

Some Comparisons With N.Z.

(Continued from previous page)

will be paid from the Exchequer in respect of all children when the responsible parent is in receipt of social insurance benefit or pension, and in respect of all children except one in other families. The allowance is tentatively put at 8/- per child per week. In addition, everybody will be covered by a comprehensive national health service and personal rehabilitation treatment and also a grant for funeral expenses.

How Much—And From Where?

Now you will ask how much money people are going to get under these schemes. The most important benefit is the unemployment benefit, and it will be seen in this case that where a wife is not gainfully employed, the joint income of the family of man and wife and two children will amount to 56/- a week. Retirement pensions are to increase steadily over 20 years until the middle of 1964, when they will be the same as the unemployment rate, that is 24/- a week for a single person and 30/- a week for man and wife. That will give you some idea of the scale of benefits.

The next question is: How is this to be financed? Well, except children, the retired and housewives not gainfully employed, citizens will pay a weekly contribution by stamp on one insurance document. Employers will have an additional contribution to make to the social insurance fund in respect of each worker, and the Exchequer, too, will make a grant. So the adult man, in employment, will have to pay 4/3 a week. The adult woman 3/6, while the employer will pay 3/3 for each man employed, and 2/6 for each woman employed. Actually, these proposed terms are not very much more than most workers are subscribing already in one way or another to a compulsory health insurance or other voluntary types of insurance. The new expenditure for the Budget will work out at 265 millions in 1945, and this will steadily increase for 20 years.

Our Leadership Acknowledged

All New Zealanders are, of course, familiar with this type of legislation. Our country in many of these fields has by example and experiments shown a light to the world, and of that we may be proud. Our leadership has been handsomely acknowledged in the present report, although it isn't of course true to imagine that in all respects we are in the forefront, or that in some respects other countries (including Britain), have not things to teach us. Direct comparisons must be made with great caution, because the social environment may differ so widely from one country to another. New Zealand could claim to be one of the first in the field of pensions of various kinds and of protecting workers from the consequence of industrial accident and disease. In point of time and scope, the British legislation has tended to lag behind us. In the field of unemployment, however, where happily New Zealand's problem could not bear comparison with that of Britain and older industrialised countries, until the 1930's we had no legislation to compare with that of the National

Insurance Act of 1911 for which Mr. Churchill was the responsible minister. All this, of course, merely illustrates how different economic environments raise different problems at different times and call for varying remedies.

Some Differences

When we compare New Zealand's present legislation with these new British proposals, two great differences emerge. In Britain the flat rate contributory principle is to be retained and the means test is entirely rejected. The contributory principle is deep-rooted now in the habits of the people in Britain, and is felt to have a valuable influence in encouraging private thrift and enabling people to lift their standards above the national minimum if they choose. So in Britain rates of contribution are to be flat, that is irrespective of earnings. But the security fund will be supplemented by employers' contributions and a grant from the Exchequer. In New Zealand the contribution is really a form of income tax adjusted to ability to pay. In Britain, too, there are historical reasons for the unpopularity of earmarking a part of income tax as revenue for a specific purpose.

Just as rates of contribution are to be flat, rates of benefit are to be flat also to all classes; that is, no account will be taken of previous earnings. In New Zealand all benefits, save the superannuation benefit, are subject to a means test. Sir William has rejected the means test entirely. Another difference concerns workers' compensation. Although it is admitted that certain rather special problems are raised by benefits payable in respect of risks which differ very remarkably from occupation to occupation and which may have the effect of discouraging entry into vital work, nevertheless, workers' compensation has been assimilated into this scheme, whereas in New Zealand it has been kept apart from the Social Security Act. The British plan does, however, leave room for special treatment of victims of industrial accident or disease.

In comprehensiveness, both in classes of people and risks covered, the plan has borrowed from New Zealand experience as it has over the question of New Zealand administration. In one respect at least it goes even further. I refer to State funeral benefits, which are to be available to all. New Zealand's old-age pension is in the long run more favourable than the same envisaged here. It is £3 a week (by 1968), as you know for man and wife, as against £2 here by 1965. Yet against that, the New Zealand scale starts lower than the proposal here, and as I've said, no means test is to be imposed in Britain.

If the Beveridge proposals are embodied in the law of Britain it will not be easy for any country. New Zealand included, to claim superiority in this field. In particular aspects, of course, there are bound to be differences. They will be part of history, of tradition, and more particularly of social environment. But in general, this plan brings Britain to the front rank in social legislation. New Zealand will rejoice in the advance, because we have played a worthy part in it.



*Don't blame
your
Storekeeper!*

Remember, it isn't your store-keeper's fault if you cannot buy all the mustard you'd like in War time. The amount of mustard available for civilians depends on shipping space and the needs of troops in camp.

When your grocer can hand you a tin of Colman's Mustard make it last! Mix just enough for each meal and add that extra enjoyment with a dash of Colman's Mustard.

Colman's Mustard

M19



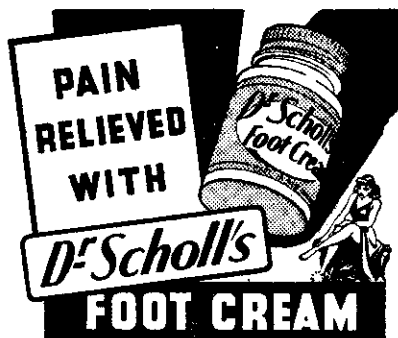
STAMPS

Sent on approval—

state requirements

**FINEST STOCKS IN
NEW ZEALAND**

Mention this paper



**PAIN
RELIEVED
WITH**

**Dr. Scholl's
FOOT CREAM**

Stimulating, penetrating and anti-septic cream recommended for sore, tender swollen feet, neuralgia, sciatica, muscle soreness and rheumatism-like pains in feet and legs. Excellent for chilblains. Soothes and relieves pain in any part of body.

LARGE JAR 2/9 DOUBLE QUANTITY 4/10½