INTERIM REPORT OF THE COMMITTEE ON RECONSTRUCTION PRIORITIES.

INTRODUCTORY.

AT their meeting on the 14th January, 1943 (W.M. (43) 8th Conclusions, Minute 3), the War Cabinet decided that consideration of the Beveridge Plan, together with the general review of other substantial claims to financial assistance set out in the Chancellor of the Exchequer's Paper (R.P. (43) 5), should be remitted to a Committee to be constituted as follows:—

Lord President of the Council (Chairman);
Minister of Labour and National Service;
Minister of Production;
Home Secretary and Minister of Home Security;
Chancellor of the Exchequer;
Lord Privy Seal;
Minister without Portfolio;

and to sit with other Ministers concerned.

2. The Government's decisions on the proposals in the Beveridge Report must clearly be taken in the light of a full appreciation of the financial implications. We therefore deal first with the general financial position.

3. We have studied two Memoranda by the Chancellor of the Exchequer, surveying the post-war Budgetary position (R.P. (43) 5 and P.R. (43) 8), together with a Memorandum by the Home Secretary on the same subject (P.R. (43) 2). The Chancellor's survey shows that, looking forward to the time when expenditure on the war and its immediate aftermath has come to an end (say, in the third year after hostilities have ceased), we can see no prospect that the excess of revenue (on broadly the present level of taxation) over expenditure will suffice to meet all the many claims envisaged, for new development on the one hand and for remission of taxation on the other. Some order of priorities must therefore be established before new commitments are entered into. At the present time the extent of many of the new claims likely to be made on the Exchequer after the war is still uncertain, since in some spheres post-war plans have not been fully formulated, whilst in others the position will remain uncertain until after the war. At this stage, therefore, we can say no more as regards the new claims than that we are satisfied that the expenditure necessary to ensure international security must have the first place, and that, second only to this, we would put the expenditure necessary to establish trade and industry in this country on a healthy footing, to maintain employment at the highest attainable level and to foster our export trade.
4. As regards the other claims on the Exchequer for additional expenditure—for example, Agriculture, Education, Colonial Development and the Social Services, to name only a few—it is impossible at this stage to establish any order of priority or to enter into definite commitments. It follows that, while it is the duty of the Government to reach provisional decisions as to post-war plans in all these spheres, these plans must all be brought under review and related to the financial situation when the time is reached for them to be put into legislative effect.

5. This does not mean that in next week’s Debate the Government Spokesman should refrain from expressing views on the proposals in the Beveridge Plan. The original intention had been that, in this initial Debate, Members of all Parties should have an opportunity of expressing their views on the Plan before any conclusions were reached by the Government. But some considerable time has elapsed since the publication of the Report, which has aroused a keen public interest. We think it would be difficult now for the Government Spokesman to say no more than that the Government still have the Report under consideration and will take into account the views expressed.

6. We recommend that the Government Spokesman should make the proviso that no firm commitments can be entered into at the present time. Subject to this, however, he should indicate the Government’s general views and preferences as regards the Report as outlined in later paragraphs. Thus, it should be stated that the Government accept the three assumptions on which the Plan is based, viz., Children’s Allowances, a Comprehensive National Health Service and the Maintenance of Employment. As regards the specific proposals in the scheme, the Government could state that they are disposed to accept certain of them in principle; that there are some which do not commend themselves to the Government; and that others require further examination. In these latter cases the Government Spokesman should put before the House the main considerations which must be taken into account, and thus attempt to guide opinion to an understanding of them.

A statement on these lines would be consistent with the terms of the Resolution which has been put down.

7. We deal first with the three assumptions on which the Beveridge Plan is based, namely:

(a) Children’s Allowances.
(b) A Comprehensive Health Service.
(c) The Maintenance of Employment.

CHILDREN’S ALLOWANCES.

8. Sir William Beveridge proposes that an allowance of 8s. a week should be paid for each child in a family after the first. These allowances would be non-contributory.

9. For some time past, there has been a widespread demand for the introduction of children’s allowances, and we are satisfied that the principle is one which the Government should accept. We also agree that the allowances should be paid to each child in a family after the first, and that they should be of universal application—i.e., they should be paid in respect of all families, without any income limit.

10. Sir William Beveridge reaches the figure of 8s. by assuming 9s. as the cost of maintaining a child at subsistence level and by deducting 1s. in respect of services provided in kind. Our view is that the amount of the allowance should be 5s., but that, concurrently, every effort should be made to supplement this allowance by developing to the maximum practicable extent our child welfare services. The Departments concerned are examining how far these services can appropriately be carried.

11. We recommend that, in the forthcoming Debate, the Government Spokesman should indicate that the Government favour a scheme of children’s allowances and consider that the amount of the allowance should be 5s. and that it should be paid for each child after the first in every family. It should be added that, concurrently, every effort will be made to supplement the allowance by developing our child welfare services; and the opportunity should be taken to stress the extent to which such services have been provided during the present war, and the considerable benefit to the health of school children which has accrued therefrom.
12. Sir William Beveridge assumes a comprehensive Health Service. This Service would be comprehensive in the sense that it would cover the whole range of preventive and curative treatment. It would also be of universal application; that is to say, although part of the cost of the scheme might be met by contributions, every citizen would be entitled to whatever medical treatment he might require without contribution conditions in any individual case.

13. This assumption involves a vast problem of organisation which lies outside the scope of the Beveridge Report. The form of the organisation of the health services has for long been under consideration by the Health Departments and by the medical profession. It seems clear, not only that far-reaching changes are called for in the way of an integration of existing services, but also that opinion in the medical profession has moved fast in recent years and is ready for such changes. Furthermore, it would be of immense advantage if such changes could be introduced at a time when the thousands of doctors now in the Services will be returning to civil life and making a fresh start.

14. We are satisfied that the time has come when steps should be taken to set up a comprehensive Health Service covering all forms of preventive and curative treatment. We therefore recommend that it should be stated in the forthcoming Debate that the Government accept in principle the project of establishing a Health Service which will be comprehensive in scope and universal in that its services will be available to all members of the community. It should, however, be made clear that the establishment of such a Service will not automatically bring to an end the system of private medical practice; and that the voluntary hospitals would continue to play their part in the hospital system of the country.

15. The details of such a Service must, of course, be worked out in consultation with the medical profession and the local authorities and other organisations concerned; and it is not possible at this stage to forecast exactly what form it will take. A warning should be given that, owing to the shortage of dentists, ophthalmologists, &c., it will be many years before the full range of services contemplated in the Beveridge Plan could be provided. The Health Departments will, however, open discussions at once with representatives of the medical profession and other interests affected.

16. Sir William Beveridge assumes "maintenance of employment," but points out that this does not mean complete abolition of unemployment. Indeed, in framing the social security budget, he assumes an average rate of unemployment of about 10 per cent. of the classes at present insured. Thus, the assumption in the Beveridge Plan is, in fact, that mass unemployment such as results from extreme cyclical trade depressions and long-lasting structural dislocations, will be avoided.

17. There may well be a danger of a high rate of unemployment for a short period of dislocation following the cessation of hostilities. But, during the two or three years after the war, the problems to be faced are likely to be, not so much the finding of employment—there will be plenty of work to be done—but rather the direction of effort and investment into the right channels.

18. The longer term prospects of maintaining full employment are inevitably a matter of opinion. But much more is now known of the causes of cyclical unemployment, and there is every reason to hope that, given a measure of international co-operation and stable conditions at home, we shall be successful in avoiding its worst manifestations.

19. It may be added that a sound scheme of social security might well, by creating conditions under which measures can more easily be taken for increasing the flexibility and mobility of labour, constitute a substantial contribution towards the maintenance of employment.

20. We accordingly recommend that it should be stated in the Debate that, whilst the validity of this assumption cannot be demonstrated, and whilst no one could confidently affirm that this problem will be completely solved, the Government intend to make every effort to achieve and maintain a high level of
employment. In their opinion the level of employment will have a more fundamental effect than any other single factor on the post-war national income, the steady increase of which is a condition precedent to our ability to finance social improvements.

FUNDAMENTALS OF THE BEVERIDGE PLAN.

21. Speaking in broad general terms and avoiding technicalities, the Beveridge Report is presented as a plan for the abolition of want throughout the community. As part of this scheme, the Plan proposed a flat rate of benefit during interruptions of earnings from all causes (subject to certain exceptions in the case of Workmen’s Compensation). It is also proposed that this rate, which would be paid irrespective of the means or resources of the recipient, should be based on standards of subsistence assessed on an objective basis. It is also an essential feature of the scheme that contributions are levied on the whole community and that the benefits are open to all.

22. In considering whether the plan should be adopted, we must therefore consider the three following questions:—

(1) Should the scheme be of universal application?
(2) Should the same rate of benefit be payable in respect of all causes of interruption of earnings, and should this rate be a subsistence rate?
(3) What should be the relationship between contributions and benefits?

UNIVERSALITY OF INSURANCE.

23. Under the Beveridge Plan, all citizens, apart from those below working age and those retired above working age who will be beneficiaries, will be insured against the main hazards of sickness, accident, unemployment, old age and death. We are in favour of making insurance under the Plan universal in the above sense, and of announcing our acceptance of this principle

RATES OF BENEFIT.

24. In view of the general attitude which we recommend should be taken as regards the financial aspects of the Beveridge Plan, we regard it as inappropriate to take decisions as to any of the rates of benefit or rates of contribution proposed. The only exception is in the case of Children’s Allowances (see paragraph 10), which are not so much a part of the insurance scheme as a condition precedent thereto.

25. In these circumstances we have not thought it necessary to reach a decision on the principle set out in the Beveridge Report that the rates of benefit should be sufficient to provide, without further resources, the minimum income required for subsistence in all normal cases. In the case of Pensions our views as set out in paragraphs 33 to 36 do, however, imply the rejection of this principle in that part of the field. As regards sickness and unemployment of short duration, we are agreed that there would be advantage in making the rate the same in both cases, and we recommend an announcement to this effect. For sickness and unemployment of prolonged duration, however, it may be necessary to introduce special provisions in view of the obvious risk of abuse (see paragraphs 29–32 and 37–38).

26. It should be pointed out that it is difficult to maintain that any flat rate of benefit relates to a subsistence level when regard is paid to the wide variation of rents between different areas of the country and even in the same area. In practice it would be necessary to assume a reasonable average figure for rent and to deal with higher rents by adjustments appropriate to the circumstances of each case.

27. We think further consideration should be given to the question whether there should be a dependants’ allowance as a part of benefit for the first child in respect of whom, under our proposal in paragraphs 9–11, no children’s allowance will be payable.

CONTRIBUTIONS.

28. Under the Beveridge Plan Children’s Allowances are non-contributory. An actuarial contribution, appropriately divided between the worker, the employer and the Exchequer is calculated for each of the insurance benefits. The
balance of the amount which the worker and employer are assumed to be able to pay over their share of the actuarial contribution is taken as a contribution to the Comprehensive Health Service. We do not think it necessary at this stage to discuss what the contribution should be, but we are in favour of announcing our acceptance of the principle that the scheme should be contributory, and that the rate of contribution should be closely related to the amount of benefit.

**Unemployment.**

*Proposal for Compulsory Training after Long Period of Unemployment.*

**The Incentive to Work.**

29. Sir William Beveridge proposes that the period of unconditional unemployment benefit should be six months, subject to certain adjustments, and that, thereafter, unemployed persons should continue to be able to draw unemployment benefit at the full rate subject to attendance, as required, at a work or training centre.

30. We agree that schemes of training are of the utmost importance in preventing unemployment and in securing fluidity of labour, and that all practicable steps should be taken to develop schemes to this end. On the other hand, we are satisfied that a requirement calling upon persons to undergo training, after a certain period of unemployment, would not constitute an effective safeguard against abuse in a system whereby unemployment benefit was paid for indefinite periods. Moreover, such a provision would militate against the effectiveness of voluntary training as a means of ensuring flexibility of labour.

31. We believe, therefore, that some limitation must be placed on the period for which unemployment benefit is paid. We do not, however, consider it desirable to specify at present what this period should be. Indeed, it might be appropriate to introduce some elasticity into these arrangements so as to avoid unemployment benefit terminating automatically at the end of a given period, irrespective of the general state of trade.

32. Nevertheless, we believe it to be essential that the public should receive early warning of the fact that arrangements, which may tend to be stigmatised as reminiscent of the Means Test, will be necessary to avoid the abuse of the rates of benefit and provisions contemplated in this scheme. We therefore recommend that the Government Spokesman in the forthcoming Debate should make a clear and positive statement to the effect that it will be vitally necessary to introduce some system which will provide a strong check against abuses.

(The corresponding position in regard to sickness is dealt with in paragraphs 37 and 38.)

**Old Age Pensions.**

33. The ultimate cost of the scheme of old age pensions recommended by Sir William Beveridge is the most formidable element in his Plan from the financial point of view. The cost of old age pensions, in relation to that of all other forms of social insurance, must inevitably increase on account of the large prospective increase in the proportion of people of pensionable age in the population as a whole. The tables printed on page 91 of the Beveridge Report show that, unless present population trends undergo some radical change, the cost of maintaining in old age the non-productive element in the population will impose in the years ahead a heavy and increasing strain on the productive sections of the community.

34. The cost in 1965 of the Beveridge Scheme for old age pensions would be £300 millions a year. But, while contributions appropriate to the full rate of pensions would begin to be payable immediately after the introduction of the scheme, pensions at the full rates would not be reached for twenty years.

35. In our view, the scheme of old age pensions recommended in the Beveridge Report must be rejected on the double ground—

(i) that it would not be acceptable to public opinion, in view of the large disparity between the rates of pensions payable at the beginning and at the end of this transitional period; and

(ii) that it would be unjustifiable to commit future Governments to the very large expenditure involved in the later stages of the scheme.
We believe that public feeling in favour of generous treatment for old people will have to be met by the adoption of an alternative scheme providing for a larger immediate increase in the existing rates of old age pensions than is provided for in the Beveridge plan; and that, given such an increase, the question of promising still higher rates in the more distant future, to which there is very strong objection, would not arise.

36. We suggest that in the forthcoming Debate the Government should take the line that they must reject the scheme of old age pensions proposed by Sir William Beveridge for the reasons indicated in paragraph 35 above. It should, however, be stated that the Government are prepared to consider what increase should be made in the existing pension rates; and that, while no figures can be given at this stage, it is contemplate that any increases which it may be found practicable to make would take the form of fixed, and not increasing, rates and would become the effective rates immediately upon the introduction of the new scheme. It should be made clear that the Government reject Sir William Beveridge's proposal that the rates for old age pensions should be the same as those for unemployment and sickness benefit. The Government would, however, propose to incorporate in any new scheme Sir William Beveridge's proposals that pensions should be conditional on retirement from work, and that persons electing to continue at work after reaching the minimum pensionable age should receive an appropriate increment in respect of each year worked after reaching that age.

Invalidity.

37. The difficulty of controlling a continuing disability benefit of substantial amount is likely to be increased if, as we propose in paragraph 31, unemployment insurance benefit is limited in duration. There would be grave difficulty in avoiding abuse under a system whereby disability benefit was payable at the full rate, however long the claimant remained sick.

38. We consider that a clear warning should be given that some means will have to be found of checking such abuses—probably by providing that, where a person is not likely to recover his earning capacity, disability benefit will be replaced by an invalidity allowance at the pension rate, i.e., in effect a premature old age pension. It might be difficult to defend a provision by which this transfer was made automatically after an arbitrary period of disability benefit, and the detailed arrangements would require further consideration.

Workmen's Compensation.

39. The proposal in the Beveridge Report is that workmen's compensation should be unified with, and become part of, the general social insurance scheme, but with the following two exceptions:

(1) That in cases lasting more than 13 weeks the workman should be entitled, in lieu of ordinary benefit (other than children's allowances), to a disability pension equal to two-thirds of his earnings (or, in the case of partial incapacity, a proportionate amount), up to a maximum of £3. There would also be an industrial death grant.

(2) That in any industry with risks above the normal the employer should pay a special levy equal to two-thirds of the excess costs.

40. The first point is whether workmen's compensation should be included in the contributory insurance scheme instead of remaining a liability of the employer. It is generally accepted that the present workmen's compensation system requires revision. Its inclusion in the general social security scheme would have the advantage that it would serve to diminish friction between employers and workmen to which the present system gives rise. It would also, of course, do away with the difficulties of demarcation between accidents and sickness.

41. On the other hand, it is argued that the inclusion of workmen's compensation in a contributory insurance scheme, by releasing employers from their liability, would remove what some consider to be a powerful incentive to safety. In particular it would relieve employers of their incentive to find work for their employees in cases of permanent disability. It is also argued that it is unreasonable that workmen should be asked to make any contribution towards the cost of industrial accidents.
42. It has been suggested, as an alternative, that workmen's compensation should be excluded from the proposed Social Security Scheme: but that, instead of continuing to be the liability of individual employers, it should be financed by levies spread over the whole body of employers in all industries. It is clear, however, that before any scheme on these lines could be adopted, the whole question of workmen's compensation would have to be the subject of special investigation. There is also the consideration that, if the Government were to decide that workmen's compensation should remain outside the Social Security plan, this would lend support to those who argue that unemployment insurance should likewise be excluded from the Social Security plan, as being a risk to which different sections of the community are liable in widely differing degrees.

43. If workmen's compensation is brought into the scheme, two other questions arise. The first is whether, assuming unification with the general security scheme, there should be (as proposed by Sir William Beveridge) differential treatment for cases of industrial disability lasting more than a certain period. This proposal reintroduces after the end of that period the principle on which workmen's compensation is now assessed and is designed to meet the difficulties which would arise if that principle were completely abandoned. It is at variance, however, with the principle in the Beveridge Plan that the same rates of benefit should be given for the same contribution. Moreover, it has also the disadvantage that it would be likely to have substantial repercussions on war pensions.

44. The second point arising from the proposal in the Beveridge Plan is whether there should be a special levy on hazardous industries. The principal objection to this proposal is that it would fall to be borne by industries some of which have high labour costs and are engaged in the export trade. On the other hand, it can be argued that the high rate of risk involved in hazardous industries represents an element in the cost of production which should properly be reflected in the price of their products; and it would not be easy to defend a system whereby part of this cost would be borne by industries (not all of which are prosperous) with lower risks.

45. This subject is complex and requires further examination. Moreover, it is one on which the debate in the House is likely to prove instructive. We recommend that the Government Spokesman in the forthcoming debate should content himself with explaining the arguments for and against the proposals concerning workmen's compensation in the Beveridge Plan, and noting the views expressed.

APPROVED SOCIETIES.

46. The Beveridge Report reaches the conclusion that, assuming the unification of all forms of social insurance, there is no justification for the retention of Approved Societies as independent financial units. At the same time, however, Sir William puts forward the tentative proposal that these societies should be employed as agents for administering disability benefit under the unified scheme.

47. We are satisfied that the first conclusion is inescapable. The growing inequality of benefits granted by the different societies is, in our opinion, in itself a sufficient justification for this view. Moreover, the increase in the scale of benefits proposed under the Plan would tend to emphasise this inequality still further.

48. We share the view that Approved Societies should, if possible, be employed as responsible agents for the administration of disability benefit to their members. There are, however, a number of points which will require further consideration before it can be decided whether this is practicable.

49. We are advised that the Approved Societies would themselves welcome an early statement on the subject of the Government's intentions in regard to their future. We accordingly recommend that the Government Spokesman in the forthcoming Debate should state that the continued existence of the approved societies as independent financial units is clearly incompatible with the basic conception of a comprehensive social security plan; that the extent to which it might be possible to make use of the services of the Approved Societies within the framework of a comprehensive scheme was examined in a tentative way in the Beveridge Report; and that the Government are ready to give further consideration to this possibility.
Death Benefit and Industrial Assurance.

50. We are in favour of accepting the proposal that death benefit should be one of the benefits under the unified scheme of social insurance (the amount, and the transitional arrangements desirable in view of existing insurances, being reserved for further consideration). We recommend the rejection of the tentative recommendation in the Beveridge Report that industrial assurance as a whole should be converted into a public service under an Industrial Assurance Board. We think that both these decisions might well be announced in the forthcoming Debate.

51. We record our opinion that the institution of a death benefit does not give a valid claim for compensation to either the agents or the shareholders of the insurance institutions.

Widows' Benefits.

52. Sir William Beveridge proposes that widows under the age of 60 should receive benefit at the rate of 36s. a week for 13 weeks, and that thereafter they should be eligible, so long as there are dependent children, for guardian benefit at the rate of 24s., subject to reduction for earnings, and subsequently only for training benefit.

53. We consider that, while the existing scheme of widows' pensions may be open to criticism in respect of the payment of pensions to relatively young widows without children, the Beveridge proposal will be regarded as unduly harsh. We accordingly recommend that it should be stated in the forthcoming Debate that the Government will wish to give further consideration to this matter in the light of the views expressed in the Debate.

Administration.

54. We are agreed—

(1) That the administration of the insurance side of the entire Social Security scheme should be consolidated in one organisation, which might take the form of a Board, the constitutional position of which would be analogous to that of the Assistance Board.

(2) That this step should take place after the necessary legislation has been passed through Parliament, and that, if at all possible, this should be done by means of a single Bill.

(3) That in the meantime the detailed working out of the scheme, in accordance with decisions of principle to be taken by the War Cabinet, should be remitted to the Committee of Officials under the Chairmanship of Sir Thomas Phillips. This work would be carried out under the general supervision of the Minister without Portfolio.

We think that, if necessary, an announcement in general terms on the above lines might be made in the forthcoming Debate. Care should, however, be taken to make it clear that the Government are not committed to the establishment of a new Ministry for this purpose.

Summary of Recommendations.

55. Our recommendations may be summarised as follows:—

(i) General.—We indicate in paragraph 6 the general line which we recommend that the Government Spokesman should take in the forthcoming Debate about the Social Security scheme as a whole, and, in particular, its financial implications, having regard to other demands on our resources.

(ii) Children's Allowances.—It should be stated in the Debate that the Government favour a scheme of children's allowances, and consider that the amount of the allowances should be 5s. for each child after the first; and that concurrently every effort would be made to supplement the allowance by developing our child welfare services (paragraph 11).
(iii) Comprehensive Health Service.—It should be stated in the Debate that the Government accept in principle the project of establishing a health service, comprehensive in scope and available to all members of the community. Negotiations with the interests concerned will be begun at once (paragraphs 14 and 15).

(iv) We indicate the line to be taken in the Debate on the Maintenance of Employment (paragraph 20).

(v) Universality.—We recommend announcement of our acceptance of the principle that the scheme of insurance should be of universal application (paragraph 23).

(vi) Rates of Benefit.—We are in favour of making the rate of benefit the same for sickness and unemployment of short duration, and recommend an announcement to this effect. We do not regard it as appropriate to take decisions at this juncture as to the rates of benefits under the scheme, except in the case of children's allowances (paragraphs 24–27).

(vii) Contributions.—We favour announcing our acceptance of the principle that the scheme should be contributory, and that the rate of contribution should be closely related to the amount of benefit; but we do not think it necessary to discuss at this stage what the rates of contribution should be (paragraph 28).

(viii) Unemployment.—A requirement calling upon persons to undergo training after a certain period of unemployment does not constitute an effective safeguard against abuse in a system whereby unemployment benefit is paid for indefinite periods. We recommend that some limitation should be placed on the period for which unemployment benefit is paid, but we are not in a position to say what that period should be. It should be stated in the Debate that it will be vitally necessary to introduce some system to provide a strong check against abuses of unemployment benefit (paragraphs 29–32).

(ix) Old Age Pensions.—We recommend that the Government should take the line in the Debate that they must reject the scheme of old age pensions proposed by Sir William Beveridge. It should be stated that the Government are prepared to consider what increases should be made in existing pension rates. These increases would take the form of fixed rates, and not rates on a rising scale. While no figure can be mentioned at this stage, it should be indicated that the Government propose to incorporate in any new scheme the Beveridge proposal that pensions should be conditional on retirement from work, and that persons electing to continue at work after reaching the minimum pensionable age should receive an appropriate increment in respect of each year worked after reaching that age (paragraph 36).

(x) Invalidity.—A clear warning should be given in the Debate that some means will have to be found of checking the abuse of disability benefit, e.g., by providing that, where a person is not likely to recover his earning capacity, disability benefit will be replaced by an invalidity allowance at the pension rate (paragraph 38).

(xi) Workmen's Compensation.—The Government Spokesman should explain the arguments for and against the proposals in the Beveridge Report, and should note the views expressed (paragraph 46).

(xii) Approved Societies.—We recommend that the Government Spokesman should state that the continued existence of the Approved Societies as independent financial units is clearly incompatible with the basic conception of a comprehensive social security plan. The Government are ready to give further consideration to the possibility of using the services of the Approved Societies within the framework of a comprehensive scheme (paragraph 49).
(xiii) **Death Benefit.**—We recommend an announcement in the Debate that Death Benefit should be one of the benefits under the unified scheme of Social Insurance (the amount and transitional arrangements being reserved), but that it is not proposed to convert industrial insurance as a whole into a Public Service under an Industrial Assurance Board (paragraph 50).

(xiv) **Widows' Pensions.**—We think that the Beveridge proposals will be regarded as unduly harsh, and recommend that it should be stated in the Debate that the Government wish to give further consideration to this matter in the light of the views expressed (paragraph 55).

(xv) **Administration.**—We suggest the lines on which an announcement might be made (paragraph 54).

On behalf of the Committee:

J. A. (Chairman)

*Privy Council Office, S.W. 1,*  
*February 11, 1943.*