

Some Socialist Points on the Beveridge Report

Time does not allow a thorough examination of the Beveridge Report in this issue, but a few preliminary remarks may be made on aspects of particular interest to Socialists.

First we may ask why all this fuss about proposals which even the *Times*—not remarkable for its generosity towards social reforms—admits are "moderate enough to disarm any charge of indulgence" (*Times*, December 2.) The spokesmen of capitalism are already preening themselves on the score that the Report shows what a generous and progressive country this is. They might pause to notice Beveridge's claim that everything he proposes could and should have been done decades ago. All that time they have been boasting of the numerous reform measures they have introduced, yet the sum total of them all is so niggardly and displeasing in the eyes of its beneficiaries, the workers, that the latter can be impressed by the seemingly important advance the Beveridge scheme represents by contrast with the evil condition of today.

Even so the scheme should be viewed in proper perspective. The *Times* reads into the Report the "confident assurance that the poor need not always be with us", but this is merely a misuse of terms, and one incidentally for which Beveridge appears not to be responsible. He talks all the time of abolishing "want", by which he avowedly means something quite different from abolishing poverty. By want he means the condition into which the workers fall when their wages stop, not the condition in which they are always because they always are carrying the capitalist class on their backs. Beveridge is quite clear about the distinction and says so. Did he not make a statement on December 1 (reported in the BBC news broadcasts but apparently not in the Press) that it had always been his view that want could be abolished within the ranks of the wage-earners without any inroads into the wealth of the rich? He is saying in effect in his Report want could be abolished without interfering with capitalism, but neither he nor the *Times* want to abolish poverty. But for the poverty of the poor there could be no riches for the rich—a state which he and they find quite acceptable.

The Report has had a good Press, and already it is claimed that the Liberals and half the Conservative Party view it with favour. A characteristic and intelligible capitalist comment was reported in the *Daily Worker* (December 3, 1942) from Captain Somerset de Chair, who is a Conservative MP. He is reported as follows:-

I welcome it as a comprehensive plan to remove insecurity without resorting to the uncertain hazards of social reconstruction, he said.

This plan promises what we young Conservatives have always Demanded—a square deal for the working man within the existing social and economic framework, instead of some utopia on the further side of an economic torrent.

The Report is mistakenly referred to as a measure of insurance for the workers against the evils of capitalism. It would be more accurate to see it as a measure of insurance for the capitalists against the (for them) desperate evil of working class discontent with capitalism. Better far to give something away in time than to risk losing all.

The Report has been criticised by the Insurance Companies whose profits would be affected by the proposal to hand over their industrial assurance work to a Government

Board. This was to be expected, but it gives rise to some interesting speculations. The Insurance Companies, with their enormous investments in all kinds of industrial and commercial enterprises, wield great influence, not excluding influence in Parliament and the Press. Fifteen or twenty years ago it was common in so-called Labour papers to see bitter attacks on the Prudential and other companies. What has happened to change all this, so that nowadays the clamour against them has almost disappeared? The *Daily Express* (November 28) has a curious little reference to this in an article on a book by the late Sir Arnold Wilson in which he attacked the insurance companies. According to the writer of the article, Sir Arnold was struck by the way in which the economists had ignored the problem presented by the "concentration of financial power in the hands of the companies. "The oracles", he found, "were strangely dumb". "He searched libraries. He found little. He consulted the experts. And chief among them was Sir William Beveridge, *who explained why the London School of Economics, on the grounds of expediency, had ignored the subject*" (*Daily Express*, November 28. Italics ours.)

Sir William is, of course, no longer with the London School of Economics, and perhaps finds his hands less tied.

In one fundamental respect, the scheme is a gamble, and Socialists can be certain that the gamble will be a losing one, for it is based on the expectation that unemployment will be less than it was before. If this optimistic assumption proves wrong, then the whole of the financial provisions are undermined and either the benefits would have to be reduced, or the high contributions raised still more or a large further deficit made up from taxation. This optimism of Sir William Beveridge is too much for the City Editor of the *Times*. He points out (December 3) that Beveridge assumes that unemployment will not exceed an average of 8 1/2 per cent of the insured workers, but

Only in one year, 1927, in the 14 years before the war was the average below 10 per cent; in 1932 it was over 22 per cent. It is right to hope . . . that unemployment can be reduced to below 8 1/2 per cent . . . But it is clear that a corollary of the social security plan must be a plan for full and efficient employment. Without it the social budget will be thrown out of gear.

The Labour Party who gaily went into office in 1929 with a pledge to deal with unemployment and a hope that things "were on the up grade" should not need to be reminded that what happened to them (unemployment soon mounting to three millions) may well happen again even in the best of all possible capitalist worlds.

The Labour Party might also like to reflect on another incident in their experience. When the crisis occurred in 1931 it was a common theme with them that capitalism was for ever bankrupt and never again could there be any question of trying to make capitalism palatable to the workers by offering social reforms. Capitalism, they said, would never again be able to afford reforms. Socialists pointed out the absurdity of this belief that capitalism, choked with its own surplus products, could not afford to surrender some of them to alleviate the workers' miseries. What have the Labour Party to say now that they are hailing the Beveridge and allowing themselves to be manoeuvred into defending his scheme?

One of the major purposes of the Report has already been served, its use as war propaganda. Both from the point of view of offering the workers at home some more or less concrete hope of benefits to come and from the point of view of offsetting Nazi propaganda for a new European Order the Report can be described as an instant success for the Government.

(December 1942)