Beveridge’s rival: Juliet Rhys-Williams and the campaign for basic income, 1942-55

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Abstract: Historians of Britain’s post-war welfare state have long been aware of the shortcomings of the social insurance model, but the political impact of the Beveridge report has tended to obscure the alternative visions of welfare canvassed in the 1940s and 1950s. This article examines the social activist Juliet Rhys-Williams’ campaign for the integration of the tax and benefit systems and the provision of a universal basic income, which attracted wide interest from economists, journalists, and Liberal and Conservative politicians during and after the Second World War. Though Rhys-Williams’ proposals were not adopted, they helped establish a distinctive ‘social market’ perspective on welfare provision which has become central to British social policy debates since the 1960s and 1970s.

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Historians of the development of Britain’s post-war welfare state have long been aware that they are dealing with a paradox. On one hand, it is clear that the cluster of reforms which made up the 1940s welfare settlement – social security, family allowances, the National Health Service, and the commitment to maintain a high and stable level of employment – embodied a solidaristic and universalist ethos which contrasted sharply with older liberal notions of voluntary action and individual responsibility. Yet though its achievements have been considerable, the welfare state has consistently struggled to live up to its rhetoric of inclusive social citizenship. As many scholars have pointed out, the Beveridgean social insurance model at the heart of the post-war settlement is profoundly gendered, being strongly oriented towards the needs of capitalist employment in general and the male breadwinner in particular. Partly for this reason, post-war governments have never wholly succeeded in eliminating poverty except on the most restrictive definition.

The story of the Beveridge report is a familiar one, first told in detail by José Harris and Paul Addison almost forty years ago, and the reasons for its adoption as the basis of post-war social policy are clear enough. Radical in scope yet evolutionary in character, published with all the authority of an official document, and invested with symbolic value by press and politicians, the report quickly came to dominate wartime reconstruction debates. Yet one of the consequences of Beveridge’s success was to cast into the shadows the alternative visions of welfare which were canvassed by contemporaries. Despite a vast empirical and theoretical literature on the British welfare state, we know remarkably little about the roads not taken.

This article seeks to illuminate British social policy debates during the 1940s and 1950s by examining one of the most important alternatives to the Beveridge model, namely the campaign for tax-benefit integration and the provision of a universal basic income led by the socialite and political activist Lady Juliet Rhys-Williams. Rhys-Williams’ campaign deserves attention for three main reasons. Firstly, her scheme represented a radical response to the problems of poverty and idleness confronted by Beveridge, which drew on similar concepts – universality, contribution, less eligibility, and the national minimum – but configured them in a less gendered and labour-oriented way. Egalitarian and feminist political philosophers such as Philippe van Parijs, Erik Olin Wright, Ailsa McKay, and Almaz Zelleke have been attracted to the idea of an unconditional basic income for precisely this reason: by reducing the importance of paid employment, it makes possible a wider range of life choices and so underpins ‘real freedom for all’.

1 Harris, ‘Political thought’, Harris, ‘Poor law to welfare state’.
2 Wilson, Women & the Welfare State; Lewis, ‘Gender’; Pedersen, Family.
3 Harris, William Beveridge; Addison, The Road to 1945.
4 I use the term ‘basic income’ throughout this article in the interests of convenience and clarity, though strictly speaking it is an anachronism: it appears to have been coined by G. D. H. Cole in 1953 and only gained wide currency in the 1980s. Contemporaries generally used the term ‘social dividend’, though Rhys-Williams preferred to talk about ‘positive allowances’. Several economists, philosophers, and social policy experts have discussed Rhys-Williams’ scheme on the basis of her published works: see especially Atkinson, Poverty in Britain, 157-84; Kesselman and Garfinkel, ‘Professor Friedman’; Torry, ‘The United Kingdom’, and van Parijs and Vanderborght, Instrument of Freedom.
5 van Parijs, Real Freedom for All; McKay, Future of Social Security; Olin Wright, Envisioning Real Utopias; Zelleke, ‘Feminist political theory’.
Atkinson and Stuart White, have suggested that the basic income should be made conditional on some form of contribution to society in order to prevent free-riding.\(^6\)

Secondly, the reception of Rhys-Williams’ ideas casts important light on wartime and post-war attitudes to work, welfare, and family structure. On the one hand, it is striking how many academics, journalists, and politicians were prepared to contemplate the idea of a basic income; on the other hand, the most important policy-makers remained decidedly hostile. Rhys-Williams framed her scheme as a tax reform and played down its gender implications, but still aroused criticism from those who believed it would subsidize idleness and weaken work incentives. Its failure reminds us both how difficult it was for individual policy entrepreneurs to penetrate the institutions of the British state, and how widely Beveridge’s liberal and male-breadwinner assumptions were shared in Westminster, Whitehall, and British industry.

Thirdly, notwithstanding its failure, Rhys-Williams’ campaign helped lay the foundations for a distinctive ‘social market’ approach to the relief of poverty through direct income transfers, which has become increasingly central to British social policy debate since the 1960s and 1970s.\(^7\) Not only did Rhys-Williams force Treasury officials to examine the practicability of a basic income, but she also developed a following among liberal economists such as James Meade and Alan Peacock, who saw transfer payments as a market-oriented alternative to collective provision and benefits in kind. The episode thus forms an important prologue to contemporary debates about equality and redistribution and the role of income support policies such as Universal Credit.

Juliet Rhys-Williams and the ‘new social contract’

Juliet Rhys-Williams was born in 1898 as Juliette Glyn, younger daughter of the romantic novelist Elinor Glyn and her barrister husband Clayton. From the age of nineteen she worked as a private secretary in Whitehall, and at twenty-two she married Sir Rhys Williams, a South Wales lawyer, coalowner, and Coalition Liberal MP, with whom she had four children.\(^8\) During the 1930s, Rhys-Williams became a leading figure in the maternity and child welfare movement as honorary secretary of the National Birthday Trust and the Joint Council of Midwifery, where she helped pave the way for the Midwives Act 1936. The National Birthday Trust was a notably elite organisation, founded by Lady George Cholmondeley to raise funds for voluntary maternity hospitals, but Rhys-Williams persuaded her colleagues to adopt a broader focus on the problems of maternal mortality and malnutrition.\(^9\) In 1934 she launched an experimental scheme for distributing food supplements to poor expectant mothers in the Rhondda, which was subsequently extended to other depressed districts in South Wales and County Durham with support from the Special Areas Commission.\(^10\) Rhys-Williams also served alongside her husband on the Bishop of Llandaff’s Committee, which investigated the South Wales unemployment problem, and was an active member of Harold Macmillan’s Next Five Years Group.\(^11\)


\(^7\) I owe this conception of a ‘social market’ approach to welfare to Alan Peacock: see Peacock, ‘Welfare philosophies’.

\(^8\) For a short biography see Nicoll, ‘Williams, Dame Juliet Evangeline Rhys’. Sir Rhys changed his surname to Rhys-Williams by deed poll in 1938.

\(^9\) Williams, Women & Childbirth.


pushed her towards a universalist view of welfare, and when she fought the safe Labour seat of Pontypridd as a Liberal National candidate in a February 1938 by-election she emphasized her support for family allowances, cheap milk, and better old age pensions. Later that year the Munich agreement shattered her faith in the National Government, and she defected to the opposition Liberals.

Rhys-Williams was an unlikely Liberal in a number of respects: not only was her political background Conservative, but she was a fervent imperialist and a supporter of tariff protection at a time when the Liberal Party was still strongly committed to free trade. As she explained to her friend Leo Amery during the Second World War,

> My Liberalism is purely on social policy. I think their free-trade ideas are just as absurdly old-fashioned as you do, + their little Englandism (now fairly extinct) quite revolting! It was Conservative complacency over distressed areas which drove me out. Also ‘appeasement’.

Despite this ideological ambivalence, Rhys-Williams rapidly became a leading figure within the depleted Liberal ranks: honorary secretary of the Women’s Liberal Federation (1943-5), chairman of the party’s Publications and Publicity Committee (1944-6), prospective candidate for Ilford North, and a member of the party’s ruling Council. It was here that she developed her basic income proposals.

The idea of a basic income for all citizens was hardly a new one, as the Belgian scholar Walter van Trier has shown. Thomas Paine suggested a system of universal grants in his 1797 pamphlet on Agrarian Justice, and the American utopian writer Edward Bellamy popularized the idea in his influential 1888 novel Looking Backward. The concept achieved wider currency on the British left at the end of the First World War, when Bertrand Russell endorsed it in Roads to Freedom and a group of Quakers led by Mabel and Dennis Milner developed plans for a ‘state bonus’. C. H. Douglas’ social credit scheme included provision for a universal ‘national dividend’, and socialist economists such as Abba Lerner, James Meade, and G. D. H. Cole also floated the possibility of introducing a ‘social dividend’ during the 1930s, either as a counter-cyclical device, an egalitarian measure, or a means of distributing the profits of nationalized industries. Rhys-Williams may have encountered one or more of these proposals. Yet the political climate of inter-war Britain was hardly congenial to the adoption of radical distributive measures, and the idea was liable to be discredited by association with the heterodox economics of the Douglas credit scheme. Liberals and Conservatives showed little interest, and the Labour leadership preferred to pursue a more conventional path to socialism.

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12 Manchester Guardian, 25 Jan. 1938, 5; see also Lewis, The Politics of Motherhood, 188.
14 Rhys-Williams papers, J 11/2, Juliet Rhys-Williams to Percy Cohen, 10 Jan. 1937 (copy).
16 Nicoll, ‘Williams, Dame Juliet Evangeline Rhys’. For a fuller analysis of the Liberal Party’s internal politics during the war, see Sloman, Liberal Party, pp. 135-65.
17 van Trier, Every One A King.
18 Paine, Agrarian Justice; Bellamy, Looking Backward.
19 Russell, Roads to Freedom, 99-120; Milner and Milner, State Bonus; van Trier, Every One A King, 31-142.
20 Ibid., 143-407.
The Second World War provided a more propitious environment for basic income advocates as a result of two developments. The first was that the needs of wartime mobilization prompted the British state to accept much wider responsibility for its citizens’ welfare, reflected in the introduction of rationing and food subsidies and also of separation allowances for the families of service personnel. Eleanor Rathbone’s campaign for family allowances had gained momentum during the late 1930s as Conservatives and Liberals embraced it as an anti-poverty measure, and the trade union movement – which had long feared that family allowances would depress wage rates – began to relax its hostility following the outbreak of war.\footnote{Macnicol, \textit{Movement for Family Allowances}, 118-28, 154-60, 176-8.} From 1941 the question of family allowances became linked with the work of the Interdepartmental Committee on Social Insurance and Allied Services, chaired by Sir William Beveridge, which examined the possibility of expanding and unifying existing social insurance schemes and took evidence from a range of interested parties. Beveridge favoured the development of a comprehensive insurance scheme for unemployment, sickness, and old age pensions alongside non-contributory family allowances, but there was clearly scope for further simplification. Both Political and Economic Planning and the Fabian Society urged Beveridge to abandon flat-rate insurance contributions and throw the whole cost of social security on to the Exchequer.\footnote{Cmd. 6405, \textit{Social Insurance and Allied Services: Memoranda from Organisations}, 34-41.}

The prospects for basic income were also enhanced by the government’s decision to widen the income tax net in order to curtail private consumption and finance the war effort. As a result of rising wages and reduced thresholds and allowances, the number of income-tax payers grew from 3,700,000 in 1937/8 to 6,000,000 in 1940/1 and 13,000,000 in 1944/5 and came to include a large section of the working class.\footnote{Daunton, \textit{Just Taxes}, 180.} Yet the existing system of lump-sum collection in arrears was strikingly ill-suited to working-class budgeting habits, and through a system of deductions from wages was quickly introduced the government faced strong pressure from MPs and trade unionists for these to be based on current earnings.\footnote{Ibid., 177-9; Pearce, ‘The road to 1944’.} The Inland Revenue eventually met this demand by devising cumulative Pay-As-You-Earn (PAYE) in 1943, but in the interim there was a ready market for schemes which would allow income tax to be deducted on a current basis. One obvious solution, as \textit{The Economist} pointed out, was to deduct tax at a flat rate from all wages and then to pay personal and family allowances in cash as a separate operation.\footnote{\textit{The Economist}, 7 Feb. 1942, 176-7, and 24 Apr. 1942, 563-4.} The paper seems to have been thinking of vouchers which taxpayers could encash on production of a certificate of tax paid, but from here it was only a relatively small step to a basic income.

Juliet Rhys-Williams began working on tax-benefit reform in the summer of 1941, out of frustration at the way in which means-tested unemployment assistance had operated during the 1930s.\footnote{Rhys-Williams papers J 2/4/3, ‘Why did you evolve this scheme?’, press handout, June 1951.} She pointed out that the Unemployment Assistance Board simultaneously provided an inadequate income for unemployment workers, prevented them from taking part-time and casual jobs, and discouraged those with large families from returning to work because they would lose their dependents’ allowances. The solution, she thought, was to abandon the ‘strange convention’ that the state should only provide material aid to the unemployed and elderly, and ‘substitute for it the democratic principle that the State owes precisely the same advantages to every citizen, \textit{and should consequently pay the same}'}
benefits to the employed and healthy as to the idle and sick’. Rhys-Williams proposed that citizens should pay income tax at a flat rate of 9/- in the £ (45 per cent) on all earnings up to the surtax threshold, and in return would receive a weekly cash payment to cover basic subsistence needs, which she estimated at 21/- for a man, 19/- for a woman and 10/- for a child, with regional variation for rent. At one stroke the scheme would solve a host of intractable problems. Tax could be deducted on a current basis, the means test and the poverty trap would disappear, the financial relationship between the citizen and the state would be greatly simplified, and much of the bureaucracy of social insurance could be abolished. Mothers and housewives would receive an independent income, low-paid occupations such as agriculture would become more viable, and the highest earners would also gain as the top rates of income tax and surtax were reduced. Last but not least, the Treasury would obtain a powerful fiscal regulator.

Rhys-Williams believed that her scheme would improve work incentives because benefits would not be withdrawn with increased earnings, but she recognized the risk that some citizens might choose to live on their allowances, placing a heavy tax burden on those who worked. Consequently, though she did not object to a universal payment on principle, she proposed to make the allowances conditional on labour market participation for men and single women. Each adult citizen would sign a contract with the state, promising to work to the best of their ability – full-time for men, part-time for single women and young widows without dependent children – in return for subsistence. Those who chose not to sign or fulfil the social contract would not be eligible for benefits. Rhys-Williams thus made explicit the reciprocity principle which was implicit in the social insurance system and, as Ben Jackson has shown, pervaded even egalitarian social thought in this period.

Beveridge’s rival, 1942-5

Juliet Rhys-Williams first outlined her ideas in a privately-printed pamphlet in August 1942, which she circulated to friends including the Conservative ministers Sir Kingsley Wood and Leo Amery, and was commissioned to develop them into a book under the title of Something to Look Forward To. By the time the book appeared in May 1943, however, the political landscape had been transformed by the rapturous public reception of the Beveridge report and demands from Labour and Liberal backbenchers for the adoption of ‘Beveridge in full’. In these circumstances, pressing for the adoption of an alternative form of social security was bound to be an uphill struggle. Nevertheless, Beveridge was not without his critics even in progressive circles: for instance, Political and Economic Planning argued that flat-rate contributions were regressive and inelastic, whilst Seethom Rowntree pointed out that the scheme would not eliminate poverty among the low-paid and self-employed. The most impassioned critique came from Elizabeth Abbot and Katherine Bompas of the Women’s Freedom League, who accused Beveridge of producing ‘a man’s plan for man’.

27 Rhys-Williams, Something to Look Forward To, 144.
28 Ibid., 145, 151-2.
29 Ibid., 138-59, 182-208.
30 Amery papers, AMEL 2/2/29, Juliet Rhys-Williams to Leo Amery, 19 May 1943.
31 Rhys-Williams, Something to Look Forward To, 145-6.
33 Amery papers, AMEL 2/2/29, Juliet Rhys-Williams to Leo Amery, 11 Sept. 1942; Rhys-Williams papers J 2/4/3, ‘Why did you evolve this scheme?’.
34 Planning, no. 205 (20 April 1943), 1-21; Rowntree, ‘Poverty’.
differentiating between married and unmarried women and denying women workers an equal status. Rhys-Williams argued that her approach would make good these deficiencies.

One promising constituency for Rhys-Williams’ ideas lay in the women’s movement, where Eleanor Rathbone and the Family Endowment Society had long advocated ‘wages for housewives’. Rhys-Williams’ conception of womanhood was maternalist rather than egalitarian, as her willingness to excuse married women from work requirements showed, but her scheme nevertheless represented a significant advance over Beveridge’s strong male-breadwinner assumptions. The South Wales Women’s Parliament passed a resolution in January 1943 which embodied her criticisms of Beveridge, and in December the Women’s Liberal Federation (WLF) endorsed a modified version of the proposals, which it proceeded to press on the Liberal Party itself. Eleanor Rathbone was also favourably impressed, and urged ministers to give the scheme serious consideration. Yet though Rhys-Williams met with representatives from several women’s groups in March 1944, none of the main feminist organizations took her ideas up. The egalitarian feminists of the Six Point Group had a well-established agenda of their own, centred on equal pay and the marriage bar, whilst the Family Endowment Society was focussed on ensuring that family allowances were paid to the mother. In any case the government’s acceptance of the social insurance model seemed to be a fait accompli, so it made more sense to press for limited changes to the Beveridge scheme which would make it more gender neutral.

Outside feminist circles, it was the possibility of simplifying the relationship between the individual and the state that attracted most attention. Here Rhys-Williams’ scheme tended to be coupled with a similar proposal by a pair of London actuaries, A. T. Haynes and R. J. Kirton, which was also published in May 1943. The Economist gave the two schemes sympathetic coverage and suggested that they provided a logical blueprint towards which tax and social security might develop in the long term; so too did W. Manning Dacey in The Observer, J. C. Johnstone in the Daily Telegraph, and The Times’ City editor. The Chancellor of the Exchequer, Sir Kingsley Wood, commissioned a Treasury analysis of the proposals, and the Liberal Party set up a special committee under the chairmanship of Sir Walter Layton, which reported that the version adopted by the WLF was ‘sound in principle’. The social security expert Sir Ronald Davison congratulated Rhys-Williams on ‘a brilliant piece of sustained thought’, whilst the Liberal matriarch Violet Bonham Carter

36 Rhys-Williams, Something to Look Forward To, 182-9.
41 Haynes and Kirton, Income Tax.
43 Liberal Party, Family Allowances, 4. Laurence Cadbury suspected that Layton was influenced by his wife Dorothy’s enthusiasm for the scheme: Borthwick Institute for Archives, University of York, Seebohm Rowntree papers, POV/3/19, L. J. Cadbury to B. S. Rowntree, 9 June 1944.
showed the scheme to John Maynard Keynes, who said that he found the idea ‘very attractive’ and had tried to work out more than one variant of it himself.  

Keynes pointed out, however, that support for the principle of tax-benefit integration was very different to accepting the details of particular proposals, and the expert scrutiny which Rhys-Williams had sought brought her scheme’s drawbacks into focus. Critical attention centred on the cost of paying subsistence-level allowances to every citizen. E. F. Schumacher, who examined the scheme for the Liberals, estimated that taxation would have to rise to 53 per cent of national income to finance the payments, even if the government managed to pare back its expenditure on roads, defence, and agriculture. The editor of The Economist, Geoffrey Crowther, was more sympathetic to the principle, but agreed that Rhys-Williams was ‘going far too fast in extending the scope of social security and using up a great deal of taxable capacity without enquiring whether the objects on which the money is to be spent are really those which should have priority’. Within government, the veteran Treasury official Herbert Brittain made the same point. Although the finances of the scheme were plausible enough,

from a general point of view it is highly fantastic that when the total gross payments required, according to Beveridge, to relieve want, sickness, etc. amount to about £700 millions, we should go to the length of paying out £2,280 millions and of having to collect £2,000 millions more in income tax than at present.

At a time when ministers and civil servants were concerned by the cost of Beveridge’s proposals, there seemed to be little point in pressing for a more expensive scheme. As the taxation expert László Rostas observed, the Beveridge report had ‘a better chance of general acceptance’, and if augmented by adequate family allowances and minimum wages it ‘would probably serve the same big aims’.

The impact of a basic income on work incentives was also felt to be less clear-cut than Rhys-Williams had claimed. It was probably true that it would make it easier for the unemployed to return to work, and it was also possible that marginal tax rates could be reduced at the top end, but Schumacher pointed out that a flat-rate deduction would mean higher marginal rates for millions of workers whose incomes currently fell below the threshold or only took them into the reduced-rate bands. ‘Taxation’, he argued, ‘inevitably weakens the pecuniary incentive to work, and this effect is more pronounced in the case of small incomes than of large ones.’ Edward Hale of the Treasury also thought that the social contract would be difficult to enforce, especially in the case of the self-employed. It may have been for this reason that Rhys-Williams abandoned the formal contract in later versions of her scheme and suggested that workers might continue to receive a conventional tax

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44 Manchester Guardian, 2 Mar. 1944, 4; Bodleian Library, MS. Bonham Carter, 183/24, Keynes to Violet Bonham Carter, 20 Dec. 1943.
46 Rowntree papers, POV/3/18, Geoffrey Crowther to B. S. Rowntree, 6 June 1944.
47 TNA: PRO, T 161/1461, Herbert Brittain to Bernard Gilbert, 28 Jan. 1943.
48 Rowntree papers, POV/3/11, L. Rostas to B. S. Rowntree, 30 April 1944.
49 Rowntree papers, POV/3/9, ‘Notes by Mr. E. F. Schumacher’.
50 TNA: PRO, T 161/1461, ‘Draft reply to Mr. Amery’ by Edward Hale, 30 Jan. 1943.
allowance instead of a subsistence payment. However, this modification threatened to destroy the scheme’s administrative and conceptual simplicity.

The strongest defence of the status quo came from the Board of Inland Revenue, whose chairman Sir Cornelius Gregg dismissed Something to Look Forward To as ‘special pleading of a soppy sentimental character with no real principle behind it’. The Revenue argued that the equation of income tax allowances with social benefits gave ‘an entirely false picture’ because the two systems embodied different principles: income tax was based on the concept of taxable capacity, which varied according to family responsibilities as well as income, whereas social security was designed to prevent citizens from suffering material want as a result of unemployment, sickness, or old age. Gregg also articulated the Revenue’s traditional concern for the legitimacy of tax collection, insisting that it would be wrong ‘to entangle the Income Tax machine in the payment of Social Service benefits’ and difficult to collect a flat rate of tax from all incomes. Sir Bernard Gilbert of the Treasury added the political point that a scheme which demolished the argument for a family wage was unlikely to be popular with the trade unions.

Official attitudes towards Rhys-Williams’ scheme may have been coloured by sexism and hostility to lay initiative; Eleanor Rathbone certainly suspected as much. Even so, the Treasury and Inland Revenue’s criticisms were cogent enough in their own terms, and were accepted as such by Sir Kingsley Wood and his successor Sir John Anderson. Contributory social insurance, progressive income tax, and cumulative PAYE thus became the main fiscal pillars of the welfare state, supported for different reasons by both Labour and the Conservatives. Even the Liberals’ enthusiasm for radical reform waned after Beveridge joined their ranks as MP for Berwick-upon-Tweed in October 1944, since the party could hardly alienate its star recruit. The January 1945 Liberal Assembly passed a resolution which noted the need for tax-benefit integration, but Beveridge took little interest in the idea, and it made no appearance in the party’s 1945 election campaign.

‘A progressive policy for the right’, 1945-51

The adoption of the insurance model as the basis for post-war social policy was sealed by the landslide Labour victory in the 1945 general election. Though Let Us Face the Future did not mention the Beveridge report by name, 97 Labour MPs had voted for its early implementation in the famous February 1943 Commons debate, and the party seems to have

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51 Family Allowances, 12-16.
52 TNA: PRO, T 161/1461, Sir Cornelius Gregg to Mr. Padmore, n.d. [June/July 1943].
54 TNA: PRO, T 161/1461, Sir Cornelius Gregg to Mr. Padmore, 21 Dec. 1943, and ‘Notes on Income Tax reforms’, 16 July 1943.
55 TNA: PRO, T 161/1461, Sir Bernard Gilbert to Mr. Padmore, 30 Dec. 1943.
57 TNA: PRO, T 161/1461, Sir Kingsley Wood to Juliet Rhys-Williams, 28 July 1943 (copy).
58 Liberal Magazine (April 1945), 198-9; Rhys-Williams papers, J 2/3/1, Juliet Rhys-Williams to Mrs. A. O. Scott, 29 Nov. 1944 (copy); on the 1945 Liberal campaign see Baines, ‘Liberal Party’, and Sloman, ‘Rethinking a progressive moment’.
profited from popular enthusiasm for it.\(^{59}\) Jim Griffiths, who had led the 1943 rebellion, became Minister of National Insurance and piloted a modified version of Beveridge’s plan into law as the 1946 National Insurance Act.\(^{60}\) Griffiths and his colleagues took justifiable pride in implementing wartime reconstruction plans and overcoming the economic difficulties which threatened to destabilize them. At the same time, Hugh Dalton and Sir Stafford Cripps responded to demands for income tax reductions by increasing personal allowances, earned income relief, and the reduced-rate bands: Dalton’s first budget, for instance, took about 2,000,000 people – mostly working men – out of income tax altogether.\(^{61}\) All this suggested that Rhys-Williams’ ideas were politically dead – as an LSE economist, H. S. Booker, lamented in the *Economic Journal*.\(^{62}\)

By the middle of the 1945 Parliament, however, tax-benefit reform had returned to the political agenda for two reasons. The first was the growth of concern across the political spectrum – including the Trades Union Congress, the Federation of British Industry, and Conservative and Labour MPs – about the impact of taxation on work incentives.\(^{63}\) As Richard Whiting and Martin Daunton have shown, this was a central topic of political debate during the Attlee years.\(^{64}\) Quite apart from the overall tax burden, the structure of PAYE made workers more aware of the marginal rate which they paid on additional earnings and also provided for refunds if wages fell towards the end of the tax year, allegedly encouraging absenteeism, discouraging overtime, and undermining the Attlee government’s production drive. The Conservative MP David Eccles and the former Inland Revenue official Paul Chambers, who had devised PAYE before becoming a director of ICI, both argued that a flat-rate tax on low and middle incomes would solve these problems. Eccles proposed to pay tax allowances through a voucher system, but Chambers pointed out that the standard rate could be reduced to just 3/- in the £ (15 per cent) on incomes up to £500 if all allowances were abolished.\(^{65}\) In either case, the social security system would have to be retained in some form.

Concerns about incentives were reinforced among mainstream economists by frustration with the Attlee government’s policy of maintaining wartime food and housing subsidies. Market-oriented Keynesians such as James Meade, Roy Harrod, and Alan Peacock argued that these subsidies offended against both economic efficiency and consumer choice: it would be better to supplement the incomes of the poorest citizens and allow them to spend the money as they chose.\(^{66}\) Meade viewed tax-benefit integration as a powerful tool for redistributing purchasing power, and included a detailed discussion of the Rhys-Williams scheme in his 1948 book *Planning and the Price Mechanism*; he also canvassed the idea

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\(^{59}\) This point has been emphasized by Steven Fielding: Fielding, ‘What did “the people” want?’, 633-4.

\(^{60}\) Morgan, *Labour in Power*, 170-3.


\(^{66}\) This argument was, of course, rooted in neoclassical welfare economics: see Barry, ‘Neoclassicism’.
within the Labour Party. Harrod likewise thought that the idea of a basic income was ‘radically sound’ and ‘might constitute a genuine rival to that of socialism itself’.

Juliet Rhys-Williams was well placed to take advantage of this renewed interest in her scheme. After the 1945 election she had become a central figure in the Design for Freedom movement, which sought to bring about Liberal-Conservative cooperation; she was also honorary secretary of Winston Churchill’s United Europe Movement and a small London-based think-tank, the Economic Research Council. During 1948 she met with Paul Chambers and James Meade with a view to devising a mutually acceptable scheme, but the ideological differences between them proved too great. Chambers was preoccupied by the need to reduce tax rates and horrified by the idea of subsistence-level cash allowances, whereas Meade pointed out that it was only the possibility of replacing the National Insurance system with a basic income that created scope for large administrative savings.

The political reception of these ideas reflected the complex nexus of gender, class, and ideology which lay at the heart of post-war debates about austerity and consumption, as Ina Zweiniger-Bargielowska has shown. The Attlee government showed little interest, since the concept of basic incomes cut across both elements in Labour’s traditional egalitarian strategy – higher wages for working men and collective provision of necessities such as health, education, and housing. As Amy Black and Stephen Brooke have pointed out, the Labour Party’s trade unionist roots meant that its economic policies ‘stressed producers rather than consumers’, whilst ‘the assumption that the party of welfare was the party of women’ fostered a degree of ‘complacency’ towards female voters. Meade’s enthusiasm for market pricing and consumer choice was a minority taste within the party, and his efforts to canvass support for Rhys-Williams’ scheme made little headway – though the sociologist Barbara Wootton, the young economist Brian Abel-Smith, and the future Cabinet minister Douglas

67 Meade, Planning and the Price Mechanism, 42-6; Labour History Archive and Study Centre, Manchester, Labour Party Archive, Research Department memoranda, RD 201, ‘Next steps in domestic economic policy’ by J. E. Meade, Nov. 1948; Modern Records Centre, University of Warwick, MSS.292/750.1/6, Labour Party Policy and Publicity Committee minutes, 15 Nov. 1948. Meade did, however, worry about the impact on incentives, and suggested retaining a poll tax on the model of the National Insurance contributions in order to bring the income tax rate down.
69 For the Economic Research Council, see the correspondence in Rhys-Williams papers, J 1/15.
70 As a compromise, Rhys-Williams suggested that a universal payment of 16/- might be topped up by a 10/- tax credit for workers and an extra 10/- cash allowance for the sick, unemployed, and retired, paid for by income tax at 6/8 in the £ (33.3 per cent) and an employee’s contribution of 3/4; see Rhys-Williams, Income Tax Reform.
71 BLPES, Meade papers, 3/7/6-7, James Meade to Juliet Rhys-Williams, 8 Sept. 1948 (copy), and 3/7/11-12, S. P. Chambers to James Meade, 22 Nov. 1948. Ursula Hicks agreed ‘wholeheartedly’ with Chambers: Meade papers, 3/7/15, Ursula Hicks to James Meade, 30 Nov. 1948 (copy).
72 Zweiniger-Bargielowska, Austerity in Britain.
Houghton all recognized its radical potential. At the Treasury, both Stafford Cripps and Hugh Gaitskell investigated the possibility of income tax simplification, but the schemes prepared by Inland Revenue officials provided for a series of low flat rates and left National Insurance untouched. In the end, nothing was done in this direction before Labour lost office in 1951. One reason was that Dalton’s policy of removing low earners from tax was politically difficult to reverse; another was the TUC’s vocal commitment to a single, steeply progressive income tax system.

Rhys-Williams’ ideas achieved greater traction in the Liberal Party, which was less sensitive to trade union opinion and more concerned about choice and incentives. Although the Liberals welcomed the Attlee government’s flagship social legislation, the National Insurance Act and the creation of the National Health Service, some activists worried that the continued expansion of collective provision would undermine independence and personal responsibility. As the leading Yorkshire Liberal (and former party president) Elliott Dodds asked in 1949:

Is it right that the State should appropriate so large a proportion of citizens’ incomes and spend it on their behalf, instead of leaving them to spend it according to their own free choices?

Like Meade and the liberal economists, Dodds and his colleagues were most suspicious of food and housing subsidies, but they recognized that outright opposition to these measures was likely to be seen as an assault on working-class interests. Rhys-Williams’ scheme offered a means of squaring the circle by compensating poorer workers and their families for the loss of benefits in kind. Philip Fothergill, the chairman of the party’s national executive, also hoped that such radical proposals would help attract voters’ attention during the forthcoming election campaign. The 1949 Liberal Assembly thus reaffirmed the principle of tax-benefit integration, and a Taxation Committee chaired by the London accountant Guy Naylor was tasked with working out the details. Naylor and his colleagues concluded that a subsistence-
level scheme would damage work incentives, and instead proposed to pay a cash allowance of 12/6 – about half the basic National Assistance rate, excluding rent, for a single person – to all adults and children. This would be financed by a flat-rate tax of 5/- (25 per cent) on earned incomes up to £600 and the abolition of the food subsidies.\(^8^2\) Though the committee’s report appeared too late for the party to use in the February 1950 election, it was endorsed by the party Council in June 1950, and Rhys-Williams thought it ‘quite excellent as an interim step’ on the way to a basic income.\(^8^3\)

By the late 1940s, however, Rhys-Williams had drifted away from the Liberal Party in frustration at its ambivalence towards the government. In any case, the Liberals were in precipitate decline, and struggled to find an electoral niche for themselves under Clement Davies’ leadership; by 1951 the party had just six seats and was ‘on the brink of oblivion’.\(^8^4\) The real prize Rhys-Williams sought was the Conservative Party’s backing, and she energetically used her position as Churchill’s intermediary with the Liberals to press the merits of reform. ‘There is a progressive policy for the right, as well as for the left,’ she wrote to the Tory leader in January 1949, ‘and this is the time for it.’\(^8^5\) Rhys-Williams argued that her scheme would burnish the Conservatives’ appeal to agricultural workers and women voters – two key electoral groups – whilst providing political cover for cuts in the food subsidies and reducing taxes on the highest incomes.\(^8^6\) Framed in these terms, the concept of tax-benefit reform was an appealing one which both chimed with the party’s rhetoric of ‘setting the people free’ and offered a means of outflanking Labour on welfare policy. A number of leading Conservatives – notably Harold Macmillan and Duncan Sandys – took a close interest in Rhys-Williams’ proposals, and R. A. Butler commissioned a detailed analysis from David Dear and Reginald Maudling of the Conservative Research Department.\(^8^7\)

Over time, though, the Conservatives decided against Rhys-Williams’ scheme for a number of reasons. Firstly, the idea of a basic income ran up against the party’s deep-seated suspicion of redistributive taxation and welfare spending, which was accentuated by the middle-class reaction against the Attlee government. As Harriet Jones and E. H. H. Green have shown, the early 1950s saw the emergence of a ‘selectivist’ critique of the welfare state within the party, in pamphlets such as Enoch Powell and Iain Macleod’s The Social Services: Needs and Means (1952).\(^8^8\) If liberal economists were attracted to a basic income as a means

\(^8^2\) The plans also included a 6/- tax on unearned income and a supplementary rate on incomes over £600: Rhys-Williams papers, J 10/3/1, minutes of Taxation Committee meeting, 29 Dec. 1949; Liberal Party, Reform of Income Tax.

\(^8^3\) Liberal News, 16 June 1950, 1; Rhys-Williams papers, J 2/2/2, Juliet Rhys-Williams to Guy Naylor, 20 Mar. 1950.

\(^8^4\) Dutton, ‘On the brink’.


of enlarging consumer choice, Conservatives were alarmed by the prospect of making every citizen ‘dependent on and in some degree a pensioner of the State’. Sir John Anderson, for instance, saw this as ‘a concession to the pestilent Socialist doctrine of re-distribution and a long step on the way to Communism’.  

Secondly, Churchill was determined not to tie the hands of a future Conservative government by making expensive tax and spending commitments. As a former occupant of the Treasury himself, he insisted that taxation was ‘a matter which should be studied by the Chancellor of the Exchequer, and not a subject for an election campaign’.  

Thirdly, Dear and Maudling were unconvinced by the political benefits of the scheme, since it would not only increase the overall level of taxation but also tend to redistribute income away from middle earners towards the rich and the poor. In electoral terms, it made much better sense for the Conservatives to cut income tax for skilled workers and other middle-income groups, restoring the ‘dip’ in the incidence of taxation which had existed in the 1920s and 1930s. As for women voters, the party was already making substantial gains as a result of its promise to abolish rationing. 

The Conservative leadership’s rejection of the Rhys-Williams scheme thus reflected a growing confidence in the party’s electoral position. The results of the 1950 general election – which reduced Labour to a majority of five – confirmed Churchill’s belief that there was no need to enter into a bidding war over social policy, and thereafter he put his faith in ‘housing, red meat, and not getting scuppered’. Outside the narrow but important field of house-building, where the temptation to exploit Aneurin Bevan’s perceived failure was irresistible, the party focussed on reassuring voters about its intentions towards the welfare state whilst emphasizing the need to control its cost. As a result, the social policy of Churchill’s 1951-5 government had (in Timothy Raison’s words) ‘a curiously uncomplicated flavour’. Butler used his 1952 budget to cut the food subsidies and grant compensatory increases in family allowances and National Insurance benefits; he also increased earned income relief and extended the reduced-rate bands, and followed this up with standard-rate cuts in 1953 and 1955. On the social security side, the contributory principle was reaffirmed, partly because it was believed to encourage personal responsibility and partly because it offered a powerful lever for reining in spending. Butler’s strategy may have amounted to little more than fiscal ‘tinkering’, but the increased Conservative majorities in 1955 and 1959 suggest that it was politically astute. As Whiting has pointed out, the income tax cuts effectively drove a

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92 For the ‘dip’, see Daunton, Just Taxes, 132-41, 167-9.  
93 Zweiniger-Bargielowska, Austerity in Britain, 203-55.  
94 Quoted in Ramsden, Age of Churchill, 228.  
95 On the Conservatives’ target of building 300,000 houses a year, see Jones, “This is magnificent”.  
96 Raison, Tories and the Welfare State, p. 32.  
99 Daunton, Just Taxes, 277.
wedge between the interests of better-paid skilled workers and other working-class groups.\textsuperscript{100}

As marginal rates fell and insurance benefits grew, the scope for a radical overhaul of tax and benefits contracted further.

**The Royal Commission on Taxation and the ‘rediscovery of poverty’**

The appointment of a Royal Commission on the Taxation of Profits and Income in 1951 presented a final opportunity for Rhys-Williams to make the case for reform. Although it was established by the Attlee government in response to criticism of its differential profits tax, the Commission also considered personal taxation, and specifically invited evidence on ‘whether it would be advantageous to link income tax with social security payments and contributions’\textsuperscript{101} Rhys-Williams, Haynes and Kirton, and the Liberal Party submitted detailed memoranda and were examined at oral hearings in June and July 1951.

The Royal Commission, however, turned out to be no more receptive to Rhys-Williams’ ideas than Labour and Conservative ministers had been. The two leading economists on the Commission, Nicholas Kaldor and John Hicks, were keen to advance their own ideas – Kaldor for a progressive expenditure tax, Hicks for a simple wages tax on the lines suggested by Chambers – whilst most of its other members seem to have been predisposed to support the status quo.\textsuperscript{102} This conservatism was encouraged by the Inland Revenue, whose opposition to reform was as strong as ever. The Board’s trenchant memorandum on the Liberal proposals pointed out that the trade-off between incentive and simplification was inescapable – it was possible to reduce tax rates or do away with the social insurance system, but not both – and argued that there was little intrinsic merit in a half-way house. It also used its statistical expertise and contacts within Whitehall to cast doubt on the reformers’ estimates of cost and administrative savings: for instance, it claimed that the Liberals had set their tax rate almost 1/- too low and that any savings from the abolition of PAYE would be offset by the additional burden on the Post Office.\textsuperscript{103} Arthur Cockfield, the Board’s Director of Statistics and Intelligence, later amplified these points in person.\textsuperscript{104}

The Inland Revenue memorandum may have been a ‘hatchet job’, but its hostility to change was shared by most of the outside organisations which submitted evidence.\textsuperscript{105} Though the TUC had previously expressed concerns about the operation of PAYE, it now played down its disincentive effect and rejected the idea of a simple wages tax. The TUC memorandum also criticized the notion of a basic income paid ‘irrespective of need’ and argued that the insurance principle was important because it established a right to benefit.\textsuperscript{106}

\textsuperscript{100} Whiting, ‘Income tax’.

\textsuperscript{101} Cmd. 9015, Taxation of Profits and Income, 9.

\textsuperscript{102} King’s College, Cambridge, Nicholas Kaldor papers, NK/8/2/351-2, minutes of first meeting of Royal Commission, 9 Jan. 1951, and NK/8/4/200-3, minutes of twelfth meeting of Personal Taxation Committee, 8 Jan. 1953.

\textsuperscript{103} TNA: PRO, IR 40/13486, ‘Board’s Memorandum 10. The Liberal Party Scheme for the Reform of Income Tax and Social Security’, 10 May 1951.

\textsuperscript{104} Minutes of Evidence, 67-76.

\textsuperscript{105} Peacock, Anxious to Do Good, 78.

\textsuperscript{106} Nuffield College, Oxford, Papers of the Royal Commission on the Taxation of Profits and Income (RCTPI), document 37, ‘Trade Union Congress. Evidence to the Royal Commission on Taxation of Profits and Income’, 2 May 1951’. Douglas Houghton of the Inland Revenue Staff Federation, who had previously taken an interest in Rhys-Williams and Chambers’ ideas, loyally echoed these criticisms: Papers of the RCTPI, document 60, ‘Evidence (Part I) submitted by the Inland Revenue Staff Association’, by Douglas Houghton, June 1951;
From the other side of industry, the British Employers’ Confederation argued that the various integration schemes would be ‘detrimental to productive effort and industrial relations and would unnecessarily increase the existing pressing burden of taxation’, and the Federation of British Industries echoed this line, though some of its members favoured a flat tax. The economist Ralph Hawtrey spelled out what these groups left implicit, namely a fear of subsidizing the undeserving poor. ‘A disadvantage of the cash allowance’, Hawtrey argued, is that it would be paid to many adults of varying degrees of moral ineligibility: the professional criminals while out of gaol, the tramps, wastrels and spongers, the feckless members of respectable families, who delay settling down to an occupation, have no just claim on public funds.

Even potential allies disappointed Rhys-Williams: for instance, Geoffrey Crowther backed the principle of reform but refused to commit himself on details. The British Bankers’ Association provided only lukewarm commendation, and the National Council of Women concentrated on pressing for the disaggregation of married couples’ incomes.

The Royal Commission’s rejection of radical reform was sealed by the results of a specially-commissioned investigation into the disincentive effects of PAYE which was carried out by the Government Social Survey in February and March 1952. The survey found that most workers had a hazy understanding of how income tax worked and concluded that its impact on productive effort had been greatly exaggerated. If this was true, then the case for a flat tax on wages largely collapsed – as the chairman, Lord Radcliffe, recognized. The Commission’s second report in April 1954 thus dismissed proposals for integration and reaffirmed the conception of progressive income tax which had developed over the previous half-century, recommending only modest changes to remove subsistence earnings from tax and improve child allowances for higher earners. Such an apparently authoritative verdict pushed tax-benefit reform to the margins of social policy debate in Britain for almost a
decade. Rhys-Williams remained friendly with Macmillan and pressed her scheme on him again after he became Chancellor, but officials parried the proposals with ease, and the ambitious ‘replanning of the welfare state’ which took place under Macmillan’s government focussed instead on health, education, and pensions.\textsuperscript{114} Even Rhys-Williams turned her energies elsewhere in the years before her 1964 death, during which she chaired the National Birthday Trust, the United Europe Movement, and the Cwmbran Development Corporation.

It was the ‘rediscovery of poverty’ in the early and mid-1960s that put tax-benefit integration back on the policy agenda. The failure of successive governments to raise National Insurance pensions to subsistence level left a growing number of pensioners reliant on means-tested National Assistance, which many were reluctant to claim, and Brian Abel-Smith and Peter Townsend’s 1965 study of \textit{The Poor and the Poorest} showed that relative poverty was also a serious problem among low-paid workers with children – a finding which prompted the formation of the Child Poverty Action Group.\textsuperscript{115} Some politicians and academics – including James Meade and Rhys-Williams’ son Brandon – took the opportunity to rally support for basic income, while the Heath government published plans to replace tax allowances with a tax credit scheme, devised (ironically enough) by Arthur Cockfield.\textsuperscript{116} The 1974-9 Labour government abandoned Cockfield’s scheme, which it regarded as expensive and unwieldy, though it did follow through on a commitment to introduce a generous and universal child benefit.\textsuperscript{117}

Notwithstanding the ‘rediscovery of poverty’, however, the financial and attitudinal obstacles to a basic income remained very real. Political interest thus came to focus on more selective forms of integration. As the \textit{Manchester Guardian} pointed out as early as 1957, a negative income tax or income guarantee would be much cheaper than Rhys-Williams’ scheme, since payments would be withdrawn as income rose.\textsuperscript{118} Milton Friedman advocated a negative income tax as a replacement for other forms of social provision in \textit{Capitalism and Freedom} (1962), and the idea was quickly taken up by British neoliberals and Conservatives, along with some Labour politicians who saw it as a way of destigmatizing means-tested benefits.\textsuperscript{119} Enoch Powell and Douglas Houghton both developed abortive plans for an income guarantee for pensioners, and the Heath government introduced a means-tested Family Income Supplement which subsequently mutated into New Labour’s tax credits system.\textsuperscript{120} Income support for working-age claimants is now being rationalized by Iain Duncan Smith’s Universal Credit scheme, which will sit alongside a more universalist single-tier state pension.\textsuperscript{121}

The growing influence of the ‘social market’ perspective in British social policy since the 1960s thus represents only a qualified triumph for Rhys-Williams’ thinking. The inter-related character of taxation and social security is now widely recognized, and successive

\textsuperscript{115} Vincent, \textit{Poor Citizens}, 133-9; Abel-Smith and Townsend, \textit{The Poor and the Poorest}.
\textsuperscript{117} Torry, ‘The United Kingdom’, 243-5.
\textsuperscript{118} \textit{Manchester Guardian}, 27 Mar. 1957, 6.
\textsuperscript{119} Friedman, \textit{Capitalism and Freedom}, 190-5; Barker, ‘Negative income tax’.
\textsuperscript{120} Bridgen, ‘The One Nation idea’, at 90; Thornton, \textit{Richard Crossman}, 93-125; Waldfogel, \textit{Britain’s War on Poverty}.
\textsuperscript{121} Timmins, ‘The coalition and society (IV): Welfare’.
governments have sought to refine the relationship between the two systems. Income support has also been extended to those in work as well as out of it. On the other hand, the prevailing philosophy of welfare provision has come to be dominated even more strongly by need rather than citizenship. As a result, basic income advocates still find themselves on the margins of a policy agenda geared towards poverty alleviation and work incentives.

**Conclusion**

What, then, should we make of Juliet Rhys-Williams’ campaign? Though it represented a path not taken, it certainly deserves more than a footnote in history. Rhys-Williams’ proposals offer a striking demonstration of the reach of egalitarian, universalist, and social contract ideas in 1940s Britain, and of the availability of radical alternatives to the Beveridge scheme. Two decades before the ‘rediscovery of poverty’, Rhys-Williams identified some of the main limitations of the social insurance model and sought to devise a remedy. She also used her personal and political contacts to attract support from politicians and economists and forced reluctant civil servants to examine the feasibility of a basic income. If her campaign had been successful, the post-war welfare settlement might have taken on a very different cast, with a less steeply graduated tax structure but a more comprehensive income floor for the population at large.

In contrast to other policy entrepreneurs such as Beveridge and Eleanor Rathbone, however, Rhys-Williams was unable to persuade the politicians that mattered to take up her proposals. This failure can be attributed to a mixture of context, tactics, and strategy. Most important was the popularity of the Beveridge report and the power of the assumptions on which it was based. As is now well known, Beveridge’s determination to conquer the ‘five giants’ of want, idleness, ignorance, disease, and squalor was counterbalanced by a more traditional concern to contain the cost of welfare and preserve the liberal ethos of independence and responsibility.122 His preference for contributory insurance and his determination to restrict payments to cases of entitlement or destitution – except in the special case of family allowances – were shared by Whitehall officials, businessmen, and trade union leaders. Support for progressive income tax as a means of achieving equity between citizens was almost as widespread.123 Though post-war concerns about PAYE opened up the possibility that the welfare settlement could be recast on different lines, both Labour and Conservative politicians ultimately deemed it more prudent to pursue their objectives within the Beveridge model. If there was no consensus about the ultimate purpose of the welfare state in the late 1940s and early 1950s, the evidence submitted to the Royal Commission revealed a substantial measure of agreement on its fiscal architecture, which was reinforced by political caution, path-dependency, and institutional inertia.124

In these circumstances, rallying support for alternative visions of welfare was a formidable task. Rhys-Williams achieved what she did not only because of her social contacts but also because she was an indefatigable campaigner, who adapted her scheme repeatedly to take account of criticisms and exploit new openings. Yet this flexibility was ultimately a weakness as well as a strength, since she sometimes seemed to be more attached to the

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122 Harris, ‘“Contract” and “Citizenship”’.

123 In particular, Richard Whiting has argued that most mid-century Conservatives accepted the principle of progressive taxation even if they questioned its level: Whiting, *Labour Party*, 269.

124 Helen Fawcett has highlighted the policy feedback loops created by the Beveridge model in her discussion of Labour’s national superannuation plans: Fawcett, ‘Beveridge strait-jacket’.
mechanics of reform than to its original purpose. Her tendency to treat expressions of interest as firm endorsements was damaging, and the sweeping claims which she made for her proposals also invited suspicion: as Hugh Gaitskell pointed out, the notion that almost everyone would benefit seemed ‘naïve’ and incredible. In an era of professionalization and the ‘triumph of the expert’, Rhys-Williams made it all too easy for policy-makers to dismiss her as a crank, pushing pet ideas onto the policy agenda through her social and political connections.

These tactical mistakes were compounded by the strategic problem of Rhys-Williams’ political conservatism. The most obvious strategy for achieving a substantial basic income in post-war Britain would have been to enlist support from the Labour movement, and especially from welfare experts such as Barbara Wootton and Richard Titmuss who were sympathetic to universalist ideas. Rhys-Williams might well have forged an alliance with this group by presenting her scheme as an embodiment of T. H. Marshall’s theory of social citizenship, but her strongly felt hostility to socialism made this impossible. Her own approach implied a very different distributive coalition, uniting Conservatives, Liberals, women voters, and the low paid against the unionized male breadwinner, which was always an unlikely prospect. In the absence of an ethical or philosophical justification for universalism, centre-right interest in the scheme tended to be shallow and contingent on its electoral potential or its value as a tax reform. When the Conservative leadership turned it down on both these counts, Rhys-Williams’ strategy disintegrated.

In a longer perspective, however, a more positive assessment is possible. Through her influence on figures such as James Meade and Alan Peacock, Rhys-Williams helped establish a broader current of interest in tax-benefit integration which has become central to British social policy in the post-war period. Indeed, the ideological eclecticism of the ‘social market’ perspective has enabled it to take root across the political spectrum: basic income on the post-materialist left, negative income tax on the free-market right, and tax credits and other hybrid schemes in the pragmatic centre. This shift towards a mixture of income- and age-contingent transfer payments represents a significant departure from the contributory insurance model envisaged by Beveridge. At the time of writing, the political forces making for a selective and residual welfare system are strong, especially in respect of working-age claimants. The ultimate character of the twenty-first-century welfare state nevertheless remains an open question.

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126 Hodge, Triumph of the Expert.
127 Parker, Instead of the Dole; Bochel and Defty, Welfare Policy; Tondani, ‘Universal basic income’.
128 Jordan, ‘Perils of basic income’.
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