

THE BEVERIDGE REPORT

THE Beveridge Report on Social Insurance and Allied Services is in its way a portent in English politics.

Though it is in form a report made by Sir William Beveridge to the Minister of Reconstruction, Sir William Jowitt, K.C., M.P., who held the rank and office of Paymaster General (and is now Minister without Portfolio), and though the Report admittedly raises matters of policy which are 'so important as to call for decision by the Government as a whole,' the issue of the Report was heralded by a regular campaign of advance publicity and propaganda which appeared to be designed and calculated to impose the document on Parliament and the people; and its actual publication was accompanied by such a fanfare of trumpets, in the Press and on the Radio, as made one to understand, almost for the first time, the technique and power of publicity in the hands of a totalitarian régime and its habit of treating Parliament no longer as a deliberative assembly, but rather as a body accustomed obediently to register the decisions of the Party, or the Führer. Thus, within twenty-four hours of its publication, summaries of the Report (as yet unconsidered by the Government or by Parliament)¹ were broadcast in twenty-two languages as a forecast of the line of social legislation to be followed by Great Britain in the post-war reconstruction.

It soon became evident that this new-style propaganda had overreached itself. One noticed that the speech which the Minister of Reconstruction made in the House of Commons immediately after the issue of the Beveridge Report, was read word for word from a manuscript which had doubtless been agreed with the Cabinet or the Leader of the Government. Some days later, Mr. Herbert Morrison, the newest member of the War Cabinet, made a speech on reconstruction which was manifestly directed towards putting things (including the Beveridge Report) in their proper place and perspective.

And, just before Christmas, came the news that on instructions from the War Office, the latest issue of *Current Affairs*, containing a summary by Sir William of his Report, had been withdrawn from circulation. The periodical *Current Affairs* is circulated to officers,

¹ One ought in fairness to state that the Report is currently said to have been written in sections, each section being submitted, as drafted, in advance of publication, to the appropriate departments of Government. But these drafts were not final and are said in fact to have been freely revised.

to provide material for the discussion of topics of the day with men of their units. The reasons given for the withdrawal of the issue containing the summary were, firstly, that it was inappropriate that official discussions of the Report should take place before the Government and Parliament had been able to consider it; and secondly, that few officers could have had time to study the original Report in full, and that the summary by Sir William Beveridge would scarcely enable them to expound the plan and conduct discussions on it. One is left with the impression that Mr. Winston Churchill intends for a little time to be Prime Minister of England, and he (like Henry VIII in this particular) is in the habit of paying due respect to the parliamentary institutions of this country. Besides, not only the Army officers, but also the general public, will now have an opportunity of studying the Report in detail, and not merely reading Part I and Part VI (some forty pages out of three hundred) as they were at one time told it was sufficient for them to do.

Moreover, the Report deserves to be read and studied, for it is in its way a masterly document, and in many places expressly invites discussion and states that the proposals it makes are provisional and open to argument (see, e.g., pp. 9, 109, 115, 116).

The Report deals broadly with Want arising (1) through interruption of earnings or loss of earning power, and (2) through failure to relate income during earning to the size of the family. Abolition of Want, we are told, requires a double redistribution of income through social insurance and by family or children's allowances.

The whole argument would accordingly seem to proceed upon the assumption that the wages paid to workers in this country are in the normal instance less than a living wage in the Catholic interpretation of the term, that is to say, less than the amount which will enable a man to maintain himself and his wife and children, according to the current standard of frugal comfort; and in addition to make provision against the chances of ill-health and unemployment and for old age. If the assumption is true, and, since it has been made a principle of legislation, one must take it to be true, it is on Catholic principles a powerful argument, for a general increase of wages to be paid to the father of the family and to be administered by him according to ordinary standards of prudence and of justice. Such a direct and simple solution is consonant with the freedom and dignity of Christian citizens and is designed to maintain their independence in what has traditionally been a community of free citizens.

As it happens, however, the country has been committed since 1897 to the principle of Workmen's Compensation, and since 1912

to the principle of compulsory Health and Unemployment Insurance; and since 1934 to the supplementary principle of Unemployment Assistance. The introduction of the principle of compulsory Health and Unemployment Insurance was opposed by Mr. Hilaire Belloc at a public debate which took place between him and Mr. Ramsay Macdonald at the Memorial Hall, Farringdon Street, in 1911. The idea was German (so he said); and besides the effect would be to undermine the independence of the ordinary citizen: to make him 'a dependent citizen.'² And he wrote his powerful book on the Servile State to point the argument. Some ten years ago M. Charles Bastide, the Director of the *Ecole des Sciences Politiques et Economiques* in Paris, wrote a book *L'Angleterre Nouvelle* in the same sense, his argument being that the development of the social services in England was leading or would lead to *la stérilisation politique des classes ouvrières anglaises*, by making them 'pensioners' and so dependent on the existing political and economic order. The issue is one of fact and can only be determined by those who are competent to judge the relative condition of 'dependence' and 'independence' of ordinary working families before and since the introduction of what are called the social services. In his Report Sir William Beveridge claims that 'provision for most of the many varieties of need through interruption of earnings and other causes that may arise in modern industrial communities has already been made in Britain on a scale not surpassed and hardly rivalled in any other country of the world. In one respect only of the first importance, namely limitation of medical service, does Britain's achievement fall seriously short of what has been accomplished elsewhere. It falls short also in its provision for cash benefit for maternity and funerals and through the defects of its system for workmen's compensation.'

The existing social services are, we are told, conducted by a complex of disconnected administrative organs, proceeding on different principles, doing invaluable service at a cost in money and trouble and anomalous treatment of identical problems for which there is no justification. In aid of this argument one may refer to a recent case in which three officials of three different departments arrived at the same house at the same time to deal with pensions from three different angles! There will be universal agreement with the pro-

² The distinction between 'independent' and 'dependent' citizens was much used by members of the Eugenics Society and suchlike in the campaign they waged, in the years before the war, for the introduction among 'dependent' persons of birth prevention and sterilisation and even euthanasia as a means of relieving the excessive taxation of 'independent' citizens.

posal of Sir William Beveridge that the administration of all these social services should be unified in a Ministry of Social Security with local security offices within reach of all insured persons.

Another real service done by Sir William Beveridge lies in the emphasis he puts on the decline of the birth-rate and on the steps that must be taken to arrest the decline. 'The persons of pensionable age in Great Britain at the beginning of the century were about 2½ millions or 1 in 17 of the whole population; in 1931 they were about 4½ millions or 1 in 10 of the population; in 1961 they will be more than 8 millions, or 1 in 6 of the population, and they will continue to increase proportionately to the rest. On the other side the continuous decline of the child population, if not arrested, will after 1971 bring about a rapid diminution of the whole population. In 1901 there were more than five children under 15 for every person of pensionable age; in 1961 there will be one child under 15 for every person of pensionable age, and in 1971 the children will be outnumbered by the possible pensioners.' These figures of population movements impose a twofold necessity, first 'to seek ways of postponing the age of retirement from work rather than of hastening it, and (secondly) to give first place in social expenditure, to the care of childhood, and the safeguarding of maternity.' The attitude of the housewife to gainful employment outside the home is not and should not be the same as that of the single woman; she has other duties (p. 51), 'though maternity is the principal object of marriage, there is no adequate provision for it in any case' (p. 50). The principle adopted in the Report is that on marriage every woman begins a new life in relation to social insurance.³ The existing Anomalies Regulations are said to penalise the woman who marries as compared with a woman who (without being married) lives as a wife. In future it is proposed that the woman who marries shall receive a marriage grant and that the unmarried woman living as a wife shall get no widowhood benefits. Again, the contributions of the man with whom she is living, if he is married to someone else, will go to secure pensions and other benefits for his legal wife. 'Taken as a whole, the proposed plan for social security puts a premium on marriage in place of penalising it.'

With this new recognition of the difference between a lawful wife and a concubine, all decent opinion will be in agreement and also with the new concern for children and the falling birth-rate.

³ The statement (at p. 131 of the Report) that 'every woman on marriage will become a new person' would seem to be a little extravagant from the point of view of Christian philosophy: but one does not expect modern State documents to show any particular perception of Christian principles.

On other aspects of the Report there is room for difference and debate. And the Report admits it in many places. The assumptions which are said to be essential for any satisfactory scheme of social security, namely (a) Children's Allowances up to the age of 15, or if in full-time education up to the age of 16; (b) comprehensive health and rehabilitation services for prevention and cure of disease and restoration of capacity for work; (c) avoidance of mass unemployment; these assumptions will be challenged on various grounds. As a reason for the giving of children's allowances it is said that a national minimum for families of every size cannot be secured by a wage system *which must be based on the product of a man's labour and not on the size of his family*. The doctrine that wages must be based on the product of a man's labour runs counter to the teaching of *Rerum Novarum* and *Quadragesimo Anno*. Why may not a living wage in the sense of papal teaching be included in the costs of a business or enterprise as well as overhead expenses and interest on borrowed money?

And if family allowances are to be paid, why make no allowance in respect of the first child, and why put upon the State the *whole* cost of maintenance of all children after the first?⁴ The provision for health and rehabilitation services opens up vistas of a state medical service and memories of the notorious incompetence of the Ministry of Health in the early days of the war. Moreover, there is a hint of compulsion behind the phrase 'restoration of capacity to work' just as there is more than a hint of compulsion in the practical conclusion (at p. 58) that 'men and women in receipt of unemployment benefit cannot be allowed to hold out indefinitely for work of the type to which they are used or in their present places of residence if there is work which they could do available at the standard wage for that work.' Accordingly men and women who are unemployed for a certain period are to be required as a condition of continued benefit to attend at a work or training centre. And the control of claims to disability benefit—both by certification and by sick visiting—will be strengthened. And conditions imposed on benefit 'must be enforced where necessary by suitable penalties' (p. 58). It is plain that the State will exact a price in loss of freedom for the gain in security.⁵

⁴ It is right to observe that this is admittedly one of the matters which are said (at p. 115) to be 'open to argument.'

⁵ The section of the Report which deals with changes 12 and 13 (at pp. 57-8) is briefly and discreetly handled. The price to be paid for loss of freedom is likely to vary in different places and at different times and will depend on the interplay of moral and social as well as political forces.

In these circumstances one may expect that the interests which are prejudiced by the proposals in the Report, e.g. the Industrial Insurance Companies and the Friendly Societies will be active in criticism and in their own defence.⁶ It is necessary, moreover, to be just even to Industrial Insurance Companies and their shareholders and employees. And one may observe that a person who has a claim against an Industrial Insurance Company may litigate it in open Court. A person who has a claim against the State is not always in the same position, more especially if the Courts are closed to him and claims are dealt with by the administration, as is contemplated in certain cases in the Report. Indeed, on the principle apparently that 'a revolutionary moment in the world's history is a time for revolutions,' the proposal is that all citizens should in future be compelled in their measure to be insured persons. The dignity of English citizenship was created by the Catholic lawyers who conceived the normal person as *liber et legalis homo*: a free and lawful man, competent to own property and to manage his own affairs. Is it error to suppose that the conception of the free and lawful man is a nobler conception than the conception of the insured person or the dependent citizen? Is the loss of freedom fairly compensated by the gain in security? In its leading article on the Report, *The Times* expressed its appreciation of the assurance given by Sir William Beveridge that the poor need not be always with us.⁷ Is the eternal providence of the State a necessary and sufficient substitute for the providence *liberi et legalis hominis*; and the Providence of God? The Beveridge Report raises deep issues for our consideration and our choice.

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⁶ The criticisms formulated by these bodies are (save in their demand for justice) not in the least likely to have any relation or reference to the principles of Christian philosophy.

⁷ We may none the less be permitted to think of the birds of the air and the lilies of the field in their proper context.