

# BRITAIN'S BEVERIDGE

BY WILLIAM BAYLES

**D**ETERMINED to preserve their war-won social advantages — low-priced restaurants, free milk and even orange juice for children, equal rationing for all, nurseries in the stately homes of the rich — the plain people of Britain took no chances with a Tory change of heart and voted in a Labor government. By a twist of fate that most Englishmen would call “extr’ord’n’ry,” the man who put Labor in the running by making Englishmen conscious of their social rights was not returned to Parliament. But no one knows better than Sir William Henry Beveridge that during most of the current century British governments facing economic crises have sooner or later called in Beveridge, and it requires no clairvoyance to foresee that the present Labor government will have to deal with not one, but several crises.

It has been said that three forces moulded the modern Englishman: the British Exchequer, Beveridge and the corner pub. The Exchequer kept him gaunt and resilient by always squeezing more taxes out of him than he could pay; the corner pub enabled

him to forget the Exchequer; and Beveridge, by fathering the labor exchanges and dole systems, paved the way from the Exchequer to the corner pub. The outside world knows too little about Britain’s professional plan-maker, her cornucopian economist-statistician who emerged one day from an Oxford chrysalis as a spindly prodigy and since then has hurried through the years, leaving his path prodigally strewn with plans and designs for improving our civilization. He has written ponderous economic treatises by the dozen, created massive social movements such as the British system of labor exchanges, produced war plans for two wars, erected statistical structures by the score and compiled anthologies on trivial subjects — notably women. He also invents children’s games.

Not content to rearrange the lives of his own countrymen, he took a jaunt into the Continental field after the last war. In a short time, he produced a peace plan for Austria which probably would have worked had the Austrians then been less politically and more economically minded.

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**WILLIAM BAYLES** *has spent many years traveling throughout Europe. At present he is in London, serving as correspondent for several newspapers and magazines. He is the author of Caesars in Goosestep.*

He is one of the most ubiquitous men in London and in the span of a twelve-hour working-day manages to be in a surprising number of places. Watching him dodge in and out of taxicabs, scamper along Whitehall with wisps of white hair and arms flying, or bound up the steps of the Reform Club, an observer is reminded of a long-legged, pink-cheeked, eagle-beaked Yankee farmer.

He is always a little breathless. Even when he is presumably immobilized for a meal or interview, he gives the impression that his motor hasn't really stopped but is merely idling with the clutch still half-engaged. But his restless energy in no way detracts from his friendliness and earnest desire to help everyone.

"Delighted to see you," he burbles eagerly to a visiting economist or journalist who phones on August 1. "Come in, let's see, at 3:32 — no, make it 3:38 — on October 23."

He lives in the future, maintaining that yesterday is best forgotten and today is only interesting as a guide to tomorrow.

It is difficult to find an exact occupational or vocational classification large enough to hold Beveridge. He is not a mathematician, though numbers are the raw material with which he works; neither is he an economist in the strict sense, nor a philosopher or social scientist. Rather he is a kind of latter-day Erasmus regarding all knowledge as his realm and proceeding inductively from known facts to new truths. Attempting to charac-

terize him, a parliamentary colleague once said: "He is a Gargantua of figures. He gulps down a ton of statistics, retires to digest them, and the result is another plan."

One of his most staggering statistical monuments was erected as a diversion between government assignments. Compiling, reducing to a common denominator, and plotting wheat prices for the last 300 years in different parts of the world, he worked out a pattern for weather change which, meteorologists to the contrary, he claims can be used to determine the weather at any time in the future. He is an ardent defender of his weather forecasting chart. "I shall retire at seventy," he says, "and devote the rest of my life to proving that it is possible to foretell weather through statistical periodicity." Between eighty and one hundred, he plans to contemplate his chart of weather predictions; if it goes wrong, he vows he will commit suicide.

His flare for uneffacing personal publicity is matched perhaps only by that of Winston Churchill or Field Marshal Montgomery. The wick of his lamp is always well trimmed, and whatever he is momentarily engaged in immediately assumes epochal significance for mankind.

A great many of his assignments, it is true, have been of that type which would have cast a lesser man into complete obscurity. But in Beveridge's hands they invariably acquired an urgency and importance that could not go unappreciated for very long.

## II

Like so many professional Englishmen, Beveridge is a Scotsman. He was born in Bengal, India, on March 5, 1879, the son of Henry Beveridge, a civil servant. A "Founder's Kin" scholarship, endowed by his maternal grandfather, enabled him to come to England for his schooling. From Charterhouse he went to Balliol College, Oxford, determined to become a mathematician and astronomer. "At the end of a year," he recalls, "I became convinced that I was no mathematician, and, less rightly, that there was nothing more to be discovered in astronomy." He switched to law and graduated in 1902 to become a law instructor at University College until a chance reading of *Condition of the People* turned his whole interest to social science.

His conversion was as complete as that of an early Christian saint, and he left Oxford to do settlement work in London's East End slums. For two years he was sub-warden of Toynbee Hall, the famous Whitechapel settlement house, meanwhile earning a living by writing articles on social conditions for the staunchly Conservative *Morning Post*. He still points with pride to the fact that the editor only once insisted on a change in an article. "What is more," he adds, "I never wrote a word I did not believe."

His public career is closely interlocked with Winston Churchill's. In 1908, Churchill, a stripling of thirty-four though already President of the

Board of Trade, found himself entangled in the thorny problem of unemployment and sought advice from those two veteran social workers, Sidney and Beatrice Webb. They recommended William Beveridge as "a young man with a brilliant future" who had "some notions of economics and a lot of ideas on social things."

Churchill rapped out an order to his secretary, "Send for that boy, Beveridge." When the angular youth of twenty-nine appeared, Churchill explained his dilemma and asked, "Can you give me a policy?" Not at all dismayed by a problem that had stumped governments, Beveridge went away to think and in a few weeks sent in a recommendation for the creation of a system of labor exchanges. The idea was violently opposed by the controlling groups, who saw in it another step toward socialization. But with Beveridge replenishing him nightly with statistical ammunition and cold facts, Churchill, for the moment a liberal, battled by day in the House until the bill was passed and Britain's Labor Exchanges were created. The two young Davids had slain a Goliath more formidable than either realized and had formed an attachment based on mutual respect that has remained ever since.

Beveridge became Director of Labor Exchanges and a fixture in the Board of Trade, where he remained until 1916. Then, as today, he believed, "You can't argue against figures," and his reports and plans were objects of wonder and often of ridicule in par-

liamentary circles because of their mathematical documentation.

With the approach of the first World War he divided his time between the Board of Trade and newly formed Ministry of Munitions. When the Ministry of Food became hopelessly bogged down in Britain's first attempt at food rationing, he was called in. In a few months he produced his famous "sliding scale" rationing plan which has now served successfully in two wars. He was more actively involved in the war planning than any except a very few key cabinet ministers.

Between times Beveridge, then a confirmed young bachelor who had already acquired the resolute untidiness in appearance that betokens freedom from feminine watchfulness, found leisure to publish *John and Irene — An Anthology of Thoughts on Women*. "It tells a lot about women," its author comments with a chuckle, "but you'll find nothing in it of the inner Beveridge." In 1916 he produced "Swish," a submarine war game — a fact which he emphasizes in his *Who's Who* biography.

### III

Having seen the government safely through the war, he left it in 1919 to become Director of the London School of Economics. For his war work, the King decorated him with the title, Knight Commander of the Bath. When he went to the London School of Economics, it was a mediocre in-

stitution, slowly dying in the dead-end alley into which purblind Marxian Socialism had forced it. Sir William, who described himself as a "tepid liberal," announced his determination that "every student leaving the School shall have a knowledge of something besides the Gospel according to St. Marx." His blasphemy led to faculty resignations and newspaper attacks, but he persisted and in ten years made the London School of Economics one of the most productive institutions of its kind in the world. Scholars, particularly from America, flocked to the School, and it became the testing laboratory for new ideas.

The flame of his crusading zeal remained alight during the years of his sequestration in Whitehall. With the absence of government demands on his time he began to publish: *The Public Service in War and in Peace*, 1920; *Peace in Austria*, 1920; *Insurance for All*, 1924; *British Food Control*, 1929; *Causes and Cures for Unemployment*, 1931; *Tariffs*, 1931; *Changes in Family Life*, 1932; *Planning under Socialism*, 1936; *The Unemployment Insurance Statutory Committee*, 1937; *Prices and Wages in England*, 1939; *Blockade and the Civilian Population*, 1939. He also became Senator of London University, a Member of the University Court, Member of the Royal Commission on the Coal Industry, Chairman of the Unemployment Insurance Statutory Committee, Chairman of the Arbitration Tribunal of the Coal Trade Conciliation Board, Chairman of the Sub-Committee of

Imperial Defence, Chairman of the Committee on Skilled Men in the Services and Chairman of the Committee on Fuel Rationing. As Chairman of the Unemployment Insurance Statutory Committee, he controls the expenditure of more hard cash than perhaps any other single Englishman — the \$536,000,000 from which insurance benefits are paid.

His political attitude, hitherto discreetly concealed or submerged under the pressure of government chores, emerged in his writings. He pronounced himself a liberal but also a staunch capitalist with a firm belief in private enterprise. Opposed to government planning, he maintained that "a planned society can end only in being authoritarian. . . . A state spending plan would give the state vast new powers and create a huge new bureaucracy." He expressed his conviction that unemployment and hardship could be alleviated under status quo but urged the establishment of a government Bureau of General Intelligence for Economic Problems — a kind of economic brain-trust to assist private enterprise. Confusion and lack of over-all knowledge were, he insisted, at the root of economic distress. In 1933 he even tried to persuade Roosevelt that enlightened private enterprise bolstered by state unemployment insurance was a better remedy than work relief.

In 1937 he left the London School of Economics to become Master of University College, Oxford — a post

that gave him greater freedom for extra-curricular activities. In the same year he joined the Committee for Imperial Defence and turned his attention to the home front. With his characteristic energy, he soon had the whole country talking home defense as he bombarded the press with articles and letters to editors urging "total mobilization." As usual, he was entirely right but several years ahead of developments.

#### IV

By 1940 war had cracked down on a Britain which, despite Beveridge, was still confused. The powerful service ministries were yanking key men and skilled workers out of essential industries and sending them off to drill with rifles; the food situation was in a muddle; and private enterprise had degenerated into a rowdy free-for-all for available raw materials.

This was the situation when Winston Churchill became Prime Minister. One of his first acts was to call in his friend, "Bill" Beveridge, and to set up the Churchill-Beveridge team that had worked so well twenty-five years before. The initial problem was food rationing, which was easily solved by getting Beveridge's plan for the last war out of the files. Then Churchill whisked Beveridge across to the Ministry of Labor and told him to produce a plan that would protect industry from the rapacious service ministries. In a matter of weeks his "filter system" of recruitment was in operation and

the war industries were safe. Fuel was another pressing problem, so Churchill pushed Beveridge into the Ministry of Fuel to devise a coal rationing plan.

Here for the first time the team met defeat. The tough vested interests that control Britain's mining industry marshalled all their strength. In a violent parliamentary tussle, they managed to defeat the fuel rationing plan. Among the arguments against the plan was one which maintained, "It is frivolous to prepare a fuel rationing scheme in a month." To which Sir William indignantly retorted, "This is the pace we have learned to work at for victory." But coal was not rationed and became Britain's biggest single headache of the war.

Meanwhile the Blitz was battering down London's Georgian façades and with them were crashing many long-established social concepts. The war was developing a social point of view that had little in common with the *laissez-faire* economics of the past. Sir William saw himself obliged either to abandon his old theories of no government interference with private enterprise or to be stuck with them. With customary agility and forthrightness he leaped on the bandwagon of the central planners. In a strident letter to the *Times* he demanded state control of all industries and vital services, and the scrapping of party government. With charming inconsistency, he cited the USSR as an example of successful state planning. He advised

Cabinet Members and Members of Parliament to "form a suicide club prepared to die politically that Britain and civilization may live."

In June 1941, Arthur Greenwood, head of a then purely nominal Ministry of Reconstruction, had a burden to unload and found the Beveridge shoulders momentarily unencumbered. He made him Chairman of an Inter-Departmental Committee on Social Insurance and Allied Services, assigning to him the task of investigating existing social insurance schemes and making recommendations.

The world soon became aware that Sir William was up to something new. In articles and letters he launched a campaign against what he termed "the evils of peace," and at well-timed intervals he dropped catchy slogans such as "Bread for everyone before cake for anybody." In December 1942, the Beveridge Plan was published — two volumes of it comprising over 200,000 words written originally in longhand by Sir William, who characteristically absolved the rest of his numerous committee of all responsibility for the report and signed it himself.

Its reception was overwhelming. In the words of a breathless BBC announcer, "It swept the war right off the front pages of London papers." The Laborites praised it as "the new Magna Charta of the working masses," and the Tories extolled it as "cheap insurance against the Red revolution." "A strong Beveridge" was the prescription for Britain's economic ills.

The Plan, described as "cradle to grave" by the *Times* and "womb to tomb" by the more sensual *Daily Mirror*, struck most Americans as a glorified poor law, providing a pittance for every contingency. Its unique feature is that it recognizes no maximum income limit; everyone pays and collects, regardless of means. Out of 600 pages of tables, charts and text, it boils down to this: Everyone, from industrial tycoons to charwomen, receives unemployment support at the rate of \$8 a week for man and wife or \$4.80 for single persons, and a retirement pension after sixty-five at the same rate. A flat sum of \$40 is paid to each marrying couple, \$16 for the birth of each child, \$1.60 a week maintenance for each child except the first, and \$80 for each adult funeral. A woman in employment receives a weekly sum of \$7.20 for thirteen weeks' maternity leave.

For these benefits, each male worker must pay 85 cents weekly, each female 70 cents, and the employer 65 and 50 cents respectively. This will not, of course, finance the project. Sir William estimates that the workers will pay roughly 25 per cent, the employers 20 per cent, and the government will stand the remaining 55 per cent. He calculates that for 1945 his scheme would cost in all \$2,788,000,000.

The impact of the Plan was so colossal that the government had to take steps to prevent itself from being avalanched into immediate acceptance. Its spokesman and the Conserv-

ative press went to lengths to explain to the people that, pending the government's own proposals, the Plan was merely an unofficial suggestion. A summary of the Plan prepared by Sir William himself and printed in many thousands of copies for distribution to the British forces was suddenly suppressed. Parliamentary queries produced the interesting information that the suppression order had come from Sir James Grigg, the War Minister.

It thus became clear that although Beveridge had won the first round, the government was coming back strong. Two years later, in September 1944, the Government White Paper on Social Insurance appeared — a somewhat watered-down Beveridge. Since then a few paragraphs of it have been debated in Parliament. The British worker was for the moment rescued from the danger of hasty benefits!

## V

Having deposited his turbulent baby on the government doorstep, Sir William, now a spry bachelor of sixty-three, allowed himself a short breather and married Mrs. Janet Mair, whom he described to the press as "a Scottish woman and just about my own age." He had known her twenty-seven years, having met her during the last war when she was his collaborator in the Ministry of Food. They spent their honeymoon in Scotland, where Sir William confessed they took things



easy and devoted most of their time to reading government publications on land utilization.

Then the unpredictable Sir William, who had advised a generation of students to shun politics because "a social science worker cannot become a politician without losing his value as a scientific investigator and teacher," joined the Liberal Party and stood for Parliament. His constituency was the border district of Berwick, and interest was only lukewarm. Nevertheless, Sir William won, promptly resigning his Oxford appointment and moving into London's Mayfair.

With the House of Commons as his convenient platform, Sir William became somewhat of a gadfly buzzing around the head of government. At times he appeared to play a cat-and-mouse game with it, waiting for a Minister to introduce a bill and then taunting him with a deluge of facts and figures until the Minister in confusion withdrew for further consultation with his experts. When the government, without benefit of Beveridge, produced its postwar employment plan, Sir William challenged it a few weeks later with a 160,000-word plan of his own, *Full Employment in a Free Society*. From the day of its publication, the government plan was a dead document and everyone was talking Beveridge.

Dismissing the government plan as "a public works policy and not a policy of full employment," he declared that the only way Britain can solve the postwar employment problem is for

the government to establish complete control over all private-enterprise and to augment it with state expenditure until the goal of full employment is reached.

Under his plan, a National Finance Minister would determine annually how much private industry could spend and how much more the state must spend to give everyone employment. The Minister would be aided by a National Investment Board with powers to control all public and private investment and to stop or reduce any private outlay deemed contrary to the public policy. A Ministry of National Development would control town and country planning, transport and housing, the main fields of state expenditure.

As an alternative to the compulsory direction of labor, Sir William proposes compulsion for industrial groups in fixing the location of their enterprises. "And if," he warns, "it should be shown by experience or by argument that abolition of private property in the means of production is necessary for full employment, this abolition would have to be undertaken." This almost completely totalitarian system of control need not, Sir William argues, necessarily interfere with individual freedom, provided that everyone exhibits a sufficient sense of responsibility not to want to do what the state wouldn't allow.

If his proposal of social security gifts for everyone made him a popular Beveridge, his state control of em-



ployment plan turned it all to bitter gall. A poll taken by the *Daily Express* Centre of Public Opinion on the question, "Are you in favor, or not, of the government's controlling and directing labor in peace time?" revealed that 83 per cent of the people were not. A second question, "If, after the war, the Government makes itself responsible for seeing that people get jobs, do you think that it should have the right to direct people through the Labor Exchanges?" resulted in "No" from 49 per cent.

Sir William might have launched a crusade to convince the nation that security is preferable to liberty, or he might have consoled himself with the statement often attributed to Winston Churchill, "Only an idiot thinks the people know what is best for them." He did neither. With the Conservative Party already in the midst of its campaign for the abolition of wartime

restrictions and return to private enterprise, he discreetly abandoned his stand for centralized control and with a spate of publicity joined the world peace planners. The result was another volume, *The Price of Peace*, in which a hop-skip-and-jump excursion through history leads Sir William to the conclusion that the only way to prevent war is to establish the rule of law among nations with the force to back it up.

Today Laborites who curried votes by promising parts of Beveridge to their constituents are sitting in Whitehall. It is safe to bet that the ideas of the man brought to the limelight by Churchill will form the working platform of Labor. It is certain that the plain people of Britain expect from their Labor government something a great deal closer to the true Beveridge than the watered-down version offered by the Conservatives.



ANIMALS have these advantages over man: they never hear the clock strike, they die without any idea of death, they have no theologians to instruct them, their last moments are not disturbed by unwelcome and unpleasant ceremonies, their funerals cost them nothing, and no one starts lawsuits over their wills.

— VOLTAIRE

IF I AM to have a master, let me have a severe one. I shall then be constantly disposed to take the first fair opportunity of ridding myself of his tyranny.

— SAMUEL ADAMS

# THE HITLER BUSINESS: 1945-1995

BY THOMAS F. O'DONNELL

FORTY-SEVEN years ago — on August 18, 1948, to be exact — a conservative New York publisher timorously and without fanfare presented to America a thin volume entitled *Hitler Lives in Michigan*. Entirely unpublicized, and ignored by the critics, the book sold slowly but steadily. Within three months the entire first impression of 5000 copies had been sold and a second impression had been ordered. Early in November, when a few of the critics deigned to mention the book in their columns, their common reaction was most tellingly expressed by Harvey Caswell of the *Dispatch*, who wrote: "Hitler, this author claims in what appears to be all seriousness, is presently alive and well in Michigan, living the life of a hermit on the Upper Peninsula. And, we may suppose, enjoying nightly games of pinochle with Paul Bunyan, Virginia Dare, and that other popular wraith, the Ghost of Hamlet's Father." With such scornful words Caswell and a half-dozen of his concurring first-rate colleagues midwived the birth of an era.

By the middle of November the

second impression of *Hitler Lives in Michigan* was completely sold out, and the delighted publisher began to advertise the book in the accepted manner of the day. Rapidly as the book was going, however, sales did not reach their peak until the newspapers from coast to coast began to attack it violently as "fantastic," "ludicrous," "a travesty." "We sympathize with the great state of Michigan in this malignity," wrote one irate Eastern editorialist. "Let this author, who hides under the pseudonym of Horton J. Squandriff, come forth and reveal the source of his information. If he knows so much, why does he not help the Michigan constables who, at this very moment, are combing the forests of the Upper Peninsula in case there should be some truth in this ridiculous yarn? Let him come forth, we say!"

Horton J. Squandriff did not come forth — but the public came forth in greater numbers than ever, and *Hitler Lives in Michigan* had sold two hundred thousand copies before the constables finally gave up their search.

To us of 1995, the possibility that Adolf Hitler may have lived for a

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