

FEATURES OF THE BEVERIDGE PLAN

(Extract from article in the *RETAIL CHEMIST*, March number, by A. W. Madsen; reprinted with acknowledgments.)

THE PERSONAL and employers' contributions that the Beveridge plan would exact through the card-stamping administration would provide but a fraction of the revenue required to pay the whole cost. The rest would come from general taxation, and if that is to mean a further turn to the screw of taxes as now levied we will get more obstructions to production and trade and therefore more depression and unemployment than the dispensation of the ill-gotten State funds could hope to ameliorate. It would be lunatic, for example, to tax windows and use the revenue to provide a "candles and kerosene" benefit, just as it is absurd to try to solve the housing problem with housing subsidies derived from the taxation of houses and of all building operations, which is the present rating system. So in the larger sphere, instead of seeking the causes of poverty and unemployment and discovering why hard times hit so terribly those who have to earn their living while others continue to seem prosperous enough, we collect and spend, or we borrow, huge sums in the hope of subsidizing wages. *We do so, never stopping to think that the manner in which we get the money to pay out again may be responsible for the distress we are trying to combat*—the tariffs, the petrol tax, the purchase tax, the local rates on houses and shops, etc., all of them raising prices, all of them penalizing trade and hampering production; and meanwhile the steady rise in rents and prices of land goes on for the benefit of those who hold the keys to every working man's and business man's opportunity to gain a livelihood.

It is well enough to picture how generous and how discriminating the "State" could be as a welfare institution if it had command of adequate revenues for the purpose. Too many have displayed the Beveridge plan in that expansive light as if the money was about to drop from the sky, or they talk like the would-be philanthropist imagining the wonderful good he would do if a fortune befell him. The consideration wholly lacking or about which little has been said in the publicity given to the Beveridge Report, and in the praises bestowed on its intentions, is that it is first and foremost a plan for new and increased taxation, since until the revenue is collected the proposed benefits cannot be distributed. The question how the revenue should be raised is of primary and paramount importance, but the plan does not discuss it. We are fobbed off with irrelevant suggestions that "we" can afford it and that "our" national income is so-and-so many multiples of the proposed extra "charge on the Exchequer." This "we" is a deceptive and question-begging term, rendering any rational economic examination impossible. The community cannot tax itself as a whole any more than it can subsidize itself as a whole. The imposition of taxation falls on certain members of the community in certain ways, according to certain standards or in

respect of certain acts or possessions. The system of taxation we suffer from to-day has already been criticized, and it is to the taxpayers under that system that the question should be addressed, whether they can meet the demands that would be made of them, whether their businesses or households could sustain further burdens heaped particularly on them.

The Beveridge plan is, secondly, a plan for a redivision of such wealth as exists by the arbitrary establishment of a "right" on the part of people with smaller incomes to take perforce (with the aid of the State) some part of the incomes of those who have more. Sir William Beveridge implicitly drives it to the point of saying, e.g., that the working man who has a wage of £5 a week (or the shopkeeper who earns that amount of income) has no "right" to the whole of it, so long as there are others who have only £3 a week in earnings; and the former must be compelled by tax adjustments and a sort of haphazard pooling scheme to hand over a portion of their weekly or yearly earnings to the latter. The intention of the plan is that the most needy will be able "as of right" to take out of the pool, in grants and benefits and allowances, more than they put into it in contributions and taxes; and what they will gain in this way will be just enough to provide them with bare subsistence, earning or not earning. The plan is a surrender to the defeatist view that the maldistribution of wealth must be taken for granted and that nothing may be done about it except to provide its victims with what is virtually public charity, continuing and extending the poor law, which began in the days of Queen Elizabeth. Relief was rendered necessary by the poverty-creating enclosures that transformed a landholding peasantry into landless labourers. Since then the rent of land, with the growth of hamlets into towns and villages into cities, has gone in ever-increasing measure into private pockets. The State and the municipalities, deprived of this public revenue, have had to resort to all those imposts on labour and on capital to which reference has been made. These taxes not only take from the individual the earnings that rightfully belong to him, but they are the bulwark behind which the land monopoly is enabled to flourish and collect, for the mere permission to use the earth, very much of the fruits of productive enterprise. It is upon this unnatural institution that the mind of the public should be directed—upon the ending of this privilege that takes ransom and restricts the production of wealth, upon the obtainment of revenues from land values as the means; whereas the Beveridge plan, keeping the urban and rural land question out of sight as of no account, turns attention upon treatment of the effects with expedients that are as certain to prove futile as they are likely to aggravate the present social inequalities. It is a savage reflection on our civilization with its vast potentialities and wealth-producing powers by which all might have abundance that even a bare subsistence living is absent in so many homes, that amongst us a large

section of the population is in such destitution that the annual expenditure of hundreds of millions of pounds would be required to lift them just to that level where they would have no more than a starvation diet.

NOTES AND NEWS

THREE DAYS of debate in the House of Commons, 16th to 18th February, were devoted to Sir William Beveridge's Report on Social Insurance and Allied Services, on a motion welcoming the report "as a comprehensive review of the present provisions in this sphere and as a valuable aid in determining the lines on which developments and legislation should be pursued." The Government spokesmen, Sir John Anderson and Sir Kingsley Wood and on the third day, Mr Herbert Morrison, indicated that the Government accepted a number of the proposals though not without modifications of them, that they would make the necessary administrative preparations and report conclusions to the House, and that it was necessary to take into consideration the finances involved not only in the proposals themselves but also in their relation to other claims and to the general financial situation. With these declarations the majority of the Labour party were not content. An amendment was pressed to a division expressing dissatisfaction and urging the reconsideration of the Government policy with a view to the early implementation of the plan. The amendment was defeated by 335 votes to 119, the latter including 98 Labour members, some Liberals and some Independents. Labour cabinet and junior ministers voted against the amendment and some Labour members abstained.

As soon as the possibility of a sane social order is mooted, some one writes to the papers to point out that if the wealth of Mr Rockefeller were divided among the people of the United States it would only mean one dollar and thirty cents a head; or that if all the property in the world were equally divided on Monday, there would be rich men and poor men on Tuesday, and on Wednesday millionaires and beggars. Who doubts it? And who talks of such divisions? The true question is: What population can this globe of ours sustain in health, in comfort, in seamliness, in dignity, in beauty, even (on fitting occasions) in splendour and magnificence? How can the planetary resources be developed and distributed so that the highest quality of life may be attained that is compatible with the finest quality of which each individual is capable?—From *The Great Analysis* (Anon), published in 1912 by Messrs Methuen.

(Last month we gave a larger extract from this book. Professor Gilbert Murray, who wrote a preface to it, informs us that the author was William Archer.)

F. A., Penistone, following a letter that we had taken the right line in our criticism of the Beveridge proposals, ordered 100 copies of the leaflet *The Background of the Beveridge Report* and later a further 100 copies which he has effectively distributed.