

community as a whole. Owing to the complexity of modern civilization the old pioneer spirit of mutual helpfulness, which regarded a neighbour's need as an opportunity of demonstrating friendship, has too limited an application, and without a joint community effort many would suffer, and in the past have suffered, from entirely preventable distress.

✓64. The social-security benefits proposed by the Government are a logical development of the social services that have been a feature of our legislation for many decades and represent the embodiment of the public conscience as to the community's responsibilities for those who have been deprived of the means of fending for themselves.

65. The Committee was impressed by a great deal of evidence put before it, which showed the needs which must be met and particularly the efforts which have been made by friendly societies and other voluntary organizations to share the burden falling on those whom misfortune may visit. While nothing but commendation can be given to these institutions for the remarkable work they have done in the community, it is unfortunately apparent that far too many of our citizens are entirely outside the range of their service, and nothing but a national scheme would have the strength to meet their needs. Even in the case of those witnesses who raised objection to paying a contribution unless there was a definite return, no real argument was raised against the need to make adequate provision for those whom it is proposed to benefit under the scheme.

✓66. The principles of many of the benefits proposed are already well defined and understood, and no objection whatever has been voiced to making the benefits more generous than in the past, affording to the beneficiaries a more adequate share from the abundance of the community's wealth. In no case did a witness contend that any of the benefits proposed were too generous. The Government's proposals set out eleven specific social-security benefits which we propose to deal with individually :—

#### ✓(I) INVALIDITY BENEFITS.

67. The Pensions Amendment Act, 1936, introduced for the first time in New Zealand invalidity pensions similar in nature to those granted in most other civilized countries of the world, the rate of pension being 20s. per week for the invalid, 10s. for his wife, and 10s. for each dependent child, with a maximum benefit of £4 per week. The evidence produced showed that this pension has been the means of relieving the distress of 12,000 invalids as well as their dependants, and it is anticipated that the number will grow in future years as more people become aware of the assistance that can be obtained.

68. The Government's proposal to provide in the invalidity benefit the larger amount of 30s. for the invalid with 10s. for his wife and 10s. for each child, leaving the other conditions as they now apply to the pensions, has met with the general approval of the Committee, which is satisfied from the evidence that the payment proposed is necessary. The class covered by this benefit, which incidentally includes the blind, is one deserving of the utmost sympathy and assistance from the community, particularly as it is realized that qualification for the benefit means that the individual, so far as the medical officer can judge, can never hope to recover and fend for himself.

69. The present invalidity pension is payable at the rate of 20s. per week for the invalid from the age of sixteen years. In the case of invalids between the ages of sixteen and twenty years who would, if physically fit, earn considerably less than standard wages, we consider that the present rate of pension is adequate in comparison with the rate of 30s. per week proposed for adults. In practically every case such youthful invalids are living with their parents and have not the same economic needs as adults who may have to pay for lodging.

70. We therefore recommend that the invalidity benefit should be payable at the rate of 20s. per week for invalids between the ages of sixteen and twenty years and thereafter at the rate of 30s. weekly.

#### (II) SICKNESS BENEFIT.

71. The Committee was impressed by the evidence given by the representatives of the friendly societies and the New Zealand Branch of the B.M.A. and other witnesses as to the real mental and physical distress which is caused to those who fall sick owing not only to the privation resulting from the cutting-off of the ordinary income, but the fear of debt, which will have to be met when the breadwinner recovers his usual health. It was made perfectly clear to the Committee that this fear had a profound effect on the powers of recuperation of sick persons and that the provision of a sick benefit would go a long way towards meeting the need. The way has already been clearly shown by the efforts of the friendly societies, sick-benefit funds, and other voluntary organizations which have come into existence because of the need for some such provision. The Government's proposals simply develop to their logical extent the principles adopted by friendly societies and sick-benefit funds in spreading the loss of one individual over the whole period of his membership, as well as over the whole group.

72. It was indicated to the Committee that the Government desired its recommendation as to the form and amount of benefit to be granted after the Committee had had the opportunity of hearing evidence from witnesses who had experience in the administration of sick benefit. It appears that the present amount granted by friendly societies and sick-benefit funds ranges between 10s. and 30s. per week per sick member for a limited period, usually six months, the benefit being then reduced to an amount which averaged about 10s.

73. In the case of these two types of organizations the amount of benefit has been limited by financial considerations due to the comparatively small size of their membership and the small group over whom the risk was spread. In no case was it considered that the amounts now being granted by these societies were the limit to which payments should extend.

✓74. After giving very careful consideration to this question the Committee is of opinion that the benefit under the scheme should be related to the need of the individual. Sick benefit should be payable at a rate adequate to meet the temporary situation which the average sickness creates and should be paid where the income of the breadwinner is lost by inability to work.