

The New British System of Social Security

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THE FUNDAMENTAL REFORM and coordination of British social security advocated by the Beveridge report¹ of 1942 are nearing completion. The most important laws have been adopted, and young persons and the aged are already benefiting from their operation. After further preparation involving the issuance of necessary regulations and completion of administrative arrangements, the entire system will go into effect—probably in 1948.

The record of major legislation and its implementation during 1944, 1945, and 1946 includes the discussion and adoption of five laws² (leaving the measure on assistance still to be introduced) and the commencement of two benefit programs, one entirely new and one greatly liberalized. In November 1944 the Ministry of National Insurance Act³ was adopted, authorizing creation of the Ministry of National Insurance with administrative authority over all the programs except the health services. The Ministry was set up in April 1945, and to date there have been three ministers—Sir William Jowitt, Leslie Hore-Belisha, and the present Minister, James Griffiths. In June 1945 the Family Allowances Act⁴ was passed, and payments under this program began in August 1946. The National Insurance (Industrial Injuries) Act⁵ became law on July 26, 1946, and the National Insurance Act⁶ received the Royal Assent on August 1, 1946. Both are intended to be fully effective by 1948. Increased old-age pensions

under national insurance have been paid as a right at two and one-half times the earlier insurance rates since the first week of October 1946. The National Health Service Act⁷ received the Royal Assent November 6, 1946.

The Older System—General Characteristics

The programs which the new laws will replace have constituted one of the most comprehensive social security systems in the world. Workmen's compensation legislation in Great Britain dates back to 1897; it has been followed by other laws, passed more or less in piecemeal fashion over the years but providing in their totality a wide coverage among employed persons for all the major risks.

Many features of the older system (tables 1 and 3) will be retained by the new. These include the principle of the threefold contribution—by workers, employers, and the Government; the system of flat rates (that is, not related to earnings) for contributions and benefits; and the use of the stamped card for the collection of contributions. The supplementation of insurance benefits by national assistance will remain, but the need for assistance is expected to diminish in view of wider insurance coverage and higher benefits. In the health services the change is more striking; complete medical care for all will replace general practitioner services for the insured worker.

The main changes in the cash benefit programs concern coverage, benefit rates, and administration. These aspects of the former health, pension, and unemployment programs are reviewed briefly below.

Coverage.—The laws now superseded have covered virtually all manual workers under a contract of employment, and also nonmanual employees earning not more than £420 (about \$1,695) a year.⁸ Health and

pensions insurance covered certain groups excluded from unemployment insurance, such as private domestic servants, nurses, share-fishermen, civil servants, railway workers, and home workers. Under the new program, status as an employed person will continue to be a requisite for insurance against unemployment and work accidents, but otherwise virtually the whole population is covered, without salary or income limitations, and potentially eligible for benefit.

Benefits.—Benefit amounts have previously varied among the programs. Within each program, however, the flat-rate benefit has prevailed, usually with larger payments for men than for women and for adults than for young persons. Dependents' benefits have been provided under all the cash benefit programs except health insurance, which has granted only a small maternity allowance. The lowest weekly amounts (10s. for one person, 20s. for a couple) were paid under contributory and noncontributory (at age 70) old-age pensions, which very often had to be supplemented by assistance. The highest weekly benefits were paid under unemployment insurance (man, 24s.; woman, 22s.; plus dependents' allowances). The cash benefits (for wage loss) under health insurance have occupied a middle ground in this respect, with men receiving 18s. weekly and employed women 15s. (13s. if married); after 26 weeks these sums have been reduced for continuous disablement to 10s. 6d. for men and 9s. for women (8s. if married). Most of these differences have been eliminated by the new legislation.

Administration.—Under the new program the Ministry of Health will be responsible for medical benefits and the Ministry of Labour and National Service will continue to operate the Employment Exchanges, but all other programs will be administered by the Ministry of National Insurance. Although important simplification at the top level was achieved with the creation of this Ministry in 1945, the change-over

coverage was increased from £250 to £400 in 1940 for unemployment insurance and in 1941 for health and pensions insurance.

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¹ Beveridge, Sir William, *Social Insurance and Allied Services*. American edition, New York: Macmillan Co., 1942. For a full account of the report see Ring, Martha D., "Social Security for Great Britain—A Review of the Beveridge Report," *Social Security Bulletin*, January 1943, pp. 3-30.

² For a summary of the British White Paper outlining proposals for family allowances, social insurance, national assistance, and workmen's compensation, see the *Bulletin*, November 1944, pp. 27-35.

³ 7 and 8 Geo. 6, ch. 46.

⁴ 8 and 9 Geo. 6, ch. 41.

⁵ 9 and 10 Geo. 6, ch. 62.

⁶ 9 and 10 Geo. 6, ch. 67.

⁷ 9 and 10 Geo. 6, ch. 81. For a summary of the British White Paper on A National Health Service, see the *Bulletin*, March 1944, pp. 12-18.

⁸ The maximum limit of remuneration of nonmanual workers for compulsory

from the system outlined below is taking place only gradually.

Under the old system, contributory health and pensions insurance came under the central authority of the Ministry of Health. Cash sickness benefits have been administered mainly by approved societies, and medical care by local insurance committees. For pensions, the contribution records have been obtained from the approved societies by the local offices of the Ministry of Health, which determined eligibility for benefit. Payment of pensions has been made at the Post Offices. For noncontributory pensions, which have been about 30 percent of the total, applications (and appeals) have been directed to the Ministry of Health, but the national administrative agency was the Department of Customs and Excise, whose local officers investigated cases. Local pension committees, appointed by the local governments, determined the benefits. Unemployment insurance has been under the Ministry of Labour and National Service, which through its local Employment Exchanges has been the agency for disbursement of benefits as well as determination of claims. Supplementary pensions and unemployment assistance have been provided by the Assistance Board. The Board is not directly answerable to Parliament; it also differs from other Government departments in that responsibility for its policy rests with the Board and not with a Minister of State.

Finally, workmen's compensation has been supervised by the Home Office. Under this program there has been no actual governmental administration of benefits. Claims for the payment of benefits are first discussed between the employer and employee. When an agreement is reached, its terms are recorded with the county court. When no agreement is reached, the case goes to the county judges and higher courts, so that the courts have been the branch of the Government most concerned with the compensation of work accidents.

The New Programs as a Whole—Common Features

The five new and interrelated programs, supported by the Government's intention to maintain full em-

ployment and to stabilize the cost of living, are intended to provide a comprehensive and basic security for all the people of Great Britain.

Eligibility.—Virtually every resident of the country will be eligible for benefits upon occurrence of any of the several contingencies for which cash or services are to be provided. Children's allowances are already payable for all children after the first. Under the national health program, "personal medical services for all persons in the area who wish to take advantage of the arrangements"⁹ will be provided without reference to qualifying contributions or ability to pay. The industrial injury scheme will be a unified insurance program covering all employed persons. The broad coverage for the National Insurance Act is noted below. National assistance will be available for needy persons who fail to qualify for insurance benefits or whose special requirements make the payments inadequate.

Contributions.—The costs of the new programs will be met partly from general taxation (mostly national, but some local) and partly from the compulsory contributions of insured persons and employers, made under the national insurance and industrial injuries programs. For purposes of contributions to national insurance the population is divided into three classes: the employed, the self-employed, and the nonemployed. Children under the school-leaving age and retired pensioners do not contribute. Others must pay the contributions unless exempted from contributing and credited with contributions, as in the case of a person who is unemployed, disabled, or drawing benefit, a married woman, a student, or an unpaid apprentice. Self-employed and nonemployed persons whose total income is less than £104 per year may ask to be exempt from contributing but will then lose their insurance benefit rights. Members of the armed forces, wherever stationed, are regarded as employed persons; their contributions may be reduced by regulations. Persons employed by or under the Crown are covered under national insurance, subject, however, to special modifications that may be made in adapting the act to this em-

⁹ National Health Service Act, clause 33.

ployment. Seamen and airmen may be either exempted or covered, as the Minister may determine by regulation, a provision which gives the flexibility deemed necessary to deal with the variety of nationalities employed on British ships throughout the world.

Provisions for women have certain special characteristics. In general, housewives are considered a separate category and receive benefits by reason of their husband's contributions, and only the unmarried woman must contribute. After marriage the wife will be insured for maternity, widows', and retirement benefits by virtue of her husband's contributions; she will not be required to contribute. Even the 13 weeks' maternity allowance is payable to the working woman by virtue of the husband's contributions. However, if a nonemployed wife wishes to qualify for a pension in her own right, or if a working wife wishes to maintain her right to sickness and unemployment benefits—at reduced rates—she must keep up her contributions.

The amounts of the contributions are shown in tables 1 and 2. These rates are necessarily higher for the national system than for the limited programs being displaced and, in the case of industrial injuries, are entirely new for the worker and Government. The total contribution from the employee and employer of 9s. 1d. for the employed man is 9 percent of the average wage of 100s. 5d. a week, as reported in July 1946 by a large number of representative industries.¹⁰ This proportion includes the contributions for industrial injuries but not the Government contributions. The structure of contributions continues to be one of rates varying only with age and sex, but it has been changed by introducing a special worker rate for adults earning less than 30s. a week. Except for workers in this bracket, it will be noted that the employer will pay less than the employee. The employer is not charged with the

¹⁰ *Ministry of Labour Gazette*, October 1946, pp. 272-273. The average, while it includes the earnings of men, women, and juveniles, does not take in earnings in agriculture, coal mining, railway service, merchant shipping, or domestic service.

Table 1.—Great Britain: Weekly contribution rates for compulsory social insurance under the old system¹

[Amounts in pence]

Program	Men		Women		Government
	Worker	Employer	Worker	Employer	
<i>Old-age, widows', and orphans' pensions</i>					
Persons aged 16-65 ²	6½	6½	5	3½	Deficit of initial generation; cost of pensions to persons over 70; and cost of supplementary pensions.
<i>Health insurance</i>					
Persons aged 16-65 ²	5½	5½	5	5½	¾ cost of benefits and their administration; full cost of central administration.
Persons under age 16.....	2	2	2	2	
<i>Unemployment insurance</i>					
General workers aged—					
21-65 ²	10	10	9	9	Sum equal to half the joint employer-employee contribution. Also any advances necessary if funds are inadequate.
18-20.....	9	9	8	8	
16-17.....	5	5	4½	4½	
Under 16.....	2	2	2	2	
Agricultural workers aged—					
21-65 ²	3½	3½	3	3	
18-20.....	3	3	2½	2½	
16-17.....	2	2	1½	1½	
Under 16.....	1½	1½	1	1	
<i>Workmen's compensation</i>					
All workers.....	None	Full cost	None	Full cost	None.

¹ Status as of April 1945, date of transfer of many functions to Ministry of National Insurance.

² To age 60 for women.

maternity grant, attendance allowance, or the death grant, and he pays only 1½d. of the weekly contribution allocated to the health services. Otherwise, the insurance contribution is allocated evenly between worker and employer. The present transitional rates introduced in late 1946 because of the increase in pensions are outlined in the section on National Insurance.

The flat-rate contribution, unmodified by capacity to pay, will of course fall heaviest on those with low wages and incomes. In the Beveridge report, Sir William, now Lord Beveridge, supported this method of financing a broad national system of social security on historical, practical, and ethical grounds. His reasons have in effect been officially sanctioned by the Government which drafted and the Parliament which enacted a law closely following his pattern.

Beveridge accepted fully the traditional British system of uniform contributions by the insured which will cover "a material part"—some 30 percent in all—of the cost of cash benefits. He termed this the "contributory principle" and found that it

tends to eliminate the means test, provide administrative simplicity, and inculcate a sense of financial responsibility. The testimony before his committee strongly favored individual contributions. The employer contribution—admittedly "a tax on the giving of employment"—was declared to be but a small part of the total cost of production and a legitimate charge for "maintaining the labor force that is necessary both when it is actually working and when it is standing by." In support of an employee contribution rate very close to that adopted, Beveridge found that the increased benefits, including medical care, will give the individual a good return for his money and, by eliminating certain charges for voluntary insurance premiums and medical treatment, will be no more of a burden, as budget studies reveal, than workers have been able and willing to assume in the past.¹¹

The manner of collecting contributions will be prescribed by regulations. The National Insurance Act permits retention of the present system of

¹¹ See *Social Insurance and Allied Services*, pp. 108-109, 112, for a development of the points here summarized.

stamps affixed to contribution cards, which is expected to be the usual device, but makes it possible to have different methods. A single contribution will cover payments for national insurance, the medical services, and employment injuries (when a contract of employment exists). In the case of employed persons, the employer will pay both his own and the worker's contribution, as at present, and deduct the worker's share from wages.

After 5 years the rates will be increased by 4d. a week for adults and by 2d. for persons under 18 years of age. Except in the case of adults earning 30s. or less weekly, who will pay 1d. of the increase to the employer's 3d., the added costs will be shared equally between employer and worker.

Cost of the programs.—The total estimated cost of the programs in 1958, including administration, together with the share falling on the national Exchequer, is shown in the following tabulation.¹² Allocations from the

Program	Estimated expenditure		Annual cost to Exchequer	
	Amount (in millions)	Percentage distribution	Amount (in millions)	Percentage distribution
Total.....	£837.5	100.0	£429.5	100.0
National insurance (1958).....	545.0	65.1	190.0	44.2
Assistance.....	53.0	6.3	53.0	12.4
Family allowances.....	60.0	7.2	60.0	14.0
Health.....	152.0	18.1	120.0	27.9
Industrial injuries.....	27.5	3.3	6.5	1.5

national insurance contributions will provide an estimated one-fifth of the cost of the health services; the remaining contributions will, in the long run, defray about three-fourths of the cost of the insurance payments. The industrial injuries contributions will meet nearly four-fifths of the cost of this program.

The cost of the Exchequer will be less than £190 million in 1948, when expenditures are estimated at £452

¹² It is impossible to say what percent this will be of the national income at this time. The estimated expenditures for 1948 of £748.5 million are about 8.8 percent of the 1945 net national income of £8,483 million.

million. Because of the aging of the population and growth in number of retirement pensions, national insurance expenditures are expected to increase to £545 million by 1958, to £678 million by 1968, and to £749 million by 1978. By that date the estimated cost to the Exchequer for national insurance will be £416 million—some 55 percent of the insurance total—but it will thereafter decrease because persons receiving full pensions at a later date will have paid full contributions. It is the Actuary's assumption that eventually, after all persons who are now over age 16 have passed out of the insurance system, the Exchequer contribution will be less than 25 percent of the total cost.

Administration.—The Minister of National Insurance will be in charge of the cash benefit programs, including insurance, assistance, family allowances, and industrial injuries. Regional and local offices of the Ministry will handle all these programs together. The local offices will pay all benefits except the unemployment benefit, which will be disbursed at the Labor Exchanges.¹³ The permanent method of making payments, as well as other aspects of benefit adminis-

¹³ Address of the Minister of National Insurance before the National Association of Trade Union Approved Societies, Oct. 1, 1946. In *National Insurance Gazette*, Vol. 35, Oct. 10, 1946, p. 503.

tration, will be determined by regulations.

A National Insurance Advisory Committee, to be appointed by the Minister, will give him advice and assistance on the programs. It will consist of from four to eight members, including at least one woman, one representative of employer organizations, one labor representative, and—when reciprocal arrangements with that area take effect—one representative of Northern Ireland.

The administrative staff of the Ministry will include headquarters personnel in London, numbering 400 to 500; a Central Records in Newcastle, with about 7,000 persons; 9 regional offices in England, each with from 50 to 100 persons; and approximately 1,000 local offices staffed by some 25,000 persons.¹⁴

The Minister of Health will administer the national health services; the structure contemplated for these programs is described in a later section.

Family Allowances

The first of the new systems to become law was the Family Allowances Act of 1945, the aim of which is to relieve one of the causes of want by adjusting basic family income to fam-

¹⁴ *Parliamentary Debates*, House of Commons, May 30, 1946, col. 1463; and Minister's address cited above.

ily needs. Operations began in August 1946. Payments of 5s. a week are made to the mother for each dependent child after the first who is under the school-leaving age (14 before April 1947 and 15 after that date). If the child is still in school or is an unpaid apprentice, payments are continued until August 1 following his sixteenth birthday. When the responsible parent is receiving other benefit—sickness, unemployment, widowed mother's, retirement, or industrial injury—an allowance of 7s. 6d. will be paid under national insurance for the first dependent child. Family allowances are financed from general taxation.

National Insurance Benefits

The National Insurance Act provides for cash payments to offset loss of income caused by old age, death, sickness (long or short-term), unemployment, and maternity. These risks have long been insured in Great Britain, but the amounts to be paid are very substantially increased. The right to receive them is contingent on fulfillment of certain contribution requirements, but when these conditions have not been fully met, reduced benefits may be allowed under regulations which have not yet been issued.

Benefits paid at age 60 (for women) and 65 (for men) will be made as "retirement" rather than "old-age" pensions. For the 5 years after the individual reaches pensionable age, payment will be conditional on retirement from regular employment; the weekly benefit will be reduced by 1 shilling for every shilling earned in excess of 20. Old persons will be encouraged to continue working beyond the pensionable age, however, by a 1-shilling increase in the weekly benefit for every 25 contributions made after age 60, in the case of women, or 65, in the case of men. The retirement condition is entirely waived 5 years after the pensionable age, so that a man of 70 or a woman of 65 can receive full retirement benefit while still employed. To receive retirement benefits, 156 paid contributions after entry into insurance and a yearly average of at least 50 contributions, paid or credited, are required. Persons who become insured

Table 2.—Great Britain: Weekly contribution rates for compulsory social insurance under the new system¹

Program	Men			Women		
	Insured	Employer	Government ²	Insured	Employer	Government ²
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
<i>National Insurance³</i>						
Employed persons aged—						
18-65: ³						
Earning more than 30s. weekly.....	4 7	3 10	2 1	3 7	3 0	1 7
Earning 30s. or less weekly.....	2 8	5 9	2 1	2 2	4 5	1 7
Under 18.....	2 8	2 3	1 2	2 2	1 9	0 11
Self-employed persons aged—						
18-65: ³	6 2		1 1	5 1		0 11
Under 18.....	3 7		0 7	3 1		0 6
Nonemployed persons aged—						
18-65: ³	4 8		0 9	3 8		0 7
Under 18.....	2 9		0 5	2 3		0 4
<i>Industrial injuries</i>						
Persons aged 18-65: ³	0 4	0 4	(½ total)	0 3	0 3	(½ total)
Persons aged under 18.....	0 2½	0 2½	(½ total)	0 2	0 2	(½ total)

¹ According to provisions enacted into law and expected to be fully operative by Apr. 1, 1948. The national health services are to be financed by allocation from national insurance contributions equal to 10d. for adult men, 8d. for women, and 6d. for persons under age 18; other necessary costs financed

by Parliamentary appropriations and local taxes.
² Government also pays £36 million a year to Mar. 31, 1949; then £4 million more a year for each of next 6 years; thereafter, as voted by Parliament.

³ Aged 18-60 for women.

for the first time under the new program when they are within 10 years of retirement age must contribute for 10 years before becoming eligible for a pension. Otherwise their benefit consists of the return of their con-

tributions with interest. This restriction does not apply to persons who have been insured under the old program.

A new benefit, the death grant, will be paid to the person incurring

the funeral expenses of an insured person or a dependent. The amount will vary according to the age of the deceased, from £6 for a child under 3 to £20 for persons 18 or over. Twenty-six paid contributions after entry

Table 3.—Social security in Great Britain: Old system ¹

Program	Coverage	Weekly benefits	Qualifying conditions	Administration
Old-age, widows' and orphans' pensions.	Employed persons aged 16 or over. <i>Exclusion:</i> Nonmanual workers earning more than £420 a year, civil servants, and others protected by special systems.	<i>Old-age:</i> 10s. <i>Widows:</i> 10s. <i>Couple:</i> 20s. <i>Children</i> (if widow receiving pension): First child: 5s. Each additional child: 3s. Full orphan: 7s.6d. Supplemented on need according to national scale up to 35s. a week for couple and 20s. for single person, plus dependents' allowances.	<i>Old-age:</i> Men, aged 65; women, aged 60; 5 years' continuous insurance; 104 weekly contributions paid; average of 39 contributions a year in 3 years preceding pensionable age (waived if continuously insured for 10 years before age 60). <i>Widows:</i> Regardless of age or earning capacity; 104 contributions paid by husband; average of 26 contributions a year in 3 preceding years (waived under certain conditions). <i>Orphans:</i> To age 14—if in school, 16. Contribution conditions same as for widow.	Contributory pensions: Ministry of Health and local officers; after age 70, Department of Customs and Excise. Contribution record supplied by insured person's approved society. Payment by pension book at Post Offices. Supplementary pensions: Assistance Board.
Noncontributory pensions.	-----	<i>Old-age:</i> 10s. <i>Blindness:</i> 10s. Supplemented as above.	Age 70; for blind pension, age 40. Means test. Citizenship and residence tests.	Department of Customs and Excise and local pension committees.
National health insurance.	Employed persons aged 16-65 (16-60 for women). <i>Exclusions:</i> Nonmanual workers earning more than £420 a year; also excepted employment where corresponding benefits are available.	<i>Cash:</i> Temporary sickness (up to 26 weeks): Men: 18s. Single women: 15s. Married women: 13s. (Reduced if full qualifying conditions not met.) Disablement (after 26 weeks): Men: 10s. 6d. Single women: 9s. Married women: 8s. Maternity grant: £2 (lump sum) <i>Medical:</i> Practitioner services, medicines, and (depending on approved society) additional benefits—insured worker only.	104 contributions paid (for reduced cash benefit, 26 contributions). <i>Maternity:</i> 42 contributions.	Central administration: Ministry of Health. Local: Cash benefit—approved societies. Medical benefit—local insurance committees.
Unemployment insurance.	Employed persons aged 14-65 (14-60 for women). <i>Exclusions:</i> Nonmanual workers earning more than £420 a year; private domestic servants; hospital nurses; civil servants, local government employees, teachers, and permanent employees of railways and public utilities.	<i>General system:</i> Men: 24s. Women: 22s. (Reduced if under age 21.) Dependents' supplements: Adult dependent: 16s. Children: 6s. each for first 2; 4s. each additional child. Benefit duration: 180 days. <i>Agricultural system:</i> Men: 22s. Women: 18s. (Reduced if under 21.) Plus supplements for dependents. Benefit duration: 90 days. When insurance benefit is exhausted, assistance is provided: 31s. for couple and 18s. for single householder, plus dependents' allowances and rent addition.	<i>General system:</i> 30 weekly contributions in 2 years preceding application for benefit. <i>Agricultural system:</i> 20 weekly contributions in 2 years preceding application for benefit. <i>Waiting period:</i> 3 days.	Ministry of Labour and National Service and local Employment Exchanges of the Ministry. For unemployment assistance: Assistance Board.
Workmen's compensation.	Employed persons and apprentices irrespective of age. <i>Exclusions:</i> Nonmanual workers earning more than £420 a year, casual workers, and police.	No medical benefit. <i>Total incapacity:</i> First 13 weeks, one-half average wage (increased for low-paid workers) with maximum of 35s. or 2/3 of wage whichever is less. If married man, maximum 40s.; if married man with child, maximum 45s. or 2/3 of wage, whichever is less. After 13 weeks, maximum increased to 40s., 50s., and 55s., respectively. <i>Temporary partial incapacity:</i> One-half difference between pre-accident and post-accident earnings (increased for low-paid workers). <i>Death:</i> Lump sum of from £300 to £400, if adult dependents. Increased by child's weekly benefit of 15 percent of parent's wage (maximum total £700).	<i>Waiting period:</i> 3 days (benefit paid for these days if incapacity lasts 4 weeks). Injury must arise out of and in the course of employment. Notice of injury must be given by the worker, and claims must be made by worker or his dependents within 6 months of accident (or of death).	General supervision by Home Office. Claims settled by agreement between worker (or representative) and employer (or insurance company), and recorded by Registrar of County Court. Disputed claims settled by courts. Employer may apply to County Court to have compensation stopped or reduced, or commuted to lump-sum payment.

¹ Status as of April 1945, date of transfer of many functions to Ministry of National Insurance.

into insurance and either 45 contributions paid or credited in the last contribution year or a yearly average of 45 contributions are required.

The system of survivor benefits—which are limited as in the past to widows and orphans—has been changed considerably. There will be a benefit at the special rate of 36s. a week for every widow during the first 13 weeks following the death of the insured husband. After this period of adjustment is over, the widow is considered capable of supporting herself unless she is incapacitated, or has dependent children, or is nearing the pensionable age. If she is unable to earn her living by reason of disability she will receive a widow's pension of 26s. weekly. While she has de-

pendent children, the usual benefit of 26s. a week will be paid, plus an allowance of 7s. 6d. for the first dependent child (and payments for other children under the Family Allowances Act). If the widow is over 40 years of age when the children cease to be dependent, and had been married at least 10 years, she will continue to receive her widow's pension. If at the time of her husband's death she is over age 50 and has been married at least 10 years, she will receive a pension whether or not she has dependent children. Earnings in excess of 30s. a week reduce the benefit amount correspondingly. When a widow reaches age 60, her pension becomes a retirement pension, for which she may qualify by reason of

her husband's insurance contributions. The contribution conditions, which must have been met by the husband, are the same as for retirement. If the widow has been married more than once, the requirement of 10 years of marriage to the person by whose insurance she benefits (when a pension is involved) may be modified by regulations.

In the case of full orphans, at least one of whose parents was insured, a guardian's benefit of 12s. weekly will be paid to the responsible person.

A single sickness benefit of indefinite duration will replace the present variable benefits paid for short and long-term sickness and disability. The normal benefit will be 26s. a week, increased by 16s. for an adult

Table 4.—Social security in Great Britain: New system¹

Program	Coverage	Weekly benefits	Qualifying conditions	Administration
National insurance (cash benefits).	All residents of Great Britain aged 15 to 65 (men) or 15-60 (women)—raised to ages 70 and 65, respectively, if not retired—as follows: (1) Employed persons (all benefits). (2) Self-employed persons (all but unemployment benefits). (3) Nonemployed persons (all but unemployment and sickness benefits and maternity allowance). <i>Low-income exemption</i> , groups (2) and (3): Person with income of less than £104 a year may apply for exemption, in which case there are no cash benefits. <i>Married women</i> : May be exempted from contributing regardless of employment status. If nonemployed but already insured, may contribute to qualify for pension in own right; if employed or self-employed, may contribute for sickness, unemployment, and retirement.	<i>Unemployment, sickness, and retirement:</i> Single adult..... 26s. 0d. Single person under 18 (no dependents)..... 15 0 Couple..... 42 0 Married woman with own insurance: Unemployment..... 20 0 Sickness..... 16 0 Retirement..... 26 0 Adult dependent (unemployment and sickness only)..... 16 0 First child..... 7 6 <i>Widows' benefits:</i> Widow's allowance for 13 weeks..... 36 0 Widowed mother's allowance (including 7s.6d. for first child)..... 33 6 Widow's pension..... 26 0 <i>Guardians' allowance:</i> To guardians of full orphans, for each child..... 12 0 <i>Maternity benefits:</i> Maternity grant for all women covered by own or husband's insurance, lump sum..... £4 Attendance allowance for non-working woman, for 4 weeks..... 20s. 0d. Maternity allowance for working women, for 13 weeks..... 36 0 <i>Death grant (lump sums):</i> Adult..... £20 Children: Aged 6-17..... £15 Aged 3-5..... £10 Under 3..... £6	<i>Unemployment and sickness:</i> 26 contributions paid and 50 paid or credited in last contribution year. If conditions not fully met, reduced benefits may be provided. <i>Duration:</i> Sickness—unlimited after 156 paid contributions; otherwise, 1 year. Unemployment—180 days (regulations may increase duration on basis of contribution record). Waiting period: 3 days (paid for if 12 days are lost in 13-week period). <i>Retirement:</i> Men, aged 65; women, aged 60. 156 contributions paid and average of 50 paid or credited. Husband's contributions, insure wife. Retirement necessary unless insured person is 5 years past pensionable age. Benefit reduced by 1s. for each shilling above 20 earned a week. <i>Widows' benefits:</i> 156 contributions paid by relevant person. Average of 50 paid or credited each year. Widow's allowance: Payable for 13 weeks regardless of age. Widowed mother's allowance: Payable if child is of school age (reduced 1s. a week for each shilling above 30 earned a week). Widow's pension: Normally payable if married 10 years and if age 50 or an invalid at time of husband's death. If mother is over 40 when children attain school-leaving age, allowance becomes permanent widow's pension (reduced for earnings as above). <i>Guardians' allowance:</i> One parent must have been insured; no contribution requirement. <i>Maternity benefits:</i> Maternity grant: 26 contributions paid by relevant person, and 26 paid or credited in last contribution year. Attendance allowance: Same. Maternity allowance: 45 contributions paid or credited (by woman or husband) in 52 weeks immediately preceding benefit period, and at least 26 of these when employed or self-employed. <i>Death grant:</i> 26 contributions paid by relevant person (may include husband or parent), and 45 contributions paid or credited in last contribution year, and a yearly average of 45 contributions paid or credited.	Ministry of National Insurance and regional and local offices.

See footnote at end of table.

dependent. For employed married women who are paying contributions, the rate will be 16s. a week. There is a 3-day waiting period for both employed and self-employed persons, but the benefit will be paid for these days if there are 9 more days of sickness within a 13-week period. The duration of sickness benefit is unlimited for persons who have been insured for 3 years or more. A person with less than 3 years' coverage, and otherwise eligible, may receive benefit for a year (312 days) and requalify for benefit after 13 additional contribution weeks. The contribution conditions for sickness benefit are payment by the claimant of at least 26 contributions after entry into insurance and

payment or crediting of at least 50 contributions in the last contribution year.

Benefits, waiting-period, and contribution conditions for the unemployment benefit are similar to those for sickness except that a married woman who is working will receive 20s. instead of 16s. a week, and a self-employed person will not be eligible for benefit. The normal maximum duration of unemployment benefit is 180 days; after this time a person must requalify for further benefit by payment of 13 contributions. Regulations have been made, however, granting additional days of benefit according to contributions paid and benefits received.

Thus, the Beveridge recommendation for unlimited duration of disability benefit has been retained, but the parallel suggestion regarding unemployment benefit has been set aside. In this way the costs of short-term unemployment will be borne by the National Insurance Fund, but the Government, according to the Minister of National Insurance, Mr. Griffiths, should assume the direct responsibility for long-term unemployment.¹⁵ It is the Government's declared intention to secure and maintain full employment.

The new law greatly liberalizes maternity benefits. A grant of £4

¹⁵ *Ibid.*, Feb. 6, 1946, col. 1744.

Table 4.—Social security in Great Britain: New system¹—Continued

Program	Coverage	Weekly benefits	Qualifying conditions	Administration
Industrial injuries (workmen's compensation).	Persons employed under contract of service or apprenticeship. <i>Exclusions:</i> Casual and family employment and occupations which the Minister may except to prevent anomalies.	<i>Temporary incapacity</i> 45s. 0d. Adult dependent..... 16 0 First child..... 7 6 <i>Total permanent incapacity</i> 45 0 Unemployability supplement. 20 0 Constant attendance allowance, up to..... 20 0 May be increased to..... 40 0 Adult dependent..... 16 0 First child..... 7 6 <i>Partial permanent incapacity:</i> Varies from (for 20-percent incapacity)..... 0 9 To (for 90-percent incapacity)..... 40 6 Unemployability and dependents' supplements same as above (no attendance allowance)..... 11 3 Special hardship allowance..... 11 3 Lump sum if incapacity less than 20 percent, maximum of..... £150 <i>Survivors:</i> Widow, 13 weeks..... 36s. 0d. Thereafter, if disabled, or in charge of child, or if aged 50 at time of husband's death or when child reaches school-leaving age..... 30 0 Other widows..... 20 0 Widower (invalid)..... 30 0 First child..... 7 6 Parents: Couple, up to..... 30 0 Single, up to..... 20 0 Relatives, up to..... 20 0	Waiting period: 3 days (benefit paid for this period if incapacity lasts 12 days). No contribution requirement. Unemployability supplement: Unable to earn more than £52 a year. Constant attendance allowance: In need of attendance and not receiving free in-patient hospital treatment. Special hardship allowance: Unable to follow regular occupation or similar occupation. Widow's pension: Commuted for 52 times amount of weekly pension in case of remarriage. Parents' allowance: Must have been wholly or mainly maintained by deceased (or would have been so maintained but for the accident). If mother marries or remarries, pension is discontinued. Relatives: Eligible classes will be prescribed by regulations. Benefits paid only in case of dependency and to only one relative. Not paid if widow or parent is entitled to pension.	Ministry of National Insurance and regional and local offices. Independent local appeals tribunals. Commissioner appointed by King (for appeals). Medical boards and medical appeals tribunals. Pensions may be paid through Post Offices.
National health services.	All residents.....	General practitioner, specialist, and hospital services; dental, optical, and maternity services; drugs and appliances. Also midwifery, child welfare, home nursing, vaccination, etc.	None specified in law.....	Ministry of Health. Includes Regional Hospital Boards, under Ministry, with local management committees, and— for practitioner services — Executive Councils of 24 members, some appointed locally and some nationally. Local governments responsible for health centers, preschool health, midwifery, etc.
Family allowances..	All residents.....	5s. a week for each child under 16 years of age (after the first).	None.....	Ministry of National Insurance. Payments made through Post Offices.

¹ According to provisions enacted into law and expected to be fully operative by Apr. 1, 1948.

will be paid to all women on the basis of their own or their husbands' insurance, and an attendance allowance of £1 weekly will be paid to nonworking wives for 4 weeks after confinement. The working mother will receive a maternity allowance of 36s. a week for 13 weeks—beginning in the sixth week before the expected period of confinement—to enable her to give up employment for a suitable period without undue financial hardship. Unmarried mothers will also receive maternity benefits if they meet the contribution requirements. For the maternity grant and the attendance allowance of 4 weeks, at least 26 contributions must have been paid after entry into insurance and at least 26 contributions must have been paid or credited in the last contribution year. Forty-five contributions in the year preceding confinement, 26 of which must have been paid or credited while the woman is either employed or self-employed, are required for the maternity allowance of 13 weeks. Payments by the husband cover the requirements for married women.

Current transitional program.—Although the national insurance program is not yet generally in operation, the Government has already increased the old-age pensions for retired persons. The pensions of insured persons, payable to men at age 65 and to women, including widows, at age 60, are now 26s. a week instead of 10s., and the benefit payable at age 60 to the wife of an insured man who is receiving his pension has been increased from 10s. to 16s. a week. These amounts are conditional on retirement.

Noncontributory pensions—payable at age 70, or at age 40 in case of blindness—now have a weekly maximum of 26s. instead of 10s., and the means scale on which such pensions are based has been revised upward.

Persons not retired and in receipt of pensions will continue to receive payments at the former rates unless they are 5 years past pensionable age and are receiving benefit based on their own insurance. In such a case the new rates are paid without regard to employment status.

Contributions for pensions only have been increased about threefold; the present rates, if paid during a

full working life, would meet about five-sixths of the cost of benefits. The adult contribution rates are as follows:

Insured person	Pensions only		Health and pensions	
	Em- ployee	Em- ployer	Em- ployee	Em- ployer
Men:	s. d.	s. d.	s. d.	s. d.
New rate.....	1 6½	1 6½	2 0	2 0
Old rate.....	0 6½	0 6½	1 0	1 0
Women:	s. d.	s. d.	s. d.	s. d.
New rate.....	1 3	1 2½	1 8	1 8
Old rate.....	0 5	0 3½	0 10	0 9

Industrial Injuries

The National Insurance (Industrial Injuries) Act revises and extends the present system of workmen's compensation by replacing employer liability for industrial injury with a publicly administered program of cash benefits supported jointly by the compulsory contributions of workers and employers. Compensation according to a general benefit scale replaces benefits based on the individual's earnings.

The case for the employee contribution—not ordinarily found in industrial injury insurance—goes back to Lord Beveridge, who declared that a genuine pooling of risks among industries "makes it difficult or impossible to maintain that the cost should be borne by employers only."¹⁶ He felt, too, that making administration independent of employers can be more logically justified if the worker contributes. Beveridge also argued that, if one type of compensation for interruption of earnings is provided from funds to which the worker has made no contribution, there may be "constant pressure to push up the compensation for that particular misfortune," because the workers will not be as directly interested in the stability of the funds as they would be if they had contributed to them.¹⁷

Once the industrial injuries program is in operation, all persons employed in Great Britain under any contract of service or apprenticeship will be compulsorily insured against injury, disability, disease, or death arising out of and in the course of that employment. Unless there is evidence to the contrary, an accident arising in the course of employment is deemed to

have arisen out of employment, but otherwise the definition of the risk remains substantially the same as in workmen's compensation.

Despite the references to medical attention, the law deals solely with cash benefits. Medical care will be available in case of work-connected accidents and disabilities under the national health service program. The cash benefits are of three types: injury (limited to 26 weeks), disablement, and death. The amounts payable are somewhat higher than those under national insurance, as reference to table 4 shows. Thus the injury benefit (temporary) for adults is 45s. a week, and the same sum is paid for total permanent disablement. There are also added allowances to pay the cost of an attendant if the disabled person needs special care. Unlike the general cash health benefits, the benefits under the industrial injuries program may be paid for a partial disability. According to the degree of permanent disablement (from 20 to 100 percent of total), the benefits vary from 9s. to 45s. a week. These pensions may be increased for unemployment—that is, inability to earn more than £52 a year—and, subject to the maximum of 45s., for hospitalization and for special hardship—that is, inability to follow the regular or a similar occupation.

The usual allowances of 16s. a week for a wife or adult dependent and 7s. 6d. for the first child are payable in addition to the temporary injury benefit. In the case of disablement, the dependents' benefits will be awarded only if the beneficiary is receiving an unemployment supplement or approved hospital treatment.

Survivor benefits are marked by higher widows' pensions than under nonindustrial injuries, and by the fact that dependent parents as well as the widow may receive pensions. If no widow or parents survive, a relative's benefit may be paid.

The variation in rates between benefits for industrial, as distinct from general, disability, was justified in the Beveridge report—cited by the Government in 1944—on the grounds, first, that many industries are dangerous and, if men are to be encouraged to enter them, they need assurance of special provision against their

¹⁶ *Op. cit.*, p. 41.

¹⁷ *Ibid.*, p. 45.

risks; and second, that a man disabled during employment "has been disabled while working under orders."¹⁸

The National Health Services

An important corollary of cash benefits will be the provision of a comprehensive¹⁹ national health service making adequate health care available to the entire population. The Beveridge report regarded such a service as a necessary prerequisite for the insurance program, and the Coalition Government in 1943 declared its intention of introducing a plan. In 1944 the White Paper outlined a system whereby "every man and woman and child can rely on getting all the advice and treatment and care which they may need in matters of personal health."²⁰ This has remained the objective of the Labor Government in formulating the National Health Service Act. Because of differences in the administrative structure in Scotland, essentially similar services will be made available there by the National Health Services (Scotland) bill, which passed its second reading in the House of Commons on December 10, 1946.

The health services will be organized in three branches: hospital and specialist, general practitioner, and local health centers and clinics. In brief, the hospitals will become public agencies, and the general practitioners will retain their freedom to engage in private or public practice or both, but not to sell their public practices or to locate for public practice in over-staffed areas. The local authorities, while losing the hospitals now under

their care, will have the duty of maintaining health centers from which will radiate services necessary to complement the work of the hospitals and physicians.

Benefits.—The benefits will accordingly consist of hospital and specialist treatment, general practitioner services, provision of drugs and appliances, and supplementary services. Eventually, complete health services will be provided for all, but because of the present shortage of dentists, nurses, and hospital accommodations some services will not be available to everyone immediately. Dental care, for example, will be limited at first to expectant and nursing mothers and young children.

Treatment in mental hospitals and sanatoria, convalescent and maternity care, medical rehabilitation and other institutional treatment, and in-patient and out-patient care at clinics and dispensaries will be included in the hospital services. Specialists will be available for consultation and service in the home, the health centers, and the hospitals. The practitioner services will include eye care and limited dental care. A variety of supplementary services will be provided by the local authorities, including midwifery, maternity and child welfare, health visiting, home nursing, domestic help when needed on health grounds, vaccination and immunization, ambulance service, blood transfusion, laboratory services, and additional care in special cases. Necessary drugs and medicines, spectacles, dentures, and other appliances will also be provided.

All these benefits will be provided without any charge at the time of receiving services, except when premature renewal or repair of spectacles or other appliances is due to carelessness. Charges may be made in appropriate cases to provide for domestic help and special foods and accommodations for invalids and others. Patients desiring extra consideration, such as more expensive appliances or private hospital rooms, must pay the additional costs. Private and semiprivate rooms will be available only if not required by other patients on medical grounds. Rooms may also be set aside for private patients, subject to the needs of other patients.

Administration.—The Ministry of Health will administer the entire health services. This meets the Beveridge requirement for a medical service organized "not by the Ministry concerned with social insurance, but by Departments responsible for the the health of the people,"²¹ and accords with the proposed 1944 allocation of responsibility to "a Minister of the Crown, answerable directly to Parliament and through Parliament to the people."²² The Minister will be advised by the Central Health Services Council of 41 members,²³ appointed by himself, and having as its purpose presentation of "the expert view on any general technical aspect of the service."²⁴

At the operating level is the three-fold administrative division into hospital and specialist services, practitioner services, and the locally provided supplementary services.

All hospitals except the teaching hospitals will be administered by regional hospital boards, 11 in number for England and Wales, each associated with a university medical school. The boards will be appointed by the Minister after consultation with the university, the medical association, local health authorities, and other interested groups in the area. A local hospital management committee for each hospital or group of hospitals will be appointed by the board after consultation with the local health authority, the executive council (described below under practitioner services), the senior medical staff of the hospitals concerned, and others.

Hospitals which are recognized by the Minister as providing facilities for undergraduate and postgraduate clinical teaching will be administered separately by a board of governors for each hospital or group of hospitals.

¹⁸ *Op. cit.*, p. 159.

¹⁹ *A National Health Service, 1944*, p. 12.

²⁰ The Council will be composed of the 6 presidents of the principal British medical bodies (Royal College of Physicians, Royal College of Surgeons, Royal College of Obstetricians and Gynaecologists, British Medical Association Council, General Medical Council, and Council of the Society of Medical Officers of Health), 15 doctors, 3 dentists, 2 nurses, 2 pharmacists, 1 midwife, 5 persons experienced in hospital management, 5 local government experts, and 2 authorities in mental health work.

²¹ *A National Health Service, 1944*, p. 13.

¹⁸ *Ibid.*, p. 39; and Great Britain, Ministry of Reconstruction, *Social Insurance; Part II—Workmen's Compensation*. London: H. M. Stationery Office, 1944, p. 9.

¹⁹ A "comprehensive" service "emphatically has to comprehend all kinds of personal health treatment and medical advice. But that does not mean that there should be no other Government or private activity involving the use of the medical expert, or having any bearing upon health" (Great Britain, Ministry of Health, *A National Health Service*, American edition, New York: Macmillan Co., 1944, p. 10). Industrial medicine and school health services, for example, remain outside the scope of the National Health Service Act.

²⁰ *Ibid.*, p. 5.

The board, appointed by the Minister, will consist of members nominated by the university with which the hospital is associated, the regional hospital board of the area, the medical and dental teaching staff of the hospital, and others appointed after consultation with local health authorities and other organizations.

The property, equipment, and endowments of the teaching hospitals will be transferred to the boards of governors; the property and equipment of voluntary and public hospitals will pass to the Minister, and the endowments will go to a hospital endowment fund. Debts and liabilities will be met from this fund, the income of which will be apportioned among the regions.

The Minister, the regional boards, and the boards of governors will cooperate in planning and in providing the hospital and specialist services for the region. These services will include, in addition to those mentioned previously, care in tuberculosis sanatoria and infectious disease units, provision for the chronic sick, all forms of specialized treatment, research, and a bacteriological service, including laboratories, for the control of infectious diseases. Specialists may participate in the service on a whole or part-time basis and will be attached to a hospital staff, although some of the specialist services, such as ophthalmic, will also be carried on in outlying clinics.

The general practitioner, dental, and pharmaceutical services make up the second administrative category. They will be under the supervision of the executive councils, established in the same areas as the local health authorities which will maintain the health centers and provide various health services. The services of each will be closely related and coordinated.

The executive councils will consist of a chairman and four members appointed by the Minister, eight appointed by the local health authority in the area, seven by the local medical committees, three by the dental practitioner committees, and two by the pharmaceutical committees. The objection expressed by doctors to being placed under administrative control of the local authorities is met by the

proposed composition of the executive council, half of whose members will be selected by professional persons, a third by the local authority, and the rest by the Minister.

The executive council will arrange for doctors' services in its area, and the doctors will make their contracts for participating in the system with the council. Each council will draw up and publish a list of doctors participating, either on a full or part-time basis, from which persons may choose the doctor they wish to attend them, subject to his consent. Persons who make no choice or are not accepted by the doctor of their selection will be assigned among the doctors in the service. Doctors may use the clinic and office facilities of the health centers, where available, and will be encouraged to enter group practice. They may continue to have private patients if the latter are not on their lists or on their partners' lists as public patients.

The remuneration of physicians will be prescribed by regulations. It is the intention of the Government that payment for work in the national health service will in the case of the average doctor be partly by salary and to a larger extent by capitation fee—that is, by a fixed periodic fee for each person on the doctor's list, irrespective of services rendered. The amounts of the basic salary and of the capitation fee have not been announced and must be determined after consultation between the Ministry of Health and the doctors' representatives. The Inter-Departmental Committee on Remuneration of General Practitioners,²⁵ appointed in February 1945 with Sir Will Spens as Chairman, recommended in May 1946 that the fee for a publicly organized service covering 45 million persons should be 15s. 6d. per year per person. Of this sum, 15s. would be for the general practitioner and 6d. for certain special expenditures.

Because of the inadequacy of medical services in some areas, the scales of remuneration will be adjusted to encourage doctors to practice in these places.

²⁵ *Report* . . . London, H. M. Stationery Office, May 1946 (Cmd. 6810). For a brief summary see the *Bulletin*, November 1946, pp. 48-50.

After the beginning of the program, applications to practice in a certain area will be considered by a national Medical Practices Committee of nine members, seven of whom will be doctors. The Committee is to be appointed by the Minister of Health, and its decisions will be made after consultation with the local executive council. The Committee may refuse an application to practice in a given place on the ground that the number of public general practitioners in the area is already adequate.

Doctors in the health service may no longer sell their practices, on retirement, to younger men, but present practitioners will receive compensation for this loss of selling value. A sum of £66 million is made available for this purpose.

Eventually, complete ophthalmic services will be provided by the hospital service in specially equipped and staffed clinics. Until adequate services have been developed in an area, however, supplementary eye services, including eye-testing, supply of spectacles, and the services of qualified medical practitioners and opticians, are to be made available by the executive council, along the same lines as the general practitioner service. Special committees set up by the executive councils will supervise the ophthalmic services.

Separate arrangements for dental services will also be made. When the present shortage of dentists is relieved, a general dental service will be set up with the same provisions for whole or part-time service, and for free choice of doctor, as are found in the general practitioner and ophthalmic services.

The third arm of the health service, the local health authorities—county and county borough councils—will provide facilities and services which will round out those offered under the hospital and general practitioner services and feed into larger clinics, hospitals, and medical centers. These local authorities will maintain technically equipped health centers where doctors and dentists may practice and where clinic and specialist services provided by both the local and hospital authorities will be available. Plans for local government services

must be made known to the Minister, the regional boards, boards of governors, executive councils, and any voluntary organizations working in the same area, and will require the Minister's general approval. Arrangements may be made with voluntary organizations to carry out some of the responsibilities.

The maternal and child welfare services for which the local authorities will be responsible are to include prenatal and postnatal clinics and child clinics, a complete midwifery service, the provision of special foods, and, as previously indicated, priority dental service. Midwives will usually attend confinements but may call in a qualified doctor when needed, and specialist obstetric and gynecological care will be available. Mothers will be cared for by the hospital service if delivery takes place in a hospital or maternity home.

Other local government health services will be elementary mental health care, transportation and ambulance service (when not provided by the hospitals), vaccination and diphtheria immunization, home visiting and nursing service, and the provision of blankets and special foods and special accommodations for invalids and convalescents. Domestic help will also be provided if needed, but charges may be made in certain cases for these special provisions.

Assistance

Although the proposed assistance bill had not been introduced by February of this year, some idea as to the probable character of the measure may be inferred from the Beveridge report and from discussion in Parliament. It will in general carry through and accelerate the trend away from the Poor Law—which made relief of destitution a matter for local government—toward a uniform national system of aid. One authority will administer assistance in accordance with regulations which will be Nation-wide in scope, both as to the means test and the standards of aid.

There is a precedent of some 12 years' standing for the national assistance of unemployed persons. In 1934 the Unemployment Assistance Board was created, with a central staff mainly under civil service, to replace

the then existing system of transitional payments to the long-term unemployed who had exhausted their rights to benefit based on their insurance contributions. In 1939 it became the Assistance Board, charged by law with administering the system of prevention and relief of distress resulting from the war, and in 1940 its field was extended to include the payment of supplementary pensions to old-age pensioners and widows. The Board has done much social case work in connection with dependents' allowances for servicemen, special hardship cases, problems resulting from the evacuation of children, and other war-time matters.

A body of this character, with still more general functions, will presumably operate as an essential part of the Ministry of National Insurance. Local public assistance committees, which still administer the Poor Law through the local relieving officers, will probably be displaced. However, the experience of the Assistance Board with local advisory committees and local appeals boards is expected to be used as the basis for sound national-local relationships in assistance.

Among the functions of assistance will be relief of immediate distress and aid for persons who are not qualified to receive insurance benefits. Such cases may include those who have insufficient contributions or those who have paid no contributions because they have never been employed or have claimed exemption because of their low total income. Persons with special needs as to diet or other care may also require assistance to supplement insurance payments.

Conclusion

Great Britain has retained without compromise its wartime determination to achieve freedom from want by means of a social security system which transcends the traditional limitations on coverage and escapes the stigma of too small benefits. It covers virtually all persons for virtually all risks, combining, as no other country does, family allowances and complete medical care with national compulsory insurance against the risks of old age, invalidity, temporary disability, unemployment, and industrial injuries.

For all these risks, the benefits must be considered to meet the test of adequacy. For an aged man and wife, for example, the benefit upon retirement is some 42 percent of the average mid-1946 wage in most of the leading industries (agriculture, domestic service, and certain other groups being excluded). Family allowances better the living standards of homes with more than one child.

Medical care will be available to all, without fees for service (except as individuals may prefer the fee system). Subject to initial limitations in the personnel and facilities available, this care will include general practitioner services, specialist services, dentistry, hospitalization, eyeglasses, and other services and appliances. Eligibility for care is to be independent of insurance contributions.

In building its new system, Great Britain has relied strongly on its past experience but has left its traditions behind whenever this has seemed necessary to achieve better protection. The new laws retain the threefold contribution, the stamp system of making collections, and other tried methods of insurance protection. The benefit rates are not very much above those which were attained during the war upon demonstration by the individual of his need.

The new laws, however, make the higher benefits a right. They unify administration, subject to the deliberate placing of medical care under the Ministry of Health rather than the Ministry of Insurance. In a sharp break with the past they eliminate any administration of sickness benefit through approved or friendly societies. They transform workmen's compensation into a completely public program. And in the medical field, there will be a profound change-over to universally available care of all types—a change which will make the hospitals parts of a system of national institutions and do away with the sale of medical practices.

By drawing on its former experience and pressing vigorously beyond the old programs in several essential points, Great Britain stands preeminent among the countries of the world in the comprehensiveness of its new social security legislation.