

“If The Goods Have Ceased to be Urgent, Where is the Fraud?”

The Work Ethic in the History of the Basic Income in the U.S.”

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Basic Income European Network Conference

Barcelona, Spain

September 20, 2004

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At a White House press conference in February, 1970, Donald Rumsfeld defended the idea of the basic income grant. “First of all,” he argued, “there is no evidence that work effort decline[s] among those receiving income support payments. On the contrary,” he added “there is an indication that work effort of [those who receive income grants] increase[s] relative to the work effort of those not receiving payments.”¹ Rumsfeld, who was then the director of the U.S. Office of Economic Opportunity, was explaining the early results of a large-scale experiment with basic incomes in the State of New Jersey. The New Jersey data were called into service to support the proposal of Rumsfeld’s mentor, President Richard Nixon, for a national guaranteed income – a proposal that was still before Congress at the moment when director Rumsfeld came forward with his office’s very preliminary research findings.

The press conference was a somewhat embarrassing experience for Rumsfeld and the Nixon Administration. Journalists repeatedly asked whether the New Jersey findings contradicted claims that the President himself had helped inject into public discourse, about the effect of welfare or relief payments on producing “indolence and idleness. What,” Rumsfeld was asked, was Nixon’s “reaction to the disclosure that there was no evidence that work effort of those receiving payments declined?” The poverty bureaucrat could only squirm in response to these questions because in fact, as the journalists knew full well, the

¹ Press Release – For Immediate Release, Office of the White House Press Secretary, February 18, 1970: “The White House Press Conference of Donald Rumsfeld, Director, Office of Economic Opportunity, and John Oliver Wilson, Assistant Director, Planning, Research, and Evaluation, Office of Economic Opportunity, The Roosevelt Room,” **Box and File**, Nixon papers, National Archives and Records Administration II, College Park, MD. For background, see Alice O’Connor, Poverty Knowledge: Social Science, Social Policy and the Poor in Twentieth-Century America (Princeton: Princeton University Press, 2001), 223.

data he revealed flatly contradicted the claims President Nixon had lofted all through the 1968 campaign and in speech after speech since winning office.

The problem Rumsfeld and Nixon faced in 1970 was the contradiction between their advocacy of a guaranteed (or basic) income plan and their philosophical and political commitment to the waged work ethic. The two simply could not be squared with one another, and it was futile for Rumsfeld to try. Similarly, I think it would be futile for those of us who are interested in the renaissance of the idea of a basic income to attempt to square it with the work ethic as conventionally understood. Instead, I think that if we explore the history and original purpose of the basic income, as Rumsfeld and Nixon neglected to do, we discover that its roots lay precisely in a flight from the destructive effects of the conventional waged work ethic and the narrow approach to political economy to which it was and is closely related.

The basic income idea took root in the U.S. at a moment when the leading social problem was affluence – not poverty – and excess production – not a low work ethic. Post-World-War Two social critics worried about the future of work under modern conditions, and the effects of the diminished role of waged work in the culture on both individual well-being and the social good. They treated it as self-evident that agricultural science and industrial technology together had diminished the need for men’s (and women’s, but they really meant men’s) labor to the point where there was simply not enough useful work to go around. The basic income grant, then, emerged as a solution to the problem of how those

who wanted work, but could not get it, would survive and continue participating in the consumer economy. This problem took on special urgency in the 1960s, under the pressure of many campaigns of the African-American civil rights movement and the wave of urban riots that started in Harlem in 1964. The general problem of people who wanted work but could not get it came into focus in the middle 1960s as the particular problem of young African-American men who were disproportionately shut out from advanced education, apprenticeship programs for (an ever-diminishing number of) well-paying trades, and first-class government benefits – and who were unlikely to sit silently as they starved.

In this paper, I will review some of the major works of social criticism that launched the basic income into public conversation in the post-World War Two United States. If people are interested, I would be happy to talk about how the ideas the critics formulated evolved into concrete policy proposals such as the one Rumsfeld was pressed into service to defend in 1970. I would also be happy to discuss the grassroots movement for welfare rights, a mass organization of poor people and their allies, which became the most important political force promoting the basic income idea in the late 1960s.

The basic income, in the form of a negative income tax, was an idea originally of the 1940s in the U.S.² After its initial introduction, the idea resurfaced within the increasingly heated public conversation about poverty and affluence in the late 1950s and early 1960s. While there was wide agreement on

² These were Friedman and his fellow economist, George Stigler. See Stigler, “The Economics Of Minimum Wage Legislation,” American Economic Review 36 (June, 1946): 358-65, which proposed a negative income tax as an alternative to a minimum wage.

the fact of affluence in this period, critics were hardly triumphalist about the effects of this affluence on social life. Catholic socialist Michael Harrington noted ironically about 1950s social thought: “There was introspection about Madison Avenue and tail fins; there was discussion of the emotional suffering taking place in the suburbs.”³ But postwar social criticism also had a structural dimension. The critics predicted that productivity gains would lead to such a large decline in the need for labor that social values would change. The search for meaningful forms of leisure would replace a commitment to remunerative work, unemployment would increasingly be accepted as a normal byproduct of the economic structure, and consumption would replace production as Americans’ paradigmatic economic activity and the rock on which they formed identities.

Beginning in the late 1950s with the work of economist John Kenneth Galbraith, concerns about the social consequences of wealth were joined with anxiety about the persistence of poverty amid prosperity. In The Affluent Society,⁴ Galbraith argued that the U.S. economy had reached levels of prosperity that were socially transforming and historically new. The Affluent Society decried a social over-emphasis on production or industrial output that continued although U.S. firms were *creating* needs as much as meeting them. Galbraith claimed that much of this production was important only because it kept people working, and therefore earning (and spending what they earned). By way of remedy, he urged “social balance,” i.e., investments in public goods, such as schools and hospitals, that approached levels of private investment. To finance

³ Michael Harrington, The Other America: Poverty in the United States (New York: Penguin Books, 1981 - originally published, 1962), 1.

⁴ John Kenneth Galbraith, The Affluent Society (Cambridge, MA: Riverside Press, 1958).

the investments, he urged higher taxes, especially sales taxes, which had the twin virtues of raising revenue and discouraging consumption.⁵

Since he believed that poverty was inescapable under modern conditions, Galbraith urged state action to ameliorate it. He thought the government should make it possible for everyone to work. The “discrimination” between those with jobs and income, and those without, was “altogether too flagrant.”⁶ He also sought “a reasonably satisfactory substitute for production as a source of income. This and this alone,” he argued, “would break the present nexus between production and income” and allow the U.S. to move away from excessive private output without generating mass unemployment and misery.⁷ Galbraith anticipated objections to the idea of giving people money without demanding they earn it by producing something. In response, he asked:

[I]f the goods have ceased to be urgent, where is the fraud? . . . Are we desperately dependent on the diligence of the worker who applies maroon and pink enamel to the functionless bulge of a modern motorcar? The idle man may still be an enemy of himself. But it is hard to say that the loss of his effort is damaging to society.⁸

Galbraith asked his readers to consider a “divorce of production from security,” untying the knot between a worker’s marketable output and his or her income.⁹

⁵ Ibid., 315. “So long as social balance is imperfect,” he wrote, “there should be no hesitation in urging high rates. Coverage should be general on consumer products and services. In the affluent society, no sharp distinction can be made between luxuries and necessities. . . . The relation of the sales tax to the problem of social balance is admirably direct.”

⁶ Affluent Society, 1st edition, 292.

⁷ Ibid., 293.

⁸ Ibid., 289-290.

⁹ Ibid., Chapter XXI, “The Divorce of Production from Security.” In later editions of The Affluent Society, beginning with the 2d edition in 1969, Galbraith argued particularly for un-linking production and security for “those whom the modern economy employs only with exceptional difficulty or unwisdom.” He did not propose that the government either create jobs for such people or attempt to manipulate the private market into employing them: “Beyond a certain point,” he argued, “and given the shortage of qualified workers that will exist, it is impractical to pull the uneducated, the inexperienced and the black workers into the

As the 1950s became the 1960s, Michael Harrington's The Other America succeeded Galbraith's Affluent Society as the touchstone work of social criticism. Harrington, like Galbraith, wrote of the contrast between large-scale prosperity and persistent poverty, and argued that the two were not coincidental but causally related. "The other Americans," according to Harrington, "[were] the victims of the very inventions and machines that have provided a higher living standard for the rest of the society. They are upside-down in the economy."¹⁰ Galbraith and Harrington both understood poverty as a minority phenomenon, but not one they expected to wash away in the general tide of economic growth. "To be impoverished" in affluent America, wrote Michael Harrington, "is to be an internal alien."¹¹ Harrington offered no specific governmental plan for the "other America." However, he believed that poverty required a targeted national response.

In January, 1963, Dwight Macdonald underlined and expanded on the arguments of The Other America in an extended review of it for The New Yorker Magazine.¹² The Macdonald review exerted direct impact on public policy; it appears to have been Macdonald, not Harrington, whom John F. Kennedy read before formulating his anti-poverty proposals.¹³ Macdonald also connected Harrington's and Galbraith's ideas about poverty and economic structure to the idea of a guaranteed minimum standard of living for all U.S. citizens.

labor force and into jobs." He also found a range of people, including "women heading households," whom he believed the government should sustain economically rather than seek to employ. The Affluent Society, 2d edition (Boston: Houghton Mifflin, 1969), 266, and 3rd edition, 227.

¹⁰ Harrington, The Other America, 12-13.

¹¹ The Other America, 18.

¹² Dwight Macdonald, "Our Invisible Poor," from The New Yorker of January 19, 1963, collected in Poverty in America, ed. Louis Ferman, Joyce Kornbluh, and Alan Haber, 6-39

¹³ Katz, Undeserving Poor, 82.

Macdonald joined the critical consensus when he warned about the potential social impact of industrial automation.¹⁴ He joined Harrington in reflecting upon what he saw as the special character of the “new minority mass poverty” of the age of affluence -- a poverty “isolated and hopeless” and probably “chronic.”¹⁵ Macdonald treated the essence of the poverty problem as a problem of consumption. Participation in the consumer economy was for Macdonald the key sign of social membership or inclusion in the U.S. of 1963. He defined poverty in terms of model family budgets that the Bureau of Labor Statistics (B.L.S.) drafted to describe “adequate living,” i.e., what B.L.S. staff expected a poor or lower-working-class family to earn and buy. Macdonald commented on these budgets:

This is an ideal picture, drawn up by social workers, of how a poor family *should* spend its money. . . [O]ne suspects that a lot more movies are seen and ice-cream cones and bottles of beer are consumed than in the Spartan ideal. These necessary luxuries are had only at the cost of displacing other items -- necessary, so to speak -- in the B.L.S. budget.¹⁶

The “necessary luxuries” that poor people would need to do without, or for which they would have to sacrifice other necessities, helped define postwar social life. While he accepted the claim that general prosperity and welfare payments had eliminated starvation, Macdonald insisted this was unacceptable as long as “a fourth of us are excluded from the common social existence. Not to be able to

¹⁴ Macdonald, 16.

¹⁵ Ibid., 20.

¹⁶ Macdonald, 10.

afford a movie or a glass of beer is a kind of starvation,” he added “-- if everybody else can.”¹⁷

Consumer deprivation, combined with the sense he shared with Galbraith and Harrington that “a hard core of the specially disadvantaged”¹⁸ were relatively immune to general economic expansion, also formed Macdonald’s justification for state action against poverty. “To do something about this hard core,” Macdonald argued:

a second line of government policy [other than macroeconomic] would be required; namely, direct intervention to help the poor. We have had this since the New Deal, but it has always been grudging and miserly, and we have never accepted the principle that every citizen should be provided, at state expense, with a reasonable minimum standard of living regardless of other considerations. It should not depend on earnings, as does Social Security. . . Nor should it exclude millions of our poorest citizens because they lack the political pressure to force their way into the Welfare State. The governmental obligation to provide, out of taxes, such a minimum living standard for all who need it should be taken as much for granted as free public schools have always been in our history.¹⁹

¹⁷ Ibid., 23-24.

¹⁸ This language calls to mind that from the 1980s of the sociologist William Julius Wilson. In The Truly Disadvantaged: The Inner City, The Underclass, and Public Policy (Chicago: University of Chicago Press, 1987), Wilson, like other “underclass” researchers, attempted to justify state action in behalf of poor people by insisting upon their social aberrance and relative resistance to the incentives that worked for other portions of the population. For a similar view of the “underclass,” see also Erol Ricketts and Isabel Sawhill, “Defining and Measuring the Underclass,” Urban Institute Discussion Paper, December, 1987. The author worked with Ricketts and Sawhill at the Urban Institute while they wrote the paper; Ricketts was a student of Wilson.

¹⁹ Ibid., 23. Macdonald was wrong to suppose that public schooling, even at the primary level, had always been a common fiscal obligation in the United States. For discussions, see Michael B. Katz, The Irony of Early School Reform: Educational Innovation in Mid-Nineteenth Century Massachusetts (Cambridge: Harvard University Press, 1968); Samuel Bowles and Herbert Gintis, Schooling in Capitalist America: Educational Reform and the Contradictions of Economic Life (New York: Basic Books, 1976); and Ira Katznelson and Margaret Weir, Schooling for All: Class, Race, and the Decline of the Democratic Ideal (New York: Basic Books, 1985). Bowles and Gintis, and Katznelson and Weir, agree that schools were not always publicly funded, although they disagree about whether universal public schooling ultimately occurred because of employers’ demands or because of working-class demands.

The article ended with a hope for the day when “our poor can be proud to say ‘*Civis Americanus sum!* [I am an American citizen].”²⁰

The African-American civil rights movement influenced demands for a guaranteed income as much as did the writing about poverty and economic structure in the late 1950s and early 1960s. In fact, the two were inseparable. Harrington’s and Macdonald’s visions of poverty as in part intractable relied on their common understanding that a meaningful fraction of the poor was African-American. They believed that black people were excluded from the new prosperity by racial discrimination and by a lack of education necessary to fit into the changing labor market.²¹ The civil rights movement, South and North, placed concerns about black economic advancement on the national agenda. Although the elision between poverty and racial difference was an old one, movement demands for equal justice at the work place and lunch counter, as well as the polling place and court house, compelled many whites to see how little the affluent society had offered African-American communities.

The Birmingham campaign and the March on Washington, both of which occurred in 1963, enhanced the movement’s appearance of efficacy and its leaders’ self-confidence. These two events also brought powerfully to light the

²⁰ Macdonald, 24.

²¹ For Harrington on black men as those marginalized in the new economy, see The Other America, Chapter Four, “If You’re Black, Stay Back,” esp. 75: “To belong to a racial minority is to be poor, but poor in a special way. The fear, the lack of self-confidence, the haunting, these have been described. But they, in turn, are the expressions of the most institutionalized poverty in the United States, the most vicious of the vicious circles. In a sense, the Negro is classically the ‘other’ American, degraded and frustrated at every turn and not just because of laws.” For Macdonald, see “Our Invisible Poor,” 8, 11. Galbraith did not make this connection in 1958, but he did later editions of his book. See The Affluent Society, 2d edition, 215-216, 266, and 3rd edition, 185, 227.

connections between formal civil equality between blacks and whites and their relative economic wellbeing. In Birmingham, the multi-part agreement between the city's merchants and black activists encompassed desegregating fitting rooms, wash rooms, and lunch counters, hiring more black sales people and cashiers, and making a commitment to improve black employment in the future.²²

The March on Washington united support for the Civil Rights Bill before Congress with calls for full employment and an end to racial discrimination in hiring.²³

In his "I Have A Dream" speech at the March on Washington, Reverend Martin Luther King, Jr., called for economic justice as well as for the formal equality that would allow whites to judge his children not "by the color of their skin, but by the content of their character."²⁴ King said: "One hundred years" after the Emancipation Proclamation:

the Negro lives on a lonely island of poverty in the midst of a vast ocean of material prosperity. . . In a sense we have come to our nation's Capital to cash a check. . . .

America has given the Negro people a bad check; a check which has come back marked 'insufficient funds.' But we refuse to believe that the bank of justice is bankrupt. We refuse to believe

²² "The Birmingham Truce Agreement," May 10, 1963, from Clayborne Carson, David J. Garrow, Gerald Gill, Vincent Harding, and Darlene Clark Hine (eds), The Eyes on the Prize Civil Rights Reader (New York: Penguin Press, 1991), 159-60.

²³ James T. Patterson, Grand Expectations: The United States, 1945-1974 (New York: Oxford University Press, 1996), 482-85. For a greater focus on economic inequality between whites and blacks, and the argument that civil rights laws and court-based strategies were "too little, and too late," see John Lewis, "Original Text of Speech to Be Delivered at the Lincoln Memorial," from Eyes on the Prize, 163-65. For a contemporaneous observation of the March that was sensitive to its attention to black poverty as well as to statutory civil rights, see I.F. Stone, "The March on Washington," from A Nonconformist History of Our Times -- In A Time of Torment, 1961-1967 (Boston: Little, Brown, 1967), 122-24. Stone lamented that "the rally turned into one of support for the Kennedy civil rights program." However, he cheered a speech by A. Philip Randolph on the day following the March, in which Randolph "reminded the moderates that political equality was not enough. . . One began to understand what was means by a march for 'jobs and freedom.'" (123)

²⁴ Martin Luther King, Jr., "I Have A Dream," from Negro Protest Thought in the Twentieth Century, ed. Francis Broderick and August Meier (Indianapolis: Bobbs-Merrill, 1965), 404.

that there are insufficient funds in the great vaults of opportunity of this nation. So we have come to cash this check -- a check that will give us upon demand the riches of freedom and the security of justice.²⁵

King followed this language with more sanguine, and familiar, calls for nonviolent protest and an end to legal segregation. But his other political rhetoric did not negate his insistence that blacks receive a raft off the island of poverty “upon demand,” or his judgment that the “promissory note” from prosperous white to impoverished black America was long past due.

The basic income idea was only one of many possible responses to demands such as King’s. In some ways, it was a politically expedient answer that accommodated beliefs about black inferiority and ultimate inability to succeed in a predominantly white labor market. Given the assumption of affluence, direct income grants to under-employed African-Americans may have seemed a relatively small price to pay for social peace. A guaranteed income was politically expedient in that it circumvented more politically complicated options, such as making a full-out effort to desegregate trade unions and private-sector work forces. The guaranteed income was also an alternative to the full employment policy that activists sought at the March on Washington, and to the turn toward increased taxation and public investment that Galbraith advocated.²⁶

²⁵ Ibid., 401.

²⁶ Galbraith later advocated a guaranteed income or negative income tax “as a matter of general right and related in amount to family size but not otherwise to need,” in addition to public investments and expanded unemployment allowances. In the 1969 and 1984 editions of *The Affluent Society*, he explained that the idea had seemed utterly impracticable to him in 1958 but appeared reasonable later. See *Affluent Society*, 2d edition, 266-267, and 3rd edition, 228.

In the early 1960s, pressure for an anti-poverty program on the part of the national government grew steadily from the writings of people like Galbraith, Harrington, and Macdonald, as well as from civil rights activism. One major conservative contribution to this conversation was Capitalism and Freedom by Milton Friedman, with Rose Friedman. Capitalism and Freedom (1962) was a quintessential text of the Cold War, an extended argument for capitalism as a system of “economic freedom and a necessary condition for political freedom.”²⁷ The work launched the idea of a negative income tax, or guaranteed income administered by the Internal Revenue Service, into Republican policy parlance.

Although they were hardly Keynesians, the Friedmans nonetheless treated as obvious the conclusion of such Keynesians as John Kenneth Galbraith that poverty was a serious and remediable social problem. However, the Friedmans believed that most governmental anti-poverty efforts were inefficient and corroded human freedom. They argued for the abolition of corporate taxes and graduated income taxes because they opposed coercive means of redistributing income.²⁸ They proposed to end such substantive welfare programs as public housing. “[W]hy subsidize housing in particular?” the Friedmans asked. “If funds are to be used to help the poor, would they not be used more effectively by being given in cash rather than in kind? Surely the families being helped would rather have a given sum in cash than in the form of

²⁷ Friedman, with Friedman, Capitalism and Freedom, 4.

²⁸ *Ibid.*, 180.

housing. They could themselves spend the money on housing if they so desired.”²⁹

Consistent with their preference for cash grants over public programs, the Friedmans argued for replacing all public social welfare programs with cash transfers. The instrument for enacting these transfers was to be the income tax system.³⁰ They believed that such a system was superior to conventional public welfare because it answered the problem of poverty most directly, with cash income rather than in-kind goods or services. A negative income tax made “explicit the cost borne by society” for social welfare measures -- as opposed to the patchwork of social policies that obscured their total costs and the economic transfers that financed them. Moreover, the proposal was “outside the market,” unlike minimum wages, which structured employer choices, or national health care, which competed with privately provided goods.

In 1963, an amateur economist and freelance writer named Robert Theobald carried the Friedman idea into a book-length call for a guaranteed income insured by the U.S. Constitution.³¹ Theobald’s work, Free Men and Free

²⁹ Ibid., 178,

³⁰ Writing ten years after the publication of Capitalism and Freedom, Daniel Patrick Moynihan argued that the negative tax idea originated with Milton Friedman’s frustration with technical problems with the tax system. Moynihan, Politics of a Guaranteed Income, 50. Friedman and his colleague George Stigler also saw the negative tax as an answer to such New Deal interferences with employer prerogative as the minimum wage. See Stigler, “The Economics Of Minimum Wage Legislation” and discussion in Katz, Undeserving Poor, 104.

³¹ Prior to formulating the guaranteed income proposal, Theobald had written on economics in the Third World. He wrote an investment handbook titled Profit Potential in the Developing Countries and a book called The Rich and the Poor: A Study of the Economics of Rising Expectation (1960). His first work on conditions in the U.S. was The Challenge of Abundance (1961). Theobald was also an economic consultant to private firms. See Robert Theobald, Free Men and Free Markets (New York: Anchor/Doubleday, 1963), x, and jacket copy. Theobald later edited a book of essays on the subject of income guarantees, The Guaranteed Income (Garden City, New York: Doubleday, 1966).

Markets, combined advocacy of a citizen basic income, or sufficient resources to allow “men” to be “free,” with fealty to the “free” market. *“It is the goal of all Western societies to ensure that each individual has the maximum of freedom in his choice of action compatible with the needs of the society,”* wrote Theobald.

He added:

Such a degree of freedom can only be obtained if the individual is provided with sufficient resources to enable him to live with dignity. No attempt should, however, be made to provide the required resources through government control of the market mechanism, for not only will such an attempt fail but it will also prevent the realization of the original goal: it will restrict individual freedom rather than advance it..³²

He preferred direct transfers from the national treasury to individual citizens with low incomes, to substantive state programs such as public health care.³³ Like the Friedmans, Theobald believed consumer demand would produce better outcomes through the market than would any more elaborated state program.

Theobald’s guaranteed income idea relied upon the understanding of economic structure and abundance that had become standard in social criticism of the period. Like Galbraith, Harrington, and Macdonald, Theobald saw new technology as the key to major social changes that demanded a government response. He believed the U.S. had created in the postwar period “a productive system of, in effect, unlimited capacity.”³⁴ He borrowed the term “cybernation” from a report released in 1962 by Robert Hutchins’ Center for the Study of

³² Theobald, Free Men, 4.

³³ Proposals for national public medical care were defeated consistently from the New Deal until Congress and the Johnson Administration finally created Medicare and Medicaid in 1965. For discussion, see Paul Starr, The Social Transformation of American Medicine: The Rise of a Sovereign Profession and the Making of a Vast Industry (New York: Basic Books, 1982), and James T. Patterson, America’s Struggle Against Poverty, 1900-1980 (Cambridge, MA: Harvard University Press, 1981), 164-9.

³⁴ *Ibid.*, 6.

Democratic Institutions to encapsulate the two technological forces that he saw as the engines of change. These were industrial automation, on the one hand, and computers, on the other.³⁵

Like the other critics, Theobald believed that the economy under conditions of “cybernation” necessarily generated unemployment as well as growth, and would, therefore, necessarily leave some people out. “This conclusion,” he wrote, “implies the *complete* breakdown of our present socioeconomic system, which depends on the ability to provide jobs for all who require them.”³⁶ He saw as the only answer to the dire situation that “over 20 per cent of the American population is exiled from the abundant economy” a retreat from the idea of basing a citizen’s income on his or her willingness to participate in the waged labor force.³⁷

Theobald saw the effects of “cybernation” as inevitable, and as representing both promise and dangers. The most immediate danger was the potential unemployment of large numbers of (male) workers, particularly those who labored at repetitive tasks that machines could assume with relative ease. The second was a reversal of the postwar “social revolution,” by which he meant the narrowing of the economic distance between the rich and poor and the expansion of the middle class.³⁸ And if the prosperity of the late 1950s and early

³⁵ Ibid.

³⁶ Theobald, 8. One problem with this argument is that it does not consider the ways in which prior labor markets, based upon forms of technology other than “cybernated” ones, might have generated unemployment and compromised an apparent national commitment to providing jobs for everyone who was willing to work. The theory also fails to account for the place of mothers in either the old, nominally full-employment, economy, or the new economy of abundance and exclusion of a large fraction.

³⁷ Ibid., 8-9.

³⁸ Ibid., 10. Theobald quoted an official of the U.S. Census Bureau on the threat to the “social revolution,” which appears to have been common parlance in elite policy circles of the period.

1960s benefited only the wealthy, then it threatened the return of a global economic “slump.”³⁹ Following a standard neo-Keynesian understanding of how the Depression of the 1930s had occurred, Theobald saw danger in the underconsumption of social resources by poor and middle-class people.⁴⁰ He saw the stabilization of demand as the best hedge against Depression.⁴¹ Finally, he envisioned a turn toward either the hard left or hard right politically by those who were left out of national affluence. The inability to consume separated millions of U.S. citizens “not only from any possibility of sharing in economic abundance but also from any chance of becoming an American in good standing.”⁴² Those without access to Americanism might “sweep us irresistibly toward a type of society completely alien to our basic beliefs.”⁴³

The roots of the basic income idea lay in the post-World War Two social criticism of writers such as Galbraith, Harrington, Macdonald, King, Friedman and Theobald. They may all have valued waged work for its effects on individual character and the social good. However, they all advocated economic security

³⁹ Ibid.

⁴⁰ Following period usage, I refer to the majority of U.S. citizens as either poor or middle-class, and forego the idea of the working class.

⁴¹ On the turn toward consumption and demand stabilization among U.S. Keynesians, see Alan Brinkley, The End of Reform: New Deal Liberalism in Recession and War (New York: Alfred A. Knopf, 1995), 65-85. Brinkley dates the turn to the late New Deal. On post-World War Two fears of renascent depression, and on these as leading to an American corporate Keynesian strategy of demand stabilization through fiscal manipulation, as opposed to substantive state programming or planning, see Robert Collins, The Business Response to Keynes, 1929-1964 (New York: Columbia University Press, 1981).

For neo-Keynesian thinking in the postwar period, see Alvin Hansen, Economic Policy and Full Employment (New York: McGraw-Hill, 1947), A Guide To Keynes (New York: McGraw-Hill, 1953), and Economic Issues of the 1960s (New York: McGraw-Hill, Inc., 1960), esp. Chapter 7, “Automation and Pyramid Building,” and Chapter 10, “United States Recessions.” Hansen identifies as “the overwhelmingly vital issue confronting the sixties. . . to what uses shall we put the vast productive resources unleashed by automation and atomic power?” (viii)

⁴² Theobald, 9-10.

⁴³ Ibid., 16.

for all U.S. citizens as an alternative to the vagaries of the modern waged labor market. Far from attempting to argue, as Donald Rumsfeld did so awkwardly in 1970, that basic income could lead more people into the mainstream work force, they argued instead that it was a social need in a society that obviously did not generate enough work for its members. Twenty-first-century basic income grant advocates would do well to learn from this history and to advocate openly for our policies as an alternative to, rather than an adjunct to, a political economy in which so many of the world's citizens paint functionless bulges on First World motorcars – and get paid so little to do it.