

LESS MISERY MEANS LESS HATE

Lord Beveridge on Social Security

NINETEENTH CENTURY reforms sprang from the heart, 20th Century from the head. The 19th Century reformers hoped to abolish obvious evils from an existing system. The 20th Century thinkers have set out not merely to remove but also to build. Lord Beveridge stands out as the exponent and promoter of a new social system in Britain. For over 30 years his mind has been working on the problem of building a new Britain, secure from want and idleness yet still maintaining "a free society."

"Intelligence at the service of mankind"—that was the thought that crossed my mind as I shook hands with Lord Beveridge. For Lord Beveridge, despite his incursion into politics and his benevolent smile, remains the scholar whose brains even more than his heart have led him into the formulation of his views on full employment and social security. He is the man of thought who has become the man of action. But he has still the intellectual aloofness of the scholar, even though he has seen his ideas take shape in government policy. Lady Beveridge, Scottish, charming, and clearly used to being a co-worker with him, remained with us—as Lord Beveridge put it—"to help him out."

The shape of my first question was, perhaps, inevitable. "In what ways would you say, Lord Beveridge, that the New Zealand scheme for Social Security

falls short of, or exceeds or indeed differs in principle from your recommendations?"

"New Zealand and Britain have each a scheme which, in comprehensiveness, is far ahead of that in any other country that we know about. There are two special points in the British scheme which you haven't got. One is State Compensation for industrial injuries. In New Zealand they are still the liability of the employer. In Britain that is part of the general scheme. In New Zealand benefits also you have no special provision for funerals. Having a State system makes unnecessary the rather expensive system of industrial assurance. The main difference on the New Zealand side is that the benefits are higher. We (presumably Great Britain and Lord Beveridge) don't want benefits higher. All we want is bare necessities provided for."

Getting and Saving

"To leave an incentive for thrift," added Lady Beveridge.

"Exactly. To take compulsorily in order to give more than a minimum, is interference with individual liberty. A man may not starve or remain diseased without treatment. Above that he is a free man. Then again, in the British scheme, on principle we bar any means test."

"That," said Lady Beveridge, "is the essence of your report. What you get is not dependent on what you have saved."

"New Zealand and Britain aim at the same thing, but you still have the

work, and that is its unsuitability for areas subject to floods, or that may become liable to flooding by any future filling or interference with the terrain. This, however, may be overcome in the near future.

The timber saved by the use of *pisé* in one house could go towards two or three others. The plasterers could spread their work over three houses instead of putting it into one. The plumbers and electricians would have to increase their output; the carpet and furnishing men would have a busy time. Of course, this would call for some thought and organisation on the part of building and power controllers, but I mention it to stress the influence *pisé* could have on a problem that has been with us for generations.

A re-orientation of our whole internal economy is required to get the best out of these possibilities, and a return to sanity and industry is indicated. Instead of high wages being paid to thousands of people who are wasting time, material and power in producing luxury goods, rubbishy toys, gambling services, and other wealth-destroying activities, the people should be directed to useful work. Then it would not be long before every family would be decently housed, fed, and clothed, and life for all made worth while.



LORD AND LADY BEVERIDGE
A fence as well as an ambulance

means test for sickness, for unemployment and for widows. We think that is wrong because it sets a *maximum* on income, even though the difference may seem to be more theoretical than practical."

"But it is an essential part of the plan," said Lady Beveridge, "that people may make as much as they can."

"Then again," said Lord Beveridge, "there is the main difference on the method by which the scheme is financed. In New Zealand you have a special tax which, in point of fact, only covers a part of the cost. But it all comes from general taxation. In Britain 40 to 50 per cent of the cost is raised from contributions made by the employer and employee. I believe that this is the best guarantee against the benefits being pushed up just for political purposes. You want some barrier against those who are, so to speak, generous for political reasons. But let me add that though I came down on the side of these flat contributions this has been much criticised as regressive taxation."

Defence Against Bureaucracy

"In your writings you stress the importance of a *free* society. How far do you consider it possible for this free society to escape from becoming purely a bureaucracy?" I asked.

"The ultimate safeguard is for you to have a real democracy. You must always be able to change your government when it does too many things that you don't like. In Britain we have through the Members of Parliament a very close daily criticism of what the bureaucracy is doing. Every Member of Parliament in election becomes automatically aware of his constituents. During my brief period in the House, I felt very strongly aware of the wishes of my electorate. Hundreds of letters and inquiries pour in daily and this brings constant criticism of the working of the Civil Service, which is a good thing—provided, of course, that elections are not too frequent and politicians consequently too sensitive to public opinion."

"And what of the general criticism that is levelled at Social Security—that the greater the security the less the incentive to work and work well?"

Lady Beveridge replied quickly, "The whole plan is built to guard against

this. If there is a job and you refuse it, you don't get the benefit."

"All the same," said Lord Beveridge, "there is a danger in Social Security guaranteeing benefits. It may appear to discourage people from working hard but it does abolish fear. People should be led by hope rather than pushed by fear. Full employment is more important than Social Security."

"The fence is more important than the ambulance at the bottom of the cliff?"

Learning to Spend Wisely

"And is it going to be a big job to teach people who for generations have lived more or less on the bread-line to spend wisely?" I asked.

"Only experience can teach people," said Lady Beveridge.

"The trouble," said Lord Beveridge, "is the people who set out to teach people to spend badly—in Britain, football pools, for example. Influences like those corrupt people, and it is these that the forces of education have to set out to fight."

Lord Beveridge has always remained a staunch Liberal. I could not help asking him what, if any, were the prospects of a Liberal revival in England.

"The trouble is," he said, with his most benevolent smile, "that everyone in England is a Liberal but no one will vote Liberal. People don't vote according to their opinions these days. They just bet on the winning side!"

In 1944 it seemed as though a big air force and an atom bomb were the best arms against the totalitarian state. Perhaps in years to come the planning in 1942 of a free and secure society may yet remain as the bigger achievement. Here are some words from the preface of Lord Beveridge's second report *Full Employment in a Free Society*, which sets out the purpose behind his life's work: "Misery breeds hate. . . . This is my main text. The greatest evil of unemployment is not physical but moral, not the want which it may bring but the hatred and fear which it breeds. So the greatest evil of war is not physical but spiritual, not the ruin of cities and the killing of bodies but the perversion of all that is best in man's spirit, to serve purposes of destruction, hate, cruelty, deceit and revenge."

—S.S.

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output. The painters and paint-merchants are not in favour of a reduced demand for paint. Plasterers and bricklayers and their suppliers do not want to see houses built in which their services and materials are not required. The plaster-board and paper-pulp manufacturers probably would not favour building in which the use of their products is reduced by 75 per cent. The carriers and motor-traders may be averse to the encouragement of the use of *pisé* because material will always be found on, or near, the building site. The cartage of bricks and concrete materials, and the necessary coal for their manufacture are a large item in building to-day. Then there are the insurance men. Fire-proof buildings mean smaller premiums. Of course, a large-scale use of *pisé*, and the consequent saving of timber, etc., and labour services of skilled tradesmen would enable more houses to be built, and so absorb the excess; but many people are too short-sighted to see it that way.

Speed of Construction

With regard to speed of construction, there is no faster construction if properly handled. If the labour is available, the walls of a house from foundations to eaves could be built in one day. There is really only one serious limitation to the general use of *pisé* in residential