

100. The members of the Committee were at pains to point out to these witnesses that there was no distinction between the superannuation benefits and the other benefits proposed under the scheme. Each one is a social security benefit, which term implies that the community as a whole insures its individual members against part of the financial loss resulting from permanent invalidity, unemployment, widowhood, orphanhood, sickness, disability, and, in the case of superannuation, the attainment of old age without sufficient means of livelihood.

101. The opinion in the minds of some of the witnesses was less understandable when it was found that many of the superannuation funds represented made provision for no more than an endowment or a cash payment, at the end of the term of service, so that on retirement the employee's income was subject to all the usual risks attending private investment. In one case at least the employee lost the whole of his personal contributions if he left the service of the employer before reaching retiring-age. It was clear also that the contribution to many of these funds, with their restrictive rights of return of contributions, was a real tie and prevented many employees from taking advantage of opportunities to improve their position in outside firms. It was a striking feature of practically all these funds that they make no provisions for widows and children in the event of the early decease of the contributor.

102. The Committee, in this regard, was concerned to ascertain the cost to an individual who desired to make provision himself for an annuity equal in amount to State superannuation as proposed by the Government—namely, 30s. per week at age sixty. The following table sets out the premium, as given in evidence, according to the present age of the contributor, and allowing for all bonuses, discounts, or other indirect credits:—

Ordinary Deferred Life Annuities.—Approximate Weekly Contributions required to produce 30s. per Week from Age Sixty.

Age last Birthday.	With Return of Contributions in the event of Prior Death.	Without Return of Contributions in the event of Prior Death.
MALE LIVES.		
	s. d.	s. d.
20	4 3	3 11
30	7 3	6 4
40	13 3	11 9
FEMALE LIVES.		
20	5 0	4 9
30	8 3	7 8
40	15 0	14 2

103. The objections raised by some of the witnesses were very confused, but the evidence given on behalf of the bank officers is illuminating. In reply to a question by the Prime Minister, Mr. Evans, eminent counsel retained by the associated banks, replied that if superannuation were treated as a thing apart his submission was that only those who benefit should contribute. As far as other services were concerned, he submitted that taxation was the proper basis for them.

104. These witnesses were united in agreeing that it was entirely right that the whole community should bear the cost of providing old-age pensions, and it is clear that if provision had been made by way of an increase of the old-age pension at the cost of the Consolidated Fund, paid for by general taxation, they would have had no objection on principle.

105. It was pointed out by members of the Committee that the social-security contribution of 1s. in the pound represented only an increase of 4d. in the pound over the present rate of employment tax. The 1s. was estimated by the Actuary to produce the sum of £7,500,000 in the year 1939-40. Out of this amount the following entirely new benefits or increases over existing benefits are to be provided under the Government's proposals, leaving superannuation out of account altogether.

106. We quote the figures furnished by the Actuary:—

	£	
Widowed mothers	130,000	(additional).
Widows	150,000	(new).
Orphans	50,000	(new).
Family allowances	620,000	(additional).
Invalidity pensions	300,000	(additional).
War veterans' allowances	40,000	(additional).
Miners' pensions	15,000	(additional).
Health benefits	3,000,000	(new).
Sickness benefits	1,000,000	(new).
Disability benefit	500,000	(new).
Administration	450,000	(additional).
	£6,555,000	
Add sustenance now covered by the 8d. in the pound ..	1,500,000	
	£8,055,000	