

107. From these figures it is clear that there is no justification for regarding any particular portion either of the 1s. in the pound contribution or, for that matter, of the subsidy from the Consolidated Fund as earmarked or allocated for any particular benefit. The scheme is in the nature of an insurance cover against disaster, exactly on all fours with fire and accident insurance which every prudent citizen undertakes as a matter of course, hoping, nevertheless, that he will not be so unfortunate as to have to make a claim for a cash return.

108. The Committee recognizes that if it were possible to grant a benefit of a like amount to every person in the community that would undoubtedly have some desirable effects. Where, however, the money available is limited and the needs of some are so great as to require the application of all that money, leaving nothing for those who are otherwise adequately provided for, it seems that no civilized community need make any apology for applying the money in the way suggested under the Government's proposals.

109. The most careful consideration has been given to the representations of the witnesses on the subject of this benefit, but after due deliberation the Committee is unable to appreciate how the suggestions made by these witnesses could be carried into effect without either increasing the amount to be taken from the public by way of contributions or taxation, or by reducing the benefits proposed to those whose need is the whole reason for the scheme.

110. The witnesses suggested that those they represent should be exempt from contribution for some or all of the benefits, which would throw the whole of the cost on to the remainder. In the alternative they asked that they should receive a benefit at the same rate as anybody else, irrespective of their need. The latter course would increase the total cost so greatly as to double the cost of superannuation benefits alone.

111. Under the proposals superannuation for a man and his wife when they are over the age of sixty years would be £3 per week and other allowable income of £1 would enable them to receive up to £4 per week. Figures are not available from private funds, but we found that in the case of the Government Railways Superannuation Fund not less than 1,635 (70 per cent.) of the present superannuitants, numbering in all 2,331 (and most of them are married), were receiving superannuation of less than £4 per week, and 1,010 (43 per cent.) of them are receiving under £150 per annum or £2 18s. per week. In the Public Service Superannuation Fund, which now has 1,979 males on superannuation, 1,023, or 51 per cent., receive less than £4 per week, and 583, or 29 per cent., have superannuation of under £150 per annum. The vast majority of these have no other income, and they would therefore, if otherwise eligible, become entitled to State superannuation from the national scheme to supplement their present income up to the maximum of £4 per week. This fact appears to have been entirely overlooked by most of the witnesses.

RECOMMENDATIONS.

112. The Committee, therefore, after giving due weight to the representations made, finds itself in accord with the proposals of the Government in regard to superannuation, and recommends that these proposals should be adopted.

113. Recognizing, however, the desirability of providing universal superannuation without regard to other income or property, we recommend that immediately the procedure for the social-security proposals has been instituted, the Government should consider the extension of the scheme to provide a gradual increase in allowable income until universal superannuation is realized.

WIVES UNDER SIXTY YEARS OF AGE.

114. We have looked further into the position of those married men who are older than their wives and who would qualify for superannuation for themselves some years before their wives did so. The majority of men will scorn to retire from work at the age of sixty, and there is nothing in the proposals to prevent them from working as long as they desire. Where, however, reduced capacity compels a man to retire at sixty, a hardship may be caused if his wife is under sixty and only 30s. can be paid. To meet these cases the Committee recommends that the Government should consider favourably the practicability of making some provision for the wives and children of such men if a medical certificate shows the breadwinner is unable reasonably to maintain his place in industry owing to failure of physical and mental powers of a permanent nature.

PART III.—FINANCE.

115. The Government in its proposals has suggested that the cost of the scheme should be borne by a contribution of 1s. in the pound on all salary, wages, and other income, a registration levy of £1 per head per annum, and a subsidy from the Consolidated Fund to meet the difference between the produce of the contributions and levy and the total cost.

116. In his report placed before the Committee the Actuary estimated that the total cost of the benefits under the Government's proposals, including administration expenses, would be £17,850,000. The national income on which contributions would be levied was estimated in 1939-40 at £150,000,000 yielding a return from contributions of £7,500,000, to which would be added the produce of the registration levy on the present basis—namely, £500,000. This calculation would leave a sum of