ORIGINS OF THE PROPOSAL

Schemes for a redistribution of income have a long and interesting history and in fact and in fancy constitute a substantial portion of Utopian literature.[10] Utopian ideas represent leaps—sometimes highly creative and fruitful leaps—into the future. Proposals for social policy, such as this modest one, are more likely to be simply a drawing together and reformulation of existing ideas about a state of affairs deemed more desirable than the existing situation and one that may be achieved by a series of specified actions, that is, through a plan. An examination of the origins of the essential ideas brought together in this proposal for a Family Security Program will serve to point up some of the issues that will have to be faced in considering a plan of action.

The present proposal derives somewhat from the literature and history of family allowances, but more directly from the writings of Lady Rhys Williams. Her proposal is for a new social contract

> . . . whereby the State would acknowledge the duty to maintain the individual and his children at all times and to assure for them all of the necessities of a healthy life. The individual in his turn would acknowledge it to be his duty to divert his best efforts to the production of the wealth whereby alone the welfare of the community can be maintained.[11]

Under this contract a benefit would be paid to every person who is employed or unemployable, or, if unemployed, is willing to accept suitable employment. Benefits would be paid in addition to earnings and income from other sources. Financing would be through a flat rate income tax that, when combined with per capita benefit payments, would produce the net effect of a progressive income tax.

The social contract is designed to solve the following problems: (1) the distribution of wealth, (2) the freeing of the unemployed to undertake part-time work for profit, (3) the maintenance of a stable price level, (4) the ending of opposition between taxpayers and state beneficiaries, (5) the complete abolition of the means test, without involving state bankruptcy, (6) the maintenance of full employment, without resort to compulsory labor. Considering the number and magnitude of its objectives, the social contract idea seems disarmingly simple, but when subjected to analysis turns out to be amazingly powerful. The Beveridge plan, which relies heavily on the social insurance principle and was developed contemporaneously with *Something to Look Forward to,* won immediate political interest and support. Subsequent critiques by competent British economists point to distinct advantages in the new social contract.[12]

In this country, Friedman and Theobald recently proposed ways of treating poverty that are reminiscent of Lady Rhys Williams' writings.[13] The similarity of Friedman's and Theobald's proposals is noteworthy in view of the marked variations in their general stance and economic philosophies.

Friedman identifies himself as a liberal, in the nineteenth-century meaning of that

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10 *See,* for example, Lewis Mumford, *The Story of Utopias* (New York: Boni and Livewright, 1922). In the present atomic-space age it is easy to forget that the earliest form of science fiction was social-science fiction and that this genre too had its uses. Shall we also think on why latter-day social-science fiction (e.g., Huxley's *Brave New World,* Orwell's *1984*) is not Utopian but "Dystopian"?

11 Lady Juliet Rhys Williams, *Something to Look Forward to* (London, England: MacDonald and Company, 1943), p. 145. This book is, unfortunately, out of print, but a short selection from it appears in William D. Grampp and Emanuel T. Weiler, *Economic Policy, Readings in Political Economy* (Homewood, Ill.: Richard D. Irwin, 1953), pp. 284–292.

12 Alan T. Peacock, *The Economics of National Insurance* (London, England: William Hodge & Company, 1952), p. 94 *ff. See also* Denstone Berry, "Modern Welfare Analysis and the Forms of Income Distribution," in Alan T. Peacock, ed., *Income Redistribution and Social Policy* (London, England: Jonathan Cape, 1954), pp. 41–51.

13 Milton Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, 1962); Robert Theobald, *Free Men and Free Markets* (New York: Clarkson and Tatten, 1953).