

tions and collections leads one to wonder if they would not make a difficult problem an impossible one.

Besides the Dominion and Provincial Governments, the Draft Bill provides for contributions from "employed insured persons" (i.e. wage-earners), "assessed insured persons" (all others), and employers. The basis of arriving at contributions from employed insured persons has been criticized for being complicated<sup>2</sup>, and the method of computing contributions of assessed persons is even more so. It involves the annual computation of each contributor's real and personal property and the income thereon. The methods of arriving at the contributions of the employer and the Province respectively, are also complicated administratively because they are based upon possible deficiencies in the individual's contribution. The Marsh Report recommends strongly that every male contributor should be required to pay the same rate and that this rate should cover the wife, unless she is a wage-earner, and all children. The Draft Bill agrees, in essence, about the flat rate but makes a distinction between "children" and "dependents," the latter being chiefly the wives of contributors. It provides that a contribution must be paid on behalf of a dependent but

2. Canadian Welfare, April, 1943.

not of a child. From the social and administrative points of view, Marsh appears to be on the stronger ground.

From the point of view of the social security field as a whole, the Marsh and Heagerty Reports each has its place but neither should be regarded, nor is intended to be regarded, as the final word. The Marsh Report represents the valuable general contribution of the welfare economist whose objective is to provide against poverty by a logically complete system of benefits. It does not attempt to discuss or evaluate valid alternative claims upon the national income, some of a more constructive nature. The Heagerty Report deals specifically with the most important single measure of social insurance to be enacted and advances its findings to the point of a Draft Bill. This Draft Bill should be thoroughly discussed by interested parties, and Dominion-Provincial financial and constitutional matters should be cleared; but there would appear to be no reason unduly to delay the enactment of health insurance. Its successful execution, aside from considerations of health, will contribute materially to our resources of knowledge, personnel and administrative experience which we now lack to such a degree as to make the immediate implementation of the full Marsh Plan almost foredoomed to failure.

## The Beveridge Report

By MARGARET BONDFIELD

THE Beveridge Report is undoubtedly a great state paper, and it deserves all the praise that has been showered upon it. But it is also an extremely practical document. It is not sufficiently realized, I think, how much of social service has already established itself in Great Britain. I have taken part in the campaigns for these services so that I can say confidently

that in every case the Acts of Parliament were preceded by campaigns throughout the country which had an educational value for the citizens, especially those directly affected.

The Workmen's Compensation Act of 1897 at first applied to a limited number of occupations and was made general in 1906. Its administration was left by employers largely to the insurance companies with whom they insured against the risk of accidents in the works, and

EDITOR'S NOTE: The Right Honourable Margaret Grace Bondfield is the well known trade unionist and labour leader. Miss Bondfield was Minister of Labour for Ramsay Macdonald's second Labour Cabinet from 1929-31.

most of the trade unions started legal advice departments, adding to their benefits free legal advice to the members.

In my opinion it was only those injured persons who had the support of their unions behind them who really got the compensation the Act intended, poor as was its provision.

In regard to Unemployment and Health and Death Benefits, the unions led the way providing certain optional cash benefits in return for a small addition to the Trade Union contribution. The other great pioneering democratic organizations were the Friendly Societies which made voluntary provision for sickness and death benefits. One or two unions attempted superannuation schemes but the financial commitments were too great to be borne at that time and the movement as a whole placed its energies and crusading zeal behind the campaign for Old Age Pensions as a national service.

The first Pensions Act (1908) gave only five shillings a week at the age of 70. But in 1925 that benefit was increased and based upon the contributory principle.

Health Insurance (1912) and Unemployment Insurance (1912) were also strongly supported by the trade unions and the Friendly Societies. They disagreed with the great concession made by Mr. Lloyd George in the Health Insurance Scheme at that time by including the industrial insurance companies which now claim about 50% of the machinery of administration. From the start to the present time, in the light of experience, a succession of amending acts have dealt with various phases of these great services, most of all in connection with unemployment insurance. Between 1921 and 1931 no less than 30 Acts of Parliament were passed relating to unemployment insurance.

It is with that background of trial and error that Sir William's committee began its survey. Perhaps earlier we had taken the lines of least resistance in allowing each separate service to be allocated to the different Ministries. The Home Office, Ministry of Labour, Ministry of Health, Ministry of Pensions, Public Assistance

Board, the Board of Customs and Excise, and the Treasury were all involved. But undoubtedly it was a wasteful division of administrative power; practically all those associated with the administration should welcome most heartily the recommendations for unification in respect of contributions, and in respect of administration, although on detail there will be plenty of debate.

The supersession of Approved Societies means turning out a vested interest but as Sir William points out there is no reason to suppose that the part of administration belonging to the voluntary organizations, viz., the Trade Unions and the Friendly Societies, cannot be grafted on to the new scheme. We quite anticipate the vested interests will fight to retain their positions as administrators—unsuccessfully—we hope.

I do not think there will be any curtailment of the activities of the Friendly Societies and the trade unions in relation to administration. It will simply take a slightly different form and will shut out the profit making societies, which will be a very distinct advantage.

We gladly welcome the recommendation for the supersession of the present scheme of Workmen's Compensation, including provision for industrial accident, or disease, inside the unified social insurance scheme. That will bring the treatment of Workmen's Compensation more into line with the system adopted in the United States and in the Dominions and will put an end to the disgrace of gerrymandering compensation claims by unnecessary litigation and will give security for payment of compensation justly awarded.

The proposal to separate medical treatment from the administration of cash benefits and the setting up of a comprehensive medical service for all citizens, covering all treatment under the supervision of the health departments, is one of the major changes which has received almost universal support. It is most gratifying to discover that there has been a real attempt to rise above personal interests and to consider the claims of the

whole of the citizens. There is a widespread conception of the State as a servant or agent of the community. The reports of such widely divergent organizations as P.E.P., the British Medical Association, and the Socialist Medical Association of Great Britain have points in common. The definition of the objects of medical service as proposed by the British Medical Associations planning Committee have been embodied in the Beveridge Report as

- (a) to provide a system of medical service directed towards the achievement of positive health, of the prevention of disease, and the relief of sickness.
- (b) to render available to every individual all necessary medical services, both general and specialist, and both domiciliary and institutional.

It may sound odd to say that perhaps the most important recommendations of the Beveridge Report are not part of the social insurance scheme. They are, however, vital to the success of the social insurance scheme. They are contained in the Three Assumptions:

- A. The provision for children's allowances up to the age of 16.
- B. Comprehensive Health Service.
- C. The maintenance of employment.

While we recognize that unifications of contributions, of benefits, and of administration will be an enormous improvement over the present higgelty-piggelty system, nevertheless it will fail to mature unless we can give to these other three phases of social planning a practical application. And the situation in this respect is very promising.

These three assumptions are the subject of special investigation by three other committees set up by the government Central Planning Committee under the chairmanship of Sir William Jowett, and their reports will be eagerly awaited. The fact that the principles embodied in the three assumptions have been already accepted by the government will give firm foundations to the nature of the reports these committees will be expected to make.

The new status given to married women is cordially welcomed on all sides. Whereas under the present arrangement she is recognized as a dependent in the unemployment insurance scheme, and as an unoccupied woman in the census reports, while in health insurance she is not mentioned at all, the Beveridge plan makes her a partner in her husband's benefits as well as giving her special security in her own right as a contributor to the national wellbeing. Beveridge holds that she is a member of a team, each of whose partners is equally essential, as the great majority of married women must be regarded as occupied on work which is vital though unpaid, without which their husbands could not do their paid work, and without which the nation could not continue.

I note that there is a strong feeling on the American continent against the flat rates of benefits and contributions. We in Great Britain on the other hand prefer this method, primarily as a means of lifting the bottom levels of labour to a greater security from want during periods of sickness or unemployment. There is ample opportunity for the better paid workers to voluntarily increase their insurances as many do already under the existing schemes of insurance. The important thing is to maintain a standard of life at the base below which no family shall fall into want—a subsistence level of security on which by their own efforts all may improve that standard. However, in view of the nationwide application of the plan, there may be proposals for higher contributions with consequent higher benefits being included ultimately in the scheme.

The government has accepted about 70% of the report in principle. Six points are left open for further consideration, and one only has been rejected—that which deals with the low levels of industrial life insurance. The attitude of the government in backing out from a fight with the insurance companies provoked a hot debate in parliament, as did the desire on the part of a large proportion of the House to set up immediately the

Ministry of Social Security; instead, legislation covering the Report is being prepared by existing government departments. We shall continue to debate these questions that are still unsettled; the fact that the government has temporarily turned down the setting up of the Ministry will not end the matter, and it is to be remembered that Parliament will have the final word.

In considering how near to fulfilment is the Report, it is important to bear in mind the attitudes of the Trade Union Congress General Council, and of the Prime Minister toward it. So I will quote: *Labour*, the organ of the Trades Union Congress (T.U.C.) writes in its March issue:

"To a large extent, the problem is now one of timetables, the main principles of the Report (and, indeed, a very great deal of its detail) having been accepted by the Government.

The TUC will exert legitimate pressure towards securing the implementation of these far-reaching proposals as fully and as quickly as possible."

In his broadcast of March 22, Mr. Churchill made his own and the Government's position very clear:

"The time is now ripe for another great advance, and anyone can see what large savings there will be in administration, once the whole process of insurance becomes unified, compulsory, and national.

"You must rank me and my colleagues as strong partisans of national compulsory insurance for all classes, for all purposes, from the cradle to the grave.

"Every preparation, including, if necessary, preliminary legislative preparation, will be made with the utmost energy, and the necessary negotiations to deal with existing worthy interests are being actively pursued so that, when the moment comes, everything will be ready."

## Social Security Plans of the U. S. A.

### The Report of the National Resources Planning Board

By EVELINE M. BURNS

#### The Task

THE Security, Work, and Relief Policies report of the National Resources Planning Board, which was transmitted to the Congress by President Roosevelt in March, represents the culmination of over two years of intensive study and research. Toward the end of 1939 the President had authorized the Board to study the operation of the various programs which had been developed in the preceding 10 years, to meet the problems arising out of loss of income

or loss of jobs and to make recommendations for long-range policies.

It is important to note the character of the terms of reference. In and of themselves they involved study of a very broad group of social policies. In the 7 years following 1933, the United States had developed a series of measures which went far toward equipping the country to grapple with the problems of economic insecurity. In all, by 1940, there were some 17 different types of public aid programs in operation in the United States. These included various social insurance measures, work programs for adults and for youth, special public assistance programs, special measures for needy farmers, and the distribution of surplus commodities. All these were supplementary to, or superimposed upon, an existing system of

EDITOR'S NOTE: The Security Report of the National Resources Planning Board in Washington is the United States counterpart to the Beveridge Plan in England and the Marsh Plan in Canada. Dr. Eveline Burns, the author of our article, has as Director of Research been mainly responsible for the drafting of the Report. Before taking a position with the National Resources Planning Board she was on the staff of the Graduate Department of Economics at Columbia University and the London School of Economics.