

# Beveridge Re-Organises Poverty

This pamphlet shows that the Beveridge Plan (\*) will not end the poverty of the working-class. It is not a “new world” of hope but a redistribution of misery.

\* All references, except where otherwise stated, are to “Social Insurance and Allied Services,” Report by Sir William Beveridge. H. M. Stationary Office. Price 2s.

## SHOULD SOCIALISTS WORK FOR SOCIAL REFORM?

One of the most frequent criticisms of the Socialist Party of Great Britain is that while the policy of advocating Socialism is useful and necessary for the ultimate solution of working-class problems, it is nevertheless a short-sighted and unrealistic policy to neglect to support measures of social reform designed to improve the conditions of the workers whilst capitalism is still in existence. It is urged that a socialist party should wage a guerilla warfare with the capitalists in order to gain benefits, even if only temporary and minor, and that in doing so it would rally to the cause of Socialism many workers who otherwise would not be prepared to support an organisation which appeared to have an excellent programme for the future but not for the present.

Our reply to that criticism has been that the task of a socialist party is to establish Socialism, and that as this can only be brought about by a working population possessing an understanding of the issues involved, our propaganda at all times must be directed at spreading the essential socialist knowledge. Further we have argued that a socialist party which advocated reforms would attract non-socialist support from those interested in all or some of the reform measures, and that the non-socialist support would sooner or later (and in all probability sooner) swamp the socialist elements and the party would become just another reformist organisation with no better claim to working class support than that of the Labour Party, Independent Labour Party, Communist Party, and so on.

We have pointed to the records of these “socialist” organisations which have adopted the policy of “getting something now” to show the futility of attempting either to build up a socialist movement with a reformist programme, or even to reform out of existence some of the minor disabilities suffered by the workers under capitalism. In this latter connection it can be said that the reform measures that have been passed have generally been instituted by self-confessed capitalist organisations which have recognised the need to adjust capitalism in the light of changing conditions. The usual process has been for the so-called workers’ parties to agitate (often for a considerable period) for particular measures of social reform and then in the end, when the capitalists can no longer resist the agitation, for these (or watered-down versions of them) to be brought about by the Liberal or Conservative Governments, which have thus been able to steal the limelight which the workers’ organisations have sought to obtain, and use it to their own advantage. This in its turn has increased the confusion in the minds of the workers, who feel that there can be very little wrong with capitalism when capitalist parties themselves are prepared to adopt what have been proclaimed to be “socialist” proposals.

The deplorable conditions which necessitated the publication of Sir William Beveridge’s *Report on Social Insurance and Allied Services* are in themselves a sufficient condemnation of the policy of reformism which our opponents have so often criticised us for failing to follow. During well over 100 years of the political rule of the capitalists hundreds of reform measures have become law, and most of them were offered as means to ease the lot of the workers, lift the burden from the sons of toil, raise the dignity of labour, ensure an equal partnership between Capital and Labour, etc., etc., yet it still needs 461 Clauses on 172 closely printed pages (without regard to the Appendices), prepared by one of the most publicised capitalist economists of the day to remedy once more all those evils which, if the case for social reform holds good, have been remedied over and over again in the past. Further, let it be noted that these proposals originate not from those who claim to speak on behalf of the workers, but from a dyed-in-the-wool supporter of capitalism whose view is that there is nothing wrong with the present order of society that cannot be remedied by adjustments here and there. In an address to the Fabian Society (reported in the *Sunday Express* 22<sup>nd</sup> November, 1942) Sir William Beveridge said:

“Private enterprise at private risk is a good ship which has brought us far. It is not true that it is an anarchy; it is a system in which producers are ruled by competition. Private enterprise under competition has raised the standard of living.”

As this pamphlet will be read by workers who are well able to appreciate the effects of the good ship capitalism as far as they are concerned, it seems pointless to comment on this statement, other than to surmise that from Sir William’s eminence of £3,000 per year as Master of University College, Oxford, plus odd pickings for newspaper work, etc. (Londoner’s Diary, *Evening Standard*, 5<sup>th</sup> December, 1942), it may be difficult for him to visualise the actual conditions under which the majority of the population of this and every other country live. It may be, of course, that he *is* aware of these conditions, but prefers not to condemn a “good ship,” in which he and the other first-class passengers enjoy every comfort, just because the members of the crew are short of food and are confined to cramped and insanitary living quarters.

## WHY ALL THE FUSS ABOUT BEVERIDGE?

At first sight there seems little reason for the acclamation with which the Beveridge Report has been received. Even *The Times* (2<sup>nd</sup> December, 1942) admits that the proposals are “moderate enough to disarm any charge of indulgence.” A discerning reader of *The Times* will know that this euphemistic statement can be translated to read that the proposals from a working-class point of view are niggardly and cheeseparing, and we can only presume that it was with a sense of the utter futility of the past efforts of his and similar organisations that Mr. W. Gallacher, M.P. (Communist) can have been prompted in the House of Commons debate on the report to value so highly the few crumbs provided by Beveridge:

“The trade union movement wants the Beveridge plan, the Co-operative movement wants it, the Labour Party wants it, the Communist Party wants it, and the Liberals and a section of the Tory Party want it. It is clear that the great masses of the people, as represented by these forces, want the plan. Therefore, let the Government give a lead to the people, let them come along with a scheme in full, ready to be discussed, and accept the changes that may be necessary. Let them do that, and they will be doing something to bring out of this terrible war the hope of salvation for the future of the people of this country.” (Parliamentary Debates, 17<sup>th</sup> February, 1943.)

## WHY THE COMMITTEE WAS SET UP

The Interdepartmental Committee of which Sir William Beveridge was appointed chairman was set up on the 10<sup>th</sup> June, 1941, by the Minister without Portfolio (Rt. Hon. Arthur Greenwood, M. P., Labour Party), and thus received an advantage over its competitors, in the frenzied field of post-war planning in having obtained Governmental benediction in the first instance. It is true that later on Mr. Greenwood made it clear that any proposals made by Beveridge would have to be on his own responsibility, and that the Government could not be associated with the views and recommendations expressed. Nevertheless, at least during the period when the Report was being prepared, large numbers of workers were undoubtedly under the impression that the Government had at last taken steps to guarantee that there would be no return to the evils of pre-war days.

The terms of reference to the Committee were:

“To undertake, with special reference to the inter-relation of the schemes, a survey of the existing national schemes of social insurance and allied services, including workmen’s compensation, and to make recommendations.” (p.2.)

And Mr. Greenwood announced on the 27<sup>th</sup> January, 1942, that

“it will be within the power of the Committee to consider developments of the National Insurance Schemes in the way of adding death benefits with any other risks which are at present not covered by such schemes.” (p.2.)

This was rather a humdrum beginning for what was afterwards claimed to be “the hope of salvation for the future of the people of this country”!

Despite the prosaic nature of the instructions given to the Committee it is fair to suppose that the Government were concerned with other problems besides that of reorganising the present systems of poor relief. (We use the term “poor relief” advisedly; it conveys a much more precise meaning than the somewhat flamboyant and misleading terms “social security” and “social insurance” which have become associated with the Report. In the first place the proposals arise from the problems of one section of society only, the working-class, and are therefore not “social”; and secondly the “security” they offer is not much more than the security from utter starvation, and we are not prepared to grace this condition with the term “security” at all.) The Committee was formed and the Report published during a period which has been particularly fruitful with plans for the future. On the surface it would appear that the conditions of war are in some way conducive to a growth in public philanthropy, or, should we say, in the growth of plans for public philanthropy for operation at some future date. For the present the quibblings about an odd shilling or two on old age pensions, Service pensions, etc., continue. The rosy dawn has not yet risen!

However, we are prepared to assert that these plans have not arisen as a result of a sudden and unexpected outburst of good neighbourliness on the part of the motley crew of politicians, parsons and others who have put them forward, but in order to provide an answer to large numbers of workers, in and out of uniform, who are extremely sceptical as to the outcome of the present war as far as they themselves are concerned. These doubts in their turn tend to place a break on the workers’ productive efforts. According to a survey made by Mass Observation of a cross section of the working population it was found:

“A great many of the troubles in war production today can be traced to the pre-war insecurity of the worker, the basis of the profit-making industry in this country. The war has added the feeling of long-term insecurity, because many expect post-war depression, and many have been brought into industry to fill jobs which are due to be taken back from them after the war....” (*People in Production*, p.239, Penguin Special, 1942.)

And

“The worker’s feeling that his efforts for victory will produce conditions which are personally disadvantageous is a point of *immense* importance. National Victory = personal defeat. This feeling cannot help affecting the work incentive of those who have it.” (Ibid, p.241.)

This factor is recognised in the Beveridge Report when it says:

“There are yet others who will say that, however desirable it may appear to reconstruct social insurance or to make other plans for a better world of peace, all such concerns must now be put on one side, so that Britain may concentrate upon the urgent tasks of war. There is no need to spend words today in emphasising the urgency or the difficulty of the task that faces the British people and their Allies. Only by surviving victoriously in the present struggle can they enable freedom and happiness and kindness to survive in the world. Only by obtaining from every individual citizen *his maximum effort, concentrated upon the purposes of war, can they hope for early victory*. This does not alter three facts: that the purpose of victory is to live into a better world than the old world; *that each individual citizen is more likely to concentrate upon his war effort if he feels that his Government will be ready in time with plans for that better world*; that if these plans are to be ready in time, they must be made now.” (p. 171.) (Italics ours.)

## FEAR OF POST-WAR DISCONTENT

Apart from the desire to remove anything that may hamper the worker’s productive efforts now, there also exists in the minds of some members of the ruling class fears as to possible working-class unrest after the war. It has been asserted that the war is being fought on behalf of democracy, to remove the threat presented by Fascism to the workers’ rights to organise politically and industrially, and to defend standards of living of living which would be drastically reduced should the Axis powers triumph. For their part the Axis powers claim that in actual fact the “New Order” *they* wish to impose will provide a

higher standard of living for the workers than that possible under what they contemptuously refer to as the “effete and decaying democracies.”

It is not our purpose in this pamphlet to examine the cause of the present war, nor the issues round which it is being fought, but there is justification for the belief that after the war large numbers of workers in all countries will rapidly become disillusioned if they find that their sufferings have resulted in nothing better than the conditions which existed before. Our rulers may well hope that an odd plan or two now may not only quell present discontents, but also ward off possible dislocation in the future. At the end of the last war the Government were totally unprepared for the mass unemployment that arose. They were faced with large numbers of bitterly disappointed demobilised soldiers and munition workers who had been promised “homes fit for heroes to live in,” and the rest of the jargon, and showed signs of themselves attempting to obtain some sort of recompense for their efforts during the war.

It is worthy of note that, faced with this situation, the Government felt impelled to grant higher unemployment benefits than at any other time, at least as regards some of the unemployed. In fact the rate of 29s. per week for a single man then paid (equal to about 26s. per week today) is considerably higher than that proposed by Beveridge, i.e., 24s. per week. Fears that a similar situation, or something even worse for the Government, might occur again were expressed by Mr. Quintin Hogg, M. P. (Conservative) in the Debate on the Report. He said:

“Some of my hon. Friends seem to overlook one or two ultimate facts about social reform. The first is that if you do not give people social reform, they are going to give you social revolution....Let anyone consider the possibility of a series of dangerous industrial strikes following the present hostilities, and the effect that it would have on our industrial recovery....” (Parliamentary Debates, 17<sup>th</sup> February, 1943, Col.1818.)

In passing we would draw attention to the implications of the first part of Mr. Hogg’s remarks. It will be noticed that Mr. Hogg, in face of what he considers to be a threat of social revolution, does not, as has often been suggested to us, advocate such measures as closing down Parliament or rendering socialist organisations illegal, but hopes by offering sufficient bribes in the way of social reform to be able to keep away the evil day. It is hardly necessary to say that we do not share the view that the continued introduction of social reforms will postpone the growth of socialist ideas in the minds of the workers. Capitalism in the end will become intolerable to the working-class not because of its failure to reform itself, but because of a realisation by the workers of the immeasurable superiority of Socialism over capitalism, however much it may be reformed by the capitalists.

There is reason then to judge the proposals of Beveridge not in the light of the conditions which existed immediately before the present war, but in relation to the situation which followed the last war and which it is felt in some quarters may quite well be repeated.

## CHEAPER INSURANCE SCHEMES

Finally, the purpose underlying the promotion of the Report by the Government, apart from questions of propaganda, is to be found in a study of the manner in which schemes for poor relief have developed in this country. In the first instance, when industry was on a smaller scale, the provision of relief rested with the locality or the parish. With the growth of large undertakings centred in towns and industrial areas and with an increase in the mobility of labour, the employers sought in course of time to share out the cost of poor relief by nationally administered schemes, of which Workmens’ Compensation, compulsory health insurance, unemployment insurance, and old age pensions are examples. The relief of certain categories still, however, rested with the local authority as is the case of providing shelter, food and medical assistance for the destitute. In the words of the Report:

“In all this change and development, each problem has been dealt with separately, with little or no reference to allied problems. The first task of the Committee has been to attempt for the first time a comprehensive survey of the whole field of social insurance and allied services, to show just what provision is now made and how it is made for many different forms of need.” (p.5.)

This piecemeal growth of the various schemes has in the opinion of Beveridge and others led to an unnecessarily expensive and in some ways inefficient distribution of relief. He claims that:

“...social insurance and the allied services, as they exist today, are conducted by a complex of disconnected administrative organs, proceeding on different principles, doing invaluable service *but at a cost in money and trouble* and anomalous treatment of identical problems for which there is no justification. In a system of social security, better on the whole than can be found in almost any other country, there are serious deficiencies which call for remedy.” (p.6.) (Italics ours.)

and further that:

“...It is not open to question that, by closer co-ordination, the existing social services could be made at once more beneficial and more intelligible to those whom they serve and *more economical in their administration.*” (p.6.) (Italics ours.)

In fact, throughout the Report, Beveridge claims on behalf of his proposals that in nearly all cases they will be cheaper to administer than the present methods. Sir John Anderson, speaking on behalf of the Government in the Debate on the Report, hinted at a similar point of view when he said:

“I have no doubt that when these inquiries were instituted there was in the minds of the Government the possibility of combining the various insurance schemes and social service schemes which have grown up piecemeal into one united plan.” (16<sup>th</sup> February, 1943.)

In view of the conflicting interests amongst the employers themselves (the Insurance Companies have already said their little piece and preserved the privilege of maintaining the solvency of the burial and tombstone industries) it would be unwise to forecast that the Beveridge proposals will be adopted in their entirety. It can be said, however, that Beveridge has performed a competent piece of work for the capitalists, and that he has shown them how the complex problems of distributing the very barest necessities to the more unfortunate members of the working-class can be organised in accordance with the best modern methods of business efficiency.

## INCREASING THE WORKERS' EFFICIENCY

It is also, of course, in line with capitalist interests that a certain standard of health should be maintained in members of the working population from the point of view of preserving them as efficient producers of wealth and profits. In this direction Beveridge points out that:

“It is to the interest of employers as such that the employees should have security, should be properly maintained during the inevitable intervals of unemployment or of sickness, should have the content which helps to make them efficient producers.” (p.109.)

And Mr. Samuel Courtauld, millionaire chairman of the great rayon firm, speaking at the Manchester Rotary Club on February 18<sup>th</sup> declared himself:

“strongly in favour of the principles and almost all the proposals of the Beveridge Report.... I have not the faintest doubt that if we can survive the first severe business contraction which arises after the war, social security of this nature will be about the most profitable long-term investment the country could make. It will not undermine the moral of the nation's workers: *it will ultimately lead to a higher efficiency among them and a lowering of production costs.*” (*Manchester Guardian*, February 19<sup>th</sup>, 1943) (Italics ours.)

We have now noted the three main considerations that were responsible for the production of the Report at this particular time – the need to maintain the morale of the workers to ensure wholehearted wartime production, a hope that some sort of a scheme now will allay future discontents, and finally the necessity for changes in the organisation of poor relief to cope with the developments of capitalism itself.

It is obviously not possible within the space of a pamphlet to examine in detail all the recommendations of the Report, nor in our view would such a process serve any useful purpose at this particular time. It may be of value, however, to deal briefly with certain broad general principles, some of which are departures from previous methods, and which may quite likely be adopted by this, or some future, Government.

One of the main principles has already been referred to. That is that the scheme should be a comprehensive and unified and on a contributory basis to provide financial assistance during periods of interrupted earnings, whatever the cause of such interruption may be, whether unemployment, sickness, disablement, old age or any other reason. Further the benefits should be provided to meet the inevitable expenses incurred by birth, marriage and death. In addition Beveridge proposes that the scope of medical benefit and treatment should be enlarged to provide for all of the insured population certain additional treatment and benefit (dental, optical, etc.) at present received under National Health Insurance by the members of certain Approved Societies only. Other proposals include a system of allowances to be paid to parents with dependent children. This latter proposal, however, does not form part of the contributory scheme, but is to be in the form of direct payments from the State.

In view of the extremely favourable reception that the Report has received it should be observed that many of Beveridge's proposals are in fact already in operation for large numbers of workers, although through various and not necessarily connected agencies. Beveridge wishes to make them of universal application and to improve and economise their administration by incorporation into a single scheme.

## CONTRIBUTIONS AND BENEFITS OF THE SCHEME

Another principle adopted by Beveridge is that his scheme should be supported by a single contribution deducted from the workers' wages in the same manner as National Health Insurance and Unemployment Insurance contributions, plus appropriate contributions from the employers and the State. We should hardly deem it necessary to take note of this were it not for the somewhat fantastic reasons advanced on its behalf. The Report says that the grounds for maintaining a contributory scheme as a central feature of the Plan were:

- “(i) The insured persons themselves can pay and like to pay, and would rather pay than not do so. It is felt, and rightly felt, that contribution irrespective of means is the strongest ground for repudiating a means test.
- (ii) It is desirable to keep the Social Insurance Fund self-contained with defined responsibilities and defined sources of income. The citizens, as insured persons, should realise that they cannot get more than certain benefits for certain contributions, should have a motive to support measures for economic administration, should not be taught to regard the State as the dispenser of gifts for which no one needs to pay.
- (iii) To require contribution on an insurance document for each individual has administrative convenience, particularly for a scheme which, while it covers all citizens, takes account of their different ways of livelihood, and classifies them, giving different benefits according to their needs. Contribution provides automatically the record by which the insured person's claim to be qualified for any particular benefit can be tested.” (p.108.)

He wants the workers to bear a charge of £194,000,000 per annum (p.112) in the contributions because, firstly, they prefer to pay; secondly, so that the “citizens” should not *expect* to get something for nothing, and lastly to ensure good bookkeeping!

The part of the plan that has attracted most attention is the scale of benefits proposed. The Report says:

“The aim of the plan for Social Security is to abolish want by ensuring that every citizen willing to serve according to his powers has at all times an income sufficient to meet his responsibilities.” (p.165.)

And

“Social insurance should aim at guaranteeing the minimum income needed for subsistence.” (p.14.)

The report lays down what is considered to be the minimum income needed for subsistence. In 1938 prices it gives the following tables showing the “requirements” for adults of working age:

	Man and wife	Man	Woman
Food	13/-	7/-	6/-
Clothing	3/-	1/6	1/6
Fuel, light and sundries	4/-	2/6	2/6
Margin	2/-	1/6	1/6-
Rent	10/-	6/6	6/6
	32/-	19/-	18/-

(p.87, Table IX.)

On the assumption that the cost of living will be 25 per cent higher after the war than in 1938 Beveridge arrives at a much quoted figure of 40/- a week as the appropriate rate of benefit for a man and his wife. In this connection Sir William observes that:

“Some margin must be allowed for inefficiency in purchasing, and also for the certainty that people in receipt of the minimum income required for subsistence will in fact spend some of it on things not absolutely necessary.” (p.87.)

We seem to detect a tinge of regret at the perversity of members of the working-class who, despite their poverty-stricken condition (for which, of course, they are in no way responsible, except in so far as they do not recognise the need to change capitalism for Socialism) insist on purchasing such luxury items as tobacco, birthday presents or whatever it is Beveridge considers not absolutely necessary for a worker. At any rate Sir William’s calculations benefit to the extent that this unavoidable margin of 2/- per week has enabled him to arrive at the good round sum of 40/- per week, the news of which has circled the globe.

Thus 40/- per week is the central feature of “the hope and salvation for the future of the people of this country.” Yes, we are aware that this is more than the present or pre-war scale of benefits, but we are told to look forward to the new world – the bad old days have gone for ever, and this is probably the best our employers have to offer us (it is fairly safe to say too that it will be whittled down after receiving attention from Government experts). We earnestly ask workers to consider whether a system that can offer nothing better than this miserable pittance in times of ill health and unemployment should not be changed without further delay.

A feature of the plan which deserved passing attention is that the scheme embraces “all citizens without upper income limit” (p.9) including “persons of private means” (p.127), though such persons are excluded from participating in unemployment and disability benefit (p.10). However, as Beveridge proposes to make “unemployment benefit after a certain period conditional upon attendance at a work or training centre...” (p.163) on the grounds that for more than short periods “complete idleness even on an income demoralises,” we do not think the capitalists, most of whom have lived lives of complete idleness on an income ever since they were born (and are presumably “demoralised”) will be unduly concerned at being excluded. Other benefits will, however, be available for the rich, and we look forward to the day when members of the Peerage, exercising their right to free medical attendance, will sit on the bench in the Panel doctor’s waiting room side by side with their gardeners and flunkys!

## CHEESEPARING ADMINISTRATION

In general a perusal of the Report gives the impression that Beveridge has gone through the administration of poor relief with a fine-tooth comb to remove the possibility that anyone seeking relief shall obtain at any time in his or her life more than a minimum needed for a very bare subsistence, and that this relief shall only be available where it can be shown that it is impossible for the applicants to work in the usual way.

He criticises the payment of permanent pensions to widows who in his view could, and should, work (p.64). He refers to the scandal of married women (prior to the Anomalies Act, 1931) drawing Unemployment Benefit when they were in no real sense in search of employment (p.51). He claims that it should not be assumed that blind persons are past work and that they should not receive an

allowance in a form that discourages earning (p.68). He examines the practice of settling Workmen's Compensation claims by the payment of lump sums, and asserts that this method is "socially wasteful" (p.38), presumably on the grounds that a worker in receipt of a lump sum will in all probability spend it quickly and then again be dependent on poor relief of one form or another to enable him to live, thus making the capitalists pay twice over for his maintenance. He favours the abolition of the method whereby National Health Insurance is administered by Approved Societies for the reason, among others, that in some cases members receive too little in the way of additional benefits, and in others they receive too much (p.28). He accepts burial insurance as an inevitable charge on wages, but claims that not only is the cost of the system too high as at present operated by the Insurance Companies, but that often workers insure beyond the actual necessities of a mere burial, and take advantage of the death of a relative to purchase a new suit of clothes or go for a jaunt (p.271). He notes the rise in the age level of the working-class due to the decline in the birth rate, and proposes that old age pensions should be designed with a view to encouraging

"...every person who can go on working after reaching pensionable age, to go on working and postpone retirement and the claiming of pension." (p.96.)

He further asserts that:

"It is dangerous to be in any way lavish to old age, until adequate provision has been assured for all other vital needs, such as the prevention of disease and the adequate nutrition of the young." (p.42.)

And in this statement gives a fair indication of his whole approach to the question of poor relief. His aim is to maintain a sufficiently healthy and efficient working population, and when age prevents further work his concern diminishes.

## HOW MUCH UNEMPLOYMENT AFTER THE WAR?

The whole scheme is drawn up on the assumption that unemployment will not exceed 1,500,000. There seems to be no justification for this assumption, and should the expectation be unrealised, as undoubtedly it will, the whole of the financial provisions will have to be recast and either the benefits reduced or the contributions substantially increased. The Government might quite well have expected Beveridge to have produced some magic formula for the permanent reduction of unemployment in view of the expectations of his Report, but according to Beveridge:

"I simply will not believe it is impossible to abolish mass unemployment, but I do not know now how it is to be done, and I do not know whether anybody else knows." (At a meeting in Oxford Town Hall reported in *The Times* of 7<sup>th</sup> December, 1942.)

## WILL THE WORKERS BENEFIT?

We may ask: "Would the Beveridge proposals on the whole benefit the working-class?" Against the gains of improved rates of benefit, extended medical aid and the like, must first of all be set the increased contributions. Most male workers would pay 4/3 a week (p.112), which has to be set against the fact that large numbers of workers already pay fairly substantial weekly sums in insurance premiums, sick club and hospital association contributions, etc., a large part of which, it is claimed, could be obviated by the Beveridge proposals. On the debit side must also be placed such items as the abolition of permanent and unqualified pensions for widows and the blind, and the niggardly treatment of the aged generally (the payment of full pensions being postponed until 20 years after the introduction of the scheme). Again, Beveridge attempts the wholesale tightening up of methods of distributing relief in order to seal off any loopholes whereby workers may gather some small benefits owing to the disconnected development of the present systems. It is well to bear in mind that the Report proposes that the Government should supervise very closely the activities of unemployed workers. Apart from imposing obligatory attendance at a work or training centre after a certain period of unemployment (p.128), it also states:

“Men and women in receipt of unemployment benefit cannot be allowed to hold out indefinitely for work of the type to which they are used or in their present places of residence, if there is work which they could do available at the standard rate for that work.” (p.58.)

It is not possible to assess financially the adverse results of this latest proposal, but it is not difficult to imagine the hardships involved should such a scheme ever be put into operation. The introduction of Family Allowances is also not a straightforward proposal. While they would give temporary advantages to a small section of the workers, these gains would be swamped by the general lowering of wage standards which would result therefrom. (This is fully dealt with in *Family Allowances: A Socialist Analysis*, SPGB.)

The attitude of Beveridge himself probably provides the best key to the solution of the problem. He has never been concerned with abolishing the gulf which separates riches and poverty, but with devising ways and means to ensure that the amount received by the amount received by the workers in wages should be distributed in the best manner from the point of view of efficiency. In the Report itself he says:

“Want could have been abolished before the present war by a redistribution of income within the wage-earning classes, without touching any of the wealthier classes.” (p.165.)

We feel justified in stating that “Beveridge Re-Organises poverty.”

## SOCIALISM OR THE BEVERIDGE PLAN?

Whatever other results may accrue, the publication of the Report has provided a first-class political diversion and a red herring to draw across the trail of Socialism. Beveridge has provided sufficient ammunition for a generation of reformers to wage wordy battle over what, in the net result, are minor and unimportant adjustments in the poverty of the working population. Critics of the S. P. G. B. are already telling us that here at last is something concrete that is worthy of the efforts of socialists and that the workers should get together in order to force the Government to put into effect all or some of the recommendations. We remain unimpressed. The great problem stays even if every dot and comma of the Report is put into operation. That problem is the outstanding social problem of the age – the poverty of the working-class, and not just the additional burdens in time of unemployment, old age and sickness, burdens which incidentally Beveridge does little to lift. The poverty of the working-class is due to the private ownership by the capitalists of the means of production and distribution. Socialism alone can end that poverty. We shall not be diverted from our task in order to chase the shadows, but we shall continue to strive for the substance, Socialism, which will abolish for ever the conditions which bring into being the evils of the modern world.

The Beveridge proposals will not solve the poverty problem of the working-class. They will level the workers' position as a whole, reducing the more favourably placed to a lower level and putting the worst placed on a less evil level. This is not a “new world” of hope, but a re-distribution of misery.