

Ministry of Social Security; instead, legislation covering the Report is being prepared by existing government departments. We shall continue to debate these questions that are still unsettled; the fact that the government has temporarily turned down the setting up of the Ministry will not end the matter, and it is to be remembered that Parliament will have the final word.

In considering how near to fulfilment is the Report, it is important to bear in mind the attitudes of the Trade Union Congress General Council, and of the Prime Minister toward it. So I will quote: *Labour*, the organ of the Trades Union Congress (T.U.C.) writes in its March issue:

"To a large extent, the problem is now one of timetables, the main principles of the Report (and, indeed, a very great deal of its detail) having been accepted by the Government.

The TUC will exert legitimate pressure towards securing the implementation of these far-reaching proposals as fully and as quickly as possible."

In his broadcast of March 22, Mr. Churchill made his own and the Government's position very clear:

"The time is now ripe for another great advance, and anyone can see what large savings there will be in administration, once the whole process of insurance becomes unified, compulsory, and national.

"You must rank me and my colleagues as strong partisans of national compulsory insurance for all classes, for all purposes, from the cradle to the grave.

"Every preparation, including, if necessary, preliminary legislative preparation, will be made with the utmost energy, and the necessary negotiations to deal with existing worthy interests are being actively pursued so that, when the moment comes, everything will be ready."

Social Security Plans of the U. S. A.

The Report of the National Resources Planning Board

By EVELINE M. BURNS

The Task

THE Security, Work, and Relief Policies report of the National Resources Planning Board, which was transmitted to the Congress by President Roosevelt in March, represents the culmination of over two years of intensive study and research. Toward the end of 1939 the President had authorized the Board to study the operation of the various programs which had been developed in the preceding 10 years, to meet the problems arising out of loss of income

or loss of jobs and to make recommendations for long-range policies.

It is important to note the character of the terms of reference. In and of themselves they involved study of a very broad group of social policies. In the 7 years following 1933, the United States had developed a series of measures which went far toward equipping the country to grapple with the problems of economic insecurity. In all, by 1940, there were some 17 different types of public aid programs in operation in the United States. These included various social insurance measures, work programs for adults and for youth, special public assistance programs, special measures for needy farmers, and the distribution of surplus commodities. All these were supplementary to, or superimposed upon, an existing system of

EDITOR'S NOTE: The Security Report of the National Resources Planning Board in Washington is the United States counterpart to the Beveridge Plan in England and the Marsh Plan in Canada. Dr. Eveline Burns, the author of our article, has as Director of Research been mainly responsible for the drafting of the Report. Before taking a position with the National Resources Planning Board she was on the staff of the Graduate Department of Economics at Columbia University and the London School of Economics.

general public relief which operated with varying effectiveness in different parts of the country.

Because of the very speed with which these programs had been introduced and because of the general sense of emergency which had characterized American thinking during this period, it was scarcely reasonable to expect that at the end of the period the various programs would have been fully coordinated or integrated. In fact the reverse was the case. Special measures had been developed to meet emergency situations as they arose, bold and novel experiments such as the WPA and youth programs had been undertaken, and certain more permanent security plans had been adopted through the Social Security Act of 1935 but the various parts had not been welded together into an integrated whole. The need for an examination of the operation of these many closely interrelated programs and an assessment of broad policies and trends was, if anything, overdue.

At the same time it should be noted that the terms of reference of the Committee excluded consideration of some of the problems dealt with in the Beveridge Report. The concern of the report with problems of loss of income and loss of jobs excluded consideration of family allowances for the entire population. Nor was it our mandate to deal with the small life insurance business. Like Sir William Beveridge's Report too, the National Resources Planning Board's study did not make an intensive investigation of public and private arrangements for medical care and preventive health, although on many occasions we drew attention to the effect of prevailing inadequacies in the field of health upon the magnitude and seriousness of the public aid problem. Like the Beveridge Report, the National Resources Planning Board's Report limited itself to broad general recommendations for the development of an adequate and comprehensive health program.

In undertaking the study, the National Resources Planning Board appointed a Technical Committee consisting of leading

officials from the major Federal agencies concerned in the administration of public aid programs, a representative from the State and local public welfare officials, a representative of the private agencies, and two independent experts, one of whom, Professor William Haber, was Chairman of the Committee. The work was carried out by a technical staff under a Director of Research, and the research units of the various Federal agencies contributed material and memoranda. Much assistance was also given by the State and local public aid agencies. It is noteworthy that the recommendations, both general and specific, were unanimously agreed to by the entire Committee.

Current Social Security Measures

Four-fifths of the Security, Work, and Relief Policies report is a factual analysis and evaluation of the operation of current American social security measures. The Report begins with an introductory Part I which summarizes and interprets the many developments of the years 1933 to 1940 and analyzes the characteristics of the 14 to 28 million persons who at any given time during the 7 years, were in receipt of public aid. Part II of the Report evaluates the programs from the point of view of the economically insecure population. Specifically it inquires whether as a result of the steps hitherto taken there is any assurance that public aid is in fact available to all needy persons in the United States. Special attention was paid to the differing situation in different parts of the country and to the differing treatment of certain groups of the population, such as migratory and minority groups. The Report also examined the standard of living which was permitted to public aid recipients on the various programs with a view both to assessing its adequacy in absolute terms and discovering whether (as proved to be the case) there are marked differences in the treatment of persons in similar circumstances in various parts of the country or on the different programs. The study was also concerned with the conditions under which public aid was available,

whether everything possible was done to maintain the self-respect of public aid recipients and whether the fullest possible use had been made of such preferential programs as the social insurances. Finally, this part of the Report examined the operation of the work and youth programs to see whether they had in fact achieved the broad objectives which the Nation had set up for itself when instituting these measures.

Reference to the report will show that there were many disconcerting findings. Despite very real progress, an appalling amount of unmet need existed, standards of relief were often disgracefully low, and many of the objectives of the more constructive programs had not been attained. Where inadequacies or weaknesses were discovered an attempt was made to trace these to their underlying causes, because it was felt that any long-range policies must deal with these basic weaknesses rather than as had been done in the past to patch up minor inadequacies.

Financial and Economic Issues

Part III of the Report deals with the various financial and economical issues involved. Special attention was paid to the distribution between the various levels of government of the financial responsibility for the various programs both individually and in combination. The report was also concerned with the impact upon the economy as a whole of the ways in which the programs were financed and of the timing of public aid expenditures and their coordination or lack of coordination with other governmental fiscal policies. We were concerned too with the effect of these programs upon labor mobility and the availability of labor for private employment.

Administration

The final part of the factual study dealt with problems of administration. In the United States these are many and complex for two reasons. First, the variety of public aid programs operated by any one level of government gives rise to potentialities of overlapping, gaps in coverage, jurisdic-

tional disputes, and problems of coordination of policies. Second, the participation of several levels of government in the administration of any given program combined with the close functional relationship that exists between all the public aid programs creates a need for a careful and appropriate allocation of functions and responsibilities between the three governmental levels and calls for a high degree of cooperation between administrators. The report found that inadequate attention to these requirements in the past had brought about a highly complex administrative situation which in many cases caused confusion and uncertainty for applicants, and irritation to employers due to the necessity of making multiple reports, and presented administrators at the State level with an almost insuperable administrative task. Special attention was paid in the study to two other aspects of public aid administration; namely, problems of personnel and the broader question of the extent to which the country had succeeded in assuring lay participation in this important field of public policy.

Recommendations

The recommendations of the report, which are contained in Part V, were both general and specific. Because the factual study showed on so many occasions that shortcomings and difficulties were due to a lack of attention to fundamental policies and basic principles, the Committee felt it important to clarify these issues and to recommend in the first place certain broad lines of policy and certain financial and administrative principles whose consistent application would make more probable the early attainment of the objectives of national policy. We did not, however, stop at this point. Taking our proposed policies and principles we applied them to the existing situation in order to arrive at specific and detailed recommendations for changes in present programs which would provide a well-rounded and comprehensive program for the assurance of freedom from want and the opportunity to work.

In view of the complexity of American economic life, the very wide differences in standards of living, real wages, and to a lesser extent costs of living as between different parts of the country, the real differences in social policy as between the States, and the existence of a Federal form of government, it is not surprising that the Committee found itself unable to recommend any such unitary and relatively simple program as has been proposed by Sir William Beveridge. While emphasizing the importance of the long-run objective of assuring a minimum income consistent with the high potential productivity of America, to all Americans, regardless of place of residence, the Committee recognized that this could not be brought about immediately. Instead it urged the adoption of policies which would in time ensure attainment of this objective. Moreover it was felt that American social policy was committed to the desirability of providing special programs to meet special types of need, and notably that work programs and youth programs should play an important role in the complex of social security measures. Essentially, therefore, the recommendations of the Committee envisage a series of carefully interrelated programs which, taken as a whole, will assure minimum security and the opportunity to work.

Full Employment

The main lines of policy recommended in the report can be conveniently grouped under six headings. In the first place, we urged renewed efforts *now* to ensure full employment in the post war period. While success in this tremendous undertaking would materially reduce the extent of need for public aid, we pointed out that it would by no means eliminate the need for a comprehensive social security program. Even today, with the fullest employment the United States has ever known, there are some 4 million households dependent for all or part of their income on public aid programs. They are the people who are too old to

work, too young to work, too sick to work, and the temporarily unemployed who are in process of changing from one job to another. Furthermore, we drew attention to the fact that it was unreasonable to expect immediate and continued success in the difficult task of ensuring full employment and suggested, therefore, that it was only reasonable to be ready with a carefully thought-out series of measures which would provide for the eventuality that we might again have an unemployment problem on our hands.

Public Works

In the second place, we urged that the nation should frankly accept the policy of public provision of work for all those employable persons whom private industry cannot employ if they have been out of work more than 6 months. Immediate acceptance of this policy was suggested in order that the planning which is essential for the development of socially useful projects could be undertaken in time. We suggested too that if workers were selected through the employment service on the basis of employability alone and were paid wages more nearly approximating prevailing wages, it would be possible to insist upon standards of efficiency comparable to those required by private employers.

Measures for Young People

In the third place, we urged the development of special measures for young people. These would aim on the one hand to make it possible for young people to continue their education if they could benefit by doing so and if it seemed reasonable to expect a continued demand for their specialized skills. On the other hand, for those for whom continued education was clearly inappropriate, we suggested measures which would enable these young people, if not employed by private industry, to acquire work disciplines and familiarity with the use of tools which would enable them to compete effectively with other adults on reaching the age of 21.

Extension of Social Insurance

Fourthly, we urged that greater use should be made of the social insurance principle to provide minimum income for those who are unable to work through no fault of their own or who are undergoing short-period unemployment not exceeding 26 weeks. Specifically, we suggested extension of coverage of the old age and survivors insurance and unemployment compensation programs to certain groups now excluded, and immediate adoption of a social insurance plan to provide minimum income in case of permanent or temporary disability or sickness. We recommended too that steps should be immediately taken to enhance the adequacy of social insurance benefits, particularly through the payment of dependents' benefits for unemployment compensation and disability insurance in order that the social insurance program could provide a more real measure of security for some of the lower income groups. In the case of unemployment insurance we recommended a federal system in place of existing State programs and suggested that on all of the social insurance programs a part of the total costs should be provided from general taxation in place of the present exclusive reliance on wage and payroll taxes.

Public Assistance

Fifthly, we made specific recommendations looking toward the development of an adequate and comprehensive general public assistance program. We made this recommendation because our study showed that there are always a large number of people who cannot meet the eligibility requirements for the other special pro-

grams. Unless there is in every community a basic security measure providing for people on the basis of need and need alone, many thousands will not know freedom from want. We found that in all too many communities such a program does not exist. All too often where it exists it is inadequately financed because it is the one program which receives no grant in aid from the Federal Government, and of all programs it is the one to which the States make the least financial contribution. Accordingly, we urged a federal grant-in-aid for general public assistance and increasing State aid to this program. Moreover, we suggested that this federal grant-in-aid should be distributed in a way that reflected the economic capacity of the different States.

Health Services

Finally, our sixth recommendation stressed the need for an expansion of various constructive and preventive social services. Although our terms of reference had not included the field of health, its bearing upon the magnitude of the public aid problem was such that we urged the Federal Government to take steps in cooperation with the States and the medical associations to develop an adequate and comprehensive system of medical care and rehabilitation, although like Sir William Beveridge we did not spell out the details of the health program. We also recommended an expansion of the duties and responsibilities of the employment service, in order to provide a more effective guidance and placement service and for the development of training programs which would be realistically related to estimated trends in the labor market.