

following my broadcast on the subject on 5th May, action was taken which will save about £12 million in a full year. Details of the annual value of the saving on each subsidy and of the subsidies which still remain are recorded in Table No. 10 attached to this Statement. As the adjustments were made during the course of the current financial year, the saving to the Consolidated Fund this year will amount to about £9 million only.

Although provision has been made in this year's estimates for subsidy expenditure amounting to £8,091,000, the annual value of the remaining subsidies is only £5·5 million.

To obviate any hardship caused by increases in prices following the removal of subsidies, the attention of the Arbitration Court was drawn to the action taken. The Stabilization Regulations were amended to enable the Court to make an interim general wage order increasing rates of remuneration so that wage-earners could be compensated without delay for increased living costs. This was done.

Following the removal of subsidies from the 8th May, 1950, and in pursuance of the undertaking given, the Government immediately increased the basic rates of age, widows', invalids', orphans', miners', sickness, unemployment, and related emergency benefits by 2s. 6d. a week for single beneficiaries and by 5s. a week for married couples. Mothers' allowances were also increased by 2s. 6d. weekly. The additional cost to the Social Security Fund is estimated to be £1 million a year.

Increases on a similar basis have also been made to certain classes of war pensioners and their dependants. War veterans' allowances have similarly been increased.

There is, however, a small but thrifty section of elderly people, living on small fixed incomes derived from interest and dividends on shares, stocks, bank deposits, and similar investments, who get no benefit from the recent increase in social security rates. These most deserving people, who have accumulated savings that a decade or so ago would have appeared substantial and adequate, are to-day little better off by way of weekly income than those who of necessity or otherwise spent their income as it was received and now are recipients of social security benefits. This is because of a provision whereby, in their case, benefits are reduced by £1 for every £10 of such accumulated property, as it is called. Thus a widow with, say, £2,000 invested in