

SOCIAL INSURANCE AND ALLIED SERVICES

REPORT BY SIR WILLIAM BEVERIDGE

3. ... 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. The results of this survey are set out in Appendix B describing social insurance and the allied services as they exist today in Britain. The picture presented is impressive in two ways. First, it shows that provision for most of the many varieties of need through interruption of earnings and other causes that may arise in modern industrial communities has already been made in Britain on a scale not surpassed and hardly rivalled in any other country of the world. In one respect only of the first importance, namely limitation of medical service, both in the range of treatment which is provided as of right and in respect of the classes of persons for whom it is provided, does Britain's achievement fall seriously short of what has been accomplished elsewhere; it falls short also in its provision for cash benefit for maternity and funerals and through the defects of its system for workmen's compensation. In all other fields British provision for security, in adequacy of amount and in comprehensiveness, will stand comparison with that of any other country; few countries will stand comparison with Britain. Second, 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.

4. Thus limitation of compulsory insurance to persons under contract of service and below a certain remuneration if engaged on non-manual work is a serious gap. Many persons working on their own account are poorer and more in need of State insurance than employees; the remuneration limit for non-manual employees is arbitrary and takes no account of family responsibility. There is, again, no real difference between the income needs of persons who are sick and those who are unemployed, but they get different rates of benefit involving different contribution conditions and with meaningless distinctions between persons of different ages. An adult insured man with a wife and two children receives 38/- per week should he become unemployed; if after some weeks of unemployment he becomes sick and not available for work, his insurance income falls to 18/-. On the other hand a youth of 17 obtains 9/- when he is unemployed, but should he become sick his insurance income rises to 12/- per week. There are, to take another example, three different means tests for non-contributory pensions, for supplementary pensions and for public assistance, with a fourth test—for unemployment assistance—differing from that for supplementary pensions in some particulars.

5. Many other such examples could be given; they are the natural result of the way in which social security has grown in Britain. 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.

THREE GUIDING PRINCIPLES OF RECOMMENDATIONS

6. In proceeding from this first comprehensive survey of social insurance to the next task—of making recommendations—three guiding principles may be laid down at the outset.

7. The first principle is that any proposals for the future, while they should use to the full the experience gathered in the past, should not be restricted by consideration of sectional interests established in the obtaining of that experience. Now, when the war is abolishing landmarks of every kind, is the opportunity for using experience in a clear field. A revolutionary moment in the world's history is a time for revolutions, not for patching.

8. The second principle is that organisation of social insurance should be treated as one part only of a comprehensive policy of social progress.

Social insurance fully developed may provide income security ; it is an attack upon Want. But Want is one only of five giants on the road of reconstruction and in some ways the easiest to attack. The others are Disease, Ignorance, Squalor and Idleness.

9. The third principle is that social security must be achieved by co-operation between the State and the individual. The State should offer security for service and contribution. The State in organising security should not stifle incentive, opportunity, responsibility ; in establishing a national minimum, it should leave room and encouragement for voluntary action by each individual to provide more than that minimum for himself and his family.

10. The Plan for Social Security set out in this Report is built upon these principles. It uses experience but is not tied by experience. It is put forward as a limited contribution to a wider social policy, though as something that could be achieved now without waiting for the whole of that policy. It is, first and foremost, a plan of insurance—of giving in return for contributions benefits up to subsistence level, as of right and without means test, so that individuals may build freely upon it.

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19. (ii) In relation to social security the population falls into four main classes of working age and two others below and above working age respectively, as follows :

- I. Employees, that is, persons whose normal occupation is employment under contract of service.
- II. Others gainfully occupied, including employers, traders and independent workers of all kinds.
- III. Housewives, that is married women of working age.
- IV. Others of working age not gainfully occupied.
- V. Below working age.
- VI. Retired above working age.

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THE NATURE OF SOCIAL INSURANCE

20. Under the scheme of social insurance, which forms the main feature of this plan, every citizen of working age will contribute in his appropriate class according to the security that he needs, or as a married woman will have contributions made by the husband. Each will be covered for all his needs by a single weekly contribution on one insurance document. All the principal cash payments—for unemployment, disability and retirement will continue so long as the need lasts, without means test, and will be paid from a Social Insurance Fund built up by contributions from the insured persons, from their employers, if any, and from the State. This is in accord with two views as to the lines on which the problem of income maintenance should be approached.

21. The first view is that benefit in return for contributions, rather than free allowances from the State, is what the people of Britain desire. This desire is shown both by the established popularity of compulsory insurance, and by the phenomenal growth of voluntary insurance against sickness, against death and for endowment, and most recently for hospital treatment. It is shown in another way by the strength of popular objection to any kind of means test. This objection springs not so much from a desire to get everything for nothing, as from resentment at a provision which appears to penalise what people have come to regard as the duty and pleasure of thrift, of putting pennies away for a rainy day. Management of one's income is an essential element of a citizen's freedom. Payment of a substantial part of the cost of benefit as a contribution irrespective of the means of the contributor is the firm basis of a claim to benefit irrespective of means.

22. The second view is that whatever money is required for provision of insurance benefits, so long as they are needed, should come from a Fund to which the recipients have contributed and to which they may be required to make larger contributions if the Fund proves inadequate. The plan adopted since 1930 in regard to prolonged unemployment and sometimes suggested for prolonged disability, that the State should take this burden off insurance, in order to keep the contribution down, is wrong in principle. The insured persons should not feel that income for idleness, however caused, can come from a bottomless purse. The Government should not feel that by paying doles it can avoid the major responsibility of seeing that unemployment and disease are reduced to the minimum. The place for direct expenditure and

organisation by the State is in maintaining employment of the labour and other productive resources of the country, and in preventing and combating disease, not in patching an incomplete scheme of insurance.

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26. There is here an issue of principle and practice on which strong arguments can be advanced on each side by reasonable men. But the general tendency of public opinion seems clear. After trial of a different principle, it has been found to accord best with the sentiments of the British people that in insurance organised by the community by use of compulsory powers each individual should stand in on the same terms; none should claim to pay less because he is healthier or has more regular employment. In accord with that view, the proposals of the Report mark another step forward to the development of State insurance as a new type of human institution, differing both from the former methods of preventing or alleviating distress and from voluntary insurance. The term "social insurance" to describe this institution implies both that it is compulsory and that men stand together with their fellows. The term implies a pooling of risks except so far as separation of risks serves a social purpose. There may be reasons of social policy for adjusting premiums to risks, in order to give a stimulus for avoidance of danger, as in the case of industrial accident and disease. There is no longer an admitted claim of the individual citizen to share in national insurance and yet to stand outside it, keeping the advantage of his individual lower risk whether of unemployment or of disease or accident.

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In discussion and in examination of witnesses the Committee has functioned as a Committee. Through their representatives and otherwise the various Departments have been able to express views on questions arising in the course of the enquiry, but they have done so, if at all, without associating themselves or any Minister or the Government in any way whatever with anything that is written here. For every recommendation and every word in the Report and in Appendices D, E and F the Chairman alone is responsible. The Report stands or falls on its merits and its argument, with no authority behind it except that of a sincere attempt, with expert guidance from the departments and after consideration of views presented by interested bodies, to understand the innumerable problems of social security, to balance arguments and equities, to compare desires and resources, and to devise methods of making all the immense good that has been accomplished into something better still.

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PART IV

THE SOCIAL SECURITY BUDGET

265. The Plan for Social Security proposed in this Report is first and foremost a plan of how social insurance should be organised, with national assistance and voluntary insurance as subsidiary methods, for maintenance of income. The method of organisation is independent of the precise amounts to be given each week as benefit or pension.

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267. In addition to social insurance, the Plan for Social Security involves provision of other services which must be taken into account in framing a Social Security Budget. One of these services is national assistance, which will be administered by the Ministry of Social Security, but will be financed separately from the insurance scheme. Under the arrangements for transition the scope of national assistance, though smaller than that of assistance by the State and by Local Authorities at present, will be substantial at the outset of the scheme. It will diminish continuously, as the rate of contributory pension rises and fresh classes of contributors qualify for pensions. More important than national assistance as permanent elements in the Security Budget are the assumptions A and B of the plan. The plan assumes, first, a general system of children's allowances, sufficient to meet the subsistence needs of all dependent children when the responsible parent is in receipt of any insurance benefit or pension, and of all such children except one in other cases; the allowance required for this purpose in addition to existing provision in kind, is taken as 8/- a week on an average of children of all ages. The plan assumes, second, the establishment of comprehensive health and rehabilitation services providing treatment for all citizens without a charge on treatment. Expenditure in realising these two assumptions falls appropriately in the

Security Budget. Assumption C of the plan, namely maintenance of employment, is a matter not so much of expenditure as of organisation. In any case any expenditure involved in it does not fall into the Security Budget.

TAXATION AND CONTRIBUTIONS

272. Before considering these sources, it will be convenient to state briefly the meaning attached here to the terms used in describing them. The distinction between taxation and insurance contribution is that taxation is or should be related to assumed capacity to pay rather than to the value of what the payer may expect to receive, while insurance contributions are or should be related to the value of the benefits and not to capacity to pay. Within insurance a further distinction may be drawn between voluntary and compulsory insurance. In voluntary insurance, the contribution is a premium which must be adjusted to some extent to the degree of risk; persons with low risks must be allowed to pay less for the same rate of benefit than those with high risks; otherwise they will not insure. In compulsory insurance, the contribution may vary with the risk but need not do so; the considerations relevant to this question are discussed in paras. 86-87. For the present purpose, of considering the three possible sources of security finance, the question of adjustment of contributions to risk in compulsory insurance is secondary. The main issue lies between taxation and insurance contribution. Taxation implies regard to means; an insurance contribution for the same benefit, whether or not it varies with the risk, should not vary with the means of the person who pays it.

273. Whatever monies are obtained under the second and third heads, from insured persons as contributors and from their employers as employers, it is certain that the National Exchequer, that is to say the citizen as tax-payer, must continue to meet a substantial part of the total expenditure shown in Table XII. Indeed, the suggestion is made sometimes that social security should be financed only by taxation. The suggestion is put, or can be put, in two alternative forms. One is that social security should be financed wholly from general taxation, that is, should become completely and formally non-contributory. The other is that social security should be financed by particular taxes assigned to this purpose. This suggestion, in either of its forms, breaks with the contributory principle and logically, as is seen by some of its advocates involves dropping the term "insurance." The advantages that can be claimed for the second form of this suggestion over the first form is that it maintains some connection between paying and receiving, and may make it possible to widen the basis of taxation. It might, for instance, appear easier to reconcile wage-earners to income-tax, if the proceeds were earmarked for some purpose in which wage-earners had a personal interest, just as at one time a tax on petrol was introduced specifically to improve roads for the users of vehicles driven by petrol. But the arguments against assignment of taxes to particular purposes are strong; assignment is a method rightly unpopular with those who have responsibility for framing the general budget and it is difficult to believe that it could prudently be applied to any part of a tax so fundamental as income-tax. Moreover, as the experience of the Road Fund shows, there is no assurance that the earmarking of a tax to its original purposes will be respected. But it is unnecessary here to discuss the relative advantages or disadvantages of the two forms of the suggestion to abandon insurance contribution entirely in favour of taxation according to capacity. From the point of view adopted in this Report and advocated by the great majority of the organisations and persons who gave evidence to the Committee, the suggestion involves a departure from existing practice, for which there is neither need nor justification and which conflicts with the wishes and feelings of the British democracy. The scheme of social insurance which forms the centre of the Plan for Social Security is based on maintenance of the contributory principle, that is to say, of the principle that a material part of the total cost of maintaining income under the plan shall be met from monies contributed by citizens as insured persons, on the basis of each individual paying the same contribution for the same rate of benefit. Contribution means that in their capacity as possible recipients of benefit the poorer man and the richer man are treated alike. Taxation means that the richer man, because of his capacity to pay, pays more for the general purposes of the community. These general purposes may, and in practice they must, include bearing a part of the cost of social security; if security is to be based on the contributory principle, they cannot include bearing the whole cost.

274. The contributory principle was emphasised or accepted by all the organisations most widely representative of insured persons in Britain—notably the National Conference of Friendly Societies and the Trades Union

Congress General Council. It is maintained as a central feature of the Plan for Social Security on grounds according with this expression of views. These grounds may be summarised under three heads :—

- (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.

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PART V

PLAN FOR SOCIAL SECURITY

ASSUMPTIONS, METHODS AND PRINCIPLES

300. *Scope of Social Security* : The term " social security " is used here to denote the securing of an income to take the place of earnings when they are interrupted by unemployment, sickness or accident, to provide for retirement through age, to provide against loss of support by the death of another person, and to meet exceptional expenditures, such as those connected with birth, death and marriage. Primarily social security means security of income up to a minimum, but the provision of an income should be associated with treatment designed to bring the interruption of earnings to an end as soon as possible.

301. *Three Assumptions* : No satisfactory scheme of social security can be devised except on the following assumptions :—

- (A) Children's allowances for children up to the age of 15 or if in full-time education up to the age of 16 ;
- (B) Comprehensive health and re-habilitation services for prevention and cure of disease and restoration of capacity for work, available to all members of the community ;
- (C) Maintenance of employment, that is to say avoidance of mass unemployment.

The grounds for making these three assumptions, the methods of satisfying them and their relation to the social security scheme are discussed in Part VI.

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PART VI

SOCIAL SECURITY AND SOCIAL POLICY

409. Social security as used in this Report means assurance of a certain income. The Plan for Social Security set out in the Report is a plan to win freedom from want by maintaining incomes. But sufficiency of income is not sufficient in itself. Freedom from want is only one of the essential freedoms of mankind. Any Plan for Social Security in the narrow sense assumes a concerted social policy in many fields, most of which it would be inappropriate to discuss in this Report. The plan proposed here involves three particular assumptions so closely related to it that brief discussion is essential for understanding of the plan itself. These are the assumptions of children's allowances, of comprehensive health and rehabilitation services, and of maintenance of employment. After these three assumptions have been examined, general questions are raised as to the practicability of taking freedom from want as an immediate post-war aim and as to the desirability of planning reconstruction of the social services even in war.

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ASSUMPTION B. COMPREHENSIVE HEALTH AND REHABILITATION SERVICES

426. The second of the three assumptions has two sides to it. It covers a national health service for prevention and for cure of disease and disability by medical treatment ; it covers rehabilitation and fitting for employment by treatment which will be both medical and post-medical. Administratively, realisation of Assumption B on its two sides involves action both by the departments concerned with health and by the Ministry of Labour and National Service. Exactly where the line should be drawn between the responsibilities of these Departments cannot, and need not, be settled now. For the purpose of the present Report, the two sides are combined under one head, avoiding the need to distinguish accurately at this stage between medical and post-medical work. The case for regarding Assumption B as necessary for a satisfactory system of social security needs little emphasis. It is a logical corollary to the payment of high benefits in disability that determined efforts should be made by the State to reduce the number of cases for which benefit is needed. It is a logical corollary to the receipt of high benefits in disability that the individual should recognise the duty to be well and to co-operate in all steps which may lead to diagnosis of disease in early stages when it can be prevented. Disease and accidents must be paid for in any case, in lessened power of production and in idleness, if not directly by insurance benefits. One of the reasons why it is preferable to pay for disease and accident openly and directly in the form of insurance benefits, rather than indirectly, is that this emphasises the cost and should give a stimulus to prevention. As to the methods of realising Assumption B, the main problems naturally arise under the first head of medical treatment. Rehabilitation is a new field of remedial activity with great possibilities, but requiring expenditure of a different order of magnitude from that involved in the medical treatment of the nation.

427. The first part of Assumption B is that a comprehensive national health service will ensure that for every citizen there is available whatever medical treatment he requires, in whatever form he requires it, domiciliary or institutional, general, specialist or consultant, and will ensure also the provision of dental, ophthalmic and surgical appliances, nursing and midwifery and rehabilitation after accidents. Whether or not payment towards the cost of the health service is included in the social insurance contribution, the service itself should

- (i) be organised, not by the Ministry concerned with social insurance, but by Departments responsible for the health of the people and for positive and preventive as well as curative measures ;
- (ii) be provided where needed without contribution conditions in any individual case.

Restoration of a sick person to health is a duty of the State and the sick person, prior to any other consideration. The assumption made here is in accord with the definition of the objects of medical service as proposed in the Draft Interim Report of the Medical Planning Commission of the British Medical Association .

- “ (a) to provide a system of medical service directed towards the achievement of positive health, of the prevention of disease, and the relief of sickness ;
- (b) to render available to every individual all necessary medical services, both general and specialist, and both domiciliary and institutional.”

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430. Domiciliary treatment is now paid for by persons subject to health insurance, for themselves by compulsory contributions, for dependants either by a charge for treatment when it is given or more rarely by voluntary contribution through associations for public medical service. There is no obvious reason, apart from a desire to keep the insurance contribution as low as possible, why insured persons should be relieved of this burden wholly, in order that they may bear it as tax-payers. If importance attaches to preserving the contributory principle for cash benefit, it attaches also to contribution for medical treatment. There appears to be a case for including part of the cost of domiciliary treatment in the insurance contribution. This means that a proportion of the receipts of the Social Insurance Fund would be paid by the Fund to the health departments as a grant towards the cost of the medical service. The administration of this money would rest with the health departments.

431. But one consequence of this suggestion has to be noted. The Report proposes a compulsory social insurance scheme without income limits. Its contributing Classes I, II and IV, though they pay different contributions according to the cash benefits for which they insure, are not income classes ;

each contains rich and poor. Any contribution for medical treatment must apply to all these classes, to every one in each of them, and must cover their dependants in Class III (Housewives) and Class V (Children). If a contribution for medical treatment is included in the insurance contribution, contributions will cover not ninety per cent. of the population (the present insured persons and their dependants), as is assumed in the Draft Interim Report issued by the Medical Planning Commission, but one hundred per cent. of the population. This will not, of itself, put an end to private practice. Those who have the desire and the means will be able to pay separately for private treatment, if the medical service is organised to provide that, as they may pay now for private schooling, though the public education system is available for all. But no one will be compelled to pay separately. The possible scope of private general practice will be so restricted that it may not appear worth while to preserve it. If, therefore, it is desired to preserve a substantial scope for private practice and to restrict the right to service without a charge on treatment to persons below a certain income limit, it will not be possible to include a payment for medical service in an insurance contribution which all are required to pay irrespective of income.

432. Institutional treatment is not included in the present health insurance contribution except to a small extent as an additional benefit. It is obtainable by any citizen in a public hospital subject to recovery of the cost, that is to say to payment according to his means, or free if he has no means. It is obtainable in a private hospital, as a rule either in virtue of previous voluntary contribution through a hospital contributory scheme or on payment according to means as agreed with the hospital almoner.

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British people are clearly ready and able to pay contributions for institutional treatment. Should a payment for this purpose be included in the compulsory insurance contribution, and be passed on as a grant from the Social Insurance Fund to the health departments towards the maintenance of the institutions? The answer to this financial question, like the answer to the similar question as to domiciliary treatment, involves problems of organisation as well as finance. If a payment for institutional treatment is included in the compulsory insurance contribution, there will be little or nothing left for which people can be asked to contribute voluntarily, and an important financial resource of the voluntary hospitals will come to an end. It will then be for the health departments to use the grant that they will receive from the Social Insurance Fund in whatever way best fits their hospital policy. If it is not included, people of limited means will have the choice, as at present, of contributing voluntarily beforehand or of paying at the time of treatment, according to means.

433. The main considerations relevant to the choice between these alternatives are :

- (i) The importance of securing that suitable hospital treatment is available for every citizen and that recourse to it, at the earliest moment when it becomes desirable, is not delayed by any financial considerations. From this point of view, previous contribution is the ideal, better even than free service supported by the tax-payer. People will take what they have already paid for without delay when they need it, and they pay for it more directly as contributors than as tax-payers. But it can be argued that, under the present system, people do not in practice delay taking hospital treatment when they need it ; their general practitioner will advise going to hospital, as soon as it becomes necessary, and if they are not voluntary contributors they will be asked to pay only according to their means. It is possible that the main practical reasons which now delay recourse to hospital after it has become desirable are not difficulties about paying for the treatment, but either (a) deficiency of accommodation or (b) unwillingness or inability to give up work or household duties in order to be treated. A suggestion for meeting the last-named difficulty is made in para. 344.
- (ii) Hospital policy, particularly in relation to the place of voluntary hospitals, the terms of service and pay of their staffs, and the desirability or the reverse of allowing arrangements whereby individuals, whether through membership of a voluntary association or by special payment, can get choice of specialists or hospitals or special treatment in them.
- (iii) Financial policy, and particularly the question of the optimum size of the insurance contribution and of the Security Budget in relation to the ordinary budget.

434. A minor question in the relations of the social insurance scheme and the finance of hospitals is whether persons in receipt of disability benefit, on entering an institution, should be required to make any payment towards

the cost of their board as "hotel expenses." With the small benefits provided by national health insurance hitherto, this question could hardly be raised. But, if the social insurance scheme is to provide benefits in future designed to cover the food and fuel requirements of the insured person and his dependants, it may appear reasonable that, while such a person is getting his food and fuel in a hospital and not in his home, the money provided for that purpose should be directed to the hospital. The point is not perhaps of great importance to the finance of institutional treatment; a sum of (say) 10/- a week is the most that could fairly be regarded as saved in the home by the temporary absence of the insured person in hospital. But if it appears equitable to make such a charge, it may be expedient to make it, if only in order to avoid making it appear profitable to the patient to stay in the hospital when he could go home.

435. Dental and ophthalmic treatment and appliances are now overwhelmingly the most popular of the additional treatment benefits under national health insurance. That is to say, they are being paid for in part by compulsory contributions and for the rest mainly by a charge when treatment is given. There is a general demand that these services should become statutory benefits available to all under health insurance. There appears to be ground for regarding a development of preservative dental treatment as a measure of major importance for improving the health of the nation. This measure involves, first, a change of popular habit from aversion to visiting the dentist till pain compels into readiness to visit and be inspected periodically; it involves, simultaneously with creation by these means of a demand for a larger dental service, the taking of steps to organise a larger supply of the service. That the insurance title to free dental service should become as universal as that to free medical service is not open to serious doubt. The only substantial distinction which it seems right to make is in the supply of appliances. To ensure careful use, it is reasonable that part of the cost of renewals of dentures should be borne by the person using them. This might possibly be extended to the original supply. The same holds true of optical appliances.

436. Surgical appliances, convalescent homes and nursing are less widely provided as additional benefits, but are essential to a comprehensive health service. Decision as to making these subsidiary services contributory or non-contributory for the individual depends on the line taken in regard to the major problems of domiciliary and institutional treatment. It is reasonable that insured persons should contribute something for such services, as they have shown themselves able and willing to do in the past; in regard to appliances of all kinds, the terms of supply and renewal must be such as to give an incentive to careful use. But it would be anomalous to require compulsory contributions for special and subsidiary purposes, if the main services were non-contributory.

437. This review of some of the problems involved in establishing a comprehensive medical service makes clear that no final detailed proposals, even as to the financial basis of this service, can be submitted in this Report. It suggests the need for a further immediate investigation, in which the finance and the organisation of medical services can be considered together, in consultation with the professions concerned and with the public and voluntary organisations which have established hospitals and other institutions. From the standpoint of social security, a health service providing full preventive and curative treatment of every kind to every citizen without exceptions, without remuneration limit and without an economic barrier at any point to delay recourse to it, is the ideal plan. It is proposed accordingly that, in the contributions suggested as part of the Plan for Social Security, there shall be included a payment in virtue of which every citizen will be able to obtain whatever treatment his case requires, at home or in an institution, medical, dental or subsidiary, without a treatment charge. It is proposed that the sums derived from these payments shall be transferred to the Department or Departments concerned with the organisation of the health service to meet part—it can only be part—of the total cost. But these proposals are provisional only, subject to review, in the light of the further enquiry suggested, in which organisation and finance can be dealt with together. The primary interest of the Ministry of Social Security is not in the details of the national health service or in its financial arrangements. It is in finding a health service which will diminish disease by prevention and cure, and will ensure the careful certification needed to control payment of benefit at the rates proposed in this Report.

438. Assumption B covers not only medical treatment in all its forms, but also post-medical rehabilitation. In regard to the latter, as in regard to the former, it would be inappropriate here to discuss details of organisation.

During the preparation of this Report, the practical problems of rehabilitation have been under consideration by the Departments concerned and it is hoped that practical measures will follow. Rehabilitation is a continuous process by which disabled persons should be transferred from the state of being incapable under full medical care to the state of being producers and earners. This process requires close co-operation between the health departments and the department concerned with employment, that is to say, the Ministry of Labour and National Service. Whether this co-operation can be secured best by the setting up of an executive organ representative of both sides or by allocation of specific duties to each department, is a problem of departmental organisation on which it would be inappropriate here to express an opinion. It is sufficient to put forward three general propositions :—

- (a) that rehabilitational must be continued from the medical through the post-medical stage till the maximum of earning capacity is restored and that a service for this purpose should be available for all disabled persons who can profit by it irrespective of the cause of their disability.
- (b) That cash allowances to persons receiving rehabilitation service should be the same as training benefit, including removal and lodging allowances where required.
- (c) That the contributions paid by insured persons should, as in the case of medical treatment, qualify them for rehabilitation service without further payment.

439. It will be consistent with the proposals made here to include part of the cost of post-medical rehabilitation of men injured in scheduled hazardous industries in the industrial levy of these industries, that is to say, to add a contribution towards the cost of this service to the amount of the levy (*see* paras. 279 (iii) and 360).

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PLANNING FOR PEACE IN WAR

455. There are some to whom pursuit of security appears to be a wrong aim. They think of security as something inconsistent with initiative, adventure, personal responsibility. That is not a just view of social security as planned in this Report. The plan is not one for giving to everybody something for nothing and without trouble, or something that will free the recipients for ever thereafter from personal responsibilities. The plan is one to secure income for subsistence on condition of service and contribution and in order to make and keep men fit for service. It cannot be got without thought and effort. It can be carried through only by a concentrated determination of the British democracy to free itself once for all of the scandal of physical want for which there is no economic or moral justification. When that effort has been made, the plan leaves room and encouragement to all individuals to win for themselves something above the national minimum, to find and to satisfy and to produce the means of satisfying new and higher needs than bare physical needs.

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There are difficulties in planning reconstruction of the social services during the height of war, but there are also advantages in doing so. The prevention of want and the diminution and relief of disease—the special aim of the social services—are in fact a common interest of all citizens. It may be possible to secure a keener realisation of that fact in war than it is in peace, because war breeds national unity. It may be possible, through sense of national unity and readiness to sacrifice personal interests to the common cause, to bring about changes which, when they are made, will be accepted on all hands as advances, but which it might be difficult to make at other times.

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461. Freedom from want cannot be forced on a democracy or given to a democracy. It must be won by them. Winning it needs courage and faith and a sense of national unity : courage to face facts and difficulties and overcome them ; faith in our future and in the ideals of fair-play and freedom for which century after century our forefathers were prepared to die ; a sense of national unity overriding the interests of any class or section. The Plan for Social Security in this Report is submitted by one who believes that in this supreme crisis the British people will not be found wanting, of courage and faith and national unity, of material and spiritual power to play their part in achieving both social security and the victory of justice among nations upon which security depends.

20th November, 1942

(Signed) W. H. BEVERIDGE