ' involves the principle of horizontal as well as perpendicular redistribution is undeniable, since no one can pretend that the need of the single man is normally as great as that of the family. Yet the inference is new and unacceptable to the wage-earners. Their attitude is intelligible and, up to a point, justifiable. They say, in effect, ' Our share is, at the best, so small ; why should any one of us be asked to give up any of it ? Let the new demand be met by the rich, and be thus the means of securing us a fairer share of the communities' wealth.'

But suppose the State scheme to be for the present unattainable ? Must the children wait ? It is no help to a mother, who sees her children suffering under the present system, to tell her that a change is coming, perhaps a generation hence. The Labour movement may be justified in averting its eyes from their suffering, if there is valid reason for supposing that these other schemes would impede the achievement of national child endowment. But this is not alleged in the Report, nor is it probable. The answer of the Labour advocate is, in effect, that the wage-earners, in respect of their principle, ' Distribution according to need,' are not prepared to follow the example of Chaucer's Priest !

> Christ's law and that of His Apostles twelve he taught,
> But first he followed it himself.

Accepting this position, what would be the probable effect of any form of Family Endowment on wages ? Of the I.L.P. State scheme, its authors say :

> We recommend for general adoption a State scheme to be financed entirely by direct taxation. This plan puts no direct burden on industry. It has become a habit in political controversy to speak

loosely of direct taxes, municipal rates, and insurance charges as though they were all in the same sense ' burdens on industry.' This phrase is correctly applied to rates and insurance charges, which are a part of an employer's expenses which he must meet, exactly as he meets the rent of his premises, before he balances his books, and assigns the surplus as profit or dividend. But his income-tax is a personal charge which falls upon the surplus. A tax levied for this purpose on personal incomes would have no tendency to lower wages. It would re-distribute the existing national income and therefore avoid the danger of inflation.[1]

It may be noted that the Report of the Colwyn Committee, in effect, fully bears out the above contention that income-tax is not in practice transferable to costs of production.[2]

Of the Equalisation Fund system, it is plain that whether it affected existing wage rates in any industry would depend on whether it was introduced, as in France and Belgium, at a period of rising wages, as an alternative to part of the rise, or as proposed by the Coal Commission, to soften the effects of a fall which, for the childless man, it would at first slightly intensify. But in either case the sacrifice demanded from the latter might be wholly averted, if the allowances brought about greater industrial prosperity, caused by the workers' greater demand for commodities, improved well-being, lessened discontent, and fewer strikes.[3]

As to the effect on the total share of the workers in the product (wages and allowances together), there is, as we have seen, no evidence so far that the system has, and one substantial bit of evidence that it has not, diminished this share. In the mining industry, the Miners' Federation produced figures showing that the British coal industry, which alone among European countries has no Family Allowances, has alone failed since the War to raise wages

[1] *The Living Wage*, by H. N. Brailsford, J. A. Hobson, Creech Jones, E. F. Wise, I.L.P. Publication Department, 6*d*.

[2] National Debt and Taxation, Cmd. 2800, Part I., Section iv. 3–4.

[3] See pp. 62, 72.

proportionately to the rise in the cost of living. Assuming that the workers' share depends on (*a*) productivity, (*b*) bargaining power, there is every reason to suppose that Family Allowances will increase the former and none that it would decrease the latter, unless it is maintained that their children's suffering whets the zeal of the fathers for Trade Unionism and Socialism. This is not an argument that could with decency be put forward by the Labour Movement. But does it perhaps influence some unconsciously, while in others ' the Turk complex ' is still potent, and others again are still following the will-o'-the-wisp of a uniform Living Wage under which ' every one shall count for five ' ?

How otherwise at least can we account for the fact, noted by the authors of the I.L.P. Report, that while ' a Living Wage ' has become ' an ethical principle, accepted as one of the foundations of our civilization,' and has stimulated the Labour Movement to ' some of the most stubborn and passionate efforts in its history,' nevertheless, ' as if by tacit consent, the Labour Movement has hitherto avoided any precise statement of this far-reaching principle,' and (we may add) when, thanks to this Report, the facts have at last been faced and a Child Endowment scheme has emerged, the leaders of the movement show little reluctance to see its realization postponed, say, to the millennium.

But the minds of British men and women, helped by their innate sense of justice and fair play, can be trusted ' to get there in the end.' We shall yet see them recognizing the rights of their own children as separate personalities, each with its feet on the economic floor of the world and its head in the sunshine.

V

THE EFFECT OF FAMILY ENDOWMENT ON POPULATION

PERHAPS the most reasonable and reputable objection urged against Family Endowment is the fear that it may encourage early marriages and large families, especially among the very poor. It is perhaps the only objection which does not seem to have its roots—unknown to the objector—in some selfish or sectional interest. But is it justified?

Public opinion in this country oscillates between the fear of a declining birth-rate and the fear of over-population. The motive of the former fear is usually political; those who feel it are either ambitious for the spread of Anglo-Saxon civilization over the earth or obsessed with the thought of jealous Continental neighbours and teeming Oriental millions. The fear of over-population is based on economic grounds—on the belief that Great Britain is already overcrowded and dangerously dependent on foreign supplies, and that the need and desire of its people to consume is outstripping their capacity to produce.

It is the way of opponents of Family Endowment to make, without discussion, two assumptions: first, that the above view is unquestionably correct—that population is already pressing on the means of subsistence and that this tendency is likely to continue; secondly, that Family Endowment would intensify it.

Wherever the truth lies, this cocksure attitude is unjustified. As to the first point, the opinion of experts seems divided. Professor Carr-Saunders, in his comprehensive

and impartial book on *The Population Problem*,[1] quotes, as 'in conformity with the opinion of the great majority of economists,' Mr. J. A. Hobson's saying that

> There is no evidence that the world's population is outrunning its natural resources ; but, on the contrary, the presumption is that for their fuller utilization a larger population is necessary and thereby could be maintained with a higher standard of living (*The Declining Birth-rate*, p. 75).

It may be said that this is true of the world and Greater Britain, but not of these islands. For information about these we turn once more to Dr. Bowley ; writing on the future population of Great Britain,[2] he analyses the results of the 1921 census and concludes :

> To summarize : at most there will be 180,000 additional applicants for work (male and female) annually from 1921 to 1931, unless the age of retirement is raised, or the relative number of women occupied is increased, and that is at present being reduced to about 120,000 by emigration. From 1931 to 1941 the most to be expected is 47,000, which will also be reduced by emigration. So far from there being an excessive working population, the annual rate of growth after 1931 will be only 0.2 per cent. The growth after 1941 depends on the birth-rate after 1926, as to which no judgement can be formed.

'The birth-rate after 1926, as to which no judgement can be formed!' Possibly not, by a cautious statistician! But during the three years since this was written the birth-rate has continued the same steady downward course which it has observed (except for the sharp fall and brief recovery of 1914 to 1921) ever since 1876, and there seems every reason to believe and none to doubt that it will continue to fall, unless some quite unexpected fact checks it.[3]

But would Family Allowances supply such a check and

[1] The Clarendon Press, 1922.

[2] In *Is Unemployment Inevitable?* (Macmillan & Co., 1924).

[3] It is of course partly, but only partly, compensated by a decline in infant mortality, but Dr. Bowley's figures allowed for this.

cause the birth-rate to curve upwards again? Here, again, dogmatism is dangerous. Two facts are indisputable. First, that up till now, once the bare minimum necessary for existence has been reached, every improvement in the standard of living of any class has been followed by a decrease, not an increase, in its birth-rate. This is, I believe, admitted by practically every authority on the subject.[1] Secondly, the experience of the Family Allowance system in France and Belgium during the past nine years affords no proof that it has so far appreciably stimulated the birth-rate. Although those who are in control of the system are avowedly manipulating it so that it may have this effect—by grading the allowances steeply upwards and carrying on a vigorous propaganda in favour of *la famille nombreuse*—the most they can claim, in the way of positive results, is that figures relating to twenty or thirty Equalization Funds indicate that the proportion which the large families bear to the smaller seems to have very slightly increased. But as the system is not yet universal, this may be due to the desire of men with large families to take employment in firms which belong to funds.[2]

But neither of the above facts is conclusive. As several critics have pointed out, the improvements in the standard of living have usually, up to the present, been brought about by a rise in the general income level, not by a bonus given in respect of each child. The Continental systems have as yet been in operation for less than a decade, and the amount

[1] The Speenhamland System is sometimes quoted as an experiment in Family Allowances which both increased the birth-rate of the labourers and demoralized them. There is no valid evidence that it had the former result. It may well have had the latter, because the allowances were made dependent on smallness of earnings, so that the employer was tempted to underpay and the labourer to slacken his efforts.

[2] See the evidence on the question in Mr. Vibart's book, which even so strong an opponent of the system as Professor Gray admits to be 'fair-minded and unprejudiced.' There is a popular impression that the French birth-rate is much lower than our own. It is, in fact, about the same. But the infant death-rate is much higher, and there is definite evidence that the Family Allowance system, together with the various child-welfare schemes run in connexion with it, tends to reduce this.

of the allowance is small. More substantial payments might produce a positive result.

Admitting, then, that we are moving in a region of probabilities, not proofs, what would be the probable effect of Family Allowances in this country? Obviously it would depend mainly on whether the scale and conditions on which they were given reached and influenced the motives which at present lead men and women to risk or to avoid parenthood. What are those motives? Evidently they are not the same in all people. If we turn to the inhabitants of 'the slums' (odious but expressive nickname!) experts are agreed that, so far, their birth-rate has been affected very little by economic motives, though a great deal by economic conditions. The reasons for this are plain. Those who live in overcrowded and sordid dwellings do not plan for the future. The men regard sexual satisfaction as a right they have purchased by marriage; lack of privacy and space make self-control peculiarly difficult. The women lose heart and hope; after the birth of their elder children they dread the coming of others, as a drain on exhausted strength as well as over-burdened resources. But they have been debarred from the knowledge of contraceptive measures[1] and many of them are taught by their religious leaders that such measures are wrong. Hence the majority of them have so far had as many children as Nature permits.

Professor Pigou rightly argues from this that Family Allowances could scarcely increase the birth-rate of this class:

> It must be remembered that, as things are at present, members of the very lowest economic class do not regulate the size of their families by economic considerations, and that their children, if they cannot themselves support them, are in fact supported at the public expense. Hence a bounty, based on the size of families, among

[1] The regulations of the Ministry of Health forbid the giving of information of this kind at the welfare centres under their control, even at the discretion of the medical officer in charge. Most of the out-patients departments do not give it either. Married women, unless 'employed persons,' have no 'panel doctor,' and cannot afford to pay for advice except in serious illness.

manual wage-earners generally would not cause the lowest type of wage-earner to have more children than he has now.

But this does not meet the fear felt by many that Family Allowances might prevent the birth-rate of this class from falling, when the knowledge of contraception filters through to them, as it is slowly doing. No doubt if the scale introduced were so high that it acted as a positive bribe to parenthood, it might have this effect. But if—as in view of the economic difficulties is almost certain—it is barely or less than enough to meet the cost of maintenance, it will scarcely outweigh the motives which, rightly or wrongly, are leading parents in every other grade of society to avoid large families. What it may do is to lighten the load that at present weighs upon the very poor sufficiently to enable them to achieve the conditions of an orderly and self-respecting existence. In the first place, it may make it possible for them to obtain a home where privacy and decency are not unobtainable luxuries. At present, as every member of a local Housing Committee knows, the larger the family the greater its need of a home of its own and the less its ability to pay for it. Hence the houses that have been built at such heavy cost to the public purse tend to pass into the hands either of the childless couples or of the comparatively well-to-do. The census of 1911 showed that

fertility decreases regularly as the size of the tenement increases till 6 or 7 rooms are reached and thereafter remain constant.

The census of 1921 comments on

' the degree of contrast between the housing of large and small families ' and indicates that this has grown worse since 1911, since a deterioration has taken place for all other size of families (i.e. except those of one person), including the large families whose density was already approaching the region of overcrowding.

Again, there is at present a close connexion between drunkenness and excessive child-bearing.

Within each district, it is the less healthy parents, the men and women with the worst habits, and the fathers with the lowest wages, who have the largest families.[1]

But, as we have shown elsewhere,[2] the result of Family Endowment might be to reduce the drink bill, and so diminish a particularly dysgenic stimulus to parenthood. Even where the husband's habits were worst and his claims on his wife most unreasonable, the little measure of relief from her present complete dependence on him which the payment of the allowance would ensure her might do something to raise her crushed spirit and enable her to protect herself.

On these points I am glad to be able to quote the support of Professor Carr-Saunders, not otherwise an advocate of the system.

Alluding to

the objection most often raised—namely, that any form of Family Endowment will encourage an increase of population among the less desirable classes—he says, ' It will, on the contrary, probably tend to lower the birth-rate among those who now have the largest families, because it is the raising of the standard of living and of the dignity of the status of the mother which, more than anything else, helps to stem the devastating torrent of children.'[3]

It is open, however, for those who distrust these conclusions to advocate positive safeguards against the risks they fear—such as grading the allowances steeply downwards (instead of upwards as in France), or stopping them altogether after the third or fourth child, and introducing conditions that would disqualify parents suffering from certain diseases, or convicted of alcoholism, or living in grossly unhealthy surroundings. It is not necessary to assume a cast-iron system, nor one that disregards the needs of the time and the teachings of experience.

[1] *Report of the English Birth-rate*, by Edith Elderton, published on behalf of the Galton Laboratory (Dulan & Co., 1914), pp. 223–4. See this report for a mass of evidence as to the points here dealt with.

[2] See p. 39.

[3] See also his manual on *Population* (Humphrey Milford, 1925), chap. vi.

But what effect would the system have—what effect do we desire it to have?—on the skilled manual workers and the professional classes? Here it is undeniable that economic conditions are partly responsible for what the 1921 census calls the 'heavily reduced birth-rate.' Parents in these classes look ahead, have a rising standard of comfort for themselves, and are ambitious for their children. Some of them, undeniably, are self-indulgent and impatient of any checks on their freedom or claims on their expenditure. But many others are child-lovers, and would gladly allow themselves more children than at present if, as they put it, they could do justice to them. Family Allowances, even if they covered only part of the cost of maintenance, might make this possible. But any one who imagines that allowances on any practicable scale would secure a return to the very large families of the past must indeed be blind and deaf to what is going on in the minds of men and women, especially women, not only or chiefly those of the middle classes who have already successfully restricted their families, but among the wives of the skilled wage-earners.

Their reaction against too frequent child-bearing is not based solely on the question of means, nor, I believe, due to any failure of the maternal instinct. But they have considerably more regard for their own health than the mothers of the past; they want room in their lives for something besides motherhood; they honestly believe that they can do their duty to their husbands and children and fulfil their own duties as citizens better if they are fully developed human beings. Hence the almost passionate obsession with the problem of birth-control which led the usually docile women of the Labour and Liberal parties, during 1926 and 1927, to pass resolutions on the subject in the teeth (in the case of the Labour women) of the opposition of their party leaders.

It is dangerous, as every politician knows, to judge of public opinion by the select few who join societies and attend

meetings; they are often in advance of the rank and file. But the surge of feeling, even when below the surface, is sometimes too strong to be mistaken. Women have been in subjection so long that they have still many of the habits of a subject race. They are in revolt now against the conditions of their maternity, but they do not threaten or proclaim a general strike; they merely pass the torch from hand to hand. The result is seen in the remark which recurs with monotonous regularity in the annual reports of the Registrar-General, to the effect that the birth-rate for the year has been the lowest ever recorded except in the post-war years, 1920 and 1921.

Some may deplore this tendency; others welcome it, whole-heartedly or with a mixture of sympathy and deep apprehension; but there is one thing about it which must alarm every one—that it is affecting most those parents who ought, by virtue of their physical and mental inheritance, their education and their environment, to be the fittest to recruit a nation with traditions and responsibilities such as ours. Of course there are many exceptions. In every class there are considerable numbers who are prevented by their religious convictions or by the strength of their parental instincts from restricting their families. Professional people are not necessarily better race-stock than artisans, or artisans than labourers. But within these two latter classes at least (it is much less certain of those above them), broadly speaking, the parents who are restricting their families are the more thoughtful, ambitious, and self-controlled. Further, there can be little doubt that the competitive struggle—though very slowly, roughly, and imperfectly, with much waste and leakage—does tend to make the able, or at least more vigorous, types rise towards the top.[1]

[1] See for evidence on these points Miss Elderton's studies already quoted; Professor Carr-Saunders's small manual on *Eugenics* (Williams & Norgate); Professor W. MacDougall of Harvard University on *National Welfare and National Decay*.

The analysis made by Dr. Stevenson (the late Registrar-General) of births per 1,000 married males according to the status of the father is well known :

1. Upper and middle class	119
2. Intermediate	132
3. Skilled workmen	153
4. Intermediate	158
5. Unskilled workmen	213

The President of the Eugenics Society (Professor Leonard Darwin) in 1927 petitioned the Government to increase the allowance for children in income-tax assessment, on the grounds that in the class affected

> the ratio which the number of children actually born bears to the number needed in order to replace their parents without any population growth, is variously estimated at somewhat over or under one-half. This ratio is, moreover, falling with remarkable rapidity.

He pointed out that a general decrease of taxation would have no permanent effect on this alarming fact, because it would be followed by a rise in the standard of living ; and that ' it is in our opinion the difference between the taxation falling on parents and non-parents which predominantly affects the birth-rate.' Such allowances are in effect a form of Family Endowment. It makes little difference whether the State makes actual payments to parents or exempts them from part of their share in paying for the Government in which they have, in fact, a greater stake than the childless.

Mr. R. A. Fisher, of Rothamsted Experimental Station, in a suggestive paper on ' The Problem of the Decay of Civilization,' declares his belief that Family Allowances, if the amounts are adequate and proportioned to the earnings of the parents,

> will have an indirect effect, which, acting slowly, but cumulatively, will tend, gradually, to raise the fertility of all classes superior to it.

Moreover, turning to the lower classes of society, if their high fertility is, to any extent, maintained by the accession of members of the most fertile families of superior classes, then Family Allowances given to any class will, to this extent, tend to lower the fertility of all classes inferior to it.[1]

Similarly, Sir William Beveridge and Professor William MacDougall, at a recent meeting of the British Association, were found agreeing that in an adequate system of Family Endowment would be found the best bulwark against racial decay.

Thus we see that expert opinion, on the whole, favours an assumption the very opposite of that rashly made by the opponents of Family Endowment. It sees in the new instrument something which, wisely handled, may avert the very dangers which it is accused of invoking.

The sociologist of the future need not stand on the bank, wringing his hands over the ' devastating torrent of children,' or bewailing arid fields which should be fertile. By lowering of a sluice-gate here or raising of it there—by the impersonal, impartial use of the economic stimulus or the economic check—Society will be able for the first time to exercise some influence over the seed-time and harvest of its own renewal.

[1] The *Eugenics Review*, July 1926.

CONCLUSION

THE other objections usually urged against our proposals have been dealt with already—inadequately indeed, but as fully as my limited space permits.[1]

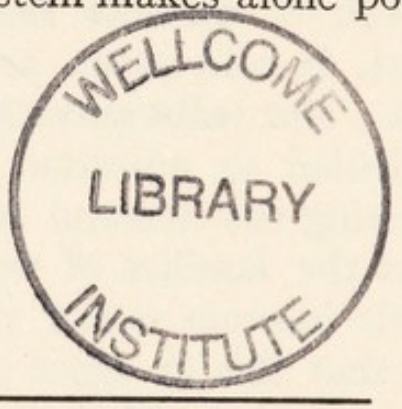
But our arguments may not, probably will not, convince any one that the risks and disadvantages they fear are non-existent or negligible. The advocates of Family Endowment have never pretended that this reform is free from all drawbacks. Was ever a great reform thus free? The question is whether its drawbacks counterbalance those pertaining to the present system? It is significant that none of the known opponents of Family Endowment have attempted to show, for example, that out of the product of industry—as it is or as there is any reasonable prospect of it becoming within a measurable distance—it is possible *without Family Allowances* for the great mass of wage-earners to attain a standard of comfort such as any one would venture to set out, in cold print, as adequate for their reasonable needs. Nor alternatively has it ever been either explicitly denied or admitted by those opponents who, while recognizing the demand for a higher standard of living, urge that the families of wage-earners should be adjusted to fit their incomes rather than their incomes to fit their families, that this in effect would mean that for the future 'the normal family' should include but a single child.

Is there no disadvantage, no danger, in conditions which

[1] For convenience of reference, they may be summarized as follows:
The effect on parental responsibility. See chap. ii., especially pp. 49–51.
The effect on productivity, industrial unrest, costs of production. See pp. 26–36.
The effect on wages and the position of the workers. See pp. 62, 73, 103–6.

have created such seething discontent as led last year to the prolonged dislocation of the country's industry through the general strike and the coal dispute? Are the employing classes not bound, if only for fear of what the future may bring to themselves and their children, to explore every reasonable avenue of improvement to which economic reasoning or the experience of other countries may point?

But in appealing to those who believe that conduct should be based on the principles of Christianity, I may ask another and a final question. '. . . and thy Neighbour as thyself!' Does not the whole of J. S. Mill's stiffly formulated maxim of Utilitarianism—'All persons are deemed to have a right to equality of treatment except when some recognized social expediency requires the reverse'—lie curled up embryonic in that great Christian commandment? If so, by what authority and in virtue of what proven social expediency do any of us who lead comfortable lives dare to tell the mass of men and women, on whose labours we depend for every one of the necessities and amenities we judge essential for ourselves, that they must be contented with the bare and animal existence which the present system makes alone possible for them?



For a fuller treatment of Family Endowment, readers are referred to my 'Disinherited Family' and to the other books quoted in this Lecture. Nearly all these, and many pamphlets, leaflets, &c., can be obtained from the Family Endowment Society, 24 Tufton Street (Room Four), Westminster, S.W.1. Some of the more expensive publications can be loaned to speakers, Study Circles, &c.