

## Can the Means Test be abolished?

Ever since 1931, when a large number of unemployed were brought under what is known as the "Means Test", this has been a burning question in British politics. All of the opposition candidates at the November General Election promised, in more or less guarded fashion, to abolish the test, although we are entitled to wonder whether their promises mean quite what the electors thought they meant.

Before going into that question further, it will be useful to explain what is the means test--or rather, what are the several means tests applied by the Government in connection with unemployment pay, Public Assistance, and Old-Age Non-contributory pensions.

### **The Poor Law Means Test 300 years old**

First, in point of time, is the Poor Law or Public Assistance Means Test. This has a very ancient history and has been the model on which other tests have been based. The group of Poor Laws which concern us here are those passed in the 16<sup>th</sup> and 17<sup>th</sup> centuries. By that time, recognising that they were faced permanently with the problem of workless and homeless men and women, then deprived of a main source of help by the abolition of the monasteries, the Governments abandoned the effort to torture the starving into quiet submission and arranged to provide some sort of maintenance for them. Several Acts passed during the 16<sup>th</sup> century, culminating in the Acts of 1597 and 1601, appointed collectors in each parish whose duty it was to levy householders and use the proceeds--flax, hemp, wool, thread, iron and other materials--to provide work for the poor. Pauper children were sent out as apprentices and alms-houses were built for the aged. Needless to say, the provision was niggardly and hedged about with callous restrictions, although some of the most inhuman of the earlier provisions had to be dropped because those responsible would not work them. (See *Social Administration, including the Poor Laws*, by John J. Clarke, M A, Pitman & Sons, Ltd; 1922; p. 25) . What particularly concerns us is the principle of family responsibility. Already in 1601 it was laid down that the destitute must be kept by their relatives if the latter had the means. Under the Act of that year it was provided that grandparents must maintain their grandchildren, parents their children, husbands their wives (and the children of their wives by another father, up to age sixteen), and finally, children had to maintain their parents. (See Clarke, p. 29.) This principle has been retained through many changes of Poor Law Administration, and we find it in the Poor Law Act, 1930, with little alteration. Section 14 of the 1930 Act lays it down that "it shall be the duty of the father, grandfather, mother, grandmother, husband or child, of a poor, old, blind, lame or impotent person, or other person not able to work, if possessed of sufficient means to relieve and maintain that person". Under this clause the authorities may, and do, force relatives to contribute.

The mother of an illegitimate child, so long as she is unmarried or a widow, is bound to maintain the child until age sixteen. A man who marries a woman who has a child, whether legitimate or illegitimate, is responsible for the child till age sixteen.

One interesting addition is that a married woman, with property of her own, now has responsibilities similar to those of the husband.

It will be seen that the ruling class do not show to the destitute wealth-producers and their dependants even a crumb of the open-handed generosity with which they reward dud Generals and Admirals. Yet although the applicant for relief has to satisfy the above conditions, and many others, we find that, on the last Saturday in September, 1935, Poor Relief was granted to no fewer than 1,280,942 persons, equivalent to 3.17 per cent of the population, double the number in 1913 (611,448).

### **The Old-Age Pension Means Test**

One development of the Poor Law has been the smaller use of workhouses and the greater extent to which relief is paid to the applicant in his own home. Provided that the authorities maintain a tight check--as, of course, they do--they have found the latter method cheaper. According to the 14<sup>th</sup> Annual Report of the Ministry of Health (p. 199) the average cost of relief in general Poor Law Institutions in 1932-33 was about 24s. a week, while the average expenditure on relief per head of the "ordinary outdoor poor" (i. e., excluding persons ordinarily employed) was 6s. 1d. a week.

An extension of this method of relieving the destitute in their own homes was the grant under various Acts from 1908 to 1924 of non-contributory old-age pensions at age seventy. There are at present something like 760,000 persons in receipt of old-age non-contributory pensions of 10s. a week or less. This system has now been copied in USA, and, there, also, one of the arguments used in support of it is that of cheapness. As Mary T. Norton, a Congresswoman from New Jersey, USA, declared last year, "old-age pensions are cheaper than poor-houses". (*New Militant*, New York, November 30<sup>th</sup>, 1935.)

The non-contributory pensions are not given to all persons over seventy years of age, but are subject to the condition that the applicant's income from all sources, including gifts, is below a specified low level, savings also being taken into account. The "means test", however, only concerns the income of the applicant, not that of his relatives as well. It differs, therefore, from the "family means test".

### **The Unemployment Pay Means Test**

We now come to the question which has so much occupied the Opposition parties in recent years, the "family means test" applied to some of the unemployed. In 1931 the Law was altered by the National Government so that unemployed persons who had exhausted their right to benefit (by reason of the fact that they had received benefit for six months in a benefit year), and persons who could not show thirty stamps for the two years preceding their application for benefit, were declared eligible for "transitional" payments only. Before this change there was no limit to the period an unemployed person could draw ordinary benefit, provided he or she satisfied the various other conditions.

The difference between ordinary unemployment benefit and "transitional" benefit was that the latter was only payable provided that the Public Assistance authority satisfied itself that the claimant was *in need of assistance*. In other words, when an unemployed man came under the transitional benefit regulations his claim became subject to the "family means test", the kind of test applied from 1600 onwards.

The applicant had to provide information regarding the earnings of *all members* of the household, also Army and Navy pensions, blind pensions, etc., income from

Workmen's Compensation, Friendly Society benefits, assistance from relatives not living at home, savings, etc., etc.

These provisions were embodied, with modifications, in the Unemployment Act, 1934. Section 38 provides that unemployed persons who run out of benefit, instead of having transitional benefit shall come under the newly-created Unemployment Assistance Board and be entitled to an allowance dependent on needs, the need being determined by taking into account the resources of all members of the household. The 1934 Act ruled out, however, from the family income which is taken into account, part of the benefit from a Friendly Society and from National Health Insurance, the first £1 of a disability pension and half of any weekly payment by way of Workmen's Compensation.

That is the Law as it stands at present, but the Unemployment Assistance Board's activities promptly led to further outcry and the Government is still considering the question of the allowances. The Means Test will still apply. Eventually the Unemployment Assistance Board is to have control, not only over the unemployed who have fallen out of benefit, but also other able-bodied unemployed (including those not insured at all), who are now under the control of the Public Assistance authorities.

#### **The Labour Government's Poor Defence**

The application of the family Means Test to the unemployed was an innovation of importance affecting hundreds of thousands directly, and likely to affect others if they remained unemployed for over six months. All the same, the extent and violence of the outcry surprised not only the National Government but even the Labour Party. The reasons why the question has taken on such importance in elections is not far to seek. It meant that the unemployed found even the security of unemployment pay taken from them and also the parents and children of anyone unemployed or likely to become unemployed found themselves involved. They resented the obligation to contribute to the support of their unemployed relatives out of their own inadequate earnings, and resented having to provide information. The interest of the unemployed and their relatives is understandable enough, but the indignation of the Labour Party leaders is not so easy to understand.

It is true that the National Government was responsible for applying the family Means Test to the unemployed after twenty-six weeks on benefit, but the two Labour Governments had applied the test under the Poor Law and appear never to have contemplated its abolition.

Moreover, the Labour Government, in 1931, just before its resignation, had already agreed to economies which included the application of a Means Test to those of the unemployed who had been long out of work. What they deny having agreed to was a *family* Means Test.

Mr J. H. Thomas recently infuriated some of the Labour MPs by saying--as he has often said before--"there is no leader sitting on that Front Bench who was a member of the Labour Government with me who dares to say that he opposed the Means Test." (*Hansard*, December 9<sup>th</sup>, 1935, col. 688.) Mr George Lansbury thereupon

intervened to explain exactly what happened in 1931 and what was the attitude of the Labour Government. He said:-

"While it is true, as I have said several times, that we were in favour of a Means Test, we were definitely and emphatically against putting the unemployed under the Poor Law and thus bringing them within the Poor Law Means Test . . . The unemployed who were receiving transitional payments never came under the Means Test until after the Economy Act, brought in by Lord Snowden, was passed by this House . . . The able-bodied poor who came to the Poor Law were always under the Means Test . . ." (Col 696.)

In order that there may be no doubt about the attitude of the Labour Government in 1931, we may refer also to other authoritative statements. Speaking in the House of Commons on November 13<sup>th</sup>, 1931 (*Hansard*, November 13<sup>th</sup>, col 446), Mr Lansbury said:-

"As to the Means Test, the hon. Member knows as well as I do what is our attitude on the subject. I am not prepared to give people money year after year without knowing what is their own personal position; that is to say, if a person has gone out of ordinary benefit and has means of his own to maintain himself. I am not prepared to pay him State money."

In keeping with this policy of favouring a Means Test, but not one based on family income, an *amendment* moved by Mr Kirkwood, at the Scarborough Conference of the Labour Party, 1931 (see Report, pages 206-209), which would have entirely abolished the Means Test for workers on transitional benefit, was defeated. The resolution which was carried was moved by Sir Stafford Cripps. It merely committed the Labour Party to the abolition of the "Poor Law tests", leaving the way open for a non-family Means Test.

The Labour Party's Election Address, 1935, cautiously promises to sweep away "the humiliating Means Test imposed by the National Government", but does not promise to abolish all means tests, either for Poor Law or for Unemployment pay.

### **A Vital Question for Capitalism**

It does not require much examination to see why the question of Means Tests is a vital one for capitalism. Capitalism cannot exist without something which will drive the workers to submit themselves to exploitation for the benefit of the propertied class. That something is poverty and the threat of starvation. The capitalists must have always at their disposal the millions of wage-earners ready to be exploited in order to live. Once allow the able-bodied (i. e., profit-producing) workers to have free access even to the most frugal necessities of life and capitalism is ended. For reasons of stability and security of property the rulers must provide something for those workers whose services are not at the moment required, but it must be so hedged about by restrictions that it does not enable workers to receive from all sources more than will barely keep them alive. So the working class must not receive unemployment pay indefinitely without fathers and children being made to meet part of the cost; they must not be able to get Public Assistance while they or their relatives have the means to keep them. Mrs Sidney Webb in her useful lecture on *The English Poor Law* (Oxford University Press, 1928, 1s.), gives an apt quotation from Patrick Colquhoun.

He was living in the early 19<sup>th</sup> century, but the relative position of capitalists and workers, has not changed since then:-

"Without a proportion of poverty there could be no riches, since riches are the offspring of labour, while labour can exist only from a state of poverty . . . Poverty is, therefore, a most necessary and indispensable ingredient in society, without which nations and communities could not exist in a state of civilisation."

If we remember that for Mr Colquhoun "civilisation" meant "capitalism", his statement is a good description of the facts; and, in passing, it is interesting to recall how Mr Colquhoun proposed to enforce poverty. Mrs Webb calls him "the inventor of the modern system of preventive police", and one of the chief original purposes of the police system was to smash up workers' demonstrations without loss of life and without incurring the criticism which the use of troops always aroused. (See *British History in the 19<sup>th</sup> Century*, G. M. Trevelyan, Longmans; 1922; p. 199.) The police came in useful when the starving agricultural labourers and textile operatives demonstrated against the effects of the Poor Law Act of 1834, which brought to an end the practice of subsidising low wages by Poor Relief.

Coming back to the present problem of the Means Test, it is conceivable that the Government could achieve the same purpose--that of compelling the workers to submit themselves to exploitation--without any kind of Means Test, family or otherwise, by applying much more harshly the remaining restrictions. The present method, however, has the advantage from their point of view that an unemployed man's relatives can usually be relied on to goad him into accepting any work, however ill-paid and uncongenial. How much more satisfactory that is to the Government than that the Government itself should be accused of driving unemployed into accepting work at all costs!

### **Only Socialism will abolish Means Tests**

One thing is absolutely certain. Any political party which administers capitalism has got to find some means of *compelling* the workers to produce profits for the capitalists. Nothing but the alternative of starvation will do it. No appeal, whether in the name of patriotism, religion, social duty or anything else will serve the purpose. Capitalism is supported by force and will collapse if the force is withdrawn.

That explains why we can be sure that no Government, Liberal, Labour, Conservative, or any other, *which administers capitalism*, will abolish the Means Test without reintroducing it under another name or something of similar effect and equally obnoxious. That explains why the Labour Party and its spokesmen in the House of Commons do not undertake to abolish all Means Tests, but only to abolish the "family" Means Test, and even that they do not promise to abolish in relation to Public Assistance.

They may have the best intentions, but capitalism is based on class ownership, class antagonism. The effort to keep the basis but humanise the administration may decrease somewhat the amount of human misery, but cannot solve the problem. It also increases the opposition of those who say that the workers abuse every concession made to them, and that, therefore, progress and Socialism are impossible.

Only Socialists have a solution. Society must get rid of the class basis and the system of wage-labour. It must be so organised that people are no longer offered the alternatives of being exploited or of striving to retain or become an exploiter. Wealth must be produced only for use and without the wealth producers being driven to their uncongenial tasks by the whip of starvation wielded by the ruling class and their governments.

The incentive must be the common appreciation that work, in which all will cooperate, will be for the good of all. Access to the necessities and comforts of life must be free. There will be no need for "means tests" for anyone. All will be members of society without privilege one over the other.

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