CABINET

WAR PENSIONS

MEMORANDUM BY THE MINISTER OF PENSIONS AND NATIONAL INSURANCE

1. In C.P. (56) 64 I set out the then position in respect to War Pensions claims and my proposals for dealing with them were approved by the Cabinet on 8th March (C.M. (56) 20th Conclusions).

2. Since then the absolute and relative position of disabled war pensioners has not improved, and public opinion, both inside and outside our Party, is concerned both at the general position of war pensioners and particularly with respect to certain categories.

3. The basic rate of war pensions in cases of 100 per cent. disability (67s. 6d.) now has a purchasing power less than that which it had in 1938 or 1946. To restore those purchasing powers it would be necessary to raise the basic rate in respect of 100 per cent. disability to something between 81s. 9d. and 102s. and to between 70s. 5d. and 74s. 3d. respectively, according to which index is used. In addition the rise in wages which has taken place has resulted in a deterioration in the relative position of the severely injured pensioner, who cannot, as a result of his injury, obtain as remunerative employment as the undisabled man. The increase in pension required to re-establish the same relative position of pension to average level of wages would have to be over £1 a week to restore the value of even the lower rate of pension in 1939, and about 10s. to restore the relative position to what it was in 1946.

4. In normal circumstances there would therefore be a strong case, apart from any other adjustments, for a substantial increase in the basic rate of war pensions. This is what the British Legion, the largest and most responsible of the ex-Service organisations, requests. But increases of this sort are expensive—it would cost approximately a million pounds a year for each shilling increase in the basic rate—and in the present economic circumstances it does not seem right to propose additional burdens on the Exchequer of this order.

5. This attitude will not be popular with the ex-Service organisations or with part of our own Party, but should nevertheless in my view, for economy reasons, be maintained.

6. However, if it is to be maintained it becomes the more important to consider the points at which hardship is greatest and on which public opinion feels the strongest.

7. There are two such points:—

(a) the ageing war pensioner of the First War with a substantial disability;
(b) the very serious cases of disability of all ages.

The Ageing War Pensioner

8. The problem of the ageing war pensioners is one which is only now fully emerging. We are just at the point at which the average age of the First War pensioner is 65. The British Limbless Ex-Servicemen’s Association, with the support of an All-Party Committee of Members of Parliament, has been pressing
for some years for some special provision to be made to deal with the increasing hardship which they maintain old age brings to the sufferers from amputation. The details of this claim and a reference to the difficult medical issues involved are contained in paragraphs 14–20 of C.P. (56) 64. A motion now stands on the Order Paper in the names of members of all parties, in the following terms:—

“1914–18 WAR DISABILITY PENSIONERS: That this House, mindful of the great services rendered to the nation by those who lost their limbs or suffered other grievous wounds in the 1914–18 War, and seized of the fact that advancing age has aggravated the disabilities they sustained during their war service, calls upon the Government to make some additional provision, beyond that provided for by the basic disability pension assessments, to compensate them for their increased disabilities and loss of activities and amenities, and therefore, in view of the fact that the average age of these 1914–18 war disability pensioners is now sixty-five years, urges the Government to take immediate action to aid them in their remaining years.”

The All-Party Committee have told me that the fullest possible pressure will be applied when the House reassembles in the Autumn. A large number of local authorities have associated themselves with the case of these men and my colleagues may remember the unhappy scenes involving severely injured men which took place near the Cenotaph in connection with B.L.E.S.M.A. demonstration last November.

9. In the light of the Cabinet’s decisions on my earlier paper, I have held numerous discussions with a number of leaders of the medical profession, in order to attempt to ascertain whether a means could be found of improving assessments for the severely disabled as they become older. While the medical men concerned have maintained that there is a case for improving pension provision for the older seriously disabled pensioners, there has not emerged any feasible method of doing this by means of increasing the actual assessments of their disabilities except in a strictly limited type of case mentioned by Sir Russell Brain. These medical views, with their strong expression of sympathy with the claims of the older pensioners, will have to be published before long.

10. A number of the doctors with whom I have discussed this question have been impressed with the substantial number of medical conditions which can under the existing arrangements give rise to increased assessments, and have recommended that greater publicity be given to them. I propose to follow this advice. Sir Russell Brain, the President of the Royal College of Physicians, in addition to recommendations covered by existing provisions, has recommended that provision be made for increasing assessments in certain amputation cases where there is subsequent impairment of function of the surviving limb. The limited extension I have in mind to meet Sir Russell Brain’s recommendations would involve a small adjustment of existing practice at small cost. I am anxious wherever it is possible to accept the views of the leaders of the medical profession I have consulted, and details of the application of this recommendation are being worked out by my Department. Apart from this, however, I have come to the conclusion that the only practicable and sound method of dealing with the case of the ageing War pensioner is by means of a specific allowance.

11. I do not think that B.L.E.S.M.A.’s original proposals to confine additional provision to amputation cases is sound or just. Other serious disabilities, e.g., blindness or head wounds, could equally be said to be “harder to bear” with increased age. On the other hand, the less serious disabilities are not really in the same category, and I think that the line of demarcation should be an assessment of 40 per cent. disability which covers all but an insignificant minority of amputation cases.

12. In seeking to find a method of doing something for the ageing war disabled, I have sought to avoid any method which would involve repercussions on the Industrial Injuries Scheme. Provision for industrial injuries is closely related to the main scheme of National Insurance, and I think that changes in the benefits paid under the Industrial Injuries Scheme should only be made, with due adjustments in contributions, when the time comes for changes in National Insurance rates. For this reason I have come to the view that the right approach to an improvement in the War Pensions scheme for the ageing war pensioner is through a new allowance analogous to the comforts allowance which was introduced into that scheme a few years ago, and for which there is no counterpart in industrial injuries.
13. At Appendix I of this paper I set out details of a scheme for an age allowance.

14. As my colleagues will see, I suggest that the relevant age should be 65. B.L.E.S.M.A. have suggested 55, but I think it would be better to concentrate on those disabled pensioners who have reached what is both now the average age of First War pensioners and the accepted minimum age of eligibility for retirement pension.

The Seriously Disabled

15. The comforts allowance also seems to me to provide the right method of dealing with Class (b) in paragraph 7 above, the very seriously disabled. Sir Ian Fraser, the President of the British Legion, raised their case on the Adjournment on 31st July, and there have been a number of distressing, if not wholly accurate reports in the press, which have aroused much public feeling, on the position of very seriously disabled men. The Comforts Allowance was introduced in 1951 at a rate of 10s. a week to help to deal with these cases. It is paid automatically to those totally disabled pensioners who receive both the unemployability supplement and constant attendance allowance. It is also granted to certain pensioners suffering from multiple injuries of exceptional severity who are receiving constant attendance allowance above the minimum rate of 15s. but who are not unemployable.

16. I propose that the 1951 figure of 10s. should be increased to £1. This will go to the really serious case of war disability involving men the vast majority of whom cannot work and require to be continually looked after. In fact the really tragic cases.

17. I would also propose that the comforts allowance, though at a lower rate of 10^., should be paid to those disability pensioners who are receiving the unemployability supplement only and to those 100 per cent. pensioners receiving a constant attendance allowance at the lowest rate of 15s. but who do not at present qualify for the comforts allowance. These are all the very serious cases and men whose relative position to their fellow countrymen has deteriorated by reason of the increase in wages which, ex hypothesi, they cannot earn. And although in their case it would be more logical therefore to make improvements by way of an increase in the unemployability supplement, or constant attendance allowance, I do not propose this because such a change would have a direct repercussion on industrial injuries, where similar provisions are made.

Conclusion

18. Appendix II contains a balanced plan to deal with the two problems of the more seriously injured ageing War pensioner and of the really bad disability case regardless of age. After some thought I have not included proposals for improving the position of the ageing War widow, although there is some demand for this, particularly from War Pensions Committees. The plan of course is very small in scope and cost, compared with the demands of the British Legion which run into many millions of pounds. And although it may be criticised on the grounds that it does more to meet the claims of B.L.E.S.M.A. than it does of the larger and more responsible British Legion, I have ascertained privately that Sir Ian Fraser would welcome proposals on these lines to deal with the ageing as well as his own proposal for the very severely disabled cases. The cost is relatively modest and the money is concentrated on the points where hardship and public concern are most acute. I realise the difficulties of any increase in expenditure in present circumstances. But a figure of this order can clearly be considered against the background of the steady reduction which is taking place in the number of War pensioners now living. At 31st December, 1955, the number of pensioners had sunk from over a million in 1951, and over 900,000 in December 1954, to 871,000. The rate of decrease is greatest among the 1914–18 war pensioners.

19. The Chancellor has seen this paper and has asked me to say that he feels he cannot accept these proposals.

J. A. B.-C.
APPENDIX I

OUTLINE OF A SCHEME FOR AN AGE ALLOWANCE

The qualifying age should be 65 for all war-disabled pensioners, and the maximum allowance should be 15s a week for pensioners assessed at 100 per cent. For lower assessments down to and including 40 per cent. there would be three lower rates corresponding to broad bands of assessment. The following table shows the scale proposed. About 56,400 pensioners would benefit: —

<table>
<thead>
<tr>
<th>Degree of Disablement Per cent.</th>
<th>Weekly Age Allowance s. d.</th>
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<tbody>
<tr>
<td>100</td>
<td>15 0</td>
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<tr>
<td>90</td>
<td>10 0</td>
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<tr>
<td>80</td>
<td>7 6</td>
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<td>5 0</td>
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<tr>
<td>50</td>
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<td>40</td>
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The cost is estimated at £1,090,000 in the first full year, rising to about £1½ million in ten years' time, thereafter declining.

APPENDIX II

SUMMARY OF PROPOSED IMPROVEMENTS

<table>
<thead>
<tr>
<th>Number of Beneficiaries</th>
<th>Cost in First Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Age allowance as in Appendix I</td>
<td>56,400</td>
</tr>
<tr>
<td>2. Increase in existing Comforts Allowance to 20s a week</td>
<td>7,800</td>
</tr>
<tr>
<td>3. Extension of Comforts Allowance at 10s a week to all pensioners in receipt of Unemployability Supplement only or Constant Attendance Allowance at the minimum rate and not at present eligible for Comforts Allowance</td>
<td>12,500</td>
</tr>
<tr>
<td>Total Cost in first full year</td>
<td></td>
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