Evidence submitted to the
INTERDEPARTMENTAL COMMITTEE
on
SOCIAL INSURANCE AND ALLIED SERVICES
by the
SOCIAL SECURITY SUB-COMMITTEE
of the
FABIAN SOCIETY

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SOCIAL SECURITY

EVIDENCE SUBMITTED
to
The Interdepartmental Committee on Social Insurance and Allied Services

by
THE SOCIAL SECURITY SUB-COMMITTEE
OF THE FABIAN SOCIETY

Published by the Fabian Society, 11 Dartmouth Street, London, S.W.1
Social Security

The Joint Committee on Atomic Energy

The Joint Committee on Atomic Energy
IN drawing up the scheme of Social Security contained in this pamphlet, the Social Security Sub-Committee of the Fabian Society first clarified the fundamental principles on which Social Security should be based and then evolved a system embodying those principles. We aimed at formulating a plan capable of being adopted without delay, and one which would be practical from a budgetary point of view. In doing so, we followed the tradition laid down by Sidney and Beatrice Webb when they used to say: "We never advocate a reform which we cannot see the means to carry out."

Our calculations show the minimum benefits likely to be available if their incidence is as wide as we recommend. Increased benefits would probably mean decreased incidence. It may be argued, of course, that the national income might be enlarged, or that a bigger proportion of it might be devoted to cash benefits. Neither of these arguments seems to us sufficiently well founded at present to justify altering our proposals.

We would emphasize that the scheme here outlined was presented as evidence before the Interdepartmental Committee presided over by Sir William Beveridge, and it was therefore desirable to frame it to accord with contemporary, rather than future and more Utopian, conditions. However, even with this limitation the scheme assumes a far-reaching reconstruction in other spheres of our national life. It is obvious that real Social Security can only be achieved within the framework of a stable economy providing full employment, the maximum use of national resources (including human abilities) and a more equalitarian distribution of the national income. This implies profound changes in the economic order.

W. A. ROBSON.
Chairman, Social Security Sub-Committee, Fabian Society.
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NOTE.—This report, like all publications of the Fabian Society, represents not the collective view of the Society but only the view of the committee which prepared it. The responsibility of the Fabian Society is limited to approving the publications which it issues as embodying facts and opinions worthy of consideration within the Labour Movement. It is the aim of the Society to encourage among socialists a high standard of free and independent research.

The present text is that of the Evidence submitted by the Fabian Society’s Social Security Sub-Committee to the Interdepartmental Committee on Social Insurance and Allied Services. The ideas embodied in this evidence will be dealt with more fully in a book now being prepared for the Fabian Society under the editorship of Dr. W. A. Robson. This will be published by Messrs. George Allen and Unwin, Ltd., with the title SOCIAL SECURITY.

The publication of this evidence was made possible by the generosity of the trustees of the Sara Hall Charity, which exists to spread the knowledge of the life of Robert Owen and of the subjects to the study of which his life was devoted. August 1942.
OUTLINE OF THE SCHEME

The Practical Implementation of Social Security

1. The anomalies and deficiencies of the social insurance and allied services are well known to the Committee, and this paper does not refer to them. They are so striking and so deeply rooted in the structure of these services that major reconstruction will be necessary if they are to be eliminated. Such a reconstruction cannot stop at a mere re-arrangement of existing contributions, benefits, and paying agencies; it must be accompanied by a re-assessment of the social functions which the cash services can and should perform in modern society. In this paper a detailed scheme is put forward, embodying what we believe to be the basic principles upon which these services must henceforth be founded.

2. First, the social insurance and allied services are only one facet of social policy in the broadest sense; they are one of many instruments by which society attains its social objectives. A constructive social policy aimed at providing the maximum public welfare must be linked with a positive economic policy to make full use of the nation’s resources, a positive health policy, a positive education policy, a positive housing policy, a positive population policy. These fields are outside the Committee’s terms of reference, but the cash services cannot be separated from them; unemployment benefit is inextricably linked with unemployment, health insurance with medical services, family allowances with population objectives.

3. Second, too much emphasis has in the past been placed upon the cash aspect of the insurance and allied services, and far too little upon the need for positive and constructive services to keep people productive and healthy or to restore them rapidly to work and health. Such constructive services must be the hub of the whole affair. There must be a free public medical service and there must be an improved placement, training and rehabilitation service. Without them, it is impossible to frame a satisfactory system of cash payments. The purpose of the cash payments for sickness and unemployment is to provide for people who lose their earning power for one reason or another; this cannot be done adequately or justly except as an integral part of positive action to restore that earning power.

4. Our proposals are based upon this premise. They aim at providing sufficient maintenance for those who temporarily or permanently lose their earning power—that is the simple service which the community owes its members. But they fully recognize the profound reciprocal obligation upon the citizen to co-operate fully in the restoration of his earning power. The obsolete “cash” criterion, with its poor law connotations on the one hand and demands for unlimited payments “as of right” on the other, is replaced by a new “social” criterion, by which society provides full maintenance for its economically incapacitated members, but does so only to the extent to which its members are willing to accept their corresponding social obligations. The emphasis passes from “cash” to “work” and “health.” Social Security is thus conceived in positive and creative terms rather than as merely fending off misery or destitution by money payments.
5. In this context, the insurance-cum-assistance type of scheme is clearly outmoded. In the process by which a man is entitled to insurance benefit "as of right" for a period of 26 weeks, and may then receive assistance only after a stringent investigation of his financial position, the real needs of the case—restoration of earning power—are completely eclipsed by the financial considerations—the number of contributions paid, the number of weeks' benefit received, the amount of savings at the man's disposal. If the rates of benefit and the conditions of assistance are "generous" there is grave danger of waste of public funds and of moral deterioration of those publicly maintained for long periods; if the benefits are small and the conditions of assistance "strict," hardship and injustice and social bitterness are created.

6. For the contingencies of unemployment, sickness, disablement and widowhood, we therefore propose a flat rate benefit, at a level adequate to cover reasonable needs, paid for an indefinite period with no needs test. The flat rate would be exclusive of rent, and the actual rent of the client would be paid, subject to a maximum. This would give the worker real security against the economic effect of these contingencies. He would know that his rent was covered, and that he would have enough to live on. He would also have the assurance that the resources of society would be directed to the restoration of his earning power. We propose also very strong sanctions against the malingering or the slacker; refusal to co-operate with the placement, retraining and rehabilitation service or with the public medical service would be dealt with very severely. This "social" sanction is likely to be far more effective and just and constructive in dealing with the asocial individual than a "financial" sanction can possibly be.

7. Provision for old age requires special treatment. It is clear that society must provide adequate living standards for the aged; the removal of the fear of poverty in old age is an essential constituent of the health and welfare of people in their working years. But the changing age-distribution automatically rules out the extremely generous schemes which are being canvassed in some quarters; it would be a fundamental error in social policy unduly to divert resources to the aged at the expense of the young. Our proposals are therefore framed on the assumption that adequate maintenance must be provided for the aged, but that every possible effort must be made to induce old people to remain at work for as long as it is possible for them to do without detriment to their health. We therefore suggest a double-deck scheme, by which gainfully occupied men of 65 and women of 60 receive a 10s. weekly pension while they continue at work, to compensate for the loss of earning power as they get old. They should be able to retire after that date on a pension which provides sufficient maintenance (paid as a flat rate plus rent) but is not so high as actually to encourage them to leave work. As an incentive to supplementation of pension by work we should regard as "retired" those earning less than 10s. per head weekly. We also propose an unsubsidized State superannuation scheme to which people could voluntarily contribute.

8. The social security scheme should be comprehensive, covering all gainfully occupied persons; there is no case for omitting the self-employed, who are equally liable with others to sickness, disablement, old age and widowhood. Nor is there
any reason why one upper income limit rather than another should be chosen; it is
desirable on social grounds that these services should be available to all, and the
absence of an upper income limit simplifies administration and avoids difficult
border-line cases. Benefits in respect of loss of earnings would of course be subject
to direct taxation in the same way as any other income. Part-time workers, working
between 15 and 30 hours weekly, should be included on a half-benefit basis, and
this could also apply to such marginal cases as those shopkeepers' and farmers'
wives who are in effect partially employed by their husbands.

9. It is clearly impossible to link contributions with benefits in a scheme of this
kind. Such link is possible only in an insurance-cum-assistance scheme. If the benefits
continue indefinitely, or indeed if the bulk of the cost is borne by the State, the
contributions are in reality no more than a tax of a rather regressive type. The
employer's contribution is in any case indefensible except as a convenient and
accepted form of indirect taxation; it is actually a tax on employment which can be
justified only if the employer is regarded as having some responsibility for the employ­
ment, health and maintenance in old age of his employees. No useful purpose is
served, therefore, by the continuance of specific contributions, except in so far as
they represent a more acceptable system of taxation than the direct taxation of
workers' incomes. The policy to be followed depends largely upon the extent to
which war-time income tax on wage-earners' incomes becomes an accepted part of
the fiscal system. It must be clearly recognized that most of the cost would have to
be borne by the workers themselves. If in peace time the great mass of working-class
incomes can be included in the income tax we should prefer this as a method of
financing social security than the tripartite system of contributions by employers,
employees and the State which has hitherto prevailed.

10. In addition to these cash services which are aimed at compensating for
temporary or permanent loss of earning power, we propose a number of allowances
to be available to all people whether gainfully occupied or not, to meet contingencies
which require additional expenses. These include family, maternity, marriage and
burial allowances. The case for family allowances is now generally accepted; adequate
maternity allowances are clearly necessary, not only to cover the working mother's
compulsory absence from work, but also to cover the incidental expenses of all
mothers; a small marriage allowance would remove an important obstacle to early
marriage, and thus possibly to the raising of larger families; burial allowance,
together with control or municipalization of the undertakers' services, would strike
at the root of the asocial exploitation of the fear of a "pauper's funeral" by the
industrial assurance companies.

11. Provision must also be made for the payment of emergency benefit to people
who come outside the scope of the scheme—e.g. wives of men in prison or aged
people who had never been gainfully occupied and become needy—and to supple­
ment the incomes of people who for justifiable reasons are unable to manage on the
basic benefits provided. Means would of course be taken into account in the assess­
ment of these payments. The emergency service would supply the necessary elasticity
in the scheme as a whole, and would also provide an important field for positive
welfare work.
12. We contend that it is possible within the limits imposed by the prospective size of the national income and the willingness of the public to accept taxation, to provide rates of benefit which would be adequate for reasonable maintenance of the economically incapacitated and their dependants, and also to provide the constructive allowances set out in para. 10. The proposed scales are set out in para. 7-9 of the detailed recommendations. The total annual cost may be roughly estimated at the order of £600 millions, or about 9½ per cent of the net national income at current prices; the corresponding pre-war proportion was about 5 per cent, but some 1½ per cent of the national income was then devoted by the workers to voluntary protection—through industrial assurance, friendly societies, etc.—against contingencies which would now be borne by the scheme. This projected lay-out of the national dividend seems to us both practicable and desirable; it does not seem too generous when we consider that at any given time one-quarter of the adult population is directly or indirectly affected by one of these contingencies. We must again add, however, that these scales are entirely dependent upon the adoption of a constructive and forward-looking national economic policy, for unless the national income can be maintained at a high level, such benefits clearly cannot be paid. And the stages by which the scheme is introduced should necessarily be planned to accord with the progress of economic reconstruction.

13. From the administrative point of view, the scheme as a whole has great simplicity. All these services should be administered by a Ministry of Social Security, with a Minister responsible to Parliament. This Ministry would absorb the functions of all social insurance and assistance agencies, including the Ministry of Pensions. The whole complex apparatus of National Health Insurance would be cleared away; the Ministry of Labour would be able to concentrate its attention upon the expansion of its placement, training and rehabilitation service; the Ministry of Health would be able to concentrate upon the building of a free public medical service; the Assistance Board would be completely absorbed; the Public Assistance Committees would lose all their cash-paying functions. There would certainly be a great saving in administrative effort, and a consequent increase in administrative coherence, simplicity and efficiency.

14. Workmen's compensation should not be included in the comprehensive social security scheme, for there are real advantages to be secured from retaining the employer's financial interest in the safety of his workmen. But it would be administered by the Ministry of Social Security. Employers should be required compulsorily to insure in a State-operated scheme; the premiums would be merit-rated according to safety conditions. Claims should be settled by administrative procedure instead of by the present time-wasting and money-wasting reference to the Courts. The entire machinery of insurance against employers' liability would be removed from the sphere of profit-making. There would be no adverse interest financially opposed to the payment of each claim.

15. War pensions and personal injury allowances are not included in the comprehensive scheme, for the community's obligation to provide a proper livelihood for the war-disabled and for war widows is on rather a different plane from its obligation to the economically incapacitated. The payments should provide some-
thing more than the bare minimum for healthy existence. The administration of these payments, which is now unduly complex, should come under a special division of the Ministry of Social Security, and special attention should be paid to the needs of the war-disabled when the rehabilitation services envisaged in para. 4 are being established.

16. Finally, throughout the whole field, great importance must be attached to the staffing of the Ministry of Social Security. It is essential that the men and women at the point of contact between the Ministry and the public should be trained for social service work; otherwise the spirit of constructive welfare can never appear. It is essential also that those responsible for policy should be fully aware of the role which the social services can and should perform in developing the public welfare. Great changes are taking place in the attitude of the public to the State and to the social services; it is vitally necessary that the administration should adapt itself to these changes and develop new types of personnel to meet new requirements.
DETAILED RECOMMENDATIONS

The Social Security Scheme

I

PROVISION AGAINST UNEMPLOYMENT, SICKNESS, DISABLEMENT, WIDOWHOOD

1. The scheme protects all gainfully occupied persons and their dependants against economic insecurity arising from unemployment, sickness, disablement, widowhood. Benefits adequate for the maintenance of the citizen and his dependants must be available for the full duration of the contingency; the same rate of benefit should be paid in respect of all these contingencies. There must be no upper income limit and no test of need. All gainfully occupied persons must be included, with no "excepted" employment. Those working between 15 and 30 hours a week should be classed as part-time workers, and should receive half-benefits; shopkeepers' wives and daughters could be placed in this category. People who are working but who derive more than a certain proportion of their income from "unearned" sources (other than social security benefits) would not rank as "gainfully occupied."

2. Unemployment benefit, continuing for the whole period of genuine unemployment, should be linked with a placement, training and rehabilitation service, operated by the Ministry of Labour. This service should after a period review the industrial position and prospects of the citizen; if there was no prospect of re-employment in his original trade, the service would provide training and other rehabilitation facilities. The period before positive action of this kind was taken would depend upon the circumstances; the position of a youth of 18 or 19 in a blind-alley occupation would be reviewed in this sense almost at the outset of his unemployment, whereas that of a highly skilled worker in a cyclical industry would not be reviewed for a substantial period. Formerly self-employed persons claiming unemployment benefit would of course receive it if they were willing to co-operate with the placement service, and take other jobs if offered. Failure to co-operate with the placement and rehabilitation service would mean loss of benefit or other deterrent treatment, subject to a right of appeal (see paras. 25-6).

3. Sickness benefit should likewise continue for the whole period of unfitness for work, the distinction between sickness and disablement benefit disappearing. Here again the emphasis must be laid upon the restoration of the citizens to health. Only a free State medical service can provide sufficient services. Eligibility for benefit should depend entirely upon the opinion of the State medical service whether the citizen is fit for work. The abolition of the "panel" system and the supersession of private practice by the State medical service would remove any financial interest which doctors may now have in giving decisions unduly "favourable" to their patients; the State medical service should be able to say fairly and frankly whether a man is fit for work or not. Society would be protected against the malingerer by measures analogous to those provided for unemployment above.
4. Disabled men and women, if gainfully occupied before disablement, should receive benefit indefinitely. Blindness should not be regarded as a separate disability. Congenitally disabled and those who were disabled before they could have been gainfully occupied would be regarded as gainfully occupied for this purpose. “Percentage pensions” should be paid to those whose earning capacity is partially impaired, the pension being related to the degree of economic incapacity from which they may be expected to suffer in the occupation they are able to follow, subject to a maximum. There should be a specialized placement service for disabled persons, together with specially organized diversified workshops as necessary. Supplementation should be paid in case of need to those whose living expenses are increased on account of their disability.

5. Widows of gainfully occupied men and gainfully occupied widows should receive full benefit for as long as they have dependent children. Widows without dependent children should receive benefit for the first three months of their widowhood. At the end of that period, if they were not working, they would receive unemployment, sickness or disablement benefit as was appropriate, subject, of course, to the conditions set out in paras. 2 and 3 above. Orphans would receive a total rate of 10s. weekly.

6. The standard rate of benefit would be exclusive of rent. The total payment made would include the full rent for which the citizen was responsible, or of course the rates and the interest element of building society payments and Schedule A tax liability if the citizen was buying or had bought his house; the rent allowance would be subject to a maximum, fixed regionally. A scale would be necessary to apportion the rent paid for a dwelling in which there was more than one earner. Provision would also be necessary to prevent the exploitation of this situation by landlords. The separate allowance for rent presents some administrative difficulties, but it has the real social advantage that the citizen can feel that his rent obligations will be met, whatever the contingency, and it is in any case necessary because rents are so very diverse that it is impossible to provide a flat rate benefit including rent which is neither unjust to the worker with a high rent nor unduly wasteful of the public funds.

7. It is proposed that the standard weekly benefit, excluding rent, should be 20s. for a man, 18s. for a woman, 13s. for the wife or other adult dependant; family allowances (see para. 15, page 9) should be made up to 9s. for each child whose family is being maintained by Social Security benefits. These rates are based upon the cost of the B.M.A. diet and the Bristol Survey allowances for clothing and fuel and light, re-priced at the prices of the winter of 1941–42 (see Appendix A). The woman’s benefit is fixed below the man’s on physiological grounds.

II

PROVISION FOR OLD AGE

8. A benefit of 10s. weekly should be paid to all gainfully occupied men at the age of 65 and to gainfully occupied women at the age of 60. This would be paid as
compensation for loss of earning power with increasing years. Male pensioners still earning should have an additional 5s. weekly for non-gainfully occupied wives over 60.

9. On retirement from work at any time after the age of 65 for men or 60 for single and widowed women, a further pension of 5s. weekly plus rent would be paid, and married pensioners would then be entitled to 10s. weekly in respect of their wives. The effect of this double scheme would be that a married man of 65 or over could receive a retirement pension of 25s. weekly plus rent; a single man of 65 or over or a single or widowed woman of 60 or over could receive 15s. weekly plus rent. Gainfully occupied married women of 60 or over should receive an extra 5s. weekly when they and their husbands retire, making, for these couples, a total of 30s. These benefits may be regarded as adequate to provide reasonable maintenance, although they are below the rates for the other contingencies (see Appendix A). To encourage supplementation of these pensions by part-time work, earnings of less than 10s. weekly per head should be disregarded.

10. These benefits are confined to the gainfully occupied. In order to qualify for them, a man or woman would be required to have been eligible for social security benefits continuously for the five years preceding application for the pension. This would in effect cover everyone except those who had been living on private means or on the generosity of relatives—for example, a widow who had been widowed at the age of 50 and had no dependent children, and had then lived on private means, would not be eligible at 60 for a pension, but a similar widow who at the end of three months' widowhood (see para. 5) had been deemed incapable of work and had received full or partial disablement benefit ever since would be eligible at 60. Men receiving other benefits would pass to old age benefit at the age of 65, and single and widowed women at 60; those receiving unemployment or sickness benefit would be allowed to continue at those rates of benefit on the understanding that they were willing and able to resume work, with a reasonable prospect of obtaining employment.

11. It must be stressed that the financial possibility of providing adequate benefits depends to a very large extent upon the proportion of old people who would want to retire on pension at the stated age. Measures must be devised to induce them to remain at work as long as possible without detriment to their health. As longevity increases, the age to which people are capable of useful work should also increase. The achievement of this requires both propaganda designed to show old people that the community needs their continued work and the investigation of the practical problems of employment of old people.

12. The conditions for benefit set out in para. 10 are sufficiently clearly defined to determine in the long run whether a given person is or is not eligible for benefit. But at the date of introduction of the scheme there would clearly be considerable difficulty. People should be entitled to these benefits if they could demonstrate that they would have been eligible if the scheme had been in force when they reached pensionable age. All insured persons and all those being maintained by public and charitable funds would automatically be eligible; a series of ad hoc decisions would have to be taken about other categories of people.
13. A voluntary unsubsidized scheme for the provision of superannuation benefit over and above the statutory rate should be made available through the Post Office. The amount of additional pension that could be provided would depend on the amount of contributions and interest standing to the credit of the individual on his attaining the age of 65. It is estimated that, assuming interest at the rate of 2½ per cent, a contribution of 1s. a week paid continuously from the age of 20, or of 2s. 6d. a week from the age of 40, would purchase an annuity of 10s. a week at the age of 65. In the event of the death of the contributor before that age, the amount of the contributions and interest would be payable to his estate. A special advantage of this scheme would be that employers who desired to supplement the State pension provision could be encouraged to make contributions on behalf of their employees instead of running an individual scheme of their own. This would remove a serious obstacle to industrial mobility imposed by self-contained superannuation schemes.

III

PROVISION OF CONSTRUCTIVE ALLOWANCES

14. Allowances must also be provided for the whole population in respect of the following contingencies which involve increased expenditure: parenthood, maternity, marriage, burial.

15. *Family allowances* are now accepted as the best single means of combating a lowered standard of living due to the obligations of parenthood, and their introduction is in any case a necessary part of positive population policy. We propose that allowances should be made for each dependent child under the school-leaving age and for older children receiving full-time education, and that the allowance should increase for the third and fourth children, both in order to encourage the raising of larger families, and also because large families will contain a high proportion of older children, who are much more expensive to maintain. The family allowance should not cover the whole cost of maintaining a child, but it should make a substantial contribution. We propose allowances of 6s. weekly for each of the first two children, 7s. for the third, 8s. for the fourth and subsequent children. The 6s. allowance is roughly equivalent to that provided at the present time to all income-tax payers with an income of £4 a week or more in respect of their first child. As stated in Appendix A, para. 7 (e), if it were necessary to reduce the total cost of the scheme we should omit family allowances for the first child.

16. The allowances should be paid to the mother in cash at the Post Office. The existence of these allowances should not be allowed to check the energetic development of services to children in kind—milk in schools, school meals, etc. Income Tax assessments should be adjusted so that parents in effect receive either the family allowance or the income tax rebate, whichever is the greater. This presents certain difficulties, as the White Paper on Family Allowances points out, but it is the adjustment most likely to be generally acceptable.

17. *Maternity allowance* must be provided for all gainfully occupied women for a period of six weeks before and after childbirth; withdrawal from industry should be
compulsory for this period; the allowance would be the same as sickness benefit (see Appendix B). These payments could suitably be made dependent upon certificates proving ante and post-natal medical supervision. In addition to the weekly payment for gainfully occupied women, a lump sum of £10 should be paid to all women at childbirth for the general expenses of the new baby. The system of Home Helps should be extended as a service in kind, not only for maternity, but also for temporary sickness and disability.

18. **Marriage allowance** of £15 should be paid. Marriage is a severe strain on the resources of those in lower-income groups, and if we desire to reverse present population trends we should not only remove financial obstacles to child-bearing and child-rearing but also smooth the path towards earlier marriage as a preliminary step. This allowance would be payable throughout the entire population.

19. **Burial allowance** of £15 should be paid. This would serve the very useful purpose of countering the abuses of industrial assurance. It is at the same time necessary that strong efforts should be made to reduce the excessive level of funeral costs (see Appendix C) by control of undertakers’ prices or by municipalization. The undertaking services are bound to expand in the coming years, and it is highly desirable that the State should ensure that the community secures the fullest advantages of concentration of undertakers’ concerns over large areas and the consequent quantity production of accessories without being subjected to monopoly price policy by the undertakers’ associations. Local authorities should therefore be required to make schemes for the regulation of charges, and in default of satisfactory co-operation from private firms should be required to provide municipal burial or cremation at a standard acceptable to the local *mores* at a reasonable price.

**PROVISION FOR EMERGENCY BENEFIT**

20. Emergency benefit should be granted in cases of sudden emergency or in respect of circumstances outside the provisions of the scheme. This would cover the sort of emergencies represented by applications for P.R.D. relief in war-time; it would cover people outside the scheme, such as wives of men in prison, or widows who had lived on private means and generosity of relatives, and had lost their investments; it would cover cases in which people were unable for justifiable reasons to maintain themselves upon the basic benefits provided (e.g. disabled people with special expenses). Payment of these benefits would be made only after full investigation of financial resources and other circumstances, and it would be desirable to allow local officers a substantial degree of discretion in payment. This provides the necessary element of elasticity which must exist in any social welfare scheme.

**WORKMEN’S COMPENSATION**

21. Workmen’s compensation should not come within the comprehensive scheme. It should remain a charge on industry, but employers should be required to insure in respect of all employees in a State-operated insurance scheme. This should apply
to all employers, but industries which wish to form mutual associations for workmen’s compensation insurance, on a non-profit-making basis, should have the option of contracting out. Premiums should be merit-rated according to the safety provisions in the place of work. Workers should have full facilities to complain of deficient safety arrangements and to suggest improvements; the importance of safety prevention must be stressed throughout. The only reason for separating workmen’s compensation from other contingencies is the desirability of using the financial provisions to induce employers to improve their safety arrangements. The administration would of course work in close co-operation with the Factory Inspectorate and Mines Inspectorate.

22. All claims should be settled by a Workmen’s Compensation Commission without going before the Courts. These Commissions should be regional, with an umpire in London. We believe lump sum settlements to be undesirable, for experience shows a tremendously high proportion of failures in the one-man businesses in which these lump sums are invested. Rehabilitation and the provision of appliances would be dealt with by the services provided in accordance with para. 3. There should of course be no upper income limit for beneficiaries.

23. The Ministry of Social Security (see Section IX) would be responsible for administration; payments would be made through its offices, and in general would be equivalent to the standard social security payments.

VI

WAR PENSIONS

24. War pensions are likewise separate from the civil provisions of the scheme, for injury or loss of life in war is an altogether different type of contingency. All armed forces and civil defence pensions, including those administered by other agencies than the Ministry of Pensions, should be paid through the Ministry of Social Security, and the Ministry should take over all administration.

VII

RESIDUAL SERVICE

25. There must be a residual service for those who voluntarily place themselves outside the scope of the scheme, by failure to co-operate with the placement, training and rehabilitation service or with the medical service. Claimants who, for example, refuse to accept suitable jobs which are offered them but nevertheless require financial assistance would pass to the residual service as a result of a determination by an Adjudicating Committee, which would be similar to the existing Courts of Referees with suitable modifications. The Committee would be furnished with the fullest particulars about the claimant, and would decide whether the claimant’s objections to the job or to the rehabilitation procedure proposed were valid. Deterrent measures, where suitable, could include payment in kind, payment to another member of the household, or institutional treatment. Some elasticity would be allowed in the application of these deterrent measures.
26. Appeal machinery would be created to enable decisions of the Adjudicating Committee to be challenged at a higher level where (a) the Committee is not unanimous, or (b) the Chairman gives leave to appeal, or (c) the Ministry of Social Security wishes to get a decision on an important point of principle.

VIII

FINANCIAL PROVISIONS

27. The financial provisions of the scheme are analysed in Appendix A. Broadly, the scheme is estimated to cost something less than £600 millions a year, which, it is believed, is within the capacity of the nation’s financial resources to bear without undue strain.

28. No definite recommendations are made concerning contributions. The benefits are not linked with the payment of contributions according to an insurance principle, so that contributions in these terms become no more than a specifically allocated direct tax of a somewhat regressive kind. The financial requirements of the scheme are such that a considerable part of the cost would have to be subscribed by the wage-earners themselves, either by contributions or by direct and indirect taxation. A number of possibilities are discussed in Appendix A, but the suitability and acceptability of direct taxation of low incomes is not yet sufficiently established to enable us to state whether public opinion would prefer that method to the well-established method of weekly contributions deducted from wages. In any event, the evidence suggests that benefits are being increasingly dissociated from contributions in the public mind, especially among young men in the armed forces. No great shock would thus be felt by public opinion if the existing contributory basis was abolished overnight.

29. When the social security scheme was introduced, all existing social insurance funds would automatically pass to the Ministry of Social Security. They could be used either to provide for some of the immediate costs which would be incurred, or to contribute to the income of the Ministry. A firm resistance to increases in benefit in times of exceptional prosperity would be necessary both from the Minister and from the Chancellor of the Exchequer; it is hardly conceivable that either they or Parliament should be so ignorant of current techniques of public finance as to attempt to cut the benefits in periods of relative depression; payment of unemployment benefit at an adequate rate at such a time would of course be of positive benefit in maintaining the public purchasing power and in stimulating industrial recovery.

IX

ADMINISTRATION

30. The whole scheme should be administered by a Ministry of Social Security, under a Minister responsible to Parliament. The Ministry would be responsible for the payment of all public moneys under the scheme. It would absorb the functions of all existing public agencies in this field. The Ministry would work in close collabora-
tion with the Ministry of Labour, which would continue to be responsible for place-
ment, training and rehabilitation, though on a greatly expanded scale, with the
Ministry of Health, which would be responsible for the free public medical service,
and with the Treasury, which is responsible for public financial policy.

31. The Ministry would have regional and local offices, directly responsible to
headquarters. The community should co-operate with the work of the Ministry
through local and regional Advisory Committees. There should also be a Central
Advisory Committee with functions analogous to those performed by the Consultative
Committee of the Board of Education.

32. The Ministry should at every point in its administration consider the welfare
of citizens as a definite objective. Special welfare departments should be set up in
larger offices to handle citizens’ personal problems, to give advice, etc.

33. The Ministry would inevitably inherit its local and regional premises from
such existing institutions as the Assistance Board, Insurance Committees, etc. The
provision of adequate buildings to provide proper atmosphere and facilities should
be effected as soon as conditions permit.

34. Special attention should be paid by the Ministry to research, intelligence, and
the collection and examination of statistics in the field of the social services, both at
home and abroad. In addition to itself carrying out certain types of investigation,
the Ministry should sponsor research by independent bodies and should be receptive
to suggestions based on their findings. The Ministry must also have a comprehensive
public relations policy covering its relations with official and voluntary bodies, with
organized and unorganized groups, and with individual citizens. Public relations are
important in the social services; failure to understand this has seriously embarrassed
the Assistance Board from its inception.

35. Consequential changes resulting from the creation of the Ministry would be
the dissolution of the Assistance Board, the Approved Societies, the Insurance
Committees, the Pensions Committees, the Ministry of Pensions (which would
become a Department in the new Ministry). The Ministry of Labour would be con-
cerned with placement, training and rehabilitation only, and would cease to administer
benefits to the unemployed. Similarly the Ministry of Health would have responsibility
for the organization of health and medical services, but would no longer supervise
the payment of Sickness or Disability Benefit, nor Widows’, Orphans’ or Old Age
Pensions. These duties would be absorbed by the new Ministry, which would also
relieve the Department of Customs and Excise from responsibility for Old Age
Pensions administration. The cash-paying functions of Public Assistance Committees
would also be transferred. These bodies would in the first instance supply staff for
the new Ministry; ample numbers are available (see Appendix E).

36. In the longer view the staff engaged on the social service work of the Ministry
must have knowledge of the method and outlook of the social sciences, and understand-
ing of the role of the social services in the national life. They must also have
the personal qualities which will enable them to make satisfactory contacts with citizens coming within the sphere of the Ministry. With this end in view we propose that recruitment for the Ministry's staff shall be (1) from those with professional social service training, (2) from those wishing to transfer from other Departments for whom a scheme of in-service training should be developed, (3) from mature persons with relevant knowledge or experience who would be recruited for the higher posts (see Appendix E, paras. 4 and 5). The success of the Social Security scheme depends upon the development of positive co-operation between the Ministry and the public, and this depends very largely upon the quality of the staff, both in the field and in policy-making at headquarters.
APPENDIX A

Financial Estimates and Possibilities

1. This appendix seeks to establish, in very broad terms:—

(a) The cost of providing adequately for primary needs;

(b) The probable cost of the social security cash benefits;

(c) The relation of this cost to the national economic resources.

Many of the estimates are inevitably highly speculative, but it is nevertheless considered necessary that some attempt should be made to provide some quantitative basis for policy.

COST OF PRIMARY NEEDS

2. The B.M.A. diet for an adult male was priced at 7s. 4d. weekly by the Bristol Survey\(^1\) in May–June 1937; this result was broadly confirmed by the Crawford Food Enquiry\(^2\). The Ministry of Labour food price index increased by 22 per cent to the end of 1941. This gives a current cost of 9s. weekly for the B.M.A. adult male diet\(^3\). But the price of foods not included in the index has risen much more, and a figure of 10s. weekly is probably needed to buy a diet equivalent to the B.M.A. diet. The B.M.A. diet is considered deficient in milk, but this deficiency should be made good by social distribution.

3. Clothing, fuel, light and cleaning materials, on the Bristol Survey basis, and adjusted to the price increases given by the Ministry of Labour index, cost 8s. weekly for an adult male. A further 2s. must be added to cover miscellaneous expenses—such as newspapers, tobacco, stamps.

4. An allowance of £1 a week, excluding rent, may therefore be regarded as a reasonable minimum for an adult male. The corresponding figure for an adult female is 18s.; for a married couple 33s. The cost of maintaining a child varies according to age; it is not less than 7s. for a child under 5 and 11s. for a boy of 13. We propose to give family allowances (see p. 9, para. 15) of 6s. weekly for each of the first two children, 7s. for the third, 8s. for the fourth and subsequent. For children whose families are being maintained wholly by Social Security benefits we should make these sums up to a flat rate of 9s. per child.

5. For men of 65 and over and women of 60 and over, the minimum weekly maintenance cost, on the same basis as in paras. 2 and 3 above, is 15s. excluding rent, or 25s. for an aged couple. The figure is lower because of the old person's lower food and clothing needs. However, we propose to pay 30s. on retirement to aged couples in which both partners qualify as gainfully occupied persons, and to

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1 The Standard of Living in Bristol. University of Bristol Social Survey, 1938.
3 See page 28.
allow aged persons to rank as "retired" if their earnings are under 10s. weekly per head.

6. A "minimum standard" cannot be given for rent, for the variations are too great. The scheme provides for a special rent allowance, covering the rent for which the citizen is responsible, subject to a maximum which would be fixed regionally. For statistical purposes we assume an average of 7s. weekly for each wage and salary-earner (derived from the 1938 Ministry of Labour family budgets); 5s. rent is allowed for single aged persons, and 7s. 6d. for aged couples.

COST OF THE SOCIAL SECURITY SCHEME

7. The following table* sets out a very approximate estimate of the annual cost of the scheme:—

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment (a)</td>
<td>85</td>
</tr>
<tr>
<td>Sickness and disablement (b)</td>
<td>95</td>
</tr>
<tr>
<td>Old Age (c)</td>
<td>225</td>
</tr>
<tr>
<td>Widows and Orphans (d)</td>
<td>40</td>
</tr>
<tr>
<td>Family Allowances (e)</td>
<td>100</td>
</tr>
<tr>
<td>Miscellaneous (f)</td>
<td>25</td>
</tr>
<tr>
<td>Administration (g)</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£595 millions</strong></td>
</tr>
</tbody>
</table>

(a) Assumes 1,000,000 unemployed, or 5 per cent of occupied population, with assumptions about men's dependants as in footnote.

(b) Assumes average incapacitation of 14 working days a year—4·3 per cent for men and 5·0 per cent for women—applied over whole of occupied population. Latest figures for Department of Health for Scotland give 10·92 days per male and 12·45 per female in 1935–36, but rate is rising. This costs £80 millions. Additional allowance of £15 millions to cover those who do not appear in the census as "occupied," but who would be eligible for benefit (e.g. congenitally crippled, and those who though originally "occupied" have ceased to record themselves as such).

* Population structure extrapolated from pre-war, refers to the end of 1942, as follows:—

<table>
<thead>
<tr>
<th></th>
<th>Males (m.)</th>
<th>Females (m.)</th>
<th>Total (m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total all ages</td>
<td>22·6</td>
<td>24·4</td>
<td>47·0</td>
</tr>
<tr>
<td>Children under 16</td>
<td>5·3</td>
<td>5·2</td>
<td>10·5</td>
</tr>
<tr>
<td>Adults, 16–64</td>
<td>15·4</td>
<td>16·6</td>
<td>32·0</td>
</tr>
<tr>
<td>Aged, 65 and over</td>
<td>1·9</td>
<td>2·6</td>
<td>4·5</td>
</tr>
<tr>
<td>Occupied, 16–64</td>
<td>14·7</td>
<td>5·8</td>
<td>20·5</td>
</tr>
</tbody>
</table>

[Continued at foot of next page]
(c) Assumes 95 per cent of men of 65 and over and 85–90 per cent of single and widowed women of 60 and over eligible for benefit. Assumes 25 per cent of eligible men of 65 and over, 20 per cent of eligible women of 60–64 and 6 per cent of eligible women of 65 and over are still at work, thus only receiving 10s. weekly and not full retirement pension; this is one-half the extent to which these classes recorded themselves as "occupied" in the 1931 census.

(d) Assumes 200,000 widows under 60 with 250,000 dependent children (including orphans); their benefits would cost £15 millions. Large part of remainder aged 45–59 and would be difficult to restore to work. Assumes full benefits have to be paid to 60 per cent of them, or percentage benefits (for disablement) to a larger proportion; this gives extra cost of £25 millions.

(e) Assumes that parents receive either the family allowance or the income tax rebate, whichever is the larger. The cost is the net addition, but makes no allowance for time-lag in income tax assessment. It includes all children under 16, on the assumption that the school-leaving age should be raised to 16; if, however, it is fixed at 15, the cost is £90 millions. If the total cost of the Social Security Scheme had to be reduced we should omit family allowances for the first child.

(f) Maternity benefit for working mothers £1½ millions; maternity allowance for all mothers £7 millions; marriage allowance £4½ millions; burial allowance £9 millions; emergency benefit £3 millions.

(g) 5 per cent of estimated cost allowed for administration.

8. The total cost is therefore something less than £600 millions per annum. The most important single item in the cost is old age, and substantial reductions could be achieved if a larger proportion of the aged could be induced to work for a longer period; a great deal would depend upon the extent to which childless widows of 45–59, single and widowed women of 60–70, men of 65–70 and disabled folk generally could be brought on to an effective earning basis. Of the total cost, some 55 per cent is in respect of people who have ceased to make any positive contribution to the nation’s economic life. It is clearly necessary to reduce this proportion as far as possible.

9. These calculations do not take account of the cost of the public medical service. The excess over the present cost to the community of medical services would not be great in relation to the figures in this section. Its financing would be partly a technical problem of diverting to the State purchasing power now used for purchasing

Each occupied man has 0·6 adult dependants (aged no longer being dependent) and 0·7 children. We assume there are 0·8 million widows under 60, each with 0·3 dependent children; 0·6 million single and widowed women of 60–64; 0·8 million married women of 65 and over; 1·2 million married men of 65 and over.

Costs of (a), (b) and (d) are for men of 16–64 and women of 16–59 only; costs of these allow for supplementation of Family Allowances to bring total children’s allowances up to a flat rate of 9s. each per week.
medical services; it would partly depend on the extent of adaptation of existing private and public medical and health services (hospital, maternity and child welfare, school medical and tuberculosis services, etc.).

10. The total number of adults who would be maintained by benefit at any given time is of the order of 9,000,000, or one-quarter of the adult population.

RELATION TO NATIONAL RESOURCES

11. The proportion of the cost of cash benefits to the national income increased from 1½ per cent in 1913–14 to 5½ per cent in 1938, when it stood as follows:—

<table>
<thead>
<tr>
<th></th>
<th>Net national income £m</th>
<th>Cash benefits £m</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1938 War Finance White Paper 1942 (Cmd. 6347)</td>
<td>4,595</td>
<td>240</td>
<td>5½</td>
</tr>
</tbody>
</table>

The net national income at current prices in 1941 was estimated in the White Paper (Cmd. 6347) at £6,338 millions. If the national income can be maintained at this level in the post-war period the Social Security Scheme represents some 9½ per cent of it. Admittedly the national income in 1941 was swollen as a result of long hours of work, a very low level of unemployment, and the employment of women who would not normally seek paid work. On the other hand, productivity was reduced by war conditions, such as the blackout, air-raids, the use of less efficient labour to replace men in the army, shipping difficulties and the dislocation of international trade. We are throughout assuming that a constructive policy in other spheres will avert the recurrence of large-scale unemployment and permit technical productivity to increase rapidly once the first period of reconstruction is over. Hence it seems on the whole reasonable to relate the cost of our proposals to the 1941 level of national income; if money values change greatly either upwards or downwards we should revise the scale of our benefits, and the relationship of their total cost to the National Income would not be affected.

The following considerations should be taken into account in deciding whether it is practicable to increase in this way the percentage of the national income used for social security:—

(a) A higher level of taxation than that ruling before the war will probably be acceptable. If the State increasingly takes on the function of risk-bearing and enterprise, this removes the central long-term objection to high taxation.

(b) Substantial sums are spent in voluntary provision against contingencies against which the scheme will protect people; subscriptions of this kind were before the war equivalent to some 1½ per cent of the national income. Furthermore, considerable sums are spent in providing for relatives, who would now be looked after by the scheme.
(c) Public opinion is demanding a much greater measure of security, and this scheme is something like the minimum which can be said to represent "social security" on the cash provision side.

12. In Budgetary terms, the scheme would involve the retention of about 30 per cent of the additional taxation imposed in the war. The following table sets this out:

<table>
<thead>
<tr>
<th>Description</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net National Income (White Paper Cmd. 6347) 1938</td>
<td>4,595</td>
</tr>
<tr>
<td>1941</td>
<td>6,338</td>
</tr>
<tr>
<td>Total public revenue in 1941, including accrued taxation liabilities (a)</td>
<td>2,557</td>
</tr>
<tr>
<td>Total public revenue in 1941 at 1938 taxation level (b)</td>
<td>1,648</td>
</tr>
<tr>
<td>Estimated cost of social security scheme</td>
<td>600</td>
</tr>
<tr>
<td>Cash payments in 1938, inflated according to the increase in the national income from 1938 to 1941</td>
<td>340</td>
</tr>
<tr>
<td>Additional cost</td>
<td>260</td>
</tr>
</tbody>
</table>

(a) War Finance White Paper 1942; section E. The public revenue includes local rates and social insurance contributions, for these are equally direct and indirect taxation with the Central Government's taxation.

(b) Public revenue in 1938 was £1,194 millions or 26 per cent of net national income; 26 per cent of £6,338 millions is £1,648 millions.

Broadly speaking, rather more than one-half of the cost of the scheme would be covered by devoting the same proportion of the estimated post-war national income to social security payments as was provided in 1938; the remainder would require additional public revenue equivalent to about 30 per cent of the extra taxation imposed in 1941 compared with 1938. One cannot say at this stage how far other Governmental expenditures will require to be developed, and will need a share of the public revenue. But this scale of social security provision does not appear to be prima facie unreasonable.

CONTRIBUTIONS

13. The scheme itself does not require workers' and employers' contributions as an essential part of its administration. Eligibility for benefit would not depend upon the payment of certain numbers of contributions. In these circumstances, contributions simply represent a convenient and accepted form of taxation—the workers'
contributions are direct taxation, the employers' contributions indirect taxation. We recommend the abolition of employers' contributions. Employers so relieved will be able either to increase wages or to reduce costs and thence prices. The retention of workers' contributions inherently depends upon the extent to which direct taxation of low incomes is likely to become sufficiently acceptable to remain incorporated in the fiscal system after the war. The income tax is by far the most equitabe of all taxes, and if the wage-earners can be induced to accept it, it is by far the best way of raising the public revenue.

14. If contributions are deemed to be required, then a basic contribution of 3s. 6d. weekly for men and 2s. 6d. weekly for women, with half-rate for youths of 16 and 17 and for part-time workers and for occupied men over 65 and women over 60, would yield about £150 millions, or one-quarter of the total cost. This would likewise cover roughly one-third of the benefits which would be provided for the gainfully occupied alone—unemployment, sickness, disablement, widows' pensions and old age. This may be compared with the present workers' contribution of 1s. 10d. for men and 1s. 7d. for women. The average working-class family spends at least as much again on insurance premiums, payments to friendly societies, pension funds, etc. So this scale of contributions would be within the range of all but the poorest workers.

15. A system of graduated contributions might be substituted. Much the same result would be achieved by contributions of 4s. 6d. weekly for people with incomes above £7 a week; 3s. 6d. for people between £4 and £7; 2s. 6d. a week for people below £4; with 6d. a week less for women. The choice between these means of providing finance should be left until more experience is available of the acceptability in the long term of income tax on low incomes.

16. It is noteworthy, however, that the 1941-42 rates of income tax, applied to the gross income of people with less than £250 a year, yield something over £100 millions. Workers' contributions to social insurance yield some £55 millions. Consequently, the existing levels of taxation on low incomes, together with the existing workers' contributions, would cover about the same as the larger contribution systems set out in paras. 13 and 14. But this would provide only one-quarter of the whole cost; much of the rest would inevitably fall upon the low-income groups, either in direct or in indirect taxation.

APPENDIX B

Maternity Benefit

1. Maternity benefit under National Health Insurance introduces the "double benefit" whereby the insured married woman may get more than the insured unmarried mother, although the need of the latter may be presumed to be greater.

2. The maternity benefit is supplemented by many other payments or subsidies which local authorities are empowered to make, but these are very unequal in scope and incidence.
3. A bad feature of existing arrangements is that pregnancy as such is deemed not to be "sickness" within the meaning of the National Health Insurance Acts. Some doctors put expectant mothers "on the panel" a few weeks before confinement, but it is more or less a matter of chance unless complications exist.

4. The position is particularly bad for women normally engaged in insurable employment by firms (of which there are many) who for various reasons dismiss or suspend women known to be pregnant. Such women are frequently disallowed Unemployment Insurance Benefit because they cannot satisfy the Anomalies Regulations relating to married women on account of their condition, although not eligible for Sickness Benefit.

5. They are thus left suspended between the various social insurance schemes and unable to earn even though able to work. They are left without wages and deprived of any compensation at a time when they have to bear a heavy additional expenditure arising out of their own needs and those of the expected child.

APPENDIX C

Funeral Costs

1. The sum of £15 recommended for Burial Allowance will suffice at the prices prevailing in London in April 1942 for earth burial in a common grave, hearse, coffin, one car, and undertaker's services. At 1942 prices the average working-class expenditure on funerals is about £18.

2. Undertakers' charges are as high as this because (a) they include an element of compensation for the risk taken in paying interment fees, as insured clients do not usually have their insurance money for several weeks; (b) the prevailing prices are kept high by the needs of the small undertakers whose overhead costs are high in relation to their turnover and who are protected by the policy of the British Undertakers' Association; (c) coffins, handles, etc., are produced in small quantities instead of being made by more efficient methods on a large scale.

3. Earth burial in a common grave averages about £1 10s. in London, and the cost may include: Cost of grave, fee for grave digging, fees to clergy, fees to verger, tolling bell. There is clearly scope for full investigation here; burial fees (including those paid to the clergy) vary not only according to the size of the grave to be dug, but also according to its location.

4. Cremation costs in London vary from £3 3s. to £7 7s. and could be reduced if crematoria were used more. Apart from the initial capital cost, they can be run more cheaply than burial grounds, and can operate for increased numbers at reduced costs, whereas a cemetery actually diminishes its capital at each burial (most municipal cemeteries operate at a loss). Two medical certificates are required by law before cremation. "The alternative doctor's" certificate often costs a fee of £2 2s. (Stoke-on-Trent charges £4 4s. for all cremation services including Medical Referee.)

5. The working class insure heavily (at the expense of current consumption of food, etc.) against charges which are thus greatly in excess of actual costs of the relevant services. (See also Wilson and Levy, Burial Costs and Funeral Reform.)
APPENDIX D

Advisory Committees

1. The purpose of local Advisory Committees would be to enable senior officers of the local office of the Ministry of Social Security to keep in close touch with leaders of local public opinion, and to provide opportunity for discussion of local matters which fundamentally affect the work of the Ministry. The Committees should provide facilities for the ventilation of complaints and for transmission to the officers of comments and suggestions.

2. The Committees should have no executive powers; above all, they should never function as Case Committees. The officers of the Ministry must be responsible to the Ministry, and to no one else.

3. The Regional Advisory Committees should consist of the chairmen of the local Advisory Committees within the region, together with the senior officers from the regional office of the Ministry; their functions should be similar to those of the local Committees.

4. Members of all Advisory Committees should be paid for loss of remunerative time, and should have travelling (and, where necessary, subsistence) allowances.

5. Some members of the local and regional Advisory Committees should be nominated by the local authorities, and if Regional Councils are established, by them also.

APPENDIX E

Transfer and Training of Staff

1. It is impossible to forecast the numbers of headquarters staff which would be needed for the Ministry, but the transfer of functions from other Departments would liberate about 6,000 officials from the headquarters of these various departments. The 6,000 officials are at present employed as follows:—*

<table>
<thead>
<tr>
<th>Department</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Health Insurance Dept. (excluding inspectorate)</td>
<td>2,000</td>
</tr>
<tr>
<td>National Health Insurance Audit Dept.</td>
<td>400</td>
</tr>
<tr>
<td>Ministry of Labour Unemployment Insurance Dept.</td>
<td>60</td>
</tr>
<tr>
<td>Ministry of Labour Finance Dept.</td>
<td>300</td>
</tr>
<tr>
<td>Ministry of Labour Umpire’s Offices</td>
<td>10</td>
</tr>
<tr>
<td>Assistance Board</td>
<td>570</td>
</tr>
<tr>
<td>Ministry of Pensions</td>
<td>2,700</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,040</td>
</tr>
</tbody>
</table>

* Civil Estimates, 1942–43.
Some staff would also be available from Customs and Excise, if they were released from responsibility for administering non-contributory Old Age Pensions.

2. The following number of officials would be available for local administration:

<table>
<thead>
<tr>
<th>Assistance Board*</th>
<th>12,800</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Pensions*</td>
<td>1,000</td>
</tr>
<tr>
<td>Public Assistance</td>
<td>3,000</td>
</tr>
<tr>
<td>Ministry of Health Inspectorate*</td>
<td>800</td>
</tr>
</tbody>
</table>

17,600

There are also some 13,300 officials in the local offices of the Ministry of Labour, a substantial proportion of whom would be available for transfer, but it is difficult to estimate the number.

3. It is probable that the fusion of the cash services will lead to a substantial reduction of administrative effort and cost, especially if the Ministry adopts the most up-to-date methods of mechanized record-keeping and administration.

4. Although, as stated above, officials can be drawn from existing Departments, it must not be assumed that a staff of adequate quality can be provided by this means. A major difficulty in establishing the organization is likely to be the lack of suitably trained personnel. In the long run, the success or failure of the scheme will depend largely upon its staff, and upon the relations which they are able to establish with the public. It is therefore necessary that energetic steps should be taken both to introduce trained staff and to provide facilities for training the existing staff in social service work.

5. The staff responsible for social service work should be recruited as follows:

(a) From those with professional social service training, selected by open competitive examination plus competitive interview. Age of entry 21 to 25. This group would include:
   (i) Those whose studies were privately financed.
   (ii) Those awarded by their local education authority a "deferred bursary" adequate for full maintenance when they left school, and who had done clerical work as unestablished staff in the Ministry until they were old enough to take the course. (Social service training cannot usefully be given before the age of 19.)

(b) From established staff in this or other Departments who, wishing transfer and having suitable personal qualities for social service work, should be given post-entry training within the Ministry of Social Security.

(c) From more mature persons possessing relevant knowledge or experience, recruited for the higher posts by competitive interview. Appropriate salary scales would be offered to attract them into the public service.

* Civil Estimates, 1942-43.
<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
<th>Item</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td>1 lb.</td>
<td>Sugar</td>
<td>1 lb.</td>
</tr>
<tr>
<td>Minced meat</td>
<td>½ lb.</td>
<td>Jam</td>
<td>½ lb.</td>
</tr>
<tr>
<td>Bacon</td>
<td>½ lb.</td>
<td>Potatoes</td>
<td>5 lb.</td>
</tr>
<tr>
<td>Corned beef</td>
<td>½ lb.</td>
<td>Peas (dried)</td>
<td>½ lb.</td>
</tr>
<tr>
<td>Liver (ox)</td>
<td>¼ lb.</td>
<td>Tea</td>
<td>½ lb.</td>
</tr>
<tr>
<td>Eggs</td>
<td>2 oz.</td>
<td>Oatmeal</td>
<td>½ lb.</td>
</tr>
<tr>
<td>Cheese</td>
<td>½ lb.</td>
<td>Yeast</td>
<td></td>
</tr>
<tr>
<td>Milk</td>
<td>1½ pts.</td>
<td>Rice</td>
<td>½ lb.</td>
</tr>
<tr>
<td>Fish (cod)</td>
<td>¼ lb.</td>
<td>Syrup (treacle)</td>
<td>½ lb.</td>
</tr>
<tr>
<td>Butter</td>
<td>¼ lb.</td>
<td>Cabbage</td>
<td>1 lb.</td>
</tr>
<tr>
<td>Suet</td>
<td>1 oz.</td>
<td>Beans (butter)</td>
<td>½ lb.</td>
</tr>
<tr>
<td>Lard</td>
<td>½ lb.</td>
<td>Barley</td>
<td>½ lb.</td>
</tr>
<tr>
<td>Flour or</td>
<td>4½ lb.</td>
<td>Fresh fruit and</td>
<td></td>
</tr>
<tr>
<td>Bread</td>
<td>7½ lb.</td>
<td>green vegetables</td>
<td></td>
</tr>
</tbody>
</table>

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