

for age-benefits is sixty-four, and that 40 per cent. of applicants are over sixty-five when they apply for the benefit. To adopt the proposal as outlined would not attain the objective, in that people would be induced to go on benefit earlier rather than later. While the present state of affairs continues it is proposed to offer some inducement to people to continue working, and also an encouragement to saving by applying the proposal to the allowable income for beneficiaries over sixty-five years of age. It is now proposed that persons who do not apply for the age-benefit until age sixty-five or over may have an allowable income, without reduction of benefit, of £1 10s. a week, increased by 2s. 6d. a week for each year prior to application that they were eligible for the age-benefit apart from earned income. If circumstances are such that any person cannot defer his application until he is sixty-five, he will be entitled when he does reach sixty-five to the extra allowable income at the rate of 2s. 6d. a week for each year of postponement of his application. That is to say, if he could have applied for age-benefit at age sixty but did not do so until he was sixty-four, he will at age sixty-five be permitted an allowable income of £2, instead of £1 10s. The maximum allowable income will be £2 2s. 6d. a week. Thus a person who fulfils the conditions between ages sixty and sixty-five will get the full age-benefit and be able to earn up to £2 2s. 6d. a week without reduction of benefit. If married, he and his wife could then have an income of £7 7s. 6d. a week. The allowable income could be wholly or partly derived from investment of savings and thus be an encouragement to thrift during the extended working life.

The Government is concerned at the difficulty experienced by housewives, and particularly by mothers with young children, in getting help in the home. To induce women to help in this direction it is proposed to allow them to earn up to £3 a week without affecting their social security benefits.

Taxation Adjustments

High rates of taxation generally tend to hold up prices and discourage enterprise. They also limit the scope for savings and discourage them by taking a big share of the interest return from investments. Unfortunately, the high level of expenditure at present precludes anything in the nature of a general reduction in taxation.